

Controversy Over Tight Money Not To Stop After Election Day

By RICHARD E. MOONEY
United Press Correspondent
Washington—U.P.—The controversy over tight money will not stop on election day. Neither will the tightness.

Money is tight because there is more demand for loans today than there is money to fill that demand. When there is more demand than supply, the price—the interest rate a borrower pays for a loan—goes up.

Today's situation, with interest rates at their highest level in more than 20 years, reflects record borrowing on one hand and Federal Reserve credit restraints on the other.

Reserve System Accused
Critics accuse the Federal Reserve System of strangling the business boom, and particularly of putting a crimp in housing and small business.

Defenders maintain that without credit restraint the boom could blow up like a balloon and the burst.

Business developments after the election will determine whether money becomes tighter or slays as it is for a while longer.

Rep. Wright Patman, (D-Tex.), an outspoken foe of the Federal Reserve's credit policies, will give them a public airing at hearings in December.

The Controversy
What's the controversy about? Never before has there been such borrowing. Consumer credit, business borrowing from banks, business borrowing through the bond market, state and municipal borrowing—all are breaking records. Other kinds of borrowing also are high.

The Federal Reserve System can make more or less money available for lending.

When business says and borrowing drops, as in the 1953-54 recession, the Federal Reserve tries to stimulate recovery by making it easier and cheaper to borrow. But when things are booming, as now, the system

tries to hold the growth of borrowing down to a rate it considers reasonable. This is to keep business from over-expanding and collapsing from inability to keep up the pace.

The Federal Reserve exercises its control by three devices—The discount rate, which is the interest rate it charges for money it lends to regular banks which belong to the system.

Reserve requirements, which say how much money these banks must keep in reserve, and thus how much they are free to lend.

Purchase and sale of U.S. government securities, which raise and lower the reserves of member banks.

The major objections to the Federal Reserve's type of credit control is that it hits on such a high note that it is too tight for businesses in a weak position as well as those who may be over-expanding.

The average individual is likely to feel the pinch of tight money if he is trying to negotiate a home mortgage. Tight money has a smaller effect on the interest rates for automobiles.

Everyone is supposed to benefit, however, if tight money has the effect of keeping prices from skyrocketing. No one denies that prices are rising, but supporters of current monetary policy say prices would be even

higher if it were not for credit restraint.

The argument for tight money in these times is that if people and businesses had even more money to spend—borrowed money—it would only increase their already high incomes and their record demands for goods and services, but it would not immediately provide the things for which to spend the money. This lack would force prices up.

Money Supply Greater
Loan funds are not non-existent today. The supply of money is greater than it was a year ago, but the demand for it has grown even more.

So when you ask a bank for \$15,000 to buy a house, or \$25,000 or \$1 million to expand your business, you will find credit is not so easy as it was before. You will probably have to pay more for the money, you may not get all you want, and you may get none at all!

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A TALL ONE
Boynton, Mass.—U.P.—Mrs. Robert J. Brown of West Boynton, grew a 4 1/2-foot-high geranium. A horticulturist says geraniums usually grow only two feet in the New England climate.

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Ed. Adv. Bd. McIntyre for Councilman Committee

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Survey Shows Many Factors for Industry

Portland—Oregon's attractive communities constitute one of its most important drawing cards for industries seeking sites for new plants, a recent study by the Oregon development commission revealed.

Other factors that play a strong part in influencing the location of new plants in the state are the availability of low cost power, plant sites and building process water and good truck service.

The survey, which went to 800 business firms which have either come into Oregon since 1947 or undertaken substantial expansion, asked what they considered the most important factors in determining the location of new plants and how Oregon compares with other areas by these yardsticks.

Results of the study are summarized in the October issue of the ODC's official publication "Progress in Oregon."

The majority of replies to the questionnaire regard the work attitudes of individual workers, labor wage rates, property taxes, access to major markets and good truck service as the most important plant location factors.

