

BUSINESS

Business May Face Even Greater Problems at the End of the War

By ROGER BUDROW

IT MAY BE A TOUGH JOB TO GET this defense program rolling but it will be an even harder job to stop it when the time comes, the economists of the Guaranty Trust Co. at New York believe.

"The tapering of military expenditures," they write, "will leave a huge void in our economic system and will confront business with a new set of very serious problems of readjustment. This situation will exist in a nation that has already become habituated to the idea that Government must combat unemployment and maintain purchasing power by increasing its expenditures in time of depression."

"It is difficult to escape the belief that governmental outlays for these purposes will be found quite necessary at the close of the present military emergency as they were during the 1930's and that the financial burden of rearmament will be lightened only to give way to a new burden of relief."

Even though the bank is gloomy about this country's problems after the war, it is even gloomier about the post-war period in Europe. Of course, Europe "will leave the usual trail of destruction of life and property, financial disorder, industrial dislocation and shattered morale."

The aftermath of the last war brought about economic and political dictatorships on the continent. "It is probably too much to hope that the consequences of the present war will be less sweeping or the attempted remedies less drastic."

CENSORSHIP and code restrictions helped Western Union's telegraph business for a while after the war started because messages were longer and tolls therefore greater.

But the company's trans-Atlantic business declined with the German occupation of Belgium, Holland and a large part of France, cutting direct connections with its offices in Paris, Havre, Antwerp, Brussels and Amsterdam. Added to this was the restriction of commercial and financial transactions in England which greatly reduced messages to and from this country.

NEW INDUSTRIES such as prefabricated housing, air conditioning, television and Diesel engines are unlikely to create much new employment, in the opinion of Chairman Joseph C. O'Mahoney of the Federal Monopoly Committee. Labor has become more productive because of the very widespread use of electric power, chemical processes and mass production methods, he says, and new industries hold slight promise of offset to be displaced by technology. He said a committee survey showed production rose 30 per cent from 1923 to 1929 while output per man-hour of employment declined 32 per cent.

ODDS AND ENDS: Eddie Rickenbacker bought 7000 shares of Eastern Air Lines stock in January, increasing his holdings to 12,000. SEC report shows... Surplus Marketing Administration intends to buy around 150,000 barrels of flour for the Red Cross... Du Pont has developed a plastic-linoleum cap to protect baseball players against a "bean ball".... There is one drug store to each 224 persons, according to the Census.... Tire manufacturers may soon be asked to discontinue making white sidewall tires to save an estimated 6000 pounds of rubber annually.

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