

"INVESTMENT AS A NATIONAL PROBLEM"

ADDRESS

of

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before the

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save more than we can spend for new productive equipment and durable consumers goods has something to do with stopping the upward movement of our economy.

Where do we really need more investment? Is it in New England? The great industrial area of the Middle Atlantic and Middle Western States? The Southwest? Or the West Coast? In what industries do we need investment? And in what industries is there difficulty in securing capital? Is it the great area of mining and manufacturing? Is it in the construction field? Is it in railroads or other means of transportation? Is it in public utilities? Or are there a whole series of new industries just being born which will require large volumes of investment? Some analysis of this problem has been made. We know for example that in recent years the Southwest has been absorbing funds. We know that the Northwest has been developing its industries. We know that in spite of all drawbacks public utilities have been expanding their productive capacity and using investment funds although the rate is not as great as that of the expansion period during the twenties. We know that the area of residential construction is crying for a higher rate of investment. We know that public construction has regained the levels which were achieved during the middle of the decade of the twenties. However, on close examination, when private industry and Government have used all of these possible outlets to the full, we still seem to need more outlets. If we fail to find them, then the danger is that our savings will be lost.

If they are not to be lost, then they must be used currently. If we cannot invest all our savings and do not want to lose them, then we must find ways to consume them. This would mean that a larger proportion of our income must be consumed. Here is the second part of our investment problem. How can we divert these would-be savings to consumption? Such diversion means higher standards of living. It means fuller use of existing investment. It may create higher levels of investment. Thus we can come closer to achieving the good life for all of our people.