BUSINESS—

SNYDER SEES U. S. IN MIDST OF BOOM

Reconversion Director's Report Warns of Continuing Danger of Inflation Setback in Economy.

By MERRIMAN SMITH
United Press Staff Correspondent

WASHINGTON, April 3.—America is in the middle of a boom and must watch out for inflation, Reconversion Director John W. Snyder reported today.

In a quarterly report on the national economy to President Truman and the congress, Snyder said:

"Total civilian production now stands at the highest level ever reached by the nation, in war or peace, an annual rate of more than $150,000,000,000."

But he warned that "pressure toward inflation" is a "most serious threat" to successful completion of reconversion. He called for prompt extension of price control.

Despite wide-spread shortages of consumer and business items, American buyers found sufficient goods to keep the Christmas boom going into the first three months of 1946, Snyder said.

Production Losses

"Ordinarily," he added, "the rate of consumer and business purchases together would have fallen by $10,000,000,000 to $12,000,000,000 after a Christmas boom as large as that of 1945.

"But this year the upsurge in demand and output was such that private expenditures in the first quarter actually equalled those of the Christmas boom.

"Consumer purchases fell, but those by business enterprise rose."

Snyder said labor-management disputes had caused production losses during the first quarter of this year.

"These losses slowed down the flow of consumer goods to the market and increased the inflationary pressures which stem from shortages in the face of huge demand," he said.

"The quarter has been sobering and difficult, but tremendous gains have been made and, as a result, we are moving steadily and swiftly toward our goal of an ever-rising standard of living, creating hundreds of thousands of new jobs as we move."

'Solid Gains'

Snyder reported these "solid gains":

"Major issues of wage and price adjustment have been met in a way to stimulate production without losing vital ground to the force of inflation.

"Labor - management contracts established in many major industries under collective bargaining should assure uninterrupted production.

(Snyder's report was prepared before 400,000 coal miners went on strike this week. The walkout threatened sharp curtailment of steel production soon and an ultimate slowdown of all heavy industry.)

"Vigorous programs have been formulated to meet the most critical shortages, most notably in textiles and housing."

Snyder said "non - agricultural employment is higher now than before V-J day."

Total employment, exclusive of farm help, was 44,700,000 in February, according to Snyder.

Average Unemployment

"Private wage and salary payments, which dropped to an annual rate of $75,000,000,000 after V-J day, have now returned almost to the pre-V-J-day level of $82,000,000,000," he said.

From Oct. 1, 1945, to the end of the first quarter of 1946, Snyder said, non-agricultural employment went up 1,500,000.

He described this increase as "a bigger rise in employment than any we experienced even during the war in a comparable period."

He pointed out, however, that while unemployment was still below 3,000,000 in February, transitory unemployment probably would increase during the current quarter. He estimated average unemployment during this quarter at about 3,500,000.

Snyder said increased production during the second quarter would relieve the pressure of excess demand to some extent, but that the danger of inflation would continue.

Hoarding Incentive

"This rise in supply without an increase in income promises well for the future relief of inflationary forces, but for the present the maximum rise in supply relative to demand which is possible will be far from sufficient to eliminate the upward pressures upon prices," he said.

Calling for "prompt renewal" of stabilization legislation, particularly price control, Snyder said:

"The mere possibility that the stablization powers will be weakened can undermine the program in several ways.

"It gives every seller an incentive to hold his product off the market in order to take advantage of possible price increases, and it gives every buyer a strong incentive to buy ahead as far as he can.

"Thus, anticipation of higher prices creates shortages that would not exist if people knew that stability would be maintained."

BID FOR NYLONS CALLED HIGHEST

Pent-Up Demand Creates Problem, U. S. Finds.

WASHINGTON, April 3 (U. P.).—Reconversion Director John W. Snyder said today what many a woman knew already—that customers are competing more vigorously for nylon stockings "than for any other product sold at retail."

In a quarterly report to congress and President Truman, Snyder cited women's stockings and woolen apparel fabrics in a discussion of pent-up demand and inflationary pressure.

In nylon hose, he said, the shortage is aggravated by distribution difficulties.

He estimated 1946 production at not more than 360,000,000 pairs. This would be about six to every customer, Snyder said, "if they could be equitably distributed."

Wool a Problem

"The problem in wool," he continued, "is to channel fabric supplies away from the sources of greatest profit into the areas of greatest need.

"The area of greatest profit is in women's apparel and high priced men's suits; the area of greatest need is for men's suits priced below $35 at retail."

