

## BUSINESS

Prophecies of What 1944 Would Bring  
Turned Out to Be Pretty Far From Fact

By ROGER BUDROW

THAT OLD SAW ABOUT PLAYING WITH MATCHES barely applies only to children. If a "big shot" grows up gets burned when his prediction, in a national magazine in the papers, goes wrong, why he just predicts again, as if nothing had happened.

Last year at this time, Look magazine was full of forecasts by eminent persons. Leland Stowe of Germany would be defeated in 1944. Hitler dead. Europe in the "greatest orgy of mass vengeance ever recorded in modern times." H. V. Kaltenborn said an interim government would negotiate a surrender before Germany was invaded.

A lot of others looked into the crystal ball and what they saw. That many were wrong didn't matter—the public memory is short. So they're back again this year.

Some of those Washington service business men by because they report to know what's going on inside Washington, predicted the national income would fall 10 per cent in 1944, based on the belief that many would collapse by Christmas (as Gen. Eisenhower predicted). Many didn't and national income rose 5 per cent. Neither was a bull market in stocks over.

Nobody, at least before the election, forecast the shortage of millions, the bitter disillusionment we've taken over events in Italy, Greece and Poland, or the German inter-attack.

That would have been a good thing too, but it seems that gloomy prophets are without honor in their own country and so might as well stop still.

TWO WAR PLANTS here, at the top of the "critical" list, were given "rate-hiring" privileges by the war manpower commission, beginning today. Heretofore, their labor has been channeled through the U. S. employment service. They are P. R. Mallory, making dry cell batteries, and Bridgeport Brass Co., making 105 mm. shell cases. The push is on to get them fully-manned.

THE NAZIS have lost half the shell-making capacity they had before the invasion.

Part, estimated at 20 per cent, due to bombing. But most of the loss was in satellite mills and deposits in occupied Italy, France, Belgium, Luxembourg, the Balkans and Hungary.

The Nazis can produce about 36 million tons a year now, against million in their heyday.

ODDS AND ENDS: Westinghouse has developed a jet propulsion engine. . . . Arden LeFevre, formerly managed Stewart-Warner's plant here, has been promoted to be president and director of engineering for its Alameda, instruments and radio products. . . . Last-minute Christmas shopping boosted dianaplois department store sales % over a year ago. In the week ending Dec. 23. . . . Powerful DDT set \$1.60 a pound when it was shipped by plane to kill typhus after allies began freeing Italy; now it costs 60c, due to increased production. . . . Quintin G. Noblitt of blitt-Sparks Industries of Columbus, Ind., sold 650 shares of blitt-Sparks stock in November, reducing his holdings to 18,100, the EC report on trading by "insiders" owns. . . . And William B. Stokely ve 225 shares of Stokely Van amp common stock to the East mmesee Baptist hospital.

Joseph D. Oliver, Jr. of the South and plow family holds 1200 shares of Oliver Corp., the firm resulting from the merger of Oliver Farm equipment Co. and the Cleveland tractor Co., four trust funds set up by James Oliver hold 40,852 shares.

TATE FARM CENSUS WILL START JAN. 8

A census of farm livestock and production in the state will begin beginning Jan. 8.

All agricultural agencies will cooperate in the census which will take about four weeks to complete.

Norman Edwards, Paoli, will have charge of the job. It will include formation on the number of all asses of livestock and poultry, number of acres in various crops and other data of value to farmers, was said.

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## BYRNES URGES TAX REVISIONS

Congress Hears Outline  
On Corporation Tax Changes.

WASHINGTON, Jan. 2 (U. P.).—Mobilization Director James F. Byrnes, told congress today that while high wartime taxes must continue until the war is "over on all fronts," some changes should be made in corporate levies immediately after defeat of Germany in the interest of helping business recovery and reconversion.

He listed three specific steps which could be taken soon after V-E Day without seriously affecting government revenues:

1. Accelerated depreciation allowances on plants or new equipment.

Byrnes said the present law which computes depreciation allowances in accordance to the physical life of the property acquired, "has a tendency to discourage the acquisition of new equipment and the formation of new enterprises."

