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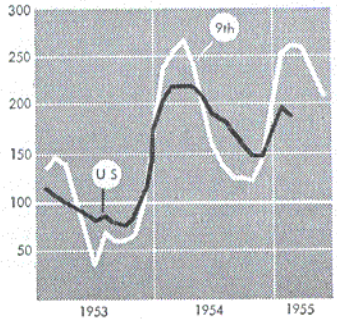
FEDERAL RESERVE BANK OF MINNEAPOLIS

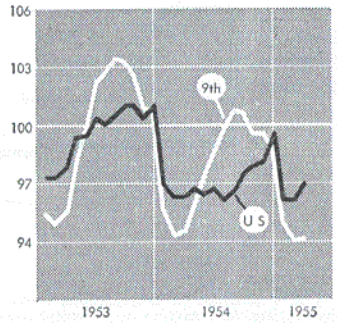
MONTHLY Review

VOL. 12 MAY 31, 1955 SERIAL NO. 5

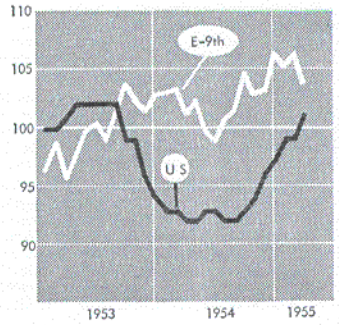
UNEMPLOYMENT* HAS DECLINED ONLY SLIGHTLY . . .



. . . WHILE EMPLOYMENT* SHOWS MINOR CHANGE FROM '54:



IN SPITE OF THIS, OUTPUT* OF GOODS IS UP SHARPLY:



One intriguing aspect of our current recovery is depicted in the graphs below. Production has reached near-record levels — yet employment has risen but slightly from last year's lows. Some of the reasons are discussed in this article.

The Current EMPLOYMENT SITUATION in the Ninth District

EMPLOYMENT has lagged the current economic recovery.

One of the reasons is that managements of many industrial firms retained some of their more efficient skilled workers during 1954's moderate recession even though there was not sufficient work for them.

As a result, these companies were in a position to expand output without hiring the usual complement of additional workers.

Another reason, however — and one that may be even more important — has been the installation of new equipment that has raised output per worker in many plants.

*INDEX numbers (1953 = 100) for Ninth district and U.S., not adjusted for seasonal variation. Unemployment is the volume of insured unemployment. "U. S." output is FRB index of industrial production; "E-9th" output is electrical energy sold to industrial firms in roughly the eastern half of district.

Unemployment not abnormal

Since employment has risen slowly during the current economic recovery, attention has been focused on the number of unemployed workers. Some individuals have expressed fears of chronic unemployment, such as prevailed during the decade of the thirties.

In the first quarter of this year, the unemployed in the nation comprised about 5 percent of the civilian labor force. This figure is high only in comparison with the exceptionally low unemployment of the three years preceding the economic contraction of 1954.

In 1951, the unemployed averaged 3 percent of the civilian labor force; in 1952, 2.7 percent; and in 1953, 2.5 percent. Since the beginning of this century, unemployment

in most peacetime years has exceeded 5 percent.

Thus, by previous standards, unemployment is not abnormally high at the present time.

Greater output, fewer workers

While the number of jobs lost during the recession of 1954 has not been regained entirely, industrial output now almost equals the all-time record output rates reached in 1953. For the nation, the adjusted index of industrial production for April rose to an estimated 136 percent of the 1947-49 base period.

That a lower level of employment prevails at a time when industrial output is comparable to the 1953 volume, reflects the technological progress made in the interim.

As a result, approximately 17 million workers turn out about the same volume of the nation's industrial products as did 18 million in 1953.

"Automation" has become a familiar word associated with the rise in production efficiency. In final analysis, it is simply a continuation of historical trends toward greater mechanization of the tasks of producing and distributing goods. It symbolizes the development of machines which are guided automatically by electronic circuits, tape recordings, or sometimes by the very shape of the object presented to them.

