

BUSINESS

Survey Shows Corporations Think U. S. Wants Too Much for Its Defense Plants

By ROGER BUDROW

EVEN THOUGH IT IS EARLY IN THE GAME, we are beginning to hear ideas about what should be done with the new war plants the government built—and still owns.

Vice President Wallace and some union leaders say the government shouldn't sell them but lease them or operate them itself in competition with private industry, on the "yardstick" idea. On the other hand, Bethlehem Steel has already bought the mills the government built for it to operate, paying the full wartime cost of them, to keep the government out of its business.

What the government policy will be is hard to predict but an idea of what business thinks about these plants is shown in a Wall Street Journal survey of top auto management.

The auto and auto parts executives think three things: The plants are "too deluxe" for competitive operation; they cost too much to build in wartime that prices for them are likely to be too high; and there are too many for peacetime industry to absorb. Thus, the article concluded, the more than \$8 billion invested in 1800 factories owned by the Defense Plant Corp. are likely to end up being "white elephants."

Many of these were hurriedly erected under the pressure of war with the result that much of the work was done at overtime rates, adding much to the cost. Moreover, prices for materials were far beyond peacetime prices.

Many are fireproof, air-conditioned and have 12-inch thick concrete floors which could support almost any machine an auto manufacturer would use and some even are over-laid with wooden floors for precision manufacture but which would not be needed in many ordinary types of manufacturing.

One manufacturer said he would rather buy from a private source, unless the government price would be too low to disregard, in order to avoid the risk of being hauled before investigating committees "for 15 to 20 years" after the war.

Despite prices or deluxe quality, a manufacturer wouldn't be likely to buy a factory unless he saw it could be used profitably. And, until he can get a good idea of what the post-war demand for his product will be, he will be in no mood to buy. Thus, although some may be sold as soon as the war ends, most of the sales won't take place for several years later.

ODDS AND ENDS: Living costs declined 0.8 per cent in Indianapolis in February and 0.2 per cent in Evansville, says the National Industrial Conference board. . . Douglas DC-4 transports will be manufactured in Canada by Canadian-Vickers. . . Liquid savings reached \$37.7 billion in U. S. last year, SEC reports. . . McQuay-Norris Manufacturing Co. netted \$13,700 in '43 or \$7.12 a share against \$5.34 in '42. . . Business Week says WPB has decided to let one company make several hundred thousand new autos, possibly Hudson, before the European war ends "if that is long in coming"; other auto manufacturers are expected to fight the plan. . . The war department reportedly has recently refused to allow costs of publishing a company magazine in two cost-plus fixed-fee contract cases; most are O. K'd, however, being considered "moral builders."

