

Economists See No '68 Consumer Boom

Prospects are that 1968 will be a good year, but there is no prospect of a boom in the consumer sector of the economy even if there should be no tax increase.

This evaluation emerges from the latest quarterly survey by Survey Research Center of the University of Michigan's Institute for Social Research.

Consumer sentiment deteriorated during the last quarter of 1967, according to the SRC findings. Primarily because consumers believe that inflationary price increases are in the making, business prospects were viewed in November 1967 with less optimism than in August.

THE SRC SURVEYS, national samplings directed by economists George Katona and Eva Mueller, have been conducted regularly since 1951. They explore consumer expectations and buying intentions, and also explore the reasons for changes in attitudes.

From November 1965 to November 1966, the "index of consumer sentiment" declined steadily and substantially. Some 50 per cent of the 1966 decline was recovered during the first nine months of 1967, but about 40 per cent of that recovery was lost from August to November 1967.

Economists Katona and Mueller point out that surveys in the first three quarters of 1967 revealed only moderate improvement in consumer sentiment and willingness to buy. Absence of favorable economic news, they say, made this recovery of sentiment "tenuous."

"During the last few months inflationary expectations have become more pronounced," their report reveals. "In November 1967, more respondents than earlier this year reported having heard unfavorable news, including frequent mention of price increases. Because of worry about the expected trend of prices, many consumers feel that they will have to spend more on necessities and therefore must postpone some discretionary expenditures."

THE ECONOMISTS emphasize, however, that a decline in the SRC index in one quarter must be confirmed over longer periods before a downward trend becomes certain. They also point out that the current level of the index is higher than its low point a year ago.

A substantial portion of consumers remain optimistic, the report states. "These people are aware of the prevailing good times, think they will continue, especially in view of the increase in government expenditures, and

are impressed by the rising trend of incomes and purchasing power.

"The war in Vietnam, although contributing to uncertainty, is viewed by the great majority of consumers as a stimulant to the domestic economy."

The outlook for construction of one-family houses and for automobiles appears somewhat more favorable than a year ago, the report adds. As of November, mortgage funds were more readily available and expressed intentions to buy cars were higher than a year earlier.

On the whole, consumers think that the increase in the prices of 1968 model cars does not matter a great deal; the majority say they were willing to pay extra money for safety features.

"Survey findings obtained in spring and summer 1967 were consistent with the opinion that consumer willingness to spend would increase," the economists conclude.

"Current findings make it more probable that consumer expenditures will grow at a rate similar to that of the increase in real disposable incomes. Cautious appraisal of prospects and widespread uncertainty make it probable that the rate of consumer saving will continue to be fairly high and that the extension of installment credit will be moderate."

6 New Plants Fail To Meet Plymouth Tax Needs

Six new industrial plants moved into the Plymouth area during the past year, as the building boom continued. These half dozen plants, with additions to several others, broadened the tax base by more than \$6 million, yet failed to keep pace with the growth in housing brought about by the population explosion.

"It is a very interesting and fascinating fact," Harold Fischer, Director of the Area Planning Commission, pointed out, "that with the vast increase in industry, it still failed by \$145,303 to keep pace with the needs."

To make his point clear Fischer produced a table of statistics to show the growth in the various areas.

The list included the following new industries and valuation as noted on the building permits:

Spartan Motors Warehouse	\$7,450,000
N. W. Columbia (Metropolitan)	\$1,200,000
Quincy Corporation	\$6,400,000
Prindle Mfg. Co.	\$45,000
Parker-Hesseltine	\$1,500,000
Industrial Services	\$100,000
Added to present industries	\$14,400,000
Personal property estimate	\$1,750,000
Grand Total	\$6,945,003

The Ford Sheldon Road plant was listed in 1966.

USING THE STATE EQUALIZED VAL-

uation at 50 per cent of real and personal property for 1967, it means that industry provided taxes in the approximate valuation of \$3,297,914.

"These facts are interesting," Fischer went on, "but when you apply them against the needs of the community—the services required by the increased population they become fascinating."