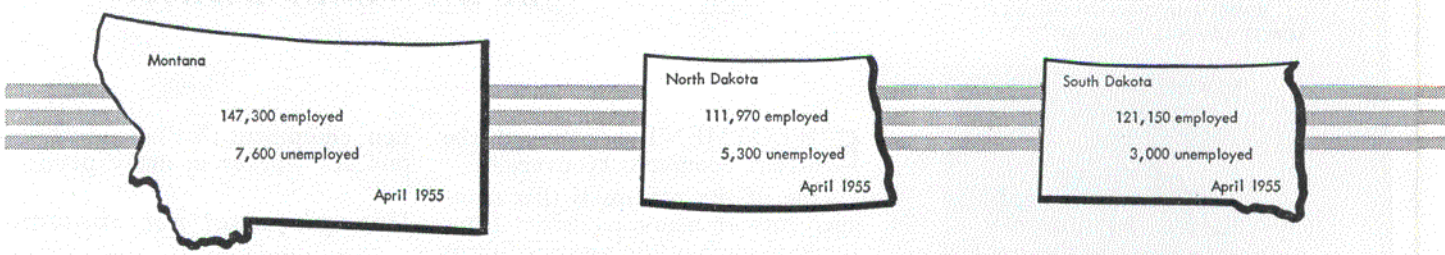
In the minds of some people, automation has become synonymous with workerless factories, in which raw materials are poured in a continuous stream at one end of a plant, never to be seen or touched by humans, until the finished product rolls out of the other end of the plant ready to be delivered to the stockroom or to the distributor. In the present stage of development, except in a few industries such as petroleum refining and chemicals, a brief inspection of most factory operations convinces one that automation still is far from this concept.

For relatively short periods of time, the introduction of automatic equipment may create technological unemployment. As machines are perfected to perform new tasks, workers are laid off. At the same time, a smaller number are employed to produce the machines and to service them.

Over a longer period, increased productivity through automation holds the promise of a higher standard of living. In fact, a steady rise in productivity over the next several years will be required in order to simply *maintain* the present living standard.

This stems from the fact that during the next five years population will grow at a faster rate than the labor force. According to some estimates, population may grow by

STATE - BY - STATE SUMMARY OF EMPLOYMENT CONDITIONS:



Nonfarm employment in April continued to lag behind the total employed at the same time a year ago. Snowstorms and inclement weather postponed the customary back-to-work movement in the spring. Construction projects and farm work were delayed about a month. As the weather moderated in the first part of May, workers were recalled for this type of work.

Employment in manufacturing plants — stimulated by the economic recovery — was higher in April 1955 than in any previous April since World War II. A further rise in industrial employment is anticipated, since normally manufacturing is near a seasonal low in April.

It is not anticipated that the back-to-work movement in the late spring and early summer will be as great as in the four years preceding 1954. The absence of mass-employment projects, such as the Hungry Horse and Canyon Ferry dams recently completed, will have a bearing on the employment picture.

Unemployment has been higher than in previous years. In April, 7,600 workers were unemployed as compared with 5,900 in April 1954, and 3,900 in April 1953.

Nonfarm employment in most industries rose during March by a small number of workers—generally the forerunner of a substantial seasonal expansion.

In the first quarter of this year, nonfarm employment was at a record level, having maintained a steady growth even through the economic contraction of 1954. In the construction industry, there occurred a marked increase in the number of workers last year, and a larger number were retained on payrolls last winter than a year ago.

Federal projects in the Missouri Basin Development Program which now are nearing completion contributed greatly to the high employment. As in other states, an increased number of workers are employed in residential and nonresidential building. Employment in manufacturing plants continued to expand in 1954 reflecting largely the growth in food processing.

Unemployment is higher this year despite the record employment. In April, 5,300 workers were unemployed in comparison with 3,600 in April 1954, and 2,300 in April 1953.

