



Your Money's Worth

By SYLVIA PORTER
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OUR CHANGING SPENDING PATTERN

When you buy an automobile, you buy a big chunk of materials ranging from steel to textiles and a big chunk of labor, too. Your purchase makes jobs and paychecks for the workers producing the raw materials. It makes jobs and paychecks for the workers putting the materials together to create a car. It makes jobs and paychecks for all involved in selling and delivering that automobile to you.

When you take your car to the garage for repairs, even the most expensive, you buy the service of a man who needs only a relatively few tools and a mechanic's training to do your auto repair job. Your purchase makes jobs and paychecks for those manufacturing his tools and training him and, of course, it keeps the garage going. But there is simply no comparison between the impact on our economy of your purchase of a big-ticket durable product and a big-ticket service.

Your buying of durable goods gives our economy a much greater spur than your buying of even the most costly service. This holds whether the comparison is between your spending of \$1,000 for your child's tuition or medical care or your spending of \$1,000 for new kitchen appliances or furniture.

Overall, we, as consumers, are buying more goods, durable and nondurable, and more services than ever before. We're spending at a rate of \$355 billion a year today, \$17 billion over 1961.

But if you're typical of millions of us, the percentage of each dollar you're spending for service has skyrocketed while the percentage of each dollar you're spending for goods has fallen substantially.

At the same time, the price of just about every service you buy has climbed steadily month after month while prices of many goods you buy have held in a remarkably stable range or declined.

Here—in this dramatically changed pattern of our spending—lies one key explanation for our sluggish rate of growth in recent years.

Or putting it simply, because we're spending so much more on services which tend to stabilize our economy rather than spur it and spending so much less on goods which would give our economy a great stimulant, the whole economy has flattened out.

The proof is all around us. To give just a few revealing figures.

Item: Of each dollar we had to spend at World War II's end, we spent 68.5 cents for goods, 31.5 cents for services. By 1955, the division was 64 cents for goods, 36 cents for services. By 1960, the split was 59.9 cents for goods, 40.1 cents for services. Today, the total of each dollar we're spending on goods is down to 58.8 cents, the total we're spending on services is up to 41.2 cents.

In short, sellers of services have "taken away" from producers of goods almost 10 cents of each dollar—a bite which tells a lot about the employment lag, idle capacity and fierce competition for our dollar in industries across the land.

Item: The cost of the services we have been buying on an ever-widening front has been soaring, meanwhile. During the last decade, prices of services went up twice as fast as prices of goods. Between the late 1940s and mid-1961, the general consumer price index rose 27 per cent but the prices of services in that index jumped 52 per cent. Although the upsurge in service costs is slowing now and in August, medical costs did not show a monthly rise for the first time since June, 1954, the trend is still painfully clear. A full 70 per cent of the 1.2 per cent rise in the consumer price index in the past 12 months is due to increases in service prices—medical costs, repair services, personal care, etc.

Item: A breakdown of our spending for goods and services underlines the shifting pattern. The amount of each dollar we spend going to more and more expensive medical care has risen from 3.8 cents in 1950 to 5.1 cents while the amount we spend on appliances has fallen from 2 cents to under 1½ cents. The amount of each dollar we spend on autos and auto accessories has declined from 7.1 cents in 1955 to 5.1 cents while the amount we spend on private education has increased from under a penny to 1½ cents.

The basic point demands repeating: our rising spending on services helps stabilize our economy but it doesn't spur it as rising spending on goods would. We must curb the rise in service costs. We must adopt policies and programs to expand consumer spending on goods.

English Teachers To Meet Saturday

Members of the Southern Oregon Regional conference, Oregon Chapter of the National Council of Teachers of English, will hold their annual conference Saturday, Oct. 6, at Medford High school.

The event is co-sponsored by the county school offices of Jackson, Josephine, Klamath, Coos, Curry, Douglas, Lake, and Harney counties and Medford High school. It is expected to attract English teachers from northern California, particularly Siskiyou and Del Norte counties, according to James J. Backen, head of the Medford High school English department.

Keynote speaker for the conference will be Dr. Albert Kitzhaber, University of Oregon professor, whose topic will be "Trends in English."

Other program participants include Miss Josephine Kirtley, Medford High vice principal; Bill Ruck, Oregon Program director, Medford school district; Florence Allen, Southern Oregon college; Lee Mahoney, state department of education; Sister Marian Frances, St. Francis High school, Eugene; Dr. Richard Gilkey, director, Jackson county curriculum center; Dr. Richard Byrns, SOC; Backen, head, English department, MHS; Jeanne Hastie, SOC; Verne Walthoff, publications director, MHS; Eleanor Baker, head, English department, Marshfield High school; and Bill Russell, head, English department, Crater High school. Concluding the program will be an evaluation session in the afternoon.

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