President Eisenhower (yesterday) accepted "with profound regret" the resignation of George M. Humphrey, Secretary of the Treasury. The resignation will take effect "no later than" the end of this session of Congress. The President nominated Robert B. Anderson, who formerly held two high posts in the Defense Department, as Mr. Humphrey's successor. Since Mr. Anderson left the Government in 1955, he has been president of Ventures, Ltd. Mr. Humphrey is noted for his strong resistance to large Government spending and for his advocacy of high interest rates as a major weapon in curbing inflation. Statements of the President, Mr. Humphrey and Mr. Anderson made it plain that the new Secretary would follow the same basic fiscal policies. (Dale, Jr. N. Y. Times, 5/30 p.1)

Chairman Byrd has announced that the Senate Finance Committee will start hearings on its inquiry into fiscal policy and the nation's financial condition on June 18, with retiring Treasury Secretary Humphrey slated to face week-long questioning. Besides the credit situation and inflation, the Finance Committee's study is supposed to cover taxes and debt management policy. But some Democrats in the group, led by Senator Kerr of Oklahoma, are aiming to concentrate largely on the effects which high interest rates may be having on some segments of the economy, such as small business and home-building. (Wall St. J., 5/31 p.3)

"Net earnings of the nation's 13,218 insured commercial banks advanced 15% during 1956," Chairman H. E. Cook, of the Federal Deposit Insurance Corp., announced over the week-end. After provision for net charge-offs and income taxes, net profits were 5% greater than in 1955. (Amer. Bkr., 6/3 p.1)
The Federal Reserve Board said today that total consumer instalment credit increased by $259 million during April to an estimated $31 billion. During April 1955, consumer instalment credit increased by $551 million, and in April 1956, it rose $307 million. Last month's increase was due almost entirely to an upswing in automobile and personal loans. Total consumer credit in April--including charge accounts and other non-instalment obligations--increased by a half billion dollars to slightly more than $41 billion. That was an increase of nearly $3 billion from a year ago. (N. Y. Times, 6/1 p.21)

Foreign trade has been giving a timely lift to the nation's economy. While the domestic business climate in recent months has been overcast with uncertainty, exporters have found the weather abroad highly stimulating. So much so that exports made a heady leap of 28% in the first four months of the year. The Department of Commerce's preliminary estimate of April exports last week indicated a four-month total of more than $7,280,000,000 in the first four months of 1956. (B. M. Jones. N. Y. Times, 6/2 III p.1)

The nation's net public and private debt rose $28 billion last year and stood at a record high of $684 billion at the end of 1956, the Commerce Department has reported. Despite the new high, the 4.5% increase last year was considerably below the record peacetime advance of $49.5 billion in 1955. It also was somewhat lower than the average increases of 1950-53. The Department's Office of Business Economics said the outstanding change last year was a $6 billion "reduction in Federal indebtedness to the public--the first substantial reduction since 1948." The net increase in the debt of borrowers other than the Federal Government amounted to $34 billion. (N.Y. Herald Trib., 5/28 II p.2)

The bond market keeps reeling downward. The latest blow is the slow sale of the new issue of New York Telephone Company bonds, a triple-A credit, on a 4.4% yield basis. Only a few weeks ago, an issue of similarly rated telephone bonds were marketed successfully at a yield of 4.31%. As top-grade corporate yields rise to a 4.5% basis and second-grade risks go through 5%, institutional investors are becoming less willing to buy bonds that are subject to call for refunding purposes. (N. Y. Times, 5/28 p.46)

The stock market last month had the largest monthly sales since May 1956. The combined and industrial averages of The New York Times reached new 1957 highs, although the rail component of the combined average failed to pierce
the 1957 high recorded on January 10. Trading on the New York Stock Exchange increased to 52.6 million shares in May from 48.3 million in April, which had one less trading day. Prices weakened in the latter portion of the month, however, as uncertainty continued about defense appropriations, steel production, and auto output. Investors once again were turning to the so-called "growth" stocks--paper, glass, and chemical industries. These issues showed good gains. (N. Y. Times, 6/1 p.27)