ATOMIC DIVIDEND
Pierre, S.D.—U.P.—South Dakota has realized its first dividends from the atomic age. The school and public lands department has received a check for \$87.15, the first royalty ever received by the state for the mining of uranium ores from school land.

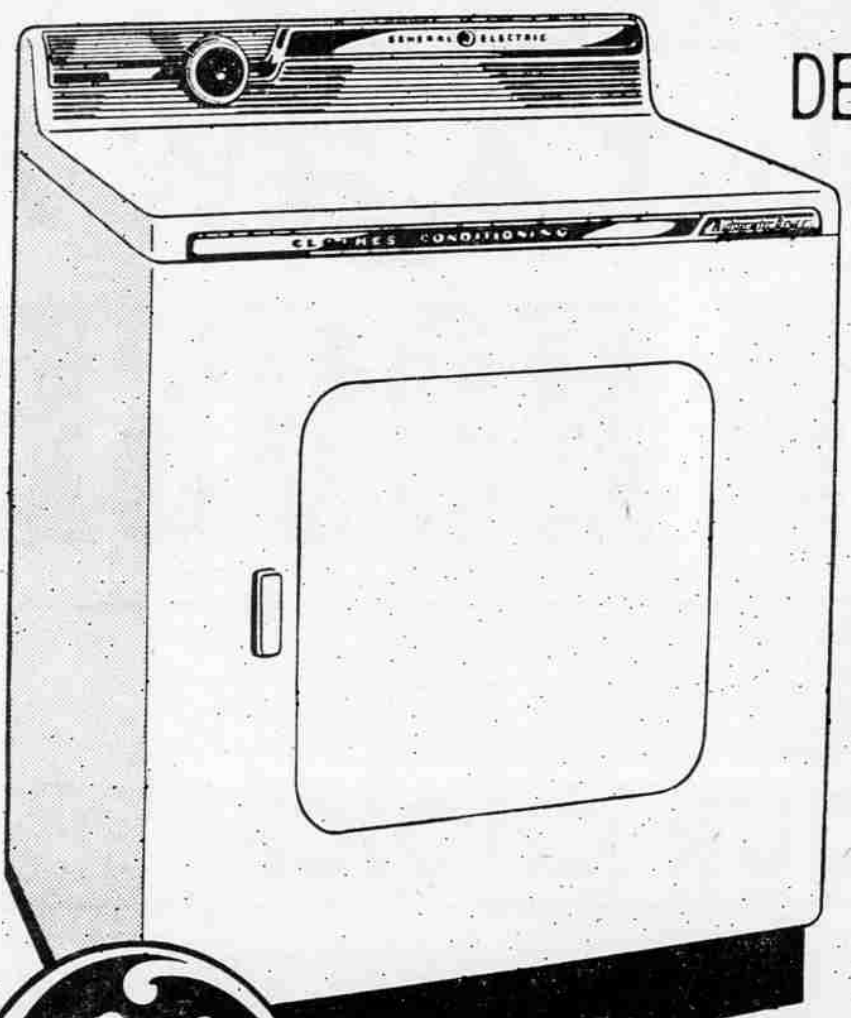
Court Records

POLICE COURT
Glenn E. Jones, no operator's license, \$5.
Clifford L. Eckel, violation of basic rule, \$15.
Janice Louise Fränkeich, disobeyed traffic signal, \$5.
Stacie Gruid Fry, violation of basic rule, \$10.
Bernie Tyler Adams, violation of basic rule, \$10.
Ralph David Marlett, disobeyed traffic signal, \$5.

DISTRICT COURT
William J. Rightmeier, overpaid \$85, \$5.
Eli Thomas Burdell, passing with insufficient clearance, \$15.
Merrill Nathan Bliss, killing deer in closed season, \$20.
Jimmy Mitchell, violation of basic rule, \$17.50.
Danny Allen Kirkpatrick, inadequate muffler, \$10.
Anah Pearl Hubbard, failure to dim headlights, \$5.
Earl Earl Johnson, defective clearance lights, \$10.
William Bryan Fisher, failure to stop at stop sign, \$10.

