U. S. OFFERING NEW DEBT FOR OLD

The Treasury announced plans for refunding about $12.5 billion in securities maturing in February, March, and April. For holders of $10.2 billion of 2 7/8% notes and 2 5/8% certificates maturing February 15 and March 15, the Treasury offered a choice of a new 1-year certificate bearing 3 3/8% interest or a 39-month note bearing 3 1/2%. This note will be the first medium-term issue in more than a year. The new certificate will also be available to holders of $531 million in notes maturing April 1. The Treasury also announced a new issue of $1 3/4 billion in 129-day tax anticipation bills, to be offered either for cash or in exchange for the issue of special bills of the same amount maturing February 15. (N.Y. Times, 2/1 p.31)

FORD TO SPEND $710 MILLION IN 1957

Ford Motor Co. will spend $710 million for expansion and tooling in 1957, $70 million less than it spent in 1956. Among the new projects to be started this year is a huge assembly plant at Lorain, Ohio, expected to be completed in 1958. Ernest R. Breech, Ford Co. chairman, said that the company's total postwar expansion program includes 39 new manufacturing and assembly plants, 21 parts depots, two proving grounds and other miscellaneous facilities. (Wall St. J., 1/31 p.20)

PRICES OF IRON ORE BOOSTED

An increase in iron ore prices of 60 cents a ton, or 5%, on Lake Superior ore was announced by a leading iron ore company. The new prices will be effective throughout the 1957 shipping season, which usually begins in April. Lake Superior ore accounted for nearly 70% of all iron ore consumed in the U. S. The price rise brings Mesabi non-Bessemer grade of ore to $11.45 a ton for ore delivered at lower lake ports. (J. of Comm., 1/31 p.1)

Selection of these items does not imply this bank's guaranty of their accuracy, nor agreement with the views expressed.
U.S. STOCK OF GOLD

The nation's gold stock rose $300 million last week, for the largest weekly increase since June 1940, the Federal Reserve Bank of New York has reported. The rise reflected the sale of gold by the International Monetary Fund to the Treasury to replenish its supply of dollars, depleted recently when Britain purchased more than half a billion dollars for sterling. The Fund took payment immediately in non-interest-bearing notes. This had the effect of adding $300 million to the Treasury's deposits with the Federal Reserve banks. It also offset, for the moment, any influence the transaction might have on the money supply. Eventually, when the International Monetary Fund cashes in the notes and Britain or some other nation spends the dollars here, the effect will be to add those dollars to the money supply. (N.Y. Times, 2/1 p.31)

HOUSE APPROVES EISENHOWER DOCTRINE

The House of Representatives adopted by 355 to 61 an Administrative resolution giving the President the right to commit United States military forces against any open Communist aggression in the Middle East. It also granted him the right to spend, free of present restrictions, $200 million for special aid projects there. This victory was won in the House as the Senate continued to examine the issue. (White. N.Y. Times, 1/31 p.1)

FARM PRICES UP, INCOME STEADY

Farm prices continued their slow advance, but higher costs kept farmers from gaining ground. The Department of Agriculture reported that farm prices rose to 238% of the 1910-14 average in the month ended January 15, from 237% a month earlier and from 226% a year earlier. The farmer's cost of production and living rose to 292% of the 1910-14 base, surpassing the previous high of 290% registered last month. Thus, rising costs offset higher prices, leaving the parity ratio unchanged at 82 compared with 80 in January 1956. (Wall St. J., 1/31 p.14)

TAX-EXEMPT BOND ISSUES POSTPONED

High borrowing costs caused postponement of 87 scheduled tax-exempt bond issues, totaling $191 million, during the last three months of 1956, the Investment Bankers Association reported. Its study noted that bonds authorized during the final six months last year, but unsold on January 1, 1957, totaled nearly $3 billion. Together with the heavy volume of issues postponed in 1956, the I.B.A. said, these authorized bonds will create exceptionally heavy demand from state and local governments for long-term funds during 1957. (Wall St. J., 1/30 p.1)
U.S. STEEL CORP. United States Steel Corp. reported the biggest fourth quarter net income in its history and raised the quarterly dividend to 75 cents a common share, or 10 cents higher than previous quarters. This was the first increase in the common stock dividend in one and one-half years, 65 cents a share being paid in the previous five quarters. Profits for the fourth quarter were reported at $104.5 million as compared with $102.6 million for the last quarter of 1955. (Bryan. Clev. Plain Deal., 1/30 p.16)

