

Is Present Tight Money Policy Being Discriminatory Against One Segment?

Editor's note: This is the second of two dispatches on "Tight Money."
By JOSEPH P. HAVERSTICK
National Association of Home Builders
Written For United Press

The American people have been listening for many months to a steady flow of reassurances from Washington that the so-called "tight money" policy has been enforced equitably and impartially for their own best interests, to protect the economy against inflation. It is now time that they ask some searching questions of the money managers who are enforcing that policy.

How effective is the tight money policy? Whom is it protecting? Is it being operated under the traditional American principle of equal treatment for all, or does it discriminate unfairly against one segment of our economy, against one group of our people?

If the aim of the federal government's credit control program is to slow down the demand for and use of credit, I think it can fairly be said that the program has failed.

Let's look at the record. In the field of consumer credit, it is an ironic fact that any American family can take a European vacation on credit but it has difficulty financing a home in today's "tight" money market on a mortgage guaranteed by the United States government.

Heaviest Impact
The heaviest impact of the government's tight money policy has fallen upon the home buyer and the home building industry, because they are singularly dependent on credit and consequently are most vulnerable to changes in the credit supply. Indeed, it might justly be said that they alone are bearing the burden of credit restraint, since no other major segment of the American economy shows any signs of cutting back as a result of tight credit.

It should be remembered that much of the home building and home buying in the United States today operates under fixed interest rates set by the U.S. government. Today, these rates are unattractive to lenders because they offer a lower return than can be obtained from corporate buyers, who enjoy special tax privileges under our existing laws.

Certainly, if "hard money" is good for the country, home builders as patriotic citizens would be willing to go along. But builders think it would be more justifiable if the hard money policy were the same for all, big and small, steel companies, chemical producers and all the rest of the businessmen who make up our complex economy.

The fact is that the hard money policy has not halted industrial borrowing for plant and equipment expansion. In 1954, business spending for new plant and equipment amounted to \$27 billion; in 1955, it was \$29 billion, and in 1956 it has reached \$35 billion. This is a strange

form of credit reduction. In 1955, American industry financed about 80 per cent of its expansion out of its own capital reserves and went to the open market — in competition with prospective home buyers — for only one dollar of every five needed for expansion. But in 1956, one dollar in every three spent by American industry for

new plant and equipment was borrowed in the open market, and the spending was on a far greater scale than in 1955. Perhaps the most pointed comment on the effectiveness of the "tight money" policy is to be found in official figures prepared by the Department of Commerce and the Securities and Exchange Commission. They show that spending on new plant and equipment for industrial expansion ran at an annual rate of about \$25 billion when the Federal Reserve Board first started its "restraint" on credit

in 1955 and that it has moved upward in an unbroken line since that time to a rate of nearly \$40 billion at the present moment. Neither home builders nor home buyers are asking for special treatment. But they are convinced that the time has come when there should be a thorough going re-examination of our monetary policies.

Buy Builders Supply At **Builders Supply** **QUALITY BLOCKS** Bricks, Flues, Drain Tile 727 W. McAndrews Phone 2-4107

Use Tribune Want Ads

Aspirin or Two a Day Will Keep Heart Attacks Away, Doctors Say

By DELOS SMITH
United Press Science Editor

New York—(U.P.)—A medical doctor who believes that an aspirin or two a day will keep heart attacks and "strokes" away from soft-living, aging men cites his long-range trials in 8,000 men as proof that there is something in what he believes.

Before quoting Dr. Lawrence L. Craven of Glendale, Calif., more extensively, the writer is duty bound to inform the reader that aspirin is not regarded by medical science as an utterly harmless drug and Dr. Craven's views are, at least, controversial.

However, they are interesting. "Not a case of detectable coronary or cerebral thrombosis has occurred among these 8,000 patients who have faithfully adhered to this regimen," said Dr. Craven.

"True, the patients who have adopted aspirin prophylaxis are, as a rule, in better than average health and have not had previous symptoms of thrombosis. Coincidental with the promi-

nece given Dr. Craven's ideas, the international journal, "The Lancet," was commenting on the effects of aspirin given in very large doses. One aspirin tablet equals five grains. Two tablets add up to a very small dose. Even one or two will increase the body's consumption of oxygen and its output of carbon dioxide.

When a physician brings the dosage up to, say, 120 grains a day in order to combat rheumatic heart disease, he has to be very careful lest a greatly increased oxygen-carbon dioxide rate should put a considerable greater burden on the heart. "The Lancet" thought it undesirable "to prolong aspirin medication in acute rheumatism after the rheumatic process has subsided."

