RETAIL AUTO SALES  Retail sales of new cars in this country last year exceeded production for the first time in the postwar period. Americans drove home an estimated 5.9 million new autos during the year, or about 100,000 more than factories produced. Thus 1956, the fourth biggest auto production year, was the third highest in retail sales, topped only by 1950 and 1955. Biggest factor in the paradox, of course, was that auto companies held back production to reduce by about 200,000 cars the record dealer inventories of 750,000 that existed when 1956 began. (Wall St. J. 1/7 p.28)

1956 BUILDING OUTLAYS  The Commerce and Labor Departments jointly announced that outlays for new construction put in place last year increased 3% to a record total of nearly $44.3 billion, the tenth straight year construction spending reached a new high. The report noted, however, that last year's record stemmed solely from increased prices, as actual physical volume fell 2%. New private housing activity declined 10% to $13.5 billion, but still was second only to the "extraordinary volume" of $15 billion of the previous year. The drop in private housing was offset by gains in all other major categories of private work except farm building and hospital building, both showing declines. Industrial building had the most spectacular gain in 1956, increasing 28% to a record $3.1 billion. (Wall St. J. 1/10 p.5)

FACTORY QUIT RATE  One of the Government's economic indicators is in a sinking spell which may mean labor is losing its mobility. The indicator is the factory quit rate, which measures the number of workers per thousand who leave their jobs of their own free will. Since the war, the rate has been...
heading downward. Bureau of Labor Statistics Commissioner, Ewan Clague calls attention to the long-term quit rate decline in a monthly BLS publication called Employment and Earnings. He thinks industry and labor unions should do some digging to find out if the working man is becoming less inclined to move around, and what the reasons are. (Wall St. J. 1/7 p.7)

JOB TOTALS HOLD TO RECORD PACE

The Commerce and Labor Departments have announced that employment in December continued at record levels for the month, although the total was lower than November. As of the middle of the month, 64.6 million Americans were at work, 700,000 below the previous month. Non-farm employment increased for the month reaching 53 million for the first time, while agricultural employment dropped 1.1 million to a December low of 5.1 million. Unemployment showed little change at 2.5 million. The report described 1956 as a year "of unprecedented job levels". Total employment for the year averaged 65 million, or 1.8 million above the 1955 average. The peak was reached in mid-summer when 66.8 million persons were employed. (Loftus. N.Y. Times 1/12 p.10)

HOUSING STARTS TO SLOW DOWN

Speaking at a meeting in Cleveland sponsored by the Society for Savings, Roy Wenzlick, realty analyst of St. Louis, said that fewer homes would be started this year than in any year since 1949, and would be somewhat higher in price. He predicted that not more than 900,000 new homes would be started in 1957, "the poorest for home building in recent years". The prediction was based on the tight mortgage money market; rising building costs, such as land and labor costs; and the increased cost of some building materials. He urged Congress to remove all limits on the interest rates of FHA-insured and VA-guaranteed loans to permit them to find their own levels in the money market. "To make a loan at a price below the current market level is inflationary and a mistake," he said. (Clev. Plain Dealer 1/10 p.20)

SOHIO AWARDS $34 MILLION CONTRACT

Standard Oil Co. of Ohio has awarded a $34 million contract for the construction of Sohio's new refinery facility at Toledo, Elliott B. McConnell, vice president, announced. This is the largest single construction award ever made by the company. Construction of the refinery will start in early April on 20 acres within the present Toledo refinery grounds and is scheduled for completion by April 15, 1958. With the new addition, the Toledo refinery will have a capacity of 60,000 barrels of crude oil a day, an increase of 32,000 barrels a day over its present capacity. (Toledo Blade 1/7 p.13)
PERSONAL INCOME UP

Personal income in November was at an annual rate of $333.6 billion, up $1.1 billion from October, the Commerce Department reported. The November figure brought average personal income in the first 11 months of 1956 to an annual rate of $324.6 billion as compared with $304.7 billion in the corresponding period of last year. (J. of Comm. 1/7 p.4)

