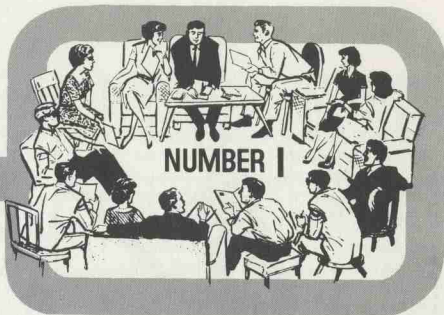


# DECISIONS FOR PROGRESS



PREPARED BY THE STAFF OF THE AGRICULTURAL POLICY INSTITUTE, N. C. STATE COLLEGE, RALEIGH, N. C.  
FOR THE NORTH CAROLINA AGRICULTURAL EXTENSION SERVICE

## *Why North Carolina Must Grow*

*What is growth? We all are familiar with growth of plants and animals. They expand, change and adapt themselves to their environment. Economic growth follows the same pattern and is just as important in the economies of states and nations as it is for plants and animals.*

*Economic growth is a short convenient way of describing the changes which take place in an area that result in higher incomes for the people who live there. If an area is experiencing economic growth, its per capita income is rising.*

*However, the changes caused by economic growth are demanding and complex. This leaflet and others to follow will provide you information on the issues that are necessary for economic growth. You will be able to relate situations to your community and to decide possible courses of action that you believe hold the most promise for economic growth in your area.*

### **What Is Economic Growth?**

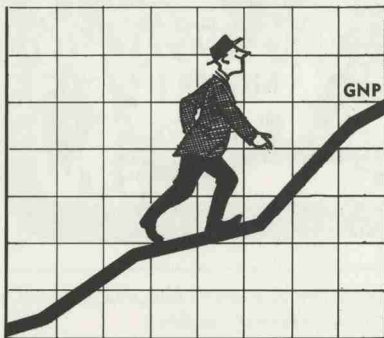
We measure our economic growth with a term called gross national product, commonly called GNP. It refers to the value of all goods and services produced.

Our GNP was \$521 billion in 1961. In terms of equal purchasing power, this compares with about \$362 billion in 1950. Our

national growth rate then, has been increasing at a rate of about  $3\frac{1}{2}$  per cent a year.

A more meaningful expression of our growth is the change in income per person. In 1960, North Carolina's income per person was \$1,574 compared to \$2,223 for the U. S. as a whole. This lower income position is one indication of our need for greater growth.

Other indications of our need for growth



A steady increase in GNP is one of our goals.

are reflected in the training and employment of people. The general level of formal education in the state is well below the national average. Even though substantial improvement was made during 1961, the state still only ranks 39th among the 50 states in teacher pay. North Carolina's rank in public school expenditures per pupil has been low for many years—even though our future income possibilities are in large measure determined by the education our children are offered.

The need for economic growth is reflected in migration patterns and job opportunities. Each year large numbers of people—especially those in the more productive ages—leave the state. This out-migration represents both a capital investment loss and loss of future earnings.

Most of the state's increase in population and industrial employment has occurred in the more urban counties, while the other areas have been by-passed in economic development. The increase in population growth in North Carolina from 1950 to 1960 was a little over 12%, compared to an 18% increase for the U. S. However, urbanized areas in the state have grown at a rate of 38% while the growth rate for rural counties has been almost 9%.

We need to make a careful examination of means by which the economy of the state as well as the nation might grow. It is true that the per capita income in North Carolina has increased in recent years at a slightly faster rate than that of the rest of the country. Now we must be concerned with what can be done to further narrow the gap.

Higher real incomes mean that we will have more goods and services to enjoy. Progress to date permits us to dress better and to eat better. Homes are more comfortable and equipped with labor-saving conveniences. With these improvements and better medical care, we not only live better, but we live longer.

To make still further gains, there must be public policies to insure that productivity continues to expand faster than population. The matter of expanding production means more than just the capacity to produce. It also means a desire to make progress, less unemployment, and price stability.

