

Farm Financial Outlook Is Static

There is general agreement among economists that business activity will be very high in early 1953 with some of the leading business indexes establishing new record highs in both the first and second quarters. There apparently is less agreement as to exactly when they will reach their peaks and either level off or start dipping downward. Some look for a slight slipping in business activity

in the third quarter, whereas others think it will not come before the fourth quarter of 1953 or the first quarter of 1954. The United States Department of Agriculture estimates presuppose that the peak in general business activity will come in the third quarter of 1953 and that only a very slight dip will be evident in the fourth quarter. Domestic demand for farm products is expected to continue at a high level during most of 1953. National employment may continue to increase moderately and disposable income will be higher than last year.

Foreign demand for U. S. farm products—an important segment of demand, particularly for such products as cotton and tobacco—is likely to be substantially below 1952 levels. Several factors are contributing to this reduced export demand. Among them are a general increase in foreign supplies of wheat, cotton, and some fruits. Also, the continued tight dollar situation will reduce American sales to some countries that normally are important customers for American farm products. They, as well as other importing countries, are taking advantage of exportable supplies in other surplus-producing areas some of which are also cheaper than American products.

If growing conditions are about average next year, the volume of farm marketings in 1953 may be as large or slightly larger than in 1952. However, with slightly lower farm prices in prospect as a result of heavy marketings of some products—for example, cattle—and some slackening in the over-all demand for farm products, both cash returns from farm marketings and gross farm income are likely to be slightly below 1952 levels. Commodities for which cash receipts are most likely to be higher, according to the Bureau of Agricultural Economics, are dairy products, chickens and eggs, corn, and oil-bearing crops. Receipts are likely to be smaller from wheat and tobacco.

Present indications are that cash returns from farm marketings in 1953 are unlikely to exceed this year's expected level of \$33.5 billion and are more likely to be slightly smaller. In addition to the cash receipts, gross farm income also includes the value of home-consumed farm products, the rental value of farm dwellings, and Government payments to farmers. These other items in gross income probably will be about as large in 1953 as in 1952. Consequently, gross farm income appears likely to be only moderately under the estimated 1952 level of \$37.6 billion.

The total cost of farm production has risen in 13 of the past 14 years and is expected to rise again slightly in 1953. This increase in expenditures will result both from higher prices of the things farmers have to buy and from larger quantities bought. No crippling scarcities of the type that would cut farm production are anticipated, although wire fencing is likely to continue scarce through most of the next year.

As a consequence of the slightly reduced farm income and slightly higher production expenses, net farm income may be about 5 per cent lower in 1953 than the \$14.2 billion expected for 1952. In view of the expected further small in-

North Carolina 4-H Winner Honored



Thomas H. Young, director of advertising for United States Rubber Company (left), congratulates Ann Lyon McIntosh of Creedmoor, North Carolina, one of twelve national winners of the National 4-H Recreation and Rural Arts Program at a recent "Share The Fun" breakfast in Chicago. More than 700 persons, including state and agricultural extension personnel, were guests at the breakfast given in honor of the winners by U. S. Rubber Company, awards donor. Event was part of the 31st National 4-H Club Congress.



Julius Wade (Jerry) Forehand, an Enterprise employee before entering the service a short time ago, is completing his basic training at Lackland Air Force Base, San Antonio. He is the son of Mr. and Mrs. T. E. Forehand of Williamston.

crease in prices paid by farmers, indications are that the smaller realized net income in 1953 will have the smallest purchasing power of any year since 1941 and only about one-third more than average during the 5 years 1945-49. The high level of domestic demand for farm products generally will be a very favorable factor in the Fifth District. Prospects are for substantially smaller exports of both cotton and tobacco, but despite the lower export demand, it appears that both crops will continue generally profitable. Tobacco acreage will be reduced substantially in 1953 as a result of the smaller 1953 acreage allotments for flue-cure tobacco. It is to be expected that income in flue-cured tobacco areas will decline, since most farmers will be unable to

make other change in their farm business which will offset the drop in tobacco income.

Cotton acreage will be uncontrolled in 1953 and the price will be supported at 90 percent of parity. Present indications are that the carry-over next August 1 will be some one-half million bales larger than in 1952.

The increase in national cattle slaughter in 1953 is expected to push total meat production moderately above that in 1952 despite the expected slight reduction in hog slaughter. Heavy marketings of cattle in 1953 may force some further reduction in prices for live animals. The abundance of beef will tend to prevent any increase in hog prices and may depress lamb prices moderately.

Consumer demand for milk will continue at a high level during 1953, and until the 1953 pasture season begins, prices will remain above the levels of corresponding months of this year. Dairy farmers will continue to feel the cost-price squeeze, however, and will thus be under pressure to increase production efficiency. The BAE foresees a more favorable outlook for egg producers than a year ago but expects possible further decline in profits for broiler produc-

ers. In view of the outlook for further shrinking of net farm income in 1953, farmers are under increased pressure to reexamine their farm business for opportunities to increase production efficiency. For some years now, farmers have been increasing their production efficiency in terms of output per acre, per animal and per man. Much of the increased production efficiency that has been achieved has come about by the substitution in the production process of an increasing amount of goods and services produced off the farm and thereby involving cash expenditures. Indications are that over the past several years, the farmers' average cash cost of production per unit of farm product has tend-

ed to increase, even when an adjustment is made for the effect of price increases. In fact, one analysis indicates that the "increasing efficiencies about which we talk—increased yields per acre and per animal unit and increased output per man—have been achieved in part by the substitution of almost 15 percent more off-farm goods and services per unit of farm production." This increased commercialization of agriculture is, of course, reflected in the higher cash cost of farm production and the more than doubling of farm debt since 1946.

County Young Men Join The U. S. Air Force

Three Martin County young men, Robert B. Styons of Jamesville, Joseph Daniel Robertson of Williamston, and Clifton Lee Crawford of Robersonville, recently joined the U. S. Air Force, according to T Sgt. Elmo LeBlanc, local recruiter. These men are now taking basic training at Lackland Air Force, San Antonio, Texas. Upon completion of their basic training they will be assigned to one of the many technical schools of the Air Force.

Police Car "Hot Rod" As Power Line Falls

Oakland, Cal.—A police car—with a policeman inside—became a hot-rod in the strictest sense of the word recently, when a wind-storm threw a broken power-line carrying 2,300 volts, across the automobile. The officer, Chas. Woodworth, huddled on a cushion and radioed for help. A power-company emergency crew was sent to cut the line.

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