CIRCUIT COURT
Goldie Mae Slatter vs. Leland Slatter, divorce complaint.

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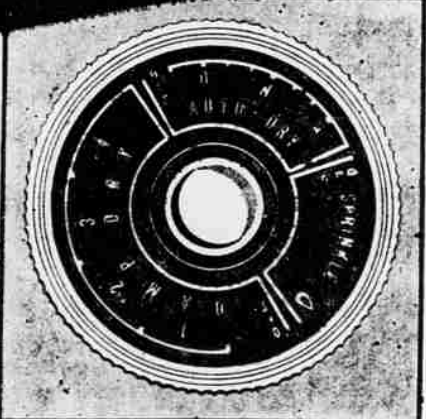
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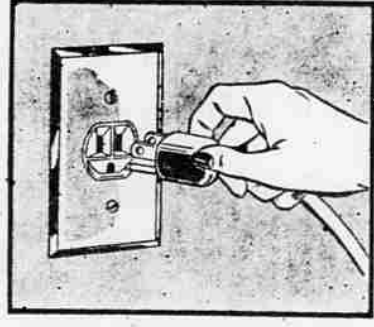


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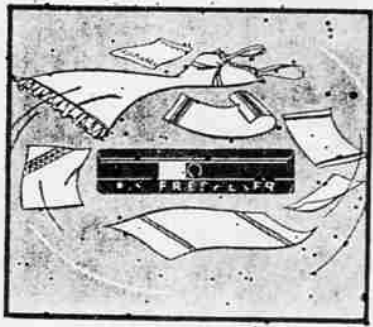


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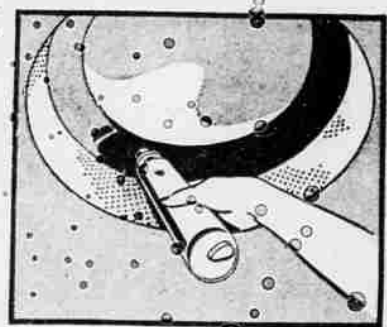
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HERE ARE THE FACTS:

Fact: Congressman Harris Ellsworth and the late Senator McNary in 1943 fought for and secured the location of the Bureau of Mines Laboratory at Albany, Oregon.

Fact: The purpose of this laboratory was and is to develop new methods of processing ores to produce metals.

Fact: The Albany Laboratory developed the first process for commercial production of zirconium metal vital to the success of the atomic energy program.

Fact: Today Albany is the world's second largest production center for highly strategic zirconium.

Fact: This laboratory developed a process for production of aluminum silicon from low grade aluminum ores using wood waste as a processing material.

Fact: Using this new process, the Apex Mfg. Co., a new industry, was started in Springfield.

Fact: This laboratory developed a process for production of titanium metal from titanium sponge.

Fact: The Oregon Metallurgical Corp. is completing a plant at Albany, only Northwest producer of titanium metal, strategically important in supersonic aircraft.

Fact: This laboratory developed a process for production of silica-manganese from low grade ores, which may provide future industry in Oregon using local ores.

Fact: This laboratory assisted in developing a process for production of nickel from low grade ores.

Fact: Near Riddle, approaching full operation, is a \$30,000,000 smelting and refining plant using low grade nickel ores. This is the only quantity producer of strategic nickel in the United States.

Fact: Ellsworth has worked for appropriations and expansion of stockpiling program for low grade ores now being stockpiled at Grants Pass, Oregon.

SOUTHWESTERN OREGON NOW HAS A GOOD START IN USING ITS MINERAL RESOURCES. ELLSWORTH HAS AND WILL CONTINUE TO WORK FOR THE GROWTH OF MINING INDUSTRY IN THIS DISTRICT AND OREGON.

Re-elect ELLSWORTH

FOURTH CONGRESSIONAL DISTRICT OF OREGON
Mr. Phil M. L. E. McClinton, Trust, Ellsworth for Congress Comm.,
128 S. E. Main St., Medford, Oregon