## Growing Pains

People, communities, areas and even states have felt the forces of mechanization, technology, scientific achievement and education. These changes have brought progress and a new way of life. They have also created a new environment and resulted in a need to change and adapt to new situations.

The growth of television is an outstanding example of the changes caused by economic growth. More and more people have come to enjoy this entertainment medium, while at the same time many movie theaters have been forced to close their doors, because of declining attendance. In the process, people have been forced out of work. However, the television industry has hired many more workers to more than offset those not working in the movie theaters.

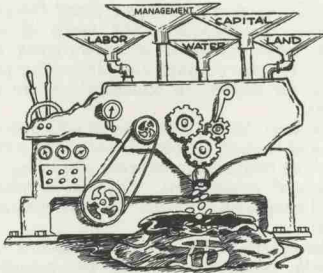
The same type of change has occurred in the construction business. Unskilled laborers pushing wheelbarrows have been replaced by \$20,000 earth moving machines.

Agriculture, too, has been touched by growing pains. Between 1954 and 1959, there was a reduction of more than 77,000 farm operators in the state. We now have fewer farms but larger farming units with higher capital investment and more specialization.

There are other indications of our growing economy. Our cities have grown so fast that recreational and cultural facilities have lagged. Larger numbers of children have magnified education problems. Highways and parking spaces have not kept pace with increased use of automobiles. Water shortages are becoming acute. Automation in in-

dusty has created unemployment.

These are just a few examples of the growing pains which a developing economy witnesses as it changes and attempts to adapt itself to a new environment.



From an abundance of resources in the state we have the tools for economic growth.

## Tools For Growth

A growing economy depends upon the presence of certain ingredients. Let's examine the types of resources available for growth.

*Human resources* are the essential and creative forces generating our economic growth. The basis for economic growth is a labor force increasing in size; improving in health; one with rising knowledge and skill and more and more specialized occupations; and one organized toward greater efficiency. The net result is improved production per worker.

We have been making our labor more valuable as indicated by the increase in school years completed. We now have a little over 6% of the population in the state, 25 years or older, who are college graduates, compared to 5% in 1950. However, over 50% of our adult citizens still have 8 years or less of formal schooling.

*Natural resources* include land, water, minerals, forestry, etc. They are necessary for growth but are meaningful only insofar as human ability and energy are applied to them for the purpose of producing goods and services.

The importance of our natural resources in economic growth is emphasized by the income from our primary sources. In 1960, the value of crude minerals extracted in the state was almost \$45 million. The value of agri-

cultural commodities produced was over \$1 billion. Approximately 19.3 million acres in the state are covered with forests. Our future economic growth depends on how we utilize and conserve these basic growth elements.

*Man-made resources* are the buildings, machines and equipment used to produce goods and services. If we are to maintain or improve our growth rate, it is necessary that we produce more than we consume. Then out of the excess or savings, capital will be available for reinvestment in new plants and equipment. Hence, a crucial factor in economic growth is savings.

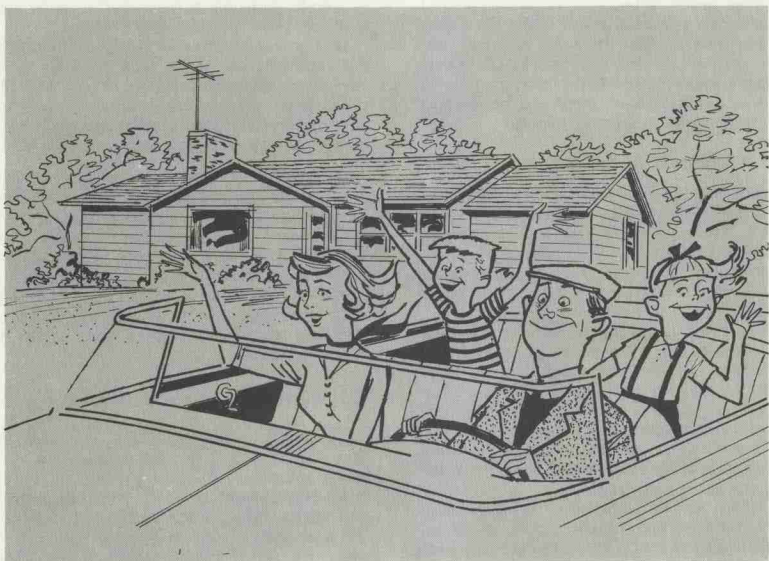
No doubt the quantity and quality of most resources will continue to increase in the future. But many opportunities for growth require an improvement in the way we use our resources. In many cases, this may involve the development and application of new technologies. Adjustments are needed to move labor and capital from areas of limited opportunities to those where profits are greater.