He urged a provision to permit greater deductions in the earlier years of the life of the property which, he said, would prove of special benefit in helping small firms get loans for expanding facilities.

"Small Companies Caught Short"

2. Prompt availability of post-war refunds bonds.

Many corporations, especially small ones, will lack capital to carry out reconversion plans, Byrnes said. Therefore, the portion of their excess profits taxes earmarked for post-war refund should be returned in part immediately after Germany is defeated. There should also be a cut in the compulsory savings provision in the excess profits tax law.

3. Increasing from the present \$10,000 to \$25,000 the specific exemption for excess profits tax purposes.

Byrnes saw no justification for complete elimination of excess profits taxes while the war against Japan was in progress but felt that increasing the exemption would help industry, especially small business, reconvert and encourage establishment of new enterprises.

Byrnes cautioned that there was not justification for any general revision of taxes so long as any battlefield continued active. And even after the war, he said, government expenditures will be higher than in prewar years because of veterans' benefits, hospitalization costs, and the interest on the national debt which alone will exceed total internal revenue receipts in 1937.

## RAILWAYS ASK FOR DISMISSAL OF SUIT

LINCOLN, Neb., Jan. 2 (U. P.).—Counsel for the Western Association of Railway Executives filed motions in U. S. district court here today to dismiss an anti-trust suit charging 47 railroads and 90 railroad and banking officials with conspiracy to restrain and monopolize transportation throughout the western United States.

The motion challenged the validity of the justice department's suit, filed here in August, on the grounds that a congressional law, passed June 11, 1942, specifically suspended from anti-trust prosecution those industries "wholeheartedly engaged in concerted and co-operative activities requisite to winning the war."

The government complaint charged the association and its officials, 47 Western railroads and their chief executives, the Association of American Railroads, J. P. Morgan & Co., Inc., Kuhn, Loeb & Co. and 31 other individuals with violations of the Sherman Anti-Trust Act in combining to maintain non-competitive rates and suppress development of other forms of transportation throughout the West.

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## 'Flying Windmills' for the Army



Quality production of "flying windmills" for the U. S. army is now under way at Nash-Kelvinator's Detroit, Mich., plant. The unusual photo above shows a trip of the R-6 helicopters during demonstration for military observers and industry officials at the plant airport.

## Byrnes Asks Congress to Give WLB Power to Punish

WASHINGTON, Jan. 2 (U. P.).—Mobilization Director James F. Byrnes today asked congress to give the war labor board legal power to enforce its orders without the need of government seizure so that it could "treat the Petrillos and Averys alike."

His plea was contained in an extensive report to congress and the President on the problems facing the nation at this juncture of the war.

Explaining his request, Byrnes said, "In some cases seizure is not the best way of enforcing the decisions of the WLB. It imposes on the government onerous responsibilities of running private business."

Other Methods Wanted

"I recommend," he continued, "that congress should provide in addition to seizure other means of enforcement. The WLB should have the right, whenever it considers it necessary in the public interest, to make its decisions mandatory and legally enforceable in the courts without resort to seizure."

Byrnes noted an "inadequacy" to the process of seizure because "in some cases where men are on strike the only sanction is to take over the business of the employer."

He did not say what kind of law he favored, but it could provide either fines, imprisonment or both for employers such as Sewell Avery, head of Montgomery Ward & Co., and union leaders such as President James C. Pettillo of the American Federation of Musicians, both of whom refused to obey WLB directives.

In the Ward case the government has twice ordered seizure of company properties to compel compliance with WLB orders. In the Pettillo case President Roosevelt himself admitted he had no power to enforce the board's order directing Pettillo to lift his ban on recordings because the union's hold-out was "not unduly impeding the war effort."

Both cases have aroused widespread criticism of the government for different reasons. The Ward seizures called forth the objection that the government was treating illegally the preserves of private business, and that it was not warranted since Ward's mail order business was alleged to be a non-war industry.

In the Pettillo case the objection was that the board, by failing to enforce its order, was showing its essential weakness and at the same time discriminating against employers and other unions which had been compelled to obey WLB orders.

