Peanut Crop Is Near Record Low

The 1953 North Carolina picked and threshed peanut crop is currently estimated at 203,500,000 pounds—unchanged from the October 1 estimate. A crop of this size, if realized, would be the smallest in twenty years and 35 percent below last year's production of 311,550,000 pounds.

A reduction in acreage of 8 percent or 16,000 acres from last year accounts for part of this decrease in production. However, a decrease in yield from 1,550 pounds in 1952 to 1,100 pounds this year is primarily responsible for the lower production.

Westinghouse net is up 13.2 per cent on biggest sales in history.

Moving Back To Easy Money Plan

There are many indications that the Administration is turning away from its mis-named "hard money" policy, back to the "easy money" policies of Democratic administrations. For one thing, inflation has been checked substantially and there is no further need for many of the anti-inflation measures adopted by the Republican Administration.

For another thing, the problem of balancing the budget is continuing to defy solution and when the government is spending more money than it takes in, an easy-money situation is almost certain to develop. There are also indications that the Treasury, and Republican leaders, became somewhat disturbed this Spring when business seemed to be receding a bit unexpectedly. At that time the Administration took its first definite action to ease the money supply, and since then, has shown it is highly sensitive to any reverse trends in the business world.

The recent news that the cost of living had reached a new high and that the debt ceiling of $275,000,000,000 was almost certain to be raised in 1954, lent emphasis to the easy-money policy, which is likely in the next year or two. A great deal of publicity has also been devoted recently to the theory that the government debt can be reduced most conveniently if a policy of gradual inflation is followed.

As a matter of fact, a policy of gradual inflation has persisted in this country since its founding. That is true with nearly every country in the world and seems to be an evolutionary financial development. In brief, the debt is reduced by the natural working of this system, as follows: The national debt is $275,000,000,000 in 1954 and the national income is $70,000,000,000. If a period of gradual inflation is followed, as has always been the case in the United States, thirty years from 1954, the national debt might remain about the same (barring a new World War) and the national income would have perhaps doubled. This, in effect, would reduce the ratio of the national debt to national income considerably.

Faced with continued heavy defense spending and an unbalanced budget in the immediate years ahead, the present Administration evidently prefers an easy-money policy, and possibly a normal amount of inflation, to a hard-money policy, and possible deflation.

Billion Dollar Drop For Farmer

The Department of Agriculture recently estimated the nation's farmers would receive a net income of about a billion dollars less this year than they did in 1952. The Department estimated the farmers' net income at $12,500,000,000 this year.

The Department also estimated next year's net income would be about the same as in 1953. Gross income next year might be down a bit, according to the Department, but expenses are also expected to be reduced during 1954, thus leaving the net income about the same.

While it is true that farm income is only a small per cent of the total national income, that income comprises twice the percentage of national buying power, in normal years, that it does as total income. Therefore, the effect of lower farm income is a heavier impact on the national economy than one would suspect, judging from the fact that total farm income is less than ten per cent of the total national income.

The Department's prediction that the situation next year will remain about the same is certainly not too appealing to farmers, and if the prediction proves accurate, opposition to the farm policies of the present Administration is sure to continue. As yet, the Department of Agriculture has shown little incination to make an effort to raise farm income back to the level of 1952, and no doubt the Democrats will set this as their goal in the political oratory of 1954 and 1956.

Making Study Of Vehicle Wrecks

Raleigh—The Department of Motor Vehicles began the second phase of its year long study of injury producing automobile accidents this week. For the next 60 days highway troopers in the Cumberland-Bladen section of the state will photograph every crash involving a fatality or personal injury and submit the prints along with a detailed report to research specialists of the Cornell Medical College. The information thus collected will eventually form the basis for automotive redesign recommendations. The current phase of the project is under the direction of Captain D. G. Lewis, commander of State Highway Patrol Troop B in Fayetteville.

Farm Mortgage Debt Increases

The Federal Reserve Fifth District farm-mortgage debt on January 1,1953, was estimated at $397 million, highest ever recorded in this area. This was 11 percent above the $357 million outstanding a year earlier and $164 million or some 70 percent more than on January 1, 1945 when the debt in this area reached a 34-year low. These increases are similar to, though some-what larger than, those for the country as a whole.

All groups of lenders increased their farm-mortgage holdings during 1952. The Farmers Home Administration with a 16 percent increase ove rthe previous year showed the biggest gain; individuals and miscellaneous lenders were second with a 13 percent increase; holdings of both insured commercial banks and life insurance companies gained 8 percent; and the amount held by the Farm Credit Administration rose 7 percent.

During the eight years since the 34-year low was reached, commercial banks have recorded the largest percentage increase of any lender group in the District, their holdings of farm mortgages now being almost two and a half times as large as at the beginning of 1945. By comparison, the amounts of farm-mortgage debt held by insurance companies and individuals and miscellaneous lenders, the latter two grouped as one, have slightly more than doubled, FHA loans have risen 15 percent, while this type debt held by the Farm Credit Administration has decreased by about a fourth.

There has also been considerable change throughout the District in the proportions of farm-mortgage debt held by the principal lending agencies. Individuals and miscellaneous lender now hold nearly half of this type debt as contrasted wth 38 percent in 1945; commercial bank holdings currently equal about a fourth of the total compared with a sixth at the earlier date; shares held by insurance companies have increased slightly; while proportions held by the Federal and federally sponsored agencies are now about one-fifth of the total as against two-fifths in the earlier period.

Factory Layoffs Are Increasing

Factory layoffs have been rising since mid-year from the low rate of late 1952 and early 1953, the Bureau of Labor Statistics of the Department of Commerce reports. Manufacturing firms let out workers during September at a rate of 15 per thousand employed, compared with 13 per thousand in August. Hiring rate was 40 per thousand employed in September; 43 in August.

Added layoffs were more marked in the durable goods industries group, said the Bureau. Automobile makers, machinery plants, and primary metal refiners were particularly mentioned.

Even so, the rate of separations remains remarkably low by any standard except that of the post-war boom. Time was when September saw the satellite auto plants, which together employ as many persons as the primary factories, almost wholly shut down as the last of old models were beginning to run off the assembly lines.

More than 1800 North Carolina communities, including some counties, are served only by trucks.