

American Industries Following Germany In Building Pattern

By ELMER C. WALZER

United Press Financial Editor
New York—After World War II, Germany's industry was shot to pieces—and what

wasn't shot up was destroyed. So Germany had to rebuild its industry from scratch. The result was an up-to-date industry, efficient to the nth degree and far better than anything that existed before the war.

Much is made of this now that Germany's economy is making a remarkable comeback. But little is said about the United States industry which has gone through about the same process. The U.S. companies have rebuilt their plants, incorporating the latest devices known in the

world. They have new plants in many instances. In addition to a rise in capacity here, there also is a rise in efficiency of operation which outmoded anything that existed before.

Higher Production
As a result companies can operate well below full capacity and still turn out far more than they did a few years ago operating at full steam.

Take U.S. Steel, for example. In 1957 it operated at a bit more than 85 per cent of capacity and yet produced more steel than ever before. Big Steel, despite a sharp drop in the fourth quarter, had record sales and earnings for 1957—and it continued the usual 75-cent dividend.

The trick in the steel industry as in most other industries is that when operations are curtailed the most efficient plants are brought into full play with the result that output is kept high at minimum effort.

Another Lesson
And U.S. Steel poses another lesson for the economy. It alone can produce nearly as much steel as the whole Soviet Union which means that Russia still is far behind the United States in production of this most important product of war and peace—steel.

Steel companies generally have been trying through introduction of more efficient production methods to keep pace with the pinch of costs on profits.

Steel prices have been raised to the horror of some legislators who have promptly investigated the big steel companies. The efficiency of the plants has helped a lot but it hasn't quite kept up with costs. If it had Big Steel would have made a much better showing in its profit column.

There is little doubt that steel prices will be hiked in the not distant future, according to the experts. So the steel companies, despite curtailed operations, are expected to make a good showing.

Mail Fraud Jury Finds Three Guilty

Portland—A Federal Court jury here Wednesday returned verdicts of guilty against three persons accused of mail fraud and conspiracy to commit mail fraud in connection with the bankrupt Bailey Lumber Company of Eugene.

Richard G. Bailey, former president of the firm; Mrs. Laurel Macy, a bookkeeper, and Norman R. Eggiman, an accountant, were judged guilty on the conspiracy count and on 25 fraud counts.

Federal District Judge Gus J. Solomon set March 4 for sentencing or hearing motions for a new trial.

The defendants were accused of bilking three Oregon banks out of some \$250,000, borrowed on the basis of false lumber invoices and bills of lading.

Alcoa To Cut Off About 100 Workers

Vancouver, Wash.—About 100 employees will be affected when additional production facilities will be shut down at the Aluminum Company of America's smelting plant here Feb. 1, Alcoa announced today.

George R. Stout, smelting works manager, said existing high inventory and reduced demands prompted the cutback.

The new cutback will result in two potlines being idle here. Another has been down since Aug. 31 of last year when interruptible power was cut off.

Facilities can be brought back into production rapidly when business improves, the firm said.

SHADY COVE-TRAIL Kansas Family Visits

By EVALYN P. WATSON

Shady Cove-Trail—Alvin Pfeifer of Hays, Kan., spent several days visiting at the home of his uncle and family, Mr. and Mrs. Dick Pfeifer, en route to southern California. The Pfeifers have staying with them 12-year-old Gary Hankins of Klamath Falls who has been confined for the past 2½ years at Sacred Heart hospital suffering from injuries inflicted in a gunshot wound. Although Gary is confined as yet to a wheel chair he is convalescing well now.

Cross, Mr. and Mrs. Ed Houston, and children, Sheri and Lane, all of Shady Cove; and Mr. and Mrs. Reed McKay and Mrs. Agnes Hubbell of Trail. Also present were Clark's cousin and wife, Mr. and Mrs. Henry Van Hise, and friends, Mr. and Mrs. Len Crum, both of Medford.

Grazing Fee To Be Increased 4 Cents

Portland—The new grazing fee to be charged for the use of the federal range during 1958 will be 19 cents per animal-unit-month, a four-cent increase, the Department of the Interior announced here today.

The new fee is based on average livestock prices at markets in the 11 western states during Calendar 1957, as computed from data supplied by the Agricultural Marketing Service of the U.S. Department of Agriculture.

