

# \$40 Million Loss Led To Closure

NEW YORK (UPI) — The chairman of the Board of Studebaker Corp. said today the company's South Bend plant will be shut down within a week or two after it completes its present production schedules.

In a news conference here, Studebaker Board Chairman Randolph H. Guthrie said "we are sorry we find it necessary to put people out of work in South Bend."

"We are doing it only because we lost so much money in the automobile business while in South Bend," Guthrie said. "The Hamilton (Ont.) move is the only way to stay in the business indefinitely and make a profit."

Studebaker announced it has shown a recent loss of \$40 million in trying to keep the South Bend plant open.

"Studebaker was being bled white in South Bend," Guthrie said. "We just couldn't make it pay there."

He said it would not be possible to move many technicians or other employees from South Bend. They will get severance pay, he said, while the hourly employees are covered under the contract with the United Auto Workers (UAW), giving them supplemental benefits.

A total of 7,000 Studebaker employees will be losing their jobs just a few days before the Christmas holidays.

Asked how Studebaker can compete in the U.S. market with Canadian cars, Guthrie cited the higher retail costs of cars in Canada caused partly by an 11 per cent excise tax in Canada which won't have to be paid on cars shipped to this country.

He also pointed to the 5 per cent differential in the dollar exchange and said there is a much better opportunity of cutting costs in Hamilton.

Asked what effect the move would have on Studebaker's dealer setup in the United States, Byers A. Burlingame, president of the company, said "our dealers should be pleased to know that the company will at least stay in business." He said they will sell the cars made in Canada.

**ASKS IDENTIFICATION**  
WASHINGTON (UPI) — The Treasury Department announced Monday that it is requesting banks and other financial institutions to ask savings bond owners for their taxpayer identification numbers when they collect interest on bonds.



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**END OF AN ERA** — Studebaker Corp., which began making covered wagons 103 years ago and which has been in the car business for 61 years, announced Monday that it is ending its U.S. car production. The firm said it is moving all car production to its Canadian plant in Hamilton, Ont. This advertisement from the UPI files shows the "new" 1918 Studebaker.

## Studebaker Decision Leaves City, Workers Facing Economic Crisis

**EDITOR'S NOTE:** An economic crisis confronts thousands of workers at the Studebaker plant in South Bend, Ind., today, 15 days before Christmas. Here is a UPI team report on the dislocation. David Smother of UPI, Chicago, Robert Page of UPI, Indianapolis, and South Bend newsmen cooperated in the production.

**A UPI Team Report**  
SOUTH BEND, Ind. (UPI) — It's 15 days before Christmas but South Bend isn't waiting for Santa Claus.

This prosperous city along the northern edge of Indiana is waiting for the word at the gates of the Studebaker Corp. — how many more hours, how many more days before the auto production line stops.

South Bend isn't afraid. But it is sad.

A tradition — of great-grandfather to grandfather to father to son — passed Monday with the word from New York that the Studebaker Corp. was through making cars in South Bend.

Studebaker men showed up for work today as usual, slushing through moist snow outside the gates of the 291-acre plant

on the west side of South Bend, and which has been in the city for their last day, some their last week.

**Moving Company**  
The final word had to come from President Byers A. Burlingame, who Monday in New York announced he was taking its automotive production business out of South Bend into the seaways port of Hamilton, Ont.

He didn't say when that word may come at various news conferences scheduled in South Bend today, or in New York, where the Studebaker executives were gathered.

To South Bend, a pleasant city of 135,000, which has boasted of the highest per capita income in the state of Indiana, the time and the minute seemed of secondary importance. South Benders knew it might happen. It was just hard to believe when it hit.

According to the United Auto Workers, that meant 7,000 hourly workers out of jobs — and thousands of families without a regular paycheck. The Chamber of Commerce put the number of jobs at stake at about 4,000.

**Stunning Effect**  
Nobody denied the shutdown at Studebaker would have a stunning effect on life in South Bend. Conservative estimates ran at \$300,000 to be lost in weekly paychecks.

The word from Studebaker was, to all appearances, rushed. It had been scheduled for a New York news conference Wednesday. Press leaks forced Burlingame to this announcement.

—That Studebaker would discontinue auto assembly at South Bend and shift its primary auto base to Hamilton.

—Studebaker would stay very much in business with the diversified industries which have provided much of its profit since its automotive business went sour after the great year of the Lark in 1959.

Widemann's committee is investigating a charge by Romulo Betancourt of Venezuela that three tons of Cuban arms which were found in his country recently were smuggled in by Castro to aid Communist terrorists.

The exile report said more than 100 Soviet fishing trawlers and an unspecified number of submarines were being used to export the Communist subversion from Cuba.

In addition, Castro was also employing "more than 150 fast fishing boats" and an unspecified number of airplanes.

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## Jury Indicts 7 Persons In Explosion

INDIANAPOLIS (UPI) — A grand jury indicted the state fire marshal, the Indianapolis fire chief and five other persons Monday and charged that "utter disregard of duty by many" contributed to a Halloween explosion here that killed 72 persons.