CORPORATE FINANCING

New securities offered by corporations reached a record high during the first quarter of this year, the Securities and Exchange Commission has reported. The SEC said total offerings amounted to $3.6 billion in the first three months of 1957. This was 20% above the fourth quarter of 1956 and 60% higher than in the first quarter of 1956. The SEC said the larger volume resulted chiefly from a rise in publicly offered bond issues. Of the total offerings, $2.8 billion were in bonds, notes, and debentures, and $800 million were in equity issues. (N. Y. Times, 5/28 p.45)

GAIN IN MACHINERY

Machinery manufacturers expect new orders between April 1 and December 31, 1957, to run about 5% ahead of the same period last year. Producers in six major machinery classifications expect the following gains in new orders over a year ago: 2% in the second quarter, 5% in the third quarter, and 9% in the final quarter. This study was conducted by McGraw-Hill Publishing Company. (J. of Comm., 5/31 p.1)

GULF OIL OPENS NEW LABORATORIES

Gulf Oil Corporation unveiled for the first time three shiny new laboratories at its 53-acre research center near Pittsburgh. The multimillion-dollar facilities are designed to spark significant new research into improved methods of oil production, increased efficiency of automotive, aviation and marine fuels, and application of atomic energy to all phases of petroleum science. In addition, the big oil company gave some 150 newsmen a peek at a revolutionary new drill which is said to outperform the vaunted high-speed turbo-drill recently introduced by the Russians. In the nuclear science laboratory, the principal unit is a three-million-volt "atom smasher" which is said to be the largest employed by private industry. (Peebles. N. Y. Herald Trib., 5/29 p.3)

APRIL BUILDING BEHIND LAST YEAR

Construction contracts in April dropped 9% below year-ago levels in the United States, F. W. Dodge Corporation has reported. A key factor in the decline was a 20% drop in non-residential construction awards, especially those for factory and public buildings. Commercial buildings--stores and offices--also dropped 13%, an about face from earlier in 1957.
Heavy engineering projects, especially those by public utilities, continued above a year ago in April. Contracts for home building fell again. The April decline in total contracts offset a large increase in March, Dodge said, and brought the dollar total for the first four months of 1957 to $10.3 billion, about equal to that for the corresponding period last year. (Wall St. J., 5/28 p.5)

STEEL SCRAP Steel scrap prices in Chicago at the broker-dealer level have entered a runaway phase. From a high of $67 a ton last December, the prices of a top-grade steel scrap tumbled to an 18-month low of $39 late last April, at which point important mill purchases dried up. Since then, brokers and dealers, who went into the market to cover old orders, soon found themselves involved in a highly speculative market--bidding up prices on nominal purchases to a current $47 a ton. In the process of the rapid rise, the scrap market is ignoring bearish signs: mills face their usual summer lull; some steelmen estimate July and August may be their poorest production months since the summer of 1954. (Wall St. J., 5/31 p.14)

AUTO OUTPUT DOWN Passenger car production during the Memorial Day in Holiday Week week can be estimated at 81,625 units, according to Ward's Automotive Reports. This lowered output is compared with 127,428 completed in the previous week. However, it was somewhat above the 77,433 cars produced in the Memorial Day week of 1956. (N. Y. Times, 6/1 p.25)

HOG PRICES AT TWO-YEAR HIGH Meager receipts plus higher prices for fresh meats at wholesale, last Wednesday, spurred hogs to the highest level in almost two years. The hog top moved up 25¢ a hundred pounds to $20.25, the highest since July 5, 1955. Spectacular advances in fresh pork contributed to the pressure for higher prices for live animals. On May 29, pork loins shot up $2 to $5 a hundred pounds in Chicago, to the highest point since September 1956. (Wall St. J., 5/31 p.14)

FARM PRICES The Department of Agriculture has reported that farm product prices increased about 0.4% between mid-April and mid-May. Higher prices for cattle, melons, apples and cotton were primarily responsible for the increase. Partly offsetting these were declines in prices for strawberries, milk, wheat and eggs. The mid-May prices were about 1.26% higher than a year ago, but about 22.5% below the record high reached in February 1951. Prices paid by farmers for goods and services used in production and in family living remained unchanged from a month earlier. The level is, however, the highest on record. (N. Y. Times, 5/30 p.25)