Grazing charges are based on the number of livestock permitted to use the federal range and the length of time for which they use it. The new fees charged for each month's use will be 19 cents per head of cattle, 38 cents per horse, and 19 cents for each 5 sheep or goats. No fees will be charged for livestock under six months of age.

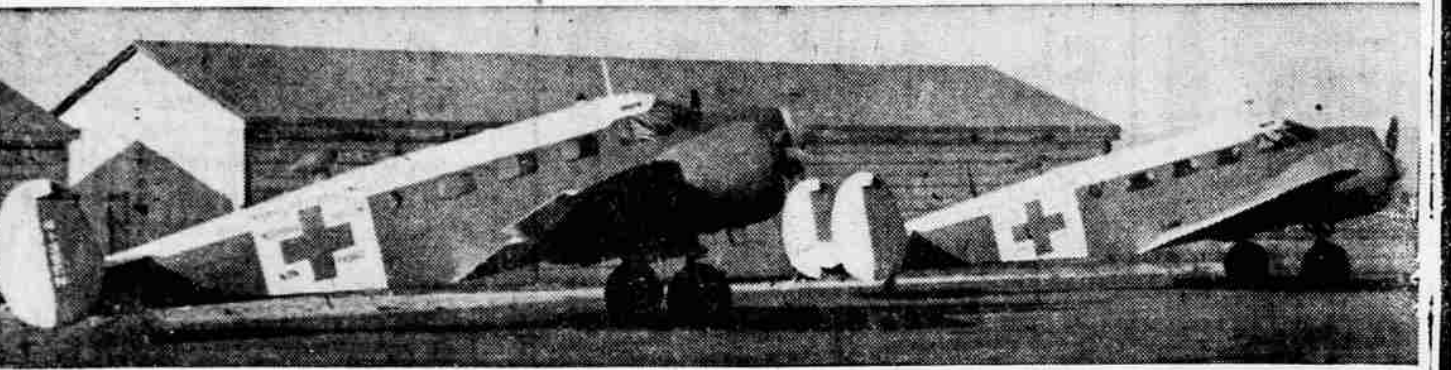
The 1958 fee is based on a new grazing fee formula ordered by Interior Secretary Fred A. Seaton and endorsed by the National Advisory Board Council for Grazing. The new fees are effective as of Jan. 1, 1958.

Interest on GI Life Insurance Not Tax-Free

Although payments for Veterans administration benefits are tax free and need not be reported on 1957 Federal income tax returns, interest earned on GI life insurance dividends left on deposit with VA is not a "benefit" and is taxable.

S. T. Brannock, officer in charge of the Medford VA office, said the ruling on dividend interest was made last year by the Internal Revenue service. Still tax-free are the proceeds of a GI life insurance policy, including the dividends themselves, he said.

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Fine Performances Noted In U.S. Steel Hour Show

By WILLIAM EWALD

United Press Correspondent
New York—A pretty interesting personality, and Nehemiah Persoff, a pretty interesting actor, got enmeshed in a duel of wits on a CBS-TV "U.S. Steel" number Wednesday night. "Never Know the End."

Persoff played the town meane and Griffith the town loafer who sets out to destroy Persoff by worrying him to death. He did.

It was a drama of above-average interest with fine performances by Griffith and Persoff. Pat Benoit (Mr.

Peepers' old girl-friend) provided the decoration. I caught a few moments of NBC-TV's "This Is Your Life" Wednesday night and I must say it struck me as an almost exquisite example of bad taste.

The subject was Frances Farmer who spent some time in a mental hospital after cracking up her career as a movie actress. Miss Farmer conducted herself with dignity throughout the proceedings (she okayed the show in advance) though why she subjected herself to the maudlin twichings of the Edwards' show is beyond my ken.

ROYALTY AT CENTENNIAL

Oslo, Norway—Princess Astrid will attend the celebration of Minnesota's centennial this summer. It was announced today. The foreign ministry said the 26-year-old princess will be accompanied by Premier Einar Gerhardsen and several other officials.

The channel swim: CBS-TV is retrenching in its news and public affairs department. Among the 30-minute Sunday shows that'll be dumped are Eric Sevareid's "World News Roundup."

Patti Page's "Big Record" show had its option picked up—it'll continue through June.

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In the Shell Well Filled Pods

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