N. Y. Stocks

High	Low	Last	Change
Allis-Chalmers	36 1/4	36 1/4	+ 1/4
Am Can	87 1/2	87 1/2	+ 1/2
Am Loco	17 1/2	17 1/2	+ 1/4
Am Rad	58 1/2	58 1/2	+ 1/2
Am Roll Mill	13 1/2	13 1/2	+ 1/4
Am T & T	157 1/2	157 1/2	+ 1/2
Am Water W	6 1/2	6 1/2	+ 1/4
Anaconda	25 1/2	25 1/2	+ 1/4
Armour & Co.	14 1/2	14 1/2	+ 1/4
Atchafalaya	64 1/2	64 1/2	+ 1/2
Atchafalaya	28 1/2	28 1/2	+ 1/4
Bald Loco	12 1/2	12 1/2	+ 1/4
Bendix	36 1/2	36 1/2	+ 1/2
Beth Steel	58 1/2	58 1/2	+ 1/2
Borden	30 1/2	30 1/2	+ 1/4
Borg-Warner	35 1/2	35 1/2	+ 1/2
Calumet	35 1/2	35 1/2	+ 1/2
Chrysler	45 1/2	45 1/2	+ 1/2
Curtis-Wright	8 1/2	8 1/2	+ 1/4
Douglas	50 1/2	50 1/2	+ 1/2
Du Pont	14 1/2	14 1/2	+ 1/4
Gen Electric	42 1/2	42 1/2	+ 1/2
Gen Motors	42 1/2	42 1/2	+ 1/2
Goodrich	46 1/2	46 1/2	+ 1/2
Goodyear	42 1/2	42 1/2	+ 1/2
Greif Bros	20 1/2	20 1/2	+ 1/4
Int Harvester	71 1/2	71 1/2	+ 1/2
Kennecott	21 1/2	21 1/2	+ 1/4
Kroger	31 1/2	31 1/2	+ 1/4
L-O-F Glass	44 1/2	44 1/2	+ 1/2
Marshall Field	14 1/2	14 1/2	+ 1/4
Loew's	60 1/2	60 1/2	+ 1/2
Marshall Field	14 1/2	14 1/2	+ 1/4
North Ward	12 1/2	12 1/2	+ 1/4
Nat Biscuit	12 1/2	12 1/2	+ 1/4
Nat Distillers	23 1/2	23 1/2	+ 1/2
N Y Central	18 1/2	18 1/2	+ 1/4
Ohio Oil	18 1/2	18 1/2	+ 1/4
Packard	4 1/2	4 1/2	+ 1/4
Pan Am Air	96 1/2	96 1/2	+ 1/2
Penn	29 1/2	29 1/2	+ 1/2
Pittsburgh	21 1/2	21 1/2	+ 1/4
Procter & G	24 1/2	24 1/2	+ 1/2
Pulman	12 1/2	12 1/2	+ 1/4
Pure Oil	16 1/2	16 1/2	+ 1/4
Republic	17 1/2	17 1/2	+ 1/4
Reynolds	20 1/2	20 1/2	+ 1/2
Schenley Dist	51 1/2	51 1/2	+ 1/2
Sears Roebuck	27 1/2	27 1/2	+ 1/2
Secor-Vac	12 1/2	12 1/2	+ 1/4
South Pac	29 1/2	29 1/2	+ 1/2
Sid Brands	30 1/2	30 1/2	+ 1/2
Sid Cal	36 1/2	36 1/2	+ 1/2
Sid Oil Ind	27 1/2	27 1/2	+ 1/2
Sid Oil Ind	27 1/2	27 1/2	+ 1/2
Texas Co	48 1/2	48 1/2	+ 1/2
20th Cent-Film	23 1/2	23 1/2	+ 1/2
U S Rubber	45 1/2	45 1/2	+ 1/2
Warren Bros	51 1/2	51 1/2	+ 1/2
Westing	96 1/2	96 1/2	+ 1/2
Young & Rubicam	15 1/2	15 1/2	+ 1/4

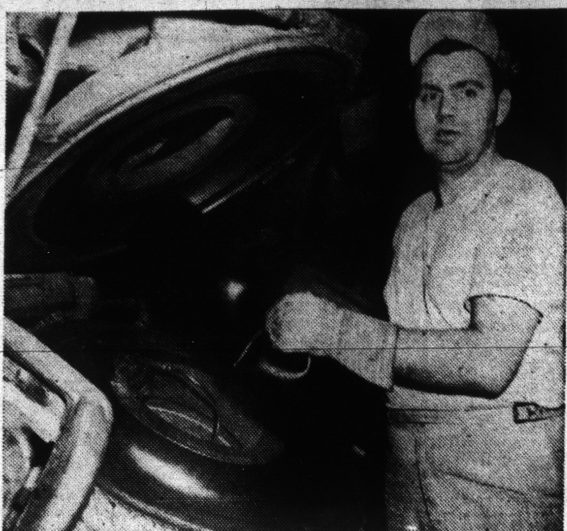
LOCAL PRODUCE

Heavy breed hens, 2c; Leghorn hens, 20c; Broilers, fryers and roasters, under 1 lb., 20c; Leghorn springers, 25c; Old roosters, 15c; Eggs—Current receipts, 4c; and up, 20c; Graded Eggs—Grade A large, 2c; grade A medium, 2c; grade A small, 1c; no grade, 1c; Butter—No. 1, 50c; Butterfat—No. 1, 45c; No. 2, 40c.

Incorporations

Brookville Electric Co., Brookville, dissolution.
The Bedford Publishing Co., Inc., Bedford, dissolution.
Montgomery County Farm Bureau Cooperative Assn., Inc., Crawfordville, amendment increasing the capital stock to \$200,000.
Riverside Investment Co., Inc., 1309 W. 25th st., Indianapolis, agent, John E. Stock, same address; 40 shares without par value; John E. Stock, Ralph Stock, and M. P. Poon.

Butyl Tubes Made Here



Lloyd Wray, mold operator at the U. S. Rubber Co., here, removes the new butyl tube from the curing mold.

The U. S. Rubber Co.'s Indianapolis plant is now engaged in the mass production of inner tubes of butyl type synthetic rubber "which hold air three times better than natural rubber" but they're all for military tires, the company reported today.