The expansion in employment came early this spring. Contractors on seasonal construction projects toward the end of March called back former employees and already were dipping heavily into the surplus supply. Spring planting of crops was started early creating a heavy demand for farm laborers and few qualified workers remained idle during the first part of April.

Employment prospects for May and June were regarded as favorable by the State Employment Division. It was anticipated that the demand for most types of skilled labor would exceed the supply available.

Nonfarm employment in March was higher than at the same time in former years. Reports to the state revealed 118,000 employed as compared with 115,900 in March 1954, and 115,100 in March 1953.

Although nonfarm employment has been at a record high, unemployment, nevertheless, has remained higher than in former years. This may be due partly to the hiring of out-of-state workers by contractors on federal projects in the Missouri Basin. In April, 3,000 workers were unemployed as compared with 1,900 in April 1954, and 900 in April 1953.

20 percent while the number of persons available for employment may increase only 6 percent, due to a larger proportion of men and women above or below working age and a great increase in college attendance.

Some illustrations can be given of "automation" creating more rather than fewer jobs as it increases efficiency. By greatly reducing the cost of popular products, the demand for them rises sharply. For example, more workers now are employed producing TV picture tubes with the aid of automatic equipment than before such equipment was introduced. This feat may be repeated as the production of color TV sets is mechanized.

Fewer district factory jobs

In the Ninth district, employment trends reflect the broad developments described above. In the Ninth district, as in the nation, employment has risen slowly during this year's economic recovery.

The seasonal decline in job numbers was less last winter than it had been in any winter since 1949-50 when the economy was emerging from the 1949 recession. With the return of mild weather, employment began to expand. Preliminary figures indicate, however, that by April it had not reached the high level prevailing in the same month of 1953.

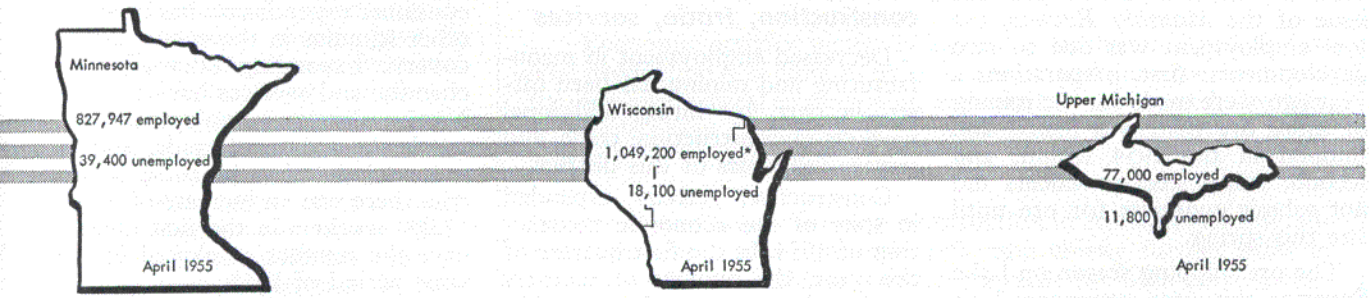
The lower level of employment is traced mainly to the fact that fewer workers are employed by manufacturers. In the first quarter of this year, the number of workers in Ninth district manufacturing plants averaged 20,000 less than in the first quarter of 1953—a decrease of 7 percent.

In March, there was a small but widespread increase in manufacturing employment, an omen of continued expansion. Reports received by state employment offices (from manufacturers estimating their labor requirements for the second quarter) indicate that they expected to expand their working forces by more than the seasonal increase. The hiring of additional workers in April bears out the intentions.

Output of Ninth district industrial firms already equals, or may even exceed, the 1953 rate of output. Electrical energy consumed by industrial firms in the eastern half of the district in the first quarter of this year was 8 percent higher than in the like period of 1953. Increased use of electrical energy reflects, in some measure, the mechanization that has taken place in this brief period of two years.

