NOVEMBER INDUSTRIAL PRODUCTION DOWN

Industrial production, one of the Government's prime gauges of business conditions, dropped in November for the third straight month, the Federal Reserve Board reported. The index was down by two points from October to 139% of its 1947-49 average last month—a full eight points under the record high of 147 of last December. From this high in 1956, the index of industrial production slipped to 143 in May, then rose back to 145 in August. From September to October, the index slipped three points. (Wall St. J., 12/17 p.11)

COST-OF-LIVING INDEX WILL FALL IN JANUARY

The cost of living should drop in January as dealers mark down prices on 1958 automobiles—largely responsible, the Government said, for a November jump in the consumer price index. The Bureau of Labor Statistics reported the November index was 121.6 of the 1947-49 average, up 0.4% from October and 3.2% higher than a year ago. Actually, the November increase—biggest since July—was not as severe as it appears, according to Ewan Clague, BLS Commissioner. Three-fourths of the rise was caused by higher prices on 1958 automobiles, he said. Without the big jump in new car prices, the index would have increased only 0.1% or a little less. That is the increase actually affecting most consumers. (Wall St. J., 12/23 p.4)

PERSONAL INCOME DECLINES AGAIN

Personal income declined in November for the third straight month. The drop, which has amounted to nearly $1.5 billion at annual rates, over the three-month period, brought personal income down to a rate of $345.4 billion, the Department of Commerce reported. In November, as in the previous two months, increases in unemployment insurance and in social security benefits went a long way toward offsetting the drop in wage and salary disbursements. Wages and salaries actually dropped

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$1 billion, but an increase of $500 million in social security insurance benefits held the over-all drop in income to $500 million. (J. of Comm., 12/18 p.4)

NEW CAR STOCKS  Auto dealers' new car stocks are mounting, bringing production cutbacks. With retail demand lagging, unsold 1958 models are expected to approach 800,000 by the year-end. That would be 100,000 above the December 1 level. It would be 275,000 greater than stocks at the close of 1956. In a move to "balance production with dealer inventories," Chrysler Corporation and Ford Motor Company will curtail assemblies sharply this week and next. (Wall St. J., 12/23 p.1)

DROP FORECAST  Ward's Automotive Reports said that the auto industry was projecting a sales volume of 5.3 million American-built cars for 1958, compared with 5.8 million in 1957. Meanwhile, the agency said, sales of imported cars are expected to increase nearly 50%. That would bring new car sales in the United States next year to 5.6 million, against nearly 6 million this year. Ward's said that while the projection was subject to change, the first real signs of a softening in output were beginning to appear in the auto factories. (N. Y. Times, 12/21 p.28)

ELECTRIC PRODUCTION  The U.S. power industry's distribution of electricity soared to the highest mark in history last week, the Edison Electric Institute reported. Last week's power production totaled 12,570,000,000 kilowatt hours and broke the previous record established during the week ended January 19, 1957, when 12,556,000,000 kwh were generated. A spokesman said the increased power distribution was sparked by the icy winter weather that prompted consumers to switch on electric heating, the normally shorter winter days that boosted the demand for lighting, and the Christmas season itself that traditionally entails a higher demand for current to light Yuletide decorations. E.E.I.'s seasonally-adjusted index of power output, using the 1947-49 period as a yardstick equal to 100, rated last week's electricity distribution at 228.9 compared with 222.3 a year earlier. (Wall St. J., 12/19 p.20)

SHIPPINGPORT ATOMIC PLANT OPENS  The world's first full-scale commercial atomic power plant began lighting Pittsburgh district homes today. One of history's scientific landmarks was reached at 12:39 a.m. when Duquesne Light Co. engineers pressed buttons feeding atomic energy into the utility's system. In this first test, the Shippingport plant was producing 12,100 kilowatts by 7 a.m. The operation is building up to an initial capacity
of 60,000 kilowatts. This is sufficient to supply the residential needs of a quarter of a million people. The big reactor is located in a little Ohio Valley community 85 miles west of Pittsburgh. It was constructed by Westinghouse Electric Corporation under contract with the Atomic Energy Commission. Duquesne Light is the operator. (Pitts. Press, 12/18 p.1)

TEXAS OIL PRODUCTION RESTRICTED TO 12 DAYS

Texas oil wells will be restricted to 12 days' production again in January, fourth straight month at this record-low figure. The Texas Railroad Commission, following almost unanimous advice from major purchasing companies, decided on the figure after hearing reports that some producers are unable to sell their crude even on a 12-day basis. The January output quota will average 2,985,350 barrels a day, or 1,351 barrels below the December permissible figures. Actual production is expected to be about 2,650,000 barrels daily. (Wall St. J., 12/20 p.10)

BANK CREDIT EXPANDED ON INCREASE IN RESERVE'S "FLOAT"

The supply of bank credit over the country was expanded substantially in the week ended Wednesday, according to figures released by the New York Federal Reserve Bank. That easing of bank reserves resulted primarily from a large rise in "float." But the fact that the Federal Reserve took no real action in the statement week to offset the expected rise in the float was further confirmation of its policy toward easier credit, signaled by its cut of the discount rate last month. (Wall St. J., 12/20 p.12)

DAIRY SUPPORTS CUT TO MINIMUM

The Secretary of Agriculture cut Federal price supports on dairy products as deeply as the law allowed today. That it was not painless surgery was evidenced immediately by outcries from milk areas. Ezra Taft Benson, the Secretary, said the decrease, effective next April 1, should give consumers a reduction of half-a-cent a quart on milk and 2-1/2¢ a pound on butter and cheese. Members of Congress from dairy states and milk producer spokesmen termed "shocking" and "disastrous" the lowering of price supports to the permitted minimum of 75% of parity. (Blair. N. Y. Times, 12/19 p.1)

CROP PRODUCTION EQUALS RECORD

The Department of Agriculture said crop production this year matched the previous record despite the smallest total acreage since 1919. According to the final crop report for 1957, over-all yield levels reached a new peak despite many local and seasonal setbacks which hampered planting and harvesting. Crop production was 106% of the 1947-49 base,
equaling both the 1956 and 1948 crops. There was no outstanding crop, but production of many crops was close to record levels. Highs were set for hay, sorghum grain, soybeans, barley, and sugar beets. (N. Y. Times, 12/18 p.55)

MERRY CHRISTMAS!