FARM IMPLEMENT MAKERS

The farm implement industry is chugging into 1957 with stepped-up production schedules, hoping for a modest recovery from last year's sluggish sales pace. Much of the increase in activity is described as a seasonal upturn in production. Some implement makers are cautiously predicting that the industry is due for more than just a seasonal pickup. They think farmers will receive more money in 1957, which will be reflected by a 5% to 10% gain in sales of tractors and machinery over the unhappy results of 1956. (Wall St. J. 1/10 p.3)

FNMA TERMS TIGHTENED

The Federal National Mortgage Association - "Fanny May" - announced that it is slowing down its activities somewhat in the interest of conserving its funds. Effective now, investors selling mortgages backed by FHA and the VA must buy "Fanny May" common stock equal to 2% of the unpaid balance of the mortgages sold. The rate was 3% between November 1954 and August 1956. In the latter month it was dropped to 2% and in September to 1%. It was also announced that the amount of non-refundable cash payment sellers must make in order to obtain "Fanny May" standby commitments had been increased from 1% of the principal amount of the mortgages involved to 1 1/2%. Of the 1 1/2%, sellers will receive common stock equal to 1/2% of the amount of the mortgages covered by the commitment. (Amer. Bkr. 1/8 p.1)

FEDERAL ROAD PROGRAM

Commerce Secretary Sinclair Weeks, in a statement before the Subcommittee on Roads of the Senate Committee on Public Works, stated that the new $33 billion highway program is "moving along very rapidly". Despite tight supplies of steel, cement and roadbuilding equipment, work has begun on over $1.3 billion of highway improvement in the six months since Congress enacted the program. Mr. Weeks said that since that time, state highway departments have submitted advance programs totaling over $4 billion. States have been authorized to advertise for construction of 743 miles of the interstate system, and have actually awarded contracts for 496 miles. Mr. Weeks concluded that there is every reason to believe that the present rate of progress will be maintained and further increased in future months. (Wall St. J. 1/8 p.7)
TOLL PIKE ISSUES  The slowdown in financing of new toll turnpikes threatens to come to a full stop this year. Few projects came to the market for money in 1956.

LOSING IN FAVOR  Bond issues floated were for facilities already in use or under construction. The outlook is for a minimum of toll revenue bond financing in the foreseeable future. Of the 1,500 miles of prospective new turnpikes shelved last year, most are in the Midwest. Ohio has given up projects totaling 410 miles; Pennsylvania, 35 miles. (Heffernan. N.Y. Times 1/6 p.F-1)

STEEL ENTERS '57  While steel production declined during the past two weeks due to the holidays, volume of new bookings are steady and in some cases greater than capacity at many plants. The industry has entered the new year with substantial backlogs on most products and with a long line of broken delivery promises on steel plate and shapes. This quarter is expected to be active due to automobile build-up of dealers' car stocks, pressure from freight car makers due to the shortage of cars, a step-up in demand from the oil and gas industry because of the international situation, and strong pleas for plate for tanker programs. (N.Y. Times 1/7 p.34)

TIGHT MONEY'S EFFECT ON BUSINESS  Is tight money slamming the brakes on business? A survey by the Wall Street Journal discovered that it is delaying some business expansion programs, chiefly for medium-sized and small concerns; is causing some businessmen to plan inventories more conservatively; and is partly responsible for cuts in plans for 1957 home building. The credit pinch is having little effect on sales of autos, appliances and other consumer goods. Tight money's overall impact is uneven. Some businessmen, like homebuilders, say it is ruining them, although some builders admit that higher costs and the fact that demand seems to have caught up with supply have also caused cuts in their building plans for 1957. Other industries say it's hardly worrying them at all. Where tight money is deterring expansion, it is impossible to determine the exact effect, some projects being put off only a few weeks, others are dropped altogether. In the consumer credit field, tight money has caused lenders to become a bit more selective, but appliance and auto dealers doubt it has cost them many sales. (Wall St. J. 1/8 p.1)

RESERVE BANKS EARN $595 MILLION IN 1956  The Federal Reserve Board reported that the 12 Federal Reserve banks had earnings of $595 million in 1956, an increase of $183 million from 1955. (Amer. Bkr. 1/7 p.3)