Increased use of capital has raised productivity per man hour of labor. Developments within agriculture present a striking example of this. Within the past decade, total farm output has increased about 25% with no increase in total productive inputs. This has come about through a change in the composition of existing resources. The quantity of real estate has increased 1%, while farm labor decreased 15% and power and machinery increased 6%. This type of improved efficiency illustrates the contribution of agriculture to economic growth if there are adequate opportunities to use the resources released from agriculture.

## Discuss and Decide

If we are to raise our personal income, reduce the exodus of people from the state and raise our standard of living, we must grow faster than other sectors of the country. Now let's turn to ways we can achieve this growth. Groups such as yours can play an important role in deciding which direction a community will guide itself in determining courses of action to take.





Increased personal income resulting from economic growth means a happier and more enriched life.

## The Problem

North Carolina has made gains in employment, education and income during the past years. Our problem is that our growth rate has not been fast enough to catch up with the rest of the nation.

## Goals

While an increase in per capita income is a major goal, you should also consider others. Some that you may wish to emphasize in your community are: better education programs; a diversified employment base; more efficient agriculture, a decrease in unemployment; and generally improved levels of living.

## Alternatives

### ① Leave it to the individual.

We might well compare ourselves with a pebble thrown into a pool of water. The ripples that are started spread over the total surface. So it is with the individual—the action each of us takes creates a ripple in

the growth of our economy. This ripple, as in the pool, diminishes as it spreads outward.

What can the individual do to aid in obtaining decisions for growth? First, he can make known his wishes by exercising his right to vote. By voting, we are the government and decide for or against issues that determine how we shall grow. By not voting, we forfeit our right to participate in these decisions. The collective votes of each of us are then the decisions we make for progress. By keeping abreast of current happenings everyone will know what issues are at stake and can vote accordingly.

The individual can also participate in decisions for progress by his personal actions. For example, we earn income from two sources: (1) the interest earned on assets owned and (2) wages received for labor. Income can be increased by gaining ownership of more assets or by making labor more valuable through education or experience. Our labor also becomes more valuable when we shift it from a lower paying job to a higher paying one. For example, we have more farm workers than are needed to produce our food

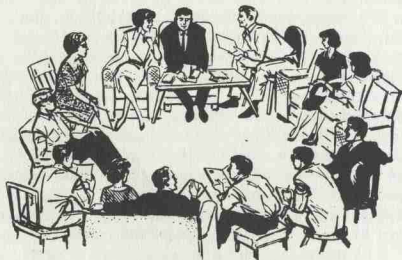
and fiber needs. When one of these workers changes to a job with fewer available workers, his own income increases and our national growth is thereby increased. Thus, personal decisions we make with respect to the type or location of work can be positive contributions to economic growth.

### **2 Participate at the community level.**

From our earliest pioneer days, we have recognized the benefits of cooperation with others. Today, we often find that through participation in community development associations or other development groups, accomplishments are often possible which could not have been done alone.

Your decision to participate in community activities can mean more pleasant living conditions, as well as more income. You might decide as a group to clean up the community and make it more attractive; conduct a campaign to bring telephones into a rural area; conduct a community campaign to enroll eligible people for social security benefits; and other projects.