Fewer workers employed in district mines

Employment in mining—which in this district is primarily the iron ore industry—was at a 16-year low during the past winter. In the first quarter the number of workers em-



*March figure

Nonfarm employment in April still was slightly below the total for April 1954, and approximately 25,000 below the number employed in April 1953.

The economic contraction of last year significantly reduced employment in manufacturing and mining. In manufacturing plants, employment in April this year was down about 20,000 from the total in such firms in April 1953 (before the economic dip began). In mining—primarily the iron ore industry — employment was off more than 5,000 workers in the same interim.

On the other hand, construction and service industries continued to expand in 1954. A booming construction industry in April had about 17,000 more workers on its payrolls than either April of 1954 or of 1953; services had 5,000 more.

In the three large metropolitan centers of the state—Minneapolis, St. Paul, and Duluth —significant increases in employment occurred in April.

Unemployment of 39,400 in April was slightly lower than it was at the same time in 1954, but substantially higher than in April 1953. In that month, the unemployment figure was 19,800.

Nonfarm employment began to rise rapidly in February, and in March it exceeded last year's total. Height of the employment rise by March may be gauged by a comparison with the total employed in the same months of the two preceding years. The 1,049,200 employed was 11,600 above the March 1954 total, but 35,400 below the March 1953 total. A continued rapid rise in employment is needed to equal the 1953 level.

The exceptionally high automobile production has materially boosted manufacturing employment in the state. In February, employment by motor-vehicle equipment manufacturers exceeded the year ago total by almost 30 percent. These expansions contributed to very high levels of industrial employment in some cities.

The construction industry expanded rapidly this spring. The number of workers employed in the first quarter was over 10 percent higher than a year earlier.

The number of unemployed workers of 18,100 in April indicated a material drop from previous months. In January, 35,600 workers were unemployed and in February, 33,000. Compared with a year ago, unemployment in April was down about 50 percent.

Nonfarm employment dropped more last year in Upper Michigan than in other district states. Lower steel output in 1954 severely cutback employment in the iron ore industry. In fact, mining areas last year were the most "depressed" areas in the district. Several weeks before the opening of the current navigation season, mining companies returned to a five-day week and some have recalled laid-off workers.

Construction activity did not expand as it did in other district states last year. As a result, fewer workers were employed on construction projects during the past winter than in former years. However, as the outlook for iron ore shipments during this summer improved, construction work began to expand.

Up until March, the economic recovery had not boosted employment in manufacturing plants, but manufacturers expected to hire more workers in late spring and early summer.

Unemployment of 11,800 workers in April was only about 100 higher than a year ago despite the low level of employment. Apparently, workers have been migrating to industrial centers.

FIRST QUARTER EARNINGS AND HOURS IN MANUFACTURING INDUSTRIES are presented as average weekly figures in these tables. They show that average first-quarter weekly earnings are well above those of 1953, and that the average workweek in manufacturing has lengthened somewhat from last year's generally reduced levels.

	WEEKLY EARNINGS			WEEKLY HOURS		
	1953	1954	1955	1953	1954	1955
Michigan (upper peninsula)	$63.37	$65.75	$68.46*	43.2	42.3	42.1*
Minnesota	$71.56	73.43	76.21	41.3	40.5	40.7
Montana	$78.89	78.23	82.84	41.1	39.6	40.7
North Dakota	$61.96	64.85	66.95	43.0	42.5	43.6
South Dakota	$63.15	64.43	70.87	42.9	42.0	45.0
Wisconsin	$75.71	74.59	78.32	42.4	40.7	41.4

*January and February

ployed averaged 7,000 less than in the first quarter of 1953—a decrease of 15 percent.

As was mentioned in a previous issue of the *Monthly Review*, the low employment was due to two developments: first, preparations a year ago were made for the mining of more ore than was mined and shipped in the 1954 season; and second, many steel producers did not submit contracts for ore until late this spring.

The ore shipping season on Lake Superior this year commenced on April 7 (the ice had moved out of the lake on the preceding day). Competent observers in the industry now estimate that shipments in 1955 may aggregate from 75 to 80 million gross tons. Last year only 61 million gross tons were shipped.