Snyder said that about 50 per cent of wool fabric is now going into women's clothing. The percentage before the war was about 40.

Snyder cited government estimates that the over-all demand for men's suits this year would exceed 40,000,000, contrasted with February production at an annual rate of only 18,000,000 to 20,000,000 suits.

Avoid Diversion

One method of attacking the stocking shortage, Snyder said, is a government-developed plan for avoiding further diversion of rayon yarn from the hosiery industry.

The most acute shortage in the entire textile field, the reconversion director said, was in cotton broad-woven fabrics. Total production for the year was estimated at 10,000,000,000 yards, against a demand for at least 14,000,000,000 yards of cotton fabric for domestic and export use.

"Behind the demand," he said, "are terrific inflationary pressures. Mill owners have reported offers to their salesmen of cash payment of thousands of dollars merely to accept an order. Every yard of fabric, regardless of its construction, can be sold."

SCHOOLS ASK FOUR SURPLUS CHANGES

WASHINGTON, April 3 (U. P.).—Representatives of 22 national education organizations today asked four changes in surplus property disposal procedure aimed at routing more surplus war goods into use by non-profit schools.

They sought permission to buy surplus goods at the cost of handling plus care, 30 days advance notice of sales, a chance to purchase in smaller lots, and set-asides of certain quantities to fill orders placed in advance with the federal office of education.

Gets Good Mileage

The midget auto pictured here will soon be placed on the market at the lowest price in American automotive history. Developed by a Cincinnati tool concern, the three-wheeled two-seater will sell for about $450. It travels at a speed of 45 to 50 miles an hour and averages 65 to 75 miles per gallon of gas, according to the company. The car has no clutch, and the two-cylinder motor, located in the rear, can be changed like a battery.

LOCAL ISSUES

Nominal quotations furnished by Indianapolis securities dealers:

STOCKS	Bid.	Asked
Agent Fin Corp com	7½	....
Agents Fin Corp pfd	19	20
Amer States pfd	24	25
Amer States cl A	33	....
Amer States cl B	33	....
L S Ayres 4½% pfd	107½	....
Ayrshire Col com	31½	33
Belt R Stk Yds com	38	40
Belt R Stk Yds pfd	62	....
Bobbs-Merrill 4½% pfd	70	....
Bobbs-Merrill com	12	....
Central Soya com	57½	60½
Circle Theater com	66	....
Coltwith Loan 5% pfd	105	....
Cons Fin Corp pfd	97½	....
Delta Electric com	17	18¼
Electronic Lab com	6¾	7¾
Ft Wayne & Jackson RR pfd	102½	105½
Herff-Jones Co cl A pfd	51	....
Hook Drug Co com	22½	....
Ind Asso Tel Co 2 pfd	52	....
Ind & Mich Elec 4½% pfd	111¼	113¼
Indpls P & L com	29¾	30¾
Indpls P & L pfd	112	114
Indianapolis Water pfd	105	....
Indpls Water Class A com	21	22
Indpls Railways com	18½	20
Jeff Nat Life com	15½	17
Kingan & Co com	8	9
Kingan & Co pfd	97½	100
Lincoln Loan Co 8½ pfd	99	....
Lincoln Nat Life com	69	71½
P R Mallory com	34	36
Marmon-Herrington com	14¼	15¼
Mastic Asphalt	10	11
Natl Homes com	8	....
N Ind Pub Serv 5%	108½	113
Progress Laundry com	21	....
Pub Serv of Ind 5%	105	107
Pub Serv of Ind com	42	43¾
Ross Gear & Tool com	30½	32
So Ind G & S 4.8% pfd	111½	114
Stokely-Van Camp pf	21¾	22½
Stokely-Van Camp com	31¾	32¾
Terre Haute Malleable	8¼	9¼
U S Machine com	3¾	4
United Tel Co 5%	99	....
Union Title com	33½	....
Bonds		
American Loan 4½s 55	97	....
American Loan 4½s 60	97	....
Buhner Fertilizer 5s 54	98	....
Cn of Com Bldg 4½s 61	93½	....
Citizens Ind Tel 4½s 61	103	....
Columbia Club 1½s 58	79	....
Consol Fin 5s 56	99	....
Indpls P & L 3½s 70	107	....
Indpls Railway Co 5s 57	94	97
Ind Assoc Tel Co 3s 75	104	....
Indpls Water Co 3½s 68	104¼	106
Kuhner Packing Co 4s 54	100	....
N Ind Pub Serv 3½s 73	106¼	106½
Pub Serv of Ind 3½s 75	108½	110
Pub Tel 4½s 85	100	....
Trac Term Corp 5s 67	97	100
H J Williamson Inc 5s 55	98	....

*Ex-dividend.

NORTH AMERICAN CO. FACES DISSOLUTION

PHILADELPHIA, April 3 (U. P.).—The gigantic North American Co. with utility holdings of 17 states, today faces possible immediate enforcement of a security and exchange commission order to divest itself of all utility operations except the single system of the Union Electric Co. of Missouri.

The holding company's four-year fight against the SEC order came to a sudden end Monday in the supreme court decision upholding the legality of the "death sentence" clause of the public utility holding company act of 1937.

The commission now will decide whether the multi-million dollar firm, ordered to dispose of holdings valued at $190,000,000, should be given a reasonable period to comply or whether the SEC should appoint a trustee to carry out its 1942 divestment order.

Under the holding company act, companies have one year to comply with a divestment order, but if due diligence is exercised in carrying forward plans to comply with the order, an additional year may be granted.

ELECTRICITY LESS

NEW YORK, April 3 (U. P.).—Nation-wide production of electricity during the week ended March 30 dropped to 3,992,283,000 kilowatt hours from 4,017,310,000 in the previous week, the Edison Electric Institute reported today.

SEEK TO SPUR SALE OF GRAIN

Certificates May Be Held For Higher Price.

WASHINGTON, April 3 (U. P.).—The government offered the farmer a safe chance to gamble on future wheat prices today in an effort to pry loose more grain for shipment to famine areas overseas.

Under the plan, the agriculture department will buy up wheat for immediate delivery and pay for it with certificates. The farmer may cash in the certificates any time before next March 31 at whatever prices prevail at the time. The worst he can do is get the price that prevailed on March 31 of this year.

Market Immediately

Although the plan does not assure the farmer of a price increase, it does permit him to send his wheat to market immediately and take a chance that prices will rise before he claims payment.

Whenever the farmer decides he would do well to accept the current price, he is simply required to notify the Commodity Credit Corp. in writing that he wants payment on his certificates.

Agriculture department spokesmen said farmers who fail to notify the CCC of the date at which they want the purchase price pegged will be paid the price which prevailed on March 31, 1946.

The treasury ruled that payments received by farmers who select a market price on or after Jan. 1, 1947, may be reported for tax purposes as income received in 1947.

Based on Speculation

The program was aimed at breaking a log-jam of wheat piling up in farm storage bins because farmers are hoping for price increases. Officials admitted the plan was based on speculation but indicated it seemed the only way to get wheat

"Farmers have bene speculating all along by holding their wheat hoping for such an increase," one official said. "We are offering to let them continue speculation—but with paper. We need the wheat."

The department said it was impossible to estimate how much wheat could be obtained through the program because it was not certain how much wheat was stored away on the farms.

WARMTH AIDS WORK IN FIELDS

Planting and Much Plowing Is Reported.

Unusually warm weather last week spurred grains and field work, the Indianapolis weather bureau said today in its weekly crop bulletin.

A temperature of 82 on April 1 set a new record in Indianapolis, and temperatures reached 80 over almost the entire state during the week.

Pears, Peaches Bloom

Wheat is reported in good condition, with the best 10 to 12 inches high. Meadows and pastures are making good growth, and pastures are already furnishing some feed.

Pears and peaches are blooming in central and southern Indiana, and gardens have been started, the report said.

Much plowing was reported, and some oats and clover were planted. Some potatoes are being planted in the extreme southern part of the state, and a few peas have been planted for canneries.

LOANS, INVESTMENTS

WASHINGTON, April 3 (U. P.).—The downward trend in combined loans and investments of Federal Reserve system member banks in 101 leading cities continued during the week ended March 27, with the total off $323,000,000 to $65,975,000,000, the system disclosed today.

INDIANAPOLIS CLEARING HOUSE

Clearings	$ 6,218,000
Debits	16,100,000

Tests Will Land Blimps on Ocean

AKRON, O., April 3 (U. P.).—Goodyear Aircraft Corp. today announced resumption of experiments seeking to enable the navy's lighter-than-air craft to land on the ocean and anchor.

A type "L" naval training airship, of the same size as those in the Goodyear pre-war air fleet, has been fitted with pontoons made of rubber instead of metal and will be used in the tests to show how evenly the blimp can ride waves in a wind, and will also be used to try out various types of sea anchors to hold the ship at a given point.

Tests will be made on Lake Erie in co-operation with the coast guard.

SEES 50% DROP IN STEEL OPERATIONS

NEW YORK, April 3 (U. P.).—The magazine the Iron Age predicted today that steel operations will drop below 50 per cent of capacity if the soft coal strike continues for four weeks, or more.

"Such a situation," the trade journal said, "would be another blow to reconversion and to the forward movement of the heavy steel demand and production now existent."

The magazine estimated that the nation's steel mills will operate this week at 87 per cent of rated capacity, a decline of 2½ points from last week. It added, however, that a sharper drop is in prospect for next week.

HONOR EMPLOYEES FOR LONG SERVICE

Hugh J. Baker & Co. and associated companies, Baker Forms Co. and Baker-Roos, Inc., last week honored 19 employees for a total of 150 years' service.

The 36th birthday celebration and dinner was held Saturday in the Lincoln hotel, with the Indianapolis office and branch offices at Ft. Wayne, Evansville and Decatur, Ill., participating.

Service awards went to the following employees: Archie Wilson, 20 years' service; Ralph Coblentz, George S. Colby, William Cornelius, John R. Fenstermaker, W. Clark Roggie, Frank Sexton, James M. Sommer, and John Wicker, 10 years; William A. Armand, Thomas Bailey, Thomas Bordon, Mary Jane Brewer, Wilburn Coffey, William B. Fenstermaker, Fern Gilmore, Fremont F. Keller, Milton Marks and Charles Meo, five years.

Returned servicemen were welcomed by J. Ralph Fenstermaker, president, who also presented the service awards.

HIKE KOSHER BEEF

WASHINGTON, April 3 (U. P.).—The OPA today authorized average increases of approximately four-tenths of a cent a pound in retail prices of kosher beef cuts.

The action is effective April 8. No individual increase will amount to more than 2 cents a pound. Only cooked corned beef briskets and pastrami will be allowed the maximum price increase of 2 cents a pound. Half of the ceilings on the kosher products are unchanged by the order.

Hog Market Unchanged Here With Receipt of 5225 Today

The hog market remained unchanged here today at the Indianapolis stockyards on receipts of 5225, the U. S. agriculture department said.

The 825 cattle also held steady, and the 425 calves continued to sell at ceiling.

The 475 sheep were unchanged.

GOOD TO CHOICE HOGS (5225)

Butchers	
120- 140 pounds	$13.50@14.25
140- 160 pounds	14.25@14.85
160- 300 pounds	14.85
300- 330 pounds	14.85
330- 360 pounds	14.60@14.85
Medium—	
160- 220 pounds	13.25@14.25
Packing Sows	
Good to Choice—	
270- 300 pounds	14.10
330- 400 pounds	14.10
Good—	
400- 450 pounds	14.10
Medium—	
250- 550 pounds	12.75@14.00
Slaughter Pigs	
Medium to Good—	
90- 120 pounds	11.25@13.50
CATTLE (825)	
Steers	
Choice—	
700- 900 pounds	17.00@17.75
900-1100 pounds	17.00@17.75
$100-1300 pounds	17.00@18.05
1300-1500 pounds	17.00@18.05
Good—	
700- 900 pounds	15.50@17.00
900-1100 pounds	15.50@17.00
1100-1300 pounds	15.75@17.00
1300-1500 pounds	15.75@17.25
Medium—	
700-1100 pounds	13.50@15.50
1100-1300 pounds	14.00@15.75
Common—	
700-1100 pounds	11.25@14.00
Heifers	
Choice—	
600- 800 pounds	16.25@17.75
800-1000 pounds	16.25@17.75
Good—	
600- 800 pounds	15.00@16.25
800-1000 pounds	15.00@16.50
Medium—	
500- 900 pounds	13.25@15.00
Common—	
500- 900 pounds	11.00@13.25
Cows (all weights)	
Good	13.00@14.50
Medium	11.00@13.00
Cutter and common	8.50@11.00
Canner	7.00@ 8.50
Bulls (all weights)	
Beef—	
Good (all weights)	13.50@14.50
Sausage—	
Good	12.00@13.75
Medium	10.75@12.00
Cutter and common	9.00@10.75
CALVES (425)	
Good and choice	17.50@18.05
Common and medium	11.00@17.50
Culls	7.50@11.00
Feeders and Stocker Cattle and Calves	
Steers	
Choice—	
600- 800 pounds	13.50@14.75
800-1060 pounds	13.50@15.00
Good—	
500- 800 pounds	12.00@13.50
800-1050 pounds	12.00@13.50
Medium—	
500-1000 pounds	8.75@10.25
Choice and closely sorted	15.75
SHEEP (475)	
Ewes (Shorn)	
Good and choice	14.75@15.50
Common and medium	6.00@ 7.00
Lambs	
Choice and closely sorted	16.00
Good and choice	15.00@15.75
Medium and good	13.50@14.75
Common	11.00@13.50

LOCAL PRODUCE

PRICES FOR PLANT DELIVERY

Poultry: Hens, 4½ lbs. and over, 22c; under, 19c; Leghorns, 18c; springs, 4½ lbs. and over, 22c; under, 20c; Leghorns, 16c; roosters, 16c; ducks, 5 lbs. and over, 20c; light, 15c; geese, 20c; capons, 6 lbs. and over, 30c; under, 22c.

Eggs: Current receipts, 54 lbs. to case, 29c; graded eggs, A large, 31c; A medium, 28c; no grade, 25c.

TRUCK WHEAT

Indianapolis flour mills and grain elevators are paying $1.73 per bushel for No. 1 red wheat (other grades on their merits); oats, No. 2 white or No. 2 red testing 34 lbs. or better, 78c; corn, No. 2 yellow shelled, $1.11 per bushel and No. 2 white shelled corn, $1.26.

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Cities Service Company is calling $35,000,000 principal amount of its 5% Debentures due 1950 for redemption on June 1, 1946, at 102. This amount constitutes so large a proportion of the total of such series outstanding that a substantial number of the holders thereof will be affected.

After June 1, 1946 no further interest will accrue upon such Debentures as are called for payment on that date.

The individual numbers of all Debentures called for redemption may be obtained from the Company or from the Trustee, The Chase National Bank, 11 Broad St., New York 15, N. Y.

This notice is published as a service to all persons affected. It is not intended nor is it to be construed as affecting the formal legal notice of redemption.

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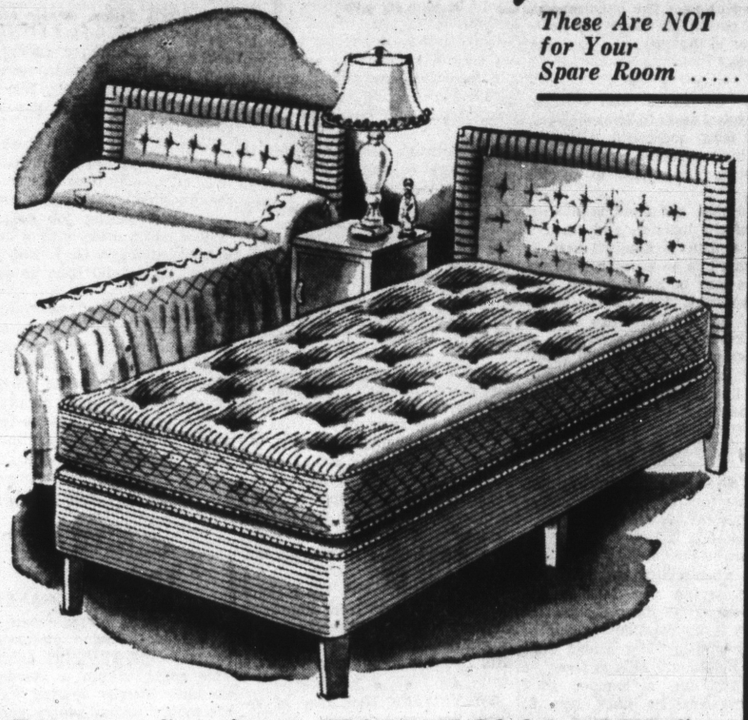

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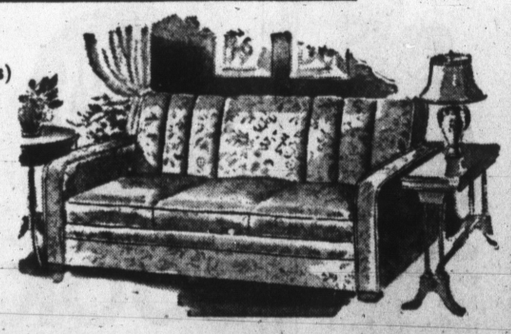

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