"No one seemed willing to carefully inspect the premises and protect the safety and welfare of the some 3,000,000 people who have entered the building during the past 10 years," the grand jury said in an accompanying 21 page report.

It called for a special session of the legislature "to completely overhaul" the department of the state fire marshal, "or abolish it entirely."

The strongly worded report and the indictments came after a weeks-long investigation into the blast that shook the Indiana State Fairgrounds Coliseum on Oct. 31 as an ice show was nearing its climax. More than 300 persons were injured.

The seven persons indicted were scheduled for arraignment Dec. 20.

Fire Marshal Ira Anderson, 69, was indicted on two counts of failure to inspect the Coliseum.

Melvin Ross, head of the Indianapolis Coliseum Corp., which holds a contract to operate the Coliseum was indicted on an involuntary manslaughter charge. The same charge was returned against Floyd James, commissary manager.

**Booming Business**  
Actually, the Studebaker boys had been making wagons in South Bend for 11 years before the 1963 agreement was signed.

In the Civil War, and as the West was opened, Pete sold all the wagons Clem could make. And in 1902 the Studebakers had a new-fangled electric car on the road and in 1904 the latest thing — a "gas buggy."

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## Adlai Asks UN To Wind Up Portuguese Debate

UNITED NATIONS, N.Y. (UPI) — U.S. Ambassador Adlai E. Stevenson, Security Council president for December, appealed today for a quick windup to the council's latest debate on Portuguese African territories.

Stevenson said he hoped the 11-nation body could move to an immediate vote on an African resolution expected to be presented today on the Portuguese colonies of Angola, Mozambique and Portuguese Guinea.

The 32-nation African bloc's campaign for self-determination in the territories was discussed on two fronts Monday. Capt. Henrique Galvao, the Portuguese rebel leader who hijacked the ocean liner Santa Maria two years ago, appeared before the U.N. trusteeship committee to denounce Portuguese domestic and colonial policies.

Portugal's foreign minister, Alberto Franco Nogueira, was appearing at the same time before the Security Council, where

he defended his country's policies and invited U.N. Secretary General Thant to visit Portuguese Africa and investigate conditions for himself.

Galvao, 68, risked arrest by flying to the United States Monday from Brazil to testify before the U.N. committee. The Portuguese Embassy in Washington asked the State Department to arrest and extradite him on piracy and murder charges connected with the Santa Maria hijacking. He has

been convicted in absentia in Portugal and sentenced to 22 years in prison.

Reports from Washington indicated the State Department would not turn down the Portuguese request but would delay its processing until Galvao has left the country tonight as planned. This would avoid the stigma of arresting a person who was in the United States solely for the purpose of testifying before a U.N. body.

## Newest Polaris Successfully Tested

CAPE KENNEDY (UPI) — The Navy successfully tested its new longer range Polaris missile Monday night and now is looking ahead to an even newer version with a mightier punch.

The Polaris "A-3" shot into the darkness trailing a brilliant column of smoke and flame from a land pad. Its nose cone streaked through the atmosphere about 1,300 miles away in the Atlantic.

The 2,880-mile range rocket designed to be fired from submerged nuclear submarines is expected to become combat ready next August.

Although at least a dozen more test flights of the "A-3" are planned, the Navy is studying plans for an advanced model of the Polaris called the "B-3." It would have the same range as the "A-3" but would carry a bigger payload.

The slim Polaris missiles now

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## Exiles Claim Soviet Ships, Subs Used For Smuggling

MIAMI (UPI) — Cuban exiles told the Organization of American States Monday that Soviet submarines and ships are smuggling arms, narcotics, counterfeit money and subversive agents into Latin America from Cuba.

The exiles said their intelligence reports showed that pro-Castro agents in Mexico also were being supplied by airplanes flying from an American-built air base in Pinar Del Rio Province to the Yucatan Peninsula.

One key supply base for the subversive agents in Mexico, they said, was a ranch belonging to former Mexican President Lazaro Cardenas to which clandestine flights are regularly made. Cardenas is a strong supporter of the Castro regime.

The report was made by the Cuban Revolutionary Council, an exile organization headed by former Cuban Premier Manuel A. De Varona. It was sent to OAS council Chairman Juan A. Lavalle of Peru and OAS Ven-

ezuelan investigating committee Chairman Rodolfo A. Widemann of Argentina.

Widemann's committee is investigating a charge by Romulo Betancourt of Venezuela that three tons of Cuban arms which were found in his country recently were smuggled in by Castro to aid Communist terrorists.

The exile report said more than 100 Soviet fishing trawlers and an unspecified number of submarines were being used to export the Communist subversion from Cuba.

In addition, Castro was also employing "more than 150 fast fishing boats" and an unspecified number of airplanes.

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- MIRRO Square Griddle 10 1/2" \$4.99
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