One reason for failure to enforce the Pettillo order was admittedly that there was no legal way to do so. Large numbers of musicians could not be compelled to play music for recordings if they didn't want to, while seizure of the recording companies would have been equally futile—and unfair to the companies which, in the eyes of the WLB, were not at fault.

The SEC, reporting that smaller corporations fared better than larger ones during the period, placed net working capital June 30 at \$11,075,449,000 compared, with \$11,075,000,000 at the close of 1939.

Covered in the commission's survey were manufacturing, railroad, utility, trade and financial firms which are registered with the SEC. Of the 33 groups of corporations reviewed, only one, financial companies, showed a drop in working capital. The decline reflected a diminishing activity of commercial credit and personal finance companies as a result of a scarcity of consumer goods.

Percentage-wise, railroads showed the largest increase in net working capital among the major groups, with the rise totaling 314 per cent during the period.

## U. S. STATEMENT

WASHINGTON, Jan. 2 (U. P.).—Government expenses and receipts for the current fiscal year through Dec. 29 compared with a year ago:

|              | This Year         | Last Year         |
|--------------|-------------------|-------------------|
| Expenses     | \$44,426,190,628  | \$43,011,415,479  |
| Receipts     | \$44,151,825,854  | \$41,584,340,869  |
| Net Deficit  | \$2,274,364,774   | \$20,014,064,610  |
| Cash Balance | \$7,224,621,994   | \$2,294,262,152   |
| Working Debt | \$1,473,123,511   | \$1,531,516,661   |
| Public Debt  | \$232,164,230,848 | \$170,107,619,182 |
| Gold Reserve | \$20,618,704,731  | \$1,927,569,884   |

INDIANAPOLIS CLEARING HOUSE  
Clearings \$1,164,000  
Debits \$1,164,000

## ASK MALLORY RUSH BATTERIES

Signal Corps Says Millions  
Must Be Replaced  
Every Day.

The army signal corps today issued an urgent appeal to P. R. Mallory & Co., Inc., calling on the firm's battery division workers to step up dry battery production to meet the heavy drain on present stocks in the South Pacific and in Europe.

In a telegram to Mallory employees, Maj. Gen. H. C. Ingles, chief signal officer of the army, said: "Every day millions of dry cell batteries must be replaced to keep thousands of portable radio sets, mine detectors, in operation. The signal corps and the fighting men on all fronts are depending on you to produce more batteries so that critical needs may be met. These needs call for a renewed production drive immediately."

Need 1000 Workers

Meanwhile, Mallory employees have started an intensive campaign to recruit friends and neighbors to work in the new battery division. Huge production quotas require 1000 more workers immediately if the vital schedules are to be met.

In appealing for urgently-needed workers, Mallory officials pointed out that both skilled and unskilled workers are needed and that no previous experience is necessary. Applicants may call at the company employment office, 3013 E. Washington st. or at the U. S. employment service, 257 W. Washington st.

Developed Here

The Mallory company, which developed the new-type battery, has been notified by the army that the batteries are on the "must" list. As the war goes into close "in-fighting" stages where infantrymen play an increasingly important part, the need for small types of high voltage, light-weight batteries is increasing by leaps and bounds.

The batteries being produced here were originally developed by Mallory engineers for the U. S. army signal corps to answer the need for a dry cell battery that will withstand extreme climatic conditions. The units are being produced in a new modern factory adjacent to the company's main plant at Washington and Gray sts.

1ST PAY CHECK SIZE TO CHANGE

New Schedule Designed to Make Pay-As-You-Go More Exact.

WASHINGTON, Jan. 2 (U. P.).—Happy New Year and things like that, but don't forget that the first month of the new year will be an important one as far as income taxes are concerned.

Your first pay check of 1945 will show the effect of the new tax withholding rates which become effective today. Designed to bring withholding closer to a pay-as-you-go basis and close any year-end gaps, the new schedules will mean more money deducted from many checks and less from others.

The treasury doesn't expect any great change in its tax receipts as result of the new system, but it will mean a change for many individuals. What the new schedules will try to do is to make the amount withheld during the year approximate more closely the amount actually due the government, thereby lessening the need for year-end payments by individuals—and refunds by the government.

