

SUNDAY, MAY 1, 1949

The Week In Business—

Half of Order Backlog Good, Dealers Find

State Auto Survey Shows Business Better Than Most Had Expected

By HAROLD HARTLEY, Times Business Editor

INDIANA'S AUTO DEALERS have stopped second-guessing prosperity. To put an accurate yardstick on public demand for cars and the manufacturers' ability to provide them, they sent out questionnaires to dealers whether their business is as sick as people think it is, and to measure the months ahead.

Last Friday in the Empire Room of the Claypool Hotel Joseph E. O'Daniel, Evansville, president of the Auto Dealers Association of Indiana, took a folded piece of paper from his pocket and read to the assembled board the health chart of the automobile retail business in Indiana.

Herman Schaefer, executive secretary of the association, had prepared, with the help of the board members, a questionnaire which went to some 700 organized Indiana dealers.

The questionnaire did not mince words. It asked straightforward questions and received an amazing number of frank replies.

Many dealers, contrary to pub-

lic conception, revealed that they still have substantial lists of back orders. They also had combed their order books to find that from 50 to 60 per cent of the orders are still deliverable.

But it isn't quite as hard to make a deal for a new car as it was last year. Forty per cent of the dealers still require a cash deposit, but 60 per cent will put you on their lists without so much as a dollar down.

Delivery dates are still a problem. Only 5 per cent said they could make immediate delivery. Fifteen per cent said they could deliver cars in 60 days, 25 per cent in 90 days, and 25 per cent in six months or more.

Forty per cent of the dealers said the number of prospects who come into their salesrooms remains about the same as last year.

Proof that American tastes still run pretty high is contained in the fact that two-thirds of the car buyers want de luxe models, but 55 per cent of all buyers are complaining about the high list prices.

Seventy-five per cent of the dealers reported there has been an increase in the use of the instalment plan in car purchases. The increase runs from 25 to 50 per cent.

The main trouble in making a deal for a new car lies in getting together the down payment, the dealers reported, although the recent changes in Regulation W have made payments easier over the 24-month period.

Indiana dealers reported the parts and service business, usually a headache, is off 12.8 per cent.

The survey answered an important question in the used car business. Dealers reported that most buyers were still willing to pay between \$500 and \$1,000 for a used car. But 40 per cent were willing to go a little over the \$1,000 mark.

Dealers were emphatic in their belief that competition has returned, although a few in the small car lines thought real com-

Down a Little The Home Show, which closes tonight, reflected rather accurately the business temperature of Indianapolis. Attendance records showed fewer persons passing through the gate.

Last year's attendance hovered around the 80,000 mark. And this year's paid attendance fell a little below which is a pretty fair measure of the spending picture in Indianapolis.

The Home Show is one of the best conceived and executed expositions in the country. This is the well-earned result of having thought it through every year (war years excepted) since it began in 1922.

J. Frank Cantwell, managing tapestrainer with gay music for director, has the happy faculty of each new annual production.

\$1.02 If you hear someone complaining that money is getting scarce, an investors' service in Minneapolis asks you not to believe it.

The average American consumer has \$1.02 in real income as compared with \$1 last year. What does it mean? Wages have fallen while the prices of food and other commodities are less.

The Investors Diversified Services (formerly the Investors Syndicate) reports that the cost of housing remains moderately upward.

Gas companies of Indiana added 20,000 customers in the last year. At the convention of the Indiana Gas Association in French Lick, the industry reported 526,000 customers, a gain of 11.5 per cent.

But the gas companies were not entirely happy over the expanded business. Their net incomes failed to reflect the increase due to higher pay-roll costs, higher material costs and taxes.

L. B. Schies, president of the

THE INDIANAPOLIS TIMES

'Mountain of Gold' Becomes Junk Again



Long before steel producers announced they were running at less than rated capacity, the junk dealers sensed a change in steel consumption. The reason was the pileup of scrap, and its tumbling price. Scrap fell from \$42 a ton to less than \$20 in Indianapolis where sights such as this mountain of pressed scrap at the American Compressed Steel Co. on E. Maryland St. are not uncommon.

On the Farm— Hog Prices Still Heading Down

Farmers See Further Drops

By HARRY MARTIN
Times Farm Writer

Hogs, called "mortgage lifters" by Indiana farmers, looked last week as if they were headed for even lower ground. The faltering price curve, near \$18, down from \$31.25, seemed headed for another sag.

Farmers read between the lines in an appeal from Agriculture Secretary Charles Brannan to Congress to let him try his new direct-subsidy program on hogs.

If the auto dealers who had their leanest years during the war and their richest years right after the war, expect business to hold a fairly level keel, then other businesses may well profit from their self-measurement, and their fair business view of the immediate future.

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Strangely most dealers said they believed business conditions in their respective communities is about the same as a year ago.

There still were at least 25 dealers in the state who believed they would sell more than 500 cars next year.

Eighty per cent of the dealers,

however, reported their profits were less than last year.

There is the Indiana auto busi-

ness in a nutshell, from the

dealers themselves.

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Farmers were beginning to

watch hog weights. Although the

feeding ratio was still favorable,

the heavier were not preferred.

Heavy Weights Not Wanted

Harold Shannon, farm operator

in Putnam and Hendricks

counties, said, "There's too much land, and I don't figure it's profit-

able to feed hogs to weights

above 200 to 240 pounds." He

added that he expected the trend

to reverse itself around Sept. 25

when the old crop of heavy hogs

becomes scarce.

Mr. Shannon is market wise

He sold 606 heavy hogs within

25 cents of market top on Sept. 27

If he had sold in July, they would

have been \$3 lower.

C. H. Gibbs Named

Plywood Manager

Appointment of C. H. Gibbs,

6102 N. Sherman Drive, as man-

ager of the Indianapolis Plywood

Corp. was an-

nounced yester-

day by E. S.

Barnhill, man-

ager of the cor-

poration and its

affiliate, the In-

dianapolis Wire-

bound Box Co.

Mr. Gibbs, a

graduate of the

University of

Michigan, joined

the corporation

staff in 1947.

Previously he was associated with

the Aetna Plywood and Veneer

Co. in Chicago for six years.

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