Dr. Sidney M. Cadwell, director of tire development, said that butyl has several properties superior to either natural rubber or GR-S (government rubber-synthetic) rubber for the manufacture of tubes.

Among these are high tear resistance, no tendency to stiffen after aging which prevents splitting or cracking, high tolerance for foreign matter whereby sand particles or grit or other foreign substances found in rubber materials will not impair performance efficiency.

"These superior characteristics and the possibility of low cost provide a reasonable prospect for this synthetic in post-war tubes," he said.

IN BRIEF

SEES TAX PEAK—Emil Schram, president of the New York Stock Exchange and a native of Peru, Ind., predicted at Peru last night that federal taxes would reach their peak this year or in 1945.

PLANS EXPLORATION—An active exploration program, particularly in Canada, is planned by International Mining Corp. which hopes to find mining properties holding a promise of "profitable operation," President Donald B. Douglas has disclosed.

ON STEEL BOARD—Election of Cason Jewell Callaway of Hamilton, Ga., as a director of the U. S. Steel Corp. to fill the vacancy created by the death of James A. Farrell last year, was announced today.

WOOLEN CO. MAY PAY—Plans for elimination of arrearages on preferred shares of the American Woollen Co. are under consideration, according to President Moses Pendleton. Arrears amounted to \$72.50 a share on March 15 this year.

GRAIN PRICES MOVE IN NARROW RANGE

CHICAGO, March 29 (U. P.).—Grain futures moved within a narrow range on the Board of Trade today. By mid-session oats and barley and rye firmed.

At 11 a. m. wheat was up 1/4 to 1 1/2 cent a bushel, oats unchanged to 1/4, rye unchanged to 1/4 and barley up 1/4.

WLB Says Some Employers Guilty of Provoking Strikes

WASHINGTON, March 29 (U. P.).—The war labor board asserted today that some employers, by refusing to continue recognizing unions as soon as collective bargaining contracts expire, are guilty of "conduct provocative of strikes."

The board's complaint was directed at what it described as a growing tendency of employers, particularly in the Chicago area, to challenge the majority status of unions whenever contracts expired.

With industry members dissenting, the board rejected arguments of the Chicago Transformer Co. that the United Electrical Workers (C. I. O.) no longer represented a majority of its employees. The board upheld a Chicago regional board order extending provisions of the old contract and ordered the regional board to name a panel to hear the dispute unless the company and union agreed on a contract within 30 days.

The union won a national labor relations board election in 1942, but after the initial contract expired the company contended that it had a right to refuse recognition to the union and invite a test before the N. L. R. B. If the union wished to charge it with unfair labor practices, it must file a charge within 60 days.

In an opinion with which three other public members and four labor members concurred, W. L. B. Public Member Lewis M. Gill said the board would continue to recognize a certified union unless there was evidence of a compelling change of circumstances. He said most collective bargaining contracts were renewed without challenging a union's status but that there were exceptions.

"Just as there have been some instances in which labor has violated its obligation not to strike, there

WRIGLEY QUILTS, HITS GUM FIRM POLICIES

CHICAGO, March 29 (U. P.).—A feeling that company policies were departing from those upon which the business was founded and grew, led to the resignation of Philip K. Wrigley from the presidency of the William Wrigley Jr. Co., stockholders were informed today in a letter from the 48-year-old chewing gum executive.

The resignation was accepted at a board of directors meeting yesterday, and James C. Cox, first vice president and treasurer, was elected president. E. D. Atwater succeeds Cox.

Wrigley, said to control 31.83 per cent of voting shares of the corporation, remains a director, in which position he said, "I believe I can best serve the interest of the business."

An added cause for resignation was indicated in his statement that "The last 12 years have not been easy and I find myself going into 1944 pretty well worn down physically and with a consequent lack of enthusiasm and vigor."

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To all those who rely upon the Telephone

(A REPORT)

★ At the Telephone Company, we firmly believe that it's up to us to do all

we can to provide the kind of telephone service the public wants—when and where it is wanted. This review from our Annual Report for 1943 is to let you know how we are getting along with that job.

Keeping Pace with War

In this great war of manpower and materials; distances are vast and time is always pressing. Wherever a war job must be done, there is need for the telephone. To keep up production in plants and on farms; to train and equip troops; to carry on essential civilian activities and the many wartime functions of Government—all add up to an urgent need for more telephone service than ever before.