\$500 Exemption Now

The new schedules will mean higher taxes for married couples without children. Husband and wife each will now be entitled to a \$500 exemption, whereas the old law allowed a couple an exemption of \$1200.

For couples with children, there will be a saving because the new schedules grant a \$500 exemption for each child as compared to \$350 previously.

Here are some other important tax deadlines:

Jan. 15—For filing of amended estimates on 1944 income taxes.

Jan. 31—For employers to give workers receipts of the amount withheld from their checks during 1944.

March 15—For final 1944 income tax returns, paid in full. Also due on this date are first estimates for 1945 taxes and final payments on unforgiven 1942 or 1943 taxes. The amount of "unforgiven" indebtedness, if any, will be shown by bill to be mailed about Feb. 15.

## N. Y. Stocks

High: Low Last Net Change

|                   |         |         |         |       |
|-------------------|---------|---------|---------|-------|
| Allis-Chalmers    | 38 1/2  | 38 1/2  | 38 1/2  | + 1/2 |
| Am Can            | 27 1/2  | 27 1/2  | 27 1/2  | + 1/2 |
| Am Loco           | 27 1/2  | 27 1/2  | 27 1/2  | + 1/2 |
| Am Rad & S        | 11 1/2  | 11 1/2  | 11 1/2  | + 1/2 |
| Am Roll Mill      | 52 1/2  | 52 1/2  | 52 1/2  | + 1/2 |
| Am T & T          | 16 1/2  | 16 1/2  | 16 1/2  | + 1/2 |
| Am Tob B          | 6 1/2   | 6 1/2   | 6 1/2   | + 1/2 |
| Am Water W        | 8 1/2   | 8 1/2   | 8 1/2   | + 1/2 |
| Anaconda          | 29 1/2  | 29 1/2  | 29 1/2  | + 1/2 |
| Armstrong         | 16 1/2  | 16 1/2  | 16 1/2  | + 1/2 |
| Atchafalpa        | 8 1/2   | 8 1/2   | 8 1/2   | + 1/2 |
| Atchafalpa        | 31 1/2  | 31 1/2  | 31 1/2  | + 1/2 |
| Ben Ind Loan      | 20      | 20      | 20      | + 1/2 |
| Beth Steel        | 63 1/2  | 63 1/2  | 63 1/2  | + 1/2 |
| Borden            | 33 1/2  | 33 1/2  | 33 1/2  | + 1/2 |
| Borg-Warner       | 38 1/2  | 38 1/2  | 38 1/2  | + 1/2 |
| Caterpillar       | 33 1/2  | 33 1/2  | 33 1/2  | + 1/2 |
| Ches & Ohio       | 50 1/2  | 50 1/2  | 50 1/2  | + 1/2 |
| Childs            | 4 1/2   | 4 1/2   | 4 1/2   | + 1/2 |
| Clayton           | 23 1/2  | 23 1/2  | 23 1/2  | + 1/2 |
| Douglas Airo      | 7 1/2   | 7 1/2   | 7 1/2   | + 1/2 |
| Du Pont           | 155 1/2 | 155 1/2 | 155 1/2 | + 1/2 |
| Gen Electric      | 38 1/2  | 38 1/2  | 38 1/2  | + 1/2 |
| Gen Foods         | 41 1/2  | 41 1/2  | 41 1/2  | + 1/2 |
| Gen Motors        | 64 1/2  | 64 1/2  | 64 1/2  | + 1/2 |
| Goodrich          | 54 1/2  | 54 1/2  | 54 1/2  | + 1/2 |
| Goodyear          | 51 1/2  | 51 1/2  | 51 1/2  | + 1/2 |
| Grayhound         | 22 1/2  | 22 1/2  | 22 1/2  | + 1/2 |
| Ind Rayon         | 30 1/2  | 30 1/2  | 30 1/2  | + 1/2 |