Actions at the community level combine the efforts of individuals into a more influential expression. If we consider the analogy of tossing a pebble into a pool, we are able, by working together, to create a bigger splash and larger ripples by working as a group.



Groups such as yours can do much to promote economic prosperity in the state.

### **3 Participate at the area level.**

Some types of efforts to promote economic growth can best be attempted at the area level. Most of our growth is occurring in the areas surrounding large trade centers. This is because the trade center can most effectively

supply markets, transportation networks, a skilled labor force and utilities.

If a group decides to promote industrial development, the trade area is likely to be the most successful arena of action. The trade area offers a large labor supply and raw materials needed to attract a firm large enough to compete with others of its kind.

Growth in agricultural development also is aided by participation at the area level. The production of many farm commodities is dependent on the creation of better markets which in turn are best developed for areas larger than a community, or even a single county. Many activities such as watershed planning, trade schools and hospital facilities may be developed with needs of several counties in mind.

### **4 Participate at the state level.**

There are other decisions for progress that are reserved for the state level . . . better schools, roads, programs for industrial development or laws regulating trade and utility rates. Many of these actions are the sum total of our individual votes. However, we can further participate in these decisions by discussions with others on the issues involved, by being candidates for office and by engaging in the activities of organizations that can express our convictions on matters of statewide interest.

### **5 Participate at the national level.**

While many important factors in reaching our goals for growth can be influenced by individual or community action, there are other factors that are outside the control of the community. Monetary policy and national defense are examples.

Decisions for more rapid growth of the national economy are a prerequisite for a local program which hopes to reduce unemployment or increase per capita incomes. This is true if the solution to the area income problem is found in local employment growth or migration to other areas.

Decisions reached on industrial decentralization are important in economic progress and are often decided at the national level. For example, the decision to locate a vegetable processing plant in western North Carolina or a textile mill in eastern North Carolina is often reached by a board of direc-

tors in Chicago or New York. We can participate in these decisions only to the extent of making our area more attractive, our labor more skilled, our raw materials better and less costly, or our markets more competitive.

Finally, it should be recognized that one means by which government can insure a growing economy is by maintaining a high degree of democracy in economic matters. For example, anti-trust legislation helps maintain economic opportunity for the individual. Thus we can participate in public decisions, even at the national level by our vote and our collective actions.

## Now What ?

Material has been presented on North Carolina—a growing state. You have discussed the need, tools, and goals for growth. Most of all, you have discussed your place in a growing economy. Alternative levels for decisions for progress have also been discussed. At all levels of action, the individual is the key. If you have discussed these issues and have decided that progress is important to you as an individual, what can you do?

To begin, you can continue to discuss and decide in the leaflets that will follow this one. Each leaflet is designed to present the facts on an important issue today. These issues will largely determine if you achieve your personal goals for growth.

Leaflet number 2, *Manpower and Growth*, discusses the problems and needs of our labor force. Changes in employment opportunities are outlined and alternative proposals for better job opportunities are reviewed.

The third leaflet is concerned with *Education and Growth*. Facts are presented which show the relationship between education, income and occupations. Alternative educational programs are cited for your consideration.

The fourth leaflet discusses *Industry and Growth*. It shows our industrial potential, the advantages and disadvantages of industrial development and alternatives for achieving economic growth by means of an expanded industrial base.

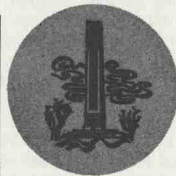
Leaflet number 5 presents facts on *Agriculture and Growth*. The problems of agriculture and the opportunities are discussed. Alternatives are offered to aid you in making decisions for growth in this area.

This leaflet is one of a series designed for use by informal discussion groups. The subject matter is concerned with economic development of North Carolina. The series of five leaflets include: No. 1. *Why North Carolina Must Grow*. No. 2. *Manpower and Growth*. No. 3. *Education and Growth*. No. 4. *Industry and Growth*. No. 5. *Agriculture and Growth*.

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