It was struck by scientific findings that aspirin in large doses lowers the level of cholesterol in the blood—cholesterol is the fatty substance mainly responsible for hardening of the

Milton Caniff Gets Air Force Honor

Washington—(U.P.)—Cartoonist Milton Caniff, creator of "Steve Canyon," was honored by the Air Force Thursday for "distinguished and unparalleled service to his country" and the air arm.

Air Secretary Donald A. Quarles presented Caniff the Exceptional Service Award in a Pentagon ceremony following a salute to the cartoonist at Bolling Air Force base here.

The citation accompanying his award said that Caniff is "made himself known to millions through his 'historical accuracy and absolute fidelity to detail.'"

arteries and that, in the main, is the cause of most heart attacks and "strokes."

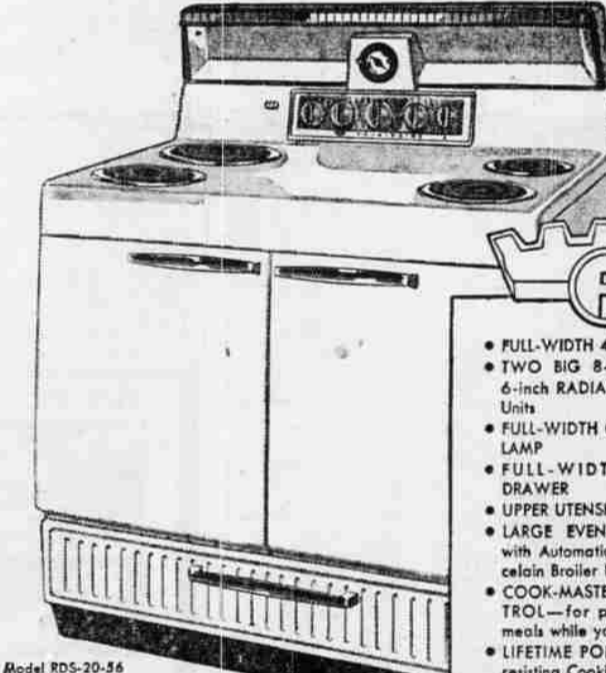
But since it is not known "whether lowering the serum-cholesterol level actually retards the development of coronary disease," there seems no justification for "imposing on patients the side effects of large doses of aspirin," The Lancet said.

The Philharmonic Society of Southern Oregon Presents: **THE SYMPHONY ORCHESTRA** in CONCERT
SUNDAY, JANUARY 27, 1957 AT 3:00 P.M.
AT THE SENIOR HIGH SCHOOL AUDITORIUM



What a Dream!
What a LOW Price!
LEONARD'S
Special
OF THE MONTH

FRIGIDAIRE Electric Range



\$ **244**⁹⁵

LIMITED QUANTITIES
Nothing Down

ON APPROVED CREDIT
ENJOY PICNIC FUN THE YEAR 'ROUND!
The Rotisserie Automatically bastes and browns all fowl and meats to a delicious, juicy grease free perfection
BUILT and BACKED by General Motors

Leonard Electric Company

Medford's Leading Appliance Dealer for the Past 25 Years
309 EAST MAIN • PHONE 2-4427

Cadillac



Pride of the Neighborhood!

It is a happy occasion indeed when a new Cadillac car first appears in the driveway of its proud and happy owner.
As you would expect, it signals the most joyful of family celebrations—and occasions the heartfelt congratulations of friends and acquaintances.
But you might be surprised to learn of the widespread rejoicing which the arrival of a new Cadillac frequently inspires.
In fact, the car invariably becomes a source of genuine pride throughout the entire neighborhood in which it resides.

The neighborhood understandably delights in having a beautiful new Cadillac to grace its streets . . . and takes great pleasure in knowing that one of its own has been able to realize the dream that lives in the hearts of so many.
And we think you might also be surprised to learn that this happy event is currently taking place in a great many neighborhoods that have never before laid claim to a Cadillac car.
For there is an ever-growing awareness that Cadillac—with all its incomparable

motoring virtues—is one of the soundest and wisest purchases a motorist can make.
From a standpoint of purchase, maintenance, operation and resale value, the car represents a truly extraordinary investment.
Surely, in view of this, you should consider a Cadillac this year.
We will be happy to put you behind the wheel for a personal demonstration at any time you find convenient.
And we will be delighted to tell you how easily and economically you can make your car . . . the pride of the neighborhood!

SKINNER'S GARAGE
143 SOUTH RIVERSIDE • PHONE 2-6265