



Your Money's Worth

By SYLVIA PORTER
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UPSURGE IN BUSINESS SPENDING AHEAD

The United States is on the threshold of an upsurge in business spending for modernization and expansion of our factories, which will guarantee an upsurge in our entire economy.

A record 1963 is now in the bag. With consumer spending, business spending and government spending all heading upward now, the economy can't go anywhere else but up. All-time peaks will be set this year. The expansion which began in February, 1961, and is now moving into its 27th month is gaining new life and vigor. The obvious improvements in business and consumer confidence recently have been of vital help.

The question, therefore, shifts to the outlook for 1964. It could be that 1964 will be another highly prosperous year. It will be if Congress gives business and consumer spending additional stimulation through tax reductions for corporations and individuals to take effect in 1964. This is what I think is the meaning of the 16th annual survey of business' plans for new plants and equipment by the McGraw-Hill Department of Economics, released today.

The results are deeply reassuring, confirm the guess that business has been hiking its plans to invest in new factories and equipment since the government survey in February estimated this type of spending at \$39.1 billion in 1963, up 5 per cent over 1962. McGraw-Hill's survey, made in March and early April, raises this estimate to an all-time high of \$40.1 billion, up 1 per cent. Every fraction of a per cent change in this spending is crucially important not only because of the huge sums involved but also because spending on plants has a far-reaching impact on profits, paychecks and jobs in our country.

Government spending is rising. Consumer spending is rising. Business spending is rising and the pace is accelerating in the bellwether durable goods industries particularly. 1963 is in the bag.

Significant to all of us as this is, it's not the only significant part of the survey by any means.

Most significant also is that business already plans to spend in 1964-65-66 almost as much as this year's record. All previous surveys have indicated that preliminary plans for more than one year ahead are understated, and thus the probability is that business spending will remain at very high levels during the next three years. It will jump to new peaks, finally catch up, if corporations are given new tax incentives to invest and consumers are given tax reductions.

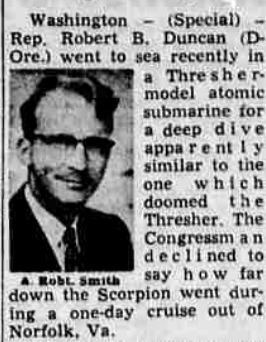
Most significant, too, is that for the first time since the business spending boom of 1957, the survey suggests that companies are starting to think in terms of expanding their capacity, not merely modernizing it as they have been primarily doing during the past five sluggish years. Manufacturers report they plan to expand their capacity by 12 per cent in 1963-66; a year ago they planned only a 10 per cent increase in this period. If the pattern really is starting to shift, this would be of great importance to our overall economy, for as Douglas Greenwald, chief economist of McGraw-Hill's Publication Division, puts it: "The biggest lift from capital investment comes when the emphasis is on expansion."

Again, most significant is the report from businessmen that over \$1 billion of their 1963-64 spending results from Washington's two moves last year to spur their investment. One was the change in the Treasury's depreciation rules in July to permit many companies to write off their equipment at a more rapid pace than previously. The other was the tax law allowing companies a tax credit of up to 7 per cent of their purchases of new plant and equipment. These two moves are bolstering business spending at a critical time. Now tax cuts for consumers and businessmen would spur our industries to keep up the momentum of their spending in 1964 and increase it as well.

Stepped-up business spending will not only add to paychecks and profits. It will also raise the government's tax take and thus quite possibly cut into the budget deficit. Good news all around.

Duncan Makes Submarine Dive; Visits Guantanamo Installation

By A. ROBERT SMITH
Mail Tribune
Washington Correspondent



A. Robert Smith
say how far down the Scorpion went during a one-day cruise out of Norfolk, Va.

Washington — (Special) — Rep. Robert B. Duncan (D-Ore.) went to sea recently in a Thresher model atomic submarine for a deep dive apparently similar to the one which doomed the Thresher. The Congressman declined to say how far down the Scorpion went during a one-day cruise out of Norfolk, Va.