Fischer pointed out, for example, that the present school tax rate is \$27 per \$1,000 of assessed valuation. This would mean that the new industries have contributed \$99,019 in the school tax coffers.

Matched against this is the fact that there were 597 single family homes built in the area during 1967.

According to Fischer and other city officials each home in the area costs \$425, above the taxes paid to provide the schools and education.

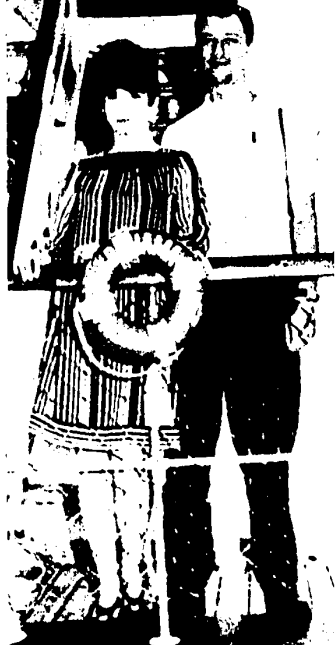
This would mean that the non-residential tax base needed to support these homes at the same level of services would amount to approximately \$244,322.

INASMUCH AS THE new industry has provided only \$99,019, this means that there is a deficit of \$145,303 in the amount needed from non-residential property to make ends meet.

"At these figures," Fischer pointed out, "one can easily see how badly new industry is needed in our area and why we should bend every effort to make things attractive to get it."

He pointed out that there is a great need for attractive industrial property if the community is to keep pace with the surrounding areas.

At the moment the City of Plymouth has only one and one-half acres available for industrial development, while there is only a small parcel with Class A roads remaining in Plymouth Township.



JAMAICA VISITOR — Stops at the Jamaica ports of Ocho Rios and Kingston were included in the six-day cruise recently enjoyed by Mr. and Mrs. Anthony P. Cermak, of Barkley Avenue, Livonia. He is a labor supervisor at the Ford Motor Co.

Smart Bullhead Smells 'Victory'

Bullhead fish may not smell good, but they do smell well, two University of Michigan researchers reported to the American Association for the Advancement of Science.

"Bullheads, common freshwater catfishes, communicate with each other by means of chemical stimuli. Their social behavior is based on their ability to recognize individual bullheads by olfactory (sense of smell) clues," John Todd, a doctoral candidate in U-M's School of Natural Resources, said in outlining the complex social structure of the bullhead.

Todd conducted his studies with Prof. John E. Bardach of U-M's zoology department and School of Natural Resources.

Bullheads, Todd reported, "establish territories and dominance hierarchies in experimental tanks and performed elaborate agonistic (combative) displays and fights. This also holds true for animals which were blinded."

Will Makes Terrier Wealthy

Ben, a 14-year old Lakeland terrier, has inherited 5,000 pounds—\$12,000—to become one of Britain's richest dogs.

The will of widow Madeline Arnison, of Warwick, England published recently, declared that she had arranged with John Porter and his wife to look after Ben and give him a home. She directed that 5,000 pounds be invested and the income used to care for Ben as long as he lives.

The researchers found that the fish, blindfolded, could distinguish one bullhead from another by smell alone. Furthermore, each fish seemed to have more than an identifiable scent.

In one experiment, a solitary bullhead was visited by a stranger and his physical superior. The stronger bullhead was subtly attracted. The next day, the stronger fish was re-inserted into the tank but was not attacked by his wary host.

The bullhead has "a good memory," remembering a fish he has not encountered for at least three weeks.

IF THE STRONGER fish is defeated outside the tank by another bullhead and then put back with the fish that learned to recognize and fear his smell, his host no longer fears him.

This suggested to the researchers that "stress influences chemosensory recognition." In other words, victory and defeat literally smell.

Those who lost fights "were, as a result, altered chemically in such a manner that the test fish did not discriminate between them."

Experiments were also conducted with bullheads deprived by surgery of their sense of smell.

"The fish—prior to the eliminating their sense of smell—had formed a community. After they were deprived of their ability to smell they acted against animals of a higher social rank as if they were strangers; that is, they attacked them."



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