STEEL SCRAP Steel scrap prices are sagging further in contrast to the rising trend in prices of new steel. Weakness developed in this major steelmaking raw material in various steel centers last week, with new declines indicated for this week. Meanwhile, the rise in prices of steel products continued as a major producer boosted extra charges on semi-finished steel and hot rolled carbon and alloy steel bars. (Wall St. J., 1/28 p.3)

EISENHOWER ASKS $2 BILLION FEDERAL AID FOR SCHOOLS President Eisenhower asked Congress to approve a $2 billion-plus program of Federal school aid, primarily to meet a "critical" shortage of classrooms. Mr. Eisenhower's major proposals were: (1) Federal grants to states for school construction--$1.3 billion, (2) authority for the Government to buy up to $750 million of local school construction bonds when school districts are unable to sell them, (3) an undetermined amount of advances to help provide reserves for bonds issued by state school-financing agencies, and (4) grants to states to help plan school construction programs--$20 million. (Wall St. J., 1/29 p.5)

INDUSTRY RAISES $14 BILLION IN 1956 American industry toppled records last year as it raised more than $14 billion in new money by the sale of new securities issues to individual and institutional investors. This was about $2 billion above the 1955 level, according to the half-yearly compilation by "Investment Dealers' Digest." (Brophy. N.Y. Herald Trib., 1/28 II, p.2)

WOMEN'S WOOL FABRIC SALES INCREASE A sudden surge of buying has broken out in the women's wear wool fabric market and all signs now point to a spring season equal to, or exceeding, that of 1956. Prices on spring lines are firm at the levels set last fall when increases of 10 cents to 15 cents a yard were put into effect, due mainly to increased raw material costs. (J. of Comm., 1/31 p.9)
FEDERAL RESERVE DISCLAIMS EASING

Federal Reserve Board officials have been stressing that the recent dramatic easing in the statistical position of the money market has been caused by technical factors and not by a change in Federal Reserve policy. Various money market factors, particularly the "float" of uncollected checks and the Treasury's balances with the Federal Reserve, have not moved according to expectations. The Federal Reserve based the size of its sales of Treasury bills on assumptions about these movements which proved incorrect. As it worked out, the System did not sell enough bills to offset the easing effect of other factors in the market. The Federal Reserve believes that the underlying conditions in the economy still call for restraint, not easing. (Dale. N.Y. Times, 1/28 p.31)

SMALL BUSINESS SMALL BUSINESS GAINS MORE AID

The Small Business Administration's growing importance was made evident last week when Congress approved an emergency increase in the Agency's lending authority from $150 million to $230 million. It also extended the Agency's life to July 31, pending further action. Set up in mid-1953, the SBA, by the end of last year, had approved $236 million in loans to 5,160 small businesses--an average of about $45,000 a loan. In the second half of last year, 1,600 loans totaling $70 million were approved, compared with 625 loans amounting to $30 million in the like 1955 period. (Tompkins. N.Y. Times, 2/3 III, p.1)

CONSUMER DEBT CONSUMER DEBT UP IN DECEMBER

Consumer time payment debt rose by $528 million in December to a record total of $31.5 billion at the end of the year, the Federal Reserve Board reported. This was about $2.5 billion higher than at the end of 1955. The December gain compared with the $751 million rise in the last month of 1955 and followed a slow-up of growth in October and November. Total consumer credit, including such non-instalment debt as charge accounts and single payment loans, reached a total of $41.8 billion at the end of December. (N.Y. Times, 2/2 p.24)

HIRING POLICIES MUST CHANGE IN NEXT DECADE

Population changes in the next decade will force many employers to hire more women as well as more young and older men. That is the conclusion of a new Labor Department survey on manpower. The report also predicts businesses will face a shortage of men in the prime 25-44 age bracket and will find themselves using more men outside of this category. Two key conclusions of the survey were: Industry must develop better screening and placement programs, more effective on-the-job training plans. And wages, in such a tight labor market, are sure to rise. (Wall St. J., 1/28 p.9)