"We went down to test depth — and came up," said Duncan wryly. "It's a first class piece of machinery, with a first class crew and a first class commanding officer."

He said he knew of no trouble experienced by the Scorpion on its deep dives. A lieutenant in the Navy's active reserves, Duncan spent the congressional Easter recess on active duty on a flying trip to Naval and Marine Corps installations at Charleston, Parris Island, Pensacola and Guantanamo Bay, Cuba. The cruise aboard the submarine was on a prior week end.

Guantanamo Bay has "imposing defense installations," Duncan said, and represents "a pretty substantial beachhead."

Asked if he regarded it as a necessary base, Duncan replied affirmatively.

"It's one of the most important Naval bases we have," he said.

Importance noted He said it was important because of the unstable conditions in the Caribbean and the control it affords over the eastern approaches to the Panama Canal. He said it is also the most satisfactory training base the Navy has for air, surface ships and Marine Corps purposes.

One of Duncan's predecessors, former Rep. Charles O. Porter, three years ago suggested that America turn over its Cuban base to the Castro government as a gesture of peaceful intentions. Porter said Guantanamo was not essential to America's military security and might better be converted into a training school for Cuban agricultural workers.

Duncan said his visit to Guantanamo was helpful in securing information on the military and shipping situation, but that it didn't make him an expert on Cuba who could advocate a new course of action.

Must Seek Peaceful World "Most of the people who are demanding action in Cuba still think in terms of Teddy Roosevelt charging up San Juan Hill," Duncan said. "I have seen the devastating capabilities of nuclear warfare, and we must avoid the possible escalation of a nuclear war and attempt to create a peaceful world."

"But we must maintain our defense capability to protect the United States until that day arrives. We had a great victory in Cuba last October. I have great confidence in the President, and in the military leaders that American interests will not be sacrificed."

Congressman Duncan wishes he were as rich as he appeared to be in a recent

Ill-Tempered Polar Bear Kills Mate

Los Angeles — (UPI) — Ivan, the terrible tempered Polar bear of Griffith Park Zoo, Thursday turned from lover to killer and mauled his mate of 11 years to death.

"He went berserk" when his mate, Lena, sprang his amorous advances, chief keeper Mike Wendt said.

Keepers stood by helplessly as the 850-pound bear silently killed Lena. There were no sounds from either Ivan or his 500-pound mate in the 90-minute struggle.

Ivan and Lena have had four cubs. Ivan killed two other bears in separate incidents in fits of jealousy over Lena. He was nearly destroyed, but was granted a last-minute reprieve.

"Polar bears are naturally mean," a zoo official said at the time. "Why destroy one that follows his instincts?"

Flapjack Feed Set In Jacksonville

The Siskiyou Pioneer Sites foundation is sponsoring a Gold Rush Flapjack feed on Sunday, April 28, from 7 a.m. until 1 p.m. at the Jacksonville Community hall. All money raised will be used for historic restoration projects in Jacksonville. Flapjacks, fried eggs and ham will be served and there will be a series of short historical presentations during the breakfast.

dispatch about the private investments of the Oregon congressional delegation. A missing decimal point gave Duncan a fatter portfolio than he actually reported when he listed his stocks in the Congressional Record. Duncan's report showed he holds 3,972 B-1 shares of Keystone Mutual fund. The published dispatch mistakenly listed it as 3972 shares. As a result of the error, Duncan said an Oregon law-

yer friend told him: "Now that you're a rich congressman, your children have retained me to negotiate for bigger allowances — and Angus (Duncan's teen-age son, a student at Medford High school who drives the Congressman's beaten-up old red convertible) wants a new car."

TEACHER PANEL VOTED Salem — 674 — A members to create a professional panel of teachers to investigate teacher dismissals passed the House 41-17 Thursday after lengthy debate.



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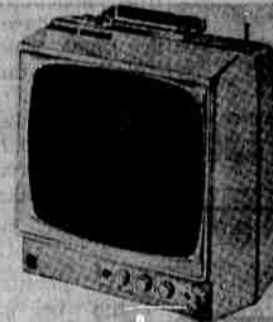
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