| Int Harvester     | 80      | 80      | 80      | + 1/2 |
| Int Paper         | 19 1/2  | 19 1/2  | 19 1/2  | + 1/2 |
| Kennecott         | 37 1/2  | 37 1/2  | 37 1/2  | + 1/2 |
| Kroger G & B      | 27 1/2  | 27 1/2  | 27 1/2  | + 1/2 |
| Lehigh Valley     | 23 1/2  | 23 1/2  | 23 1/2  | + 1/2 |
| Lockheed Aircraft | 21 1/2  | 21 1/2  | 21 1/2  | + 1/2 |
| Marine            | 23 1/2  | 23 1/2  | 23 1/2  | + 1/2 |
| Marine (Glenn)    | 25 1/2  | 25 1/2  | 25 1/2  | + 1/2 |
| Mont Ward         | 51 1/2  | 51 1/2  | 51 1/2  | + 1/2 |
| Nash-Kelvinator   | 28 1/2  | 28 1/2  | 28 1/2  | + 1/2 |
| Nat Biscuit       | 24 1/2  | 24 1/2  | 24 1/2  | + 1/2 |
| Nat Distillers    | 36 1/2  | 36 1/2  | 36 1/2  | + 1/2 |
| Nat Steel         | 23 1/2  | 23 1/2  | 23 1/2  | + 1/2 |
| Ohio Oil          | 18 1/2  | 18 1/2  | 18 1/2  | + 1/2 |
| Pan Am Air        | 35 1/2  | 35 1/2  | 35 1/2  | + 1/2 |
| Penney            | 108 1/2 | 108 1/2 | 108 1/2 | + 1/2 |
| Phelps Dodge      | 26 1/2  | 26 1/2  | 26 1/2  | + 1/2 |
| Procter & G       | 57 1/2  | 57 1/2  | 57 1/2  | + 1/2 |
| Pullman           | 47 1/2  | 47 1/2  | 47 1/2  | + 1/2 |
| Pu Oil            | 12 1/2  | 12 1/2  | 12 1/2  | + 1/2 |
| Reynolds          | 21 1/2  | 21 1/2  | 21 1/2  | + 1/2 |
| Schenley Dist     | 38 1/2  | 38 1/2  | 38 1/2  | + 1/2 |
| Serv Int          | 19 1/2  | 19 1/2  | 19 1/2  | + 1/2 |
| Socoy-Vacuum      | 13 1/2  | 13 1/2  | 13 1/2  | + 1/2 |
| South Pac         | 42 1/2  | 42 1/2  | 42 1/2  | + 1/2 |
| Std Oil Cal       | 38 1/2  | 38 1/2  | 38 1/2  | + 1/2 |
| Std Oil Ind       | 37 1/2  | 37 1/2  | 37 1/2  | + 1/2 |
| Std Oil IN J      | 36 1/2  | 36 1/2  | 36 1/2  | + 1/2 |
| Std Oil Ohio      | 48 1/2  | 48 1/2  | 48 1/2  | + 1/2 |
| Texasaco          | 49 1/2  | 49 1/2  | 49 1/2  | + 1/2 |
| 20th Cent Fox     | 28 1/2  | 28 1/2  | 28 1/2  | + 1/2 |
| U S Rubber        | 52 1/2  | 52 1/2  | 52 1/2  | + 1/2 |
| U S Steel         | 60 1/2  | 60 1/2  | 60 1/2  | + 1/2 |
| Warner Bros       | 13 1/2  | 13 1/2  | 13 1/2  | + 1/2 |
| Westing           | 124 1/2 | 124 1/2 | 124 1/2 | + 1/2 |
| Zenith Rad        | 39      | 39      | 39      | + 1/2 |

## Surpluses Were a Mess Following World War I

(First of Three Articles)  
By ROGER W. STUART  
Scripps-Howard Staff Writer

WASHINGTON, Jan. 2—Do you wish to buy a war plant, jeep, can opener, duffelbag, or any of several thousand other items soon to be tossed on the nation's counters by Uncle Sam?

The total of anticipated surplus properties—representing plants, machine tools, material and lands—will be valued somewhere between \$50,000,000,000 and \$100,000,000,000. And their disposal unquestionably will prove to be the biggest and probably the most difficult sales project in history.