Companies in all mining areas have returned to a five-day week and some have begun to recall laid off workers.

More workers employed in construction, trade, services

Decreased employment in manufacturing and mining has been offset, in part, by hiring additional workers in construction, trade, and service industries of this district.

Construction activity expanded in spite of the economic contraction of 1954. In the first quarter of this year, the number of workers employed averaged about 10,000 more than in the first quarter of 1953.

This spring the construction industry began work on the largest number of projects on record. The record number of building permits issued in March and April, and the high total valuation on them indicate that the industry has a substantial backlog of projects for this summer.

In addition to the high level of construction activity, the rise in consumer expenditures has been another stimulus in the economic recovery. Expanding sales of merchandise and services have boosted Ninth district employment in wholesale and retail trade, and in service industries. In these industries there was an increase of about 12,000 workers in the first quarter over the number employed in the same period of 1953.

As a result of some shift in employment from manufacturing and mining to construction, trade, and services, district nonagricultural employment in March was trailing the March, 1953, total by only 1 percent. However, employment must show a rapid rise during early summer to keep pace with 1953's figures. END

Current regional picture one of continued recovery

THE CURRENT economic picture for the Ninth district is one of continued recovery. Increased activity in construction, mining, and manufacturing areas and heavy marketings out of relatively large agricultural inventories are currently holding the district economy in a strong position.

The recovery in business has extended to most towns and cities of the Ninth district even though it has not touched farmers significantly. Steadily rising payrolls have boosted incomes in industrial centers and in mining regions.

In some areas of the district, an early start on construction projects and favorable weather for farm work stimulated the seasonal rise in employment earlier than usual. The rise in consumer expenditures reflects the growth in personal incomes as well as greater confidence in future income.

Farmers, as of April 11, were using approximately 12 percent more short term credit through commercial banks compared with a year earlier, but these loans are generally well secured, and most farmers are not heavily in debt.

Cattle numbers on farms are now estimated at an all-time high. There has also been an increase in the number of hogs on farms this spring. Hay and feed grains are in unusually large supply which is a help in tiding farmers over the current dry period.

As this is written, May 20, the major threat to continued recovery in the preponderately agricultural Ninth district economy is drouth.

The Ninth district has been unusually fortunate during the past decade and a half in escaping major drouth and crop failure such as was experienced in the early- and mid-Thirties. It is certainly too early yet to say that this year is to be an exception to the crop experience of recent years. June and July are usually the critical months in district crop production, and this period will be particularly significant this year because of the early-season dryness.

► *Department store sales rise slowly*

Department store sales in this district increased more than seasonally in April. The adjusted index (base period, 1947-49), rose from 104 percent in March to 109 percent in April. In the first four months of 1955, sales were 5 percent

HIGHLIGHTS FROM NATIONAL CONDITIONS . . . . . .

Economic activity generally expanded further in April. Industrial production was close to its earlier high, and construction activity, non-agricultural employment, and retail sales increased. Average wholesale prices changed little from mid-April to mid-May. Expansion in bank loans continued.

Construction—Outlays for new construction in April, seasonably adjusted, increased to a new high, reflecting chiefly further gains in private residential building. Contract awards for both private residential and non-residential construction were in record volume, and total contract awards were almost two-fifths larger than a year earlier. The number of private housing units started in April was at a seasonally adjusted annual rate of 1.3 million units compared with an average of 1.4 million in the first quarter.

Commodity Prices—The general level of wholesale commodity prices changed little from mid-April to mid-May. Livestock prices declined moderately, almost to the lows reached in December and again in March, reflecting mainly decreases for the higher grades of steers. Total meat production has been unusually large for the season. Average prices of industrial materials changed little. Prices of scrap metals eased, apparently reflecting less active demands than earlier. Prices of some kinds of lumber, on the other hand, increased further.