Lines and equipment to serve more customers have become increasingly scarce. The manufacture of new telephone facilities of all kinds for civilian use was brought to a halt early in the war. The basic materials that go into telephone plant—and the factories for making it—are being used for war production.

We have been doing everything we can to make the most of what we have. Short lengths of usable wire are painstakingly salvaged; older equipment is re-conditioned and made to do.

We're Doing the War Jobs First

We have met all requirements for telephone service essential to the war—and met them on time. This, we will continue to do.

We are also installing service for others as fast as facilities are released by customers who discontinue service, but we now have on file about 25,000 applications throughout the state for service that cannot be provided immediately. The waiting interval varies considerably in different localities—a long wait being necessary wherever the shortage of cable plant and central office equipment is particularly acute.

We Appreciate the Public's Co-operation

Telephone installations have been subject to various necessary governmental restrictions for some time; and delays on Long Distance calls are unavoidable when the lines are congested. The patience and understanding of telephone users; their splendid spirit of co-operation, despite considerable inconvenience in some cases, have been of great assistance to us. We sincerely appreciate it. We are

making our plans now to meet all requirements for service just as soon as we have the materials and facilities to do it.

What About Telephone Company Earnings?

With our local and Long Distance facilities so fully utilized all through the year, our revenues were up 15%. However, the costs of doing business increased in slightly greater proportion and net earnings were again below the average of the three years preceding the war.

The Telephone Company's "cost-of-living," 80% of which now goes for payrolls and taxes, has risen very rapidly in the last five years.

Telephone service must be provided 24 hours a day every day, and it now takes about 5,000 men and women to do the job in this Company. Telephone work requires many special skills, and our people must be capable and competent. In five years, our force has been increased by 50% and payrolls are up 70%.

Heavy taxes we must all pay—and pay cheerfully—if this war is to be won. Ours are up 150% in five years. Our 5-million-dollar tax bill for 1943 was equivalent to \$1.25 per month for each telephone in service. (This does not include an additional 2 1/2 million dollars in direct federal taxes paid by our customers for the use of telephone service.)

There is now more than 61 million dollars invested in our telephone plant; other assets needed to carry on a going business bring the total to nearly 63 million dollars. Our earnings for 1943 amounted to 4.66% on that investment.

Service Improvements Postponed by War

The telephone industry is one of the most dynamic in American life. Its birth, its rapid expansion and its great technical progress have all taken place

within the span of one lifetime. War has interrupted this continuous development, but we are planning to resume after the war our long range program of improvement in facilities and in service.

There was no new telephone construction last year, except for a few, small additions essential to war, and there is no way to predict now when materials for our use will be available again.

Increased Rates May be Needed

At the present time, however, there is a very considerable need for additional facilities. Practically all of our facilities are now in use, and if the demand for telephone service does continue well above pre-war levels, it is certain that very extensive additions will be needed just to restore our normal margins of spare facilities. We can't provide a customer with the kind of service he wants, when and where he wants it, unless we have spare facilities ready for service in every neighborhood.

To restore our normal reserve of spare plant will require a large additional investment for facilities that do not produce a corresponding increase in revenue. The costs of furnishing service, such as payrolls and taxes, are likely to continue to be high after the war. If so, the present telephone rates may not produce sufficient earnings to induce people to invest with us the additional funds we will need.

For the Future

With your continued understanding, we shall again move forward after the war striving always to furnish more and better telephone service at the lowest cost to the user that is consistent with the fair treatment of our employees and the financial safety of this business.

Stanley
PRESIDENT

INDIANA BELL TELEPHONE COMPANY

LOCAL AT TAM

Cadet Maurice

Soon to R

Win

Stationed in the school at Pampa, Texas, Cadet Maurice is a member of the school's basketball team. He is a member of the school's basketball team. He is a member of the school's basketball team.

Pvt. Thomas S. Thomas is at Keeler field mine his qualifications aviation cadet.

Promoted to Alfred W. Good of Mrs. Mary L. Gray, has been general upon graduation ordinance Oklahoma.

Walter R. White, Mrs. George A. Arlington, is for the petty officer than 3-c, upon coming at the University Madison, Wis.

Machinist at a service command land, where the Flying Fortresses, Mr. J. Schaefer, son of John H. Schaefer, has been promoted has been in England.

WAC Pvt. Ma College ave., is Camp Shanks, N.

GRANDMA'S IDEA She often used modern medicine, acting cotton suit, coughing, (1) study nose (2) spot where applied.

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