PRESIDENT ASKS ANTI-SLUMP STEPS

President Eisenhower announced Saturday a new set of anti-recession actions involving new spending of an undetermined amount, but possibly as much as $1 billion this year. The main item in the seven-point package, in both potential spending and economic impact, was a decision to use Federal funds to "extend for a brief period" unemployment compensation benefits for workers who had exhausted their benefits or soon would. The extension would require an act of Congress. The other measures in the President's program would result in new spending of about $400 million, earlier spending of about $200 million already scheduled, and new contract placement for highways this year of about $600 million, all of these mostly in 1958, but partly in 1959. (Dale, Jr. N.Y. Times, 3/9 p.1)

UNEMPLOYMENT FIGURES RISING

Unemployment figures were the chief factor spurring the business-revival drive. It was an open secret that Government data to be released in the next few days would put the jobless total, as of February 15, at more than 5.1 million. The mid-January level was 4.5 million. New claims for jobless pay declined in the week ended March 1, however, as the weather improved. The figure was 435,900, down 23,300 from the week before. (Wall St. J., 3/10 p.1)

BILLION YEARLY RISE FOR ARMS FORECAST

Wilfred J. McNeil, the Pentagon's top fiscal expert, has predicted a $1 billion-a-year rise in defense outlays from the present $39 billion rate during the next four or five years. He also believes the development of an anti-ballistic missile defense system for U.S. cities and military targets may exceed the $13 billion already invested in continental defenses against manned bombers. Mr. McNeil says the
continued defense spending rise will result not only from post-Sputnik efforts to match Soviet missile progress but from the growing complexity of weapons themselves. As an example, he cites the climbing costs of military aircraft. (Wall St. J., 3/10 p.9)

DISCOUNT RATE CUT AT 3 RESERVE BANKS The Federal Reserve Board approved a reduction in the discount rate from 2-3/4% to 2-1/4% at the Federal Reserve Banks of New York, Philadelphia, and Chicago, effective March 7. Most, or all, of the nine other Reserve banks are expected to follow the move. As a result of a decline in the demand for credit and previous Federal Reserve actions, banks have not been short of reserves and hence have not been borrowing much. A Reserve Board spokesman said the discount rate reduction was intended to bring this key interest rate "into alignment with market rates." Also, the move was aimed at "making credit conditions further favorable to recovery." (Dale, Jr. N.Y. Times, 3/7 p.1)

NEW TREASURY BONDS POPULAR The Treasury's offer of a new 3% bond to raise $1,250 million in cash was oversubscribed by more than five times, the Department reported. Subscriptions for the eight-year, 5-1/2-month bond totaled $6,715 million, according to reports from Federal Reserve banks. The Treasury announced a 20% allotment on subscriptions in excess of $10,000, with subscriptions for $10,000 or less to be allotted in full. (Wall St. J., 3/5 p.15)

BOND MARKET STABILIZES A yield of about 4% seems to be the stabilization point for new high-grade corporate debt securities as the bond market approaches the end of its busiest winter in years. Ever since the Federal Reserve System's shift in policy last November confirmed the end of credit stringency in the economy, yields in the corporate bond market have been tending down, although with wide fluctuations. A rebound from the lower yield levels of January came to an end last week with the success accorded an issue of AA-rated Union Electric Company of Missouri bonds on a 4.22% basis. (Heffernan. N.Y. Times, 3/9 III p.1)

TREASURY PLANS CASH BORROWING The Treasury plans to tap the money market for more than $3 billion in new cash in April. Just what form the new offering will take hasn't been decided yet. But since last October, Secretary Anderson has been making a determined effort to stretch out the average maturity of the Federal debt by pushing out longer-term issues. The big April new cash raising will help pump up the Treasury's bank balances to what the Depart-
ment considers more comfortable levels. The Treasury will be coming into the financing with its balance generally low as a result of being squeezed for some months under the $275 billion debt limit. There were times, under this limit, when the Department's cash dropped as low as $250 million. The April new cash offering will be the Treasury's second borrowing under the $280 billion debt ceiling approved late last month by Congress. Just one day after it was signed into law by President Eisenhower, the Department issued some $1.5 billion in eight-year, 5-1/2 month bonds. (Wall St. J., 3/10 p.19)

STERLING AREA GOLD, DOLLAR RESERVES UP

The sterling area last month boosted its reserves of gold and dollars to the highest level since July 1955. The net gain in the reserve in February, the British Treasury disclosed, was $135 million. This compares with a net improvement of $131 million in January and $63 million in February 1957. February was the fifth month in a row to show a gain. As a result of the February gain, the reserves held by Britain as central banker for the sterling area at the beginning of March stood at $2.5 billion. (Wall St. J., 3/5 p.4)

SAVINGS BOND SALES

Sales of U.S. savings bonds in February topped cash-ins for the first time in 19 months, the Treasury announced. Sales for E and H bonds were $407 million, against redemptions of $379 million, giving a sales excess of $28 million. Such a sales excess had not occurred since July 1956. (Wall St. J., 3/10 p.6)

MANUFACTURERS' INVENTORIES

The Department of Commerce reported the book value of manufacturers' inventories at the end of January was down $600 million from the previous month on a seasonally adjusted basis. The decline from November to December was $400 million, and the average decline during the three months before that was less than $100 million. (Wall St. J., 3/7 p.2)

MACHINE TOOL ORDERS

One of the nation's barometric industries is showing encouraging signs of a pickup. After suffering their worst month in over eight years in December and getting only a slight lift in January, machine tool builders report new orders perked up smartly in February. National Machine Tool Builders Association statistics show net new orders in January up 4% from the $18.7 million booked in December. This level is a huge 69% below the $63.3 million of January 1957. (Lawrence. Wall St. J., 3/5 p.1)
MORE CUTS PREDICTED FOR AUTO PRODUCTION

Ward's Automotive Reports indicated that a further curtailment in automobile production was in prospect for March and April. Despite recent cuts in factory operations, dealers' stocks were near 890,000 units. Sales of new cars in February dropped to 321,400 units. (N.Y. Times, 3/8 p.22)

SLAUGHTER STEERS HIT 5-YEAR HIGH

Prime grade slaughter steers sold at a top price of $37.25 a hundredweight on March 5, the highest since that grade brought $38.10 on January 21, 1953. Buyers said that the price again reflects the scarcity of prime beef offerings on the market. (N.Y. Times, 3/6 p.36)

BANK DEBITS HIT NEW HIGH

January bank debits for 344 reporting centers, as compiled by the Federal Reserve Board, totaled $212.9 billion, up 4.0% over January 1957. This was not only the all-time January high, but the second highest monthly volume since bank debits were first reported back in 1