

## Uncertainty Over War Situation Has Effect

# Survey Shows U.S. Consumers Hesitant In Buying

ANN ARBOR—Uncertainty and hesitation continue to prevail among American consumers, even though consumer sentiment improved somewhat in the last three months, The University of Michigan's Survey Research Center reports.

The latest SRC quarterly survey of consumer attitudes and inclinations to buy revealed a rise, from 92.9 to 95.3 in the Index of Consumer Sentiment since November. In August 1967 the index was 96.5.

On the whole the SRC Index has shown only minor fluctuations during the last nine months, in contrast to the early 1967 recovery from the sharp decline of 1966.

THE INDEX PROVIDES a summary measure of consumer attitudes and expectations, as reflected in the answers to a series of questions.

George Katona, who directed the survey of some 2650 family units, concludes that the consumer sector will not provide a major stimulus to the economy.

Insurance of new installment debt is expected to remain relatively low and the rate of liquid saving relatively high compared with two or three years ago.

Historically, consumer attitudes toward personal financial prospects show a much smaller decline.

2. Short-term business expectations worsened during the last quarter, while personal financial expectations improved.

THE PROPORTION of family units with more than \$10,000 income rose from 27 per cent in 1965 to 32 per cent in 1967. About half of all family units reported that their income in 1967 was higher than in 1966, a proportion exceeded only once before (in 1963). Optimism for further income advance is the highest in 20 years.

"Demand for durable goods, and other discretionary demand as well, depends not only on income but also on willingness to buy," the SRC report emphasizes.

"Even when money is available, some would-be buyers adopt a wait-and-see attitude if they are concerned about economic or political trends. Good news or the expectation of favorable developments represent a condition for large-scale buying."

"Over the last two years, however, the war in Vietnam as well as inflation, high interest rates, and the possibility of tax increases have made for uncertainty and misgivings."

"The American consumer is worried because the war and inflation and taxes may deprive him of what he thinks are well-deserved fruits of his labor. He feels at the mercy of these developments and does not like the prospect."

YET THERE is some evidence the survey indicates, that people may have become accustomed to creeping inflation of long standing. Usually the greater the fear of inflation, the more people feel that they must postpone buying durable goods because they will have to spend more on immediate necessities.

Today a sizable proportion say that it is a good time to buy cars or appliances because prices are going up, or at least will not go down.

These attitudes, however, do not appear to have stimulated buying plans to any large extent. The proportion of families who expressed an intention to buy either a car or major appliances in 1968 was approximately the same in the first quarter of 1968 as in the first of 1967.

Yet 23 per cent of families said in February 1968 that they would buy a car in the two years after the current year. A year ago the proportion was 24 per cent.

Intentions to buy cars are somewhat depressed among upper-income people "whose sentiment is influenced by the war in Vietnam to the most pronounced extent," the report concludes.

## WSU Doctor Hails U.S. Aid Plan

President Johnson's proposal to help the nation's medical schools with transfusions of fresh cash, drew praise today from a Wayne State University dean.

Dr. Ernest Gardner said the plan could ease the nationwide doctor shortage.

The President's health message to Congress asks for more funds for operation of medical schools and for assistance to qualified medical students, Gardner noted.

He said the shortage of physicians in Michigan and the nation is so acute that 25 per cent of the doctors now entering practice are from foreign countries.

"Even with this increase in physician population, about half the internships and residencies (for medical school graduates) throughout the country go unfilled because of lack of manpower," Gardner said.

"Today's medical students, for the most part, come from families in the top 10 per cent income bracket. With the new federal support, qualified students from all income brackets could consider medical careers without concern for family income limitations."

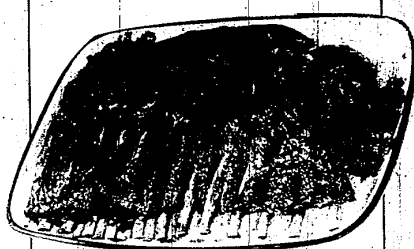
With completion of its new basic science building in two to three years, Wayne State will increase the size of its yearly class of entering medical students from 130 to 200, Gardner said. The \$24 million structure is designed to permit a further expansion of the entering class to 250 students, if additional operating funds are available, he said.

GM Names Hastings To Head Realty Dept.

Appointment of Albert J. Hastings as manager of the General Motors Argonaut Realty Division, effective April 1, is announced by Joseph E. Godfrey, GM vice president in charge of Manufacturing Staff.

Hastings, who has been assistant director of salaried personnel for GM since 1959, succeeds James J. Edwards in the Argonaut position. Edwards was assigned to Fisher Body Division last year and is now group director of manufacturing engineering.

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FRESH PREFERRED  
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Pork Roast 43¢  
PREFERRED PORK ROAST  
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