Adapted from the National Summary of Business Conditions prepared by Board of Governors of the Federal Reserve System, May 15, 1955.

above those in the corresponding period of 1954, with changes in the volume ranging from a deficit of −5 percent in southwestern North Dakota to a gain of +9 percent in the eastern half of Montana.

Since the beginning of the year, sales in the three large cities — Duluth, Minneapolis, and St. Paul —and in the rest of the district have expanded at the same rate of 5 percent. This was only 1 percent below the rate of increase in the nation.

Over a longer period of time, department store sales in the three large cities have increased at a faster rate than in the rest of the district. For April, the adjusted index (base period, 1947-49) for the three large cities was 111 percent as compared with 103 percent for the rest of the district.

Even in the three large metropolitan centers, department store sales have not risen as fast as in the nation. For April, the adjusted index for the nation was 119 percent as compared with 111 percent for the three district cities and 108 percent for the Ninth district.

► Consumers use more credit

Since the first of this year, new instalment loans granted in this district have added more to consumer purchasing power than in the corresponding period of 1954. In each of the first four months, commercial banks and other consumer lending institutions have added materially to their holdings of automobile paper and single payment loans. The amount held of other consumer goods' paper, and repair and modernization loans, have declined but not as much as usual for this time of year.

► No restriction on durum wheat (Class II) in 1955

Legislation was passed early in 1955 which permits growers of Class II (Amber) Durum wheat to produce without acreage restrictions this year in designated areas of Minnesota, North and South Dakota, and Montana. This applies to all counties but one (Lawrence County, South Dakota) in North and South Dakota, 34 counties in western and northwestern Minnesota, and 29 counties in eastern and northern Montana. A request to seed durum wheat in excess of the allotment must, however, be filed with the county A.S.C. committee prior to harvest.

The lifting of restrictions on Class II Durum wheat is necessitated by greatly restricted production in recent years because of a severe rust epidemic and reduced acreage. Difficulties in obtaining seed of rust resistant varieties and the delay in lifting restrictions (March 9) may limit a sharp expansion in 1955 durum wheat production.

► Wheat marketing quotas referendum set for June 25

On June 25, wheat producers of the district will vote yes or no on quotas for the 1956 wheat crop. Any wheat producer in the Ninth district who will have in excess of 15 acres of wheat for harvest as grain in 1956 will be eligible to vote in the referendum. Local voting places in each county will be announced and published in local papers.

If quotas are approved by at least two-thirds of the voters, and producers stay within their acreage allotments, they will be eligible for the full level of price support which will be announced before the vote is taken on June 25. There is a penalty of 50% of the support level on wheat marketed from acreage in excess of the average allotment.

If quotas are not approved June 25, the level of price support for the 1956 wheat crop drops to 50% of parity to producers who stay within acreage allotments. There is no penalty to a grower who chooses to stay out of the program.

The U. S. acreage allotment is now set at the minimum of 55 million acres for the 1956 crop whether or not quotas are approved.

► Proposed legislation to exempt feed wheat from quota penalties

Legislation has been proposed in Congress to exempt wheat growers from quota penalties in those cases where all the wheat is fed on the farm on which it is produced. This would remove an inequity in the present program and a particular sore spot with many eastern farmers who grow wheat primarily for feed to their own livestock.

Legislation is also under consideration in Congress to increase the number of non-commercial wheat-growing states. At present 12 states are designated as non-commercial. There are no acreage allotments or quotas in such states, and price supports are limited to 75% of the level available in the "commercial" wheat states. END

Call Report Reveals

STRONG DEMAND for Bank Loans

CHANGES IN NINTH DISTRICT MEMBER BANK LOANS
DURING FIRST "QUARTER",* 1954 AND 1955

Type of Loan	1954	1955
Commercial and industrial Loans	+$29.5 million	+$29.3 million
Real Estate Loans	+ 3.2 million	+ 13.0 million
Automobile Loans	- 2.3 million	+ 3.0 million
Other Loans	+ 8.1 million	+ 9.6 million
TOTAL NON-C.C.C. LOANS	+$40.8 million	+$54.9 million
Loans to Farmers, C.C.C.	+ 17.5 million	- 26.1 million
TOTAL LOANS	+$58.3 million	+$28.8 million

these items, responding to advanced car and house purchases, account for 1955's greater expansion of non-CCC loans.

A DETAILED statement of assets and liabilities, as of April 11, 1955, has been received from each member bank in response to a call for condition reports. These are required about four times a year. Changes in the various asset and liability amounts during roughly the first quarter of this year can be observed by comparing statements for April 11 with those for December 31, 1954, the date of the previous call. The period between these two dates will be referred to here as the "spring call period."

LOANS of Ninth district member banks (exclusive of loans to farmers guaranteed by the Commodity Credit Corporation) went up by a total of $55 million during this year's spring call period. During the comparable period last year such loans rose by $41 million. When Commodity Credit loans are included in the totals, a 1955 gain of $28 million in total loans compares with a gain of $58 million a year earlier.

Thus, the demand for other-than-C.C.C. loans in early 1955 has been somewhat more intense than a year earlier, while the opposite was true for C.C.C. loans.

An inspection of changes in the various types of loans shows that loans on real estate—especially residential properties—together with auto loans, are responsible for the larger 1955 increase of non-C.C.C. loans.

Real estate loans increased by $13.0 million this spring in contrast to a rise of $3.2 million last spring. Automobile paper in the hands of Ninth district member banks rose by $3 million this spring in contrast to a decline of $2.3 million a year earlier.

It is common knowledge that the rate of auto production has recently been higher than ever before, and that the rate of residential construction has approximated the record pace of 1950. These industries—autos and housing—have been leaders in the current economic recovery movement. It is, therefore, not surprising to find real estate and auto loans rising at the banks.

Business loans (those labeled "Commercial and Industrial" on the call report) increased during the 1955 spring call period by approximately the same amount as in the 1954 spring call period, by a little more than $29 million.

Loans to farmers guaranteed by the Commodity Credit Corporation were reduced $26 million this spring in contrast to a rise of $17.4 million last spring.

The liquidation of Commodity Credit loans has been an important source of cash for many district bankers this spring. Funds realized from such repayments have facilitated the extension of other credits and the accommodation of the spring deposit outflow.

Total deposits at district banks on April 11 amounted to $177 million less than at the beginning of the year. During the comparable period last year the decline amounted to $217 million.

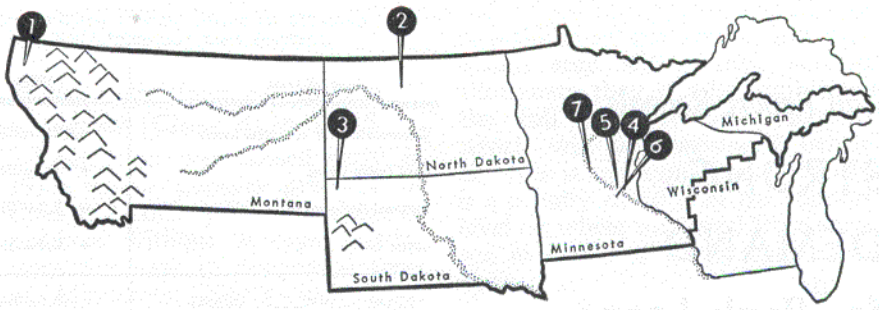
Borrowings by district member banks on the spring call date this year were $30 million in contrast to $45 million on the spring call date last year. A little less than half of the $30 million borrowings reported by district member banks on April 11 this year represented loans from the Federal Reserve Bank of Minneapolis, the rest being loans obtained elsewhere.

Although call date borrowings were lower this spring than a year earlier, the average volume of member bank borrowings from the Minneapolis Federal Reserve Bank through mid-April this year was 78 per cent higher than in the comparable period last year. The average volume is a more meaningful figure than the call date amount, since borrowings by banks fluctuate widely from day to day.

TO SUMMARIZE the loan picture, the total of district member bank loans increased during the early months of this year despite rather heavy liquidation of Commodity Credit loans. The increase can be traced largely to a heavy demand for credit from the buyers of homes and automobiles, as well as from business borrowers. A substantially larger average volume of borrowings by member banks from the Federal Reserve Bank of Minneapolis during the early months of 1955 as compared to a year earlier, suggests that the supply of lendable funds in the district, relative to demand, is somewhat tighter than was true earlier. END

ECONOMIC *Briefs*

SIGNIFICANT HAPPENINGS IN THE NINTH DISTRICT



1-Add power facilities near Libby

Pacific Power and Light Company plans to spend over $1 million in the Flathead valley and Libby areas of Montana this year. The largest single construction job will be a 115,000-volt, heavy duty transmission line between Libby and Troy, to be built at a cost of $510,000. Work on this project has already started.

Other projects include building a new substation and raising the voltage of distribution lines at Somers, completing the substation and extending power lines at Whitefish, and constructing a heavy-duty backbone feeder and raising distribution voltage at Kalispell.

2-Gas pipeline plans cut in N. Dak.

Montana-Dakota Utilities Company last month dropped plans to build a natural gas pipeline loop to several eastern North Dakota communities, reportedly because of question over reserves available at North Dakota oil fields from which the gas was to have been taken.

(Last December, a proposal made earlier by another firm to build a line across the state was turned down by the state Public Service Commission.)

In place of the trans-state pipeline, the utility now plans to build a line to serve Minot and a few nearby communities. At Minot (**2** on the map) Montana-Dakota has purchased the retail facilities of the Minot Gas Company for an estimated $500,000.

The line is expected to be in operation by fall. Gas will be purchased from Amerada Petroleum Corp. at Tioga, North Dakota.

3-To explore S. D. Uranium deposits

Two field parties from the U. S. Geological Survey will move into the northwestern South Dakota area to study the geology and location of uranium-bearing lignites and other uranium deposits (See November, 1954, *Monthly Review*).

In addition, the Atomic Energy Commission will send a crew to the area to study production possibilities.

Information developed by the survey teams will be used to help determine the feasibility of locating a uranium ore purchasing depot in the area. Nearest depot now is at Edgemont, about 150 miles south.

4-New shopping center at Roseville

Plans for a 30-store shopping center in Roseville township, a suburb north of St. Paul, Minnesota, were announced early in May.

Construction of the center is scheduled to begin within 90 days and will cost over $2 million. Leases for space in the 1,100-foot long structure have already been signed by ten firms.

5-Start Robbinsdale high school

Construction began early in May on the new $2.7 million high school in Robbinsdale, suburb of Minneapolis, Minnesota. The main portion of the building, one of the largest high schools to be built in Minnesota since World War II, is scheduled to be ready for use in September, 1956, with the gymnasiums ready by January, 1957.

The main portion of the school is three stories, with the academic administration wing four stories tall. Provision is made for future expansion.

The building will also house the general administrative offices for all of independent school district 24, which serves several northern suburban villages and townships.

6-Hospital planned for Mpls. suburbs

By early spring, 1956, Asbury Methodist Hospital hopes to break ground for its new facilities in suburban St. Louis Park, just west of Minneapolis. A $4- to $4.5-million, six-story building is planned, which will have 270 beds—expandable to 321 in emergencies—and will include a maternity department and a children's department of 50 beds each, an emergency ward and an out-patients' department.

Although present zoning restrictions do not permit more than a six-story structure, footings for the building will support an additional two stories.

A $500,000 nurses' home is also planned. Final details await development of a possible fund-raising drive for several Minneapolis hospitals by the Minneapolis Hospital Research council.

7-G. N. builds 1000 box cars

Great Northern Railway has begun construction of 1,000 steel box-cars at its St. Cloud, Minnesota, shops, to be put in service in the company fleet.

The 40½-foot cars are coming off the assembly line at the rate of about 12 cars a day. Nominal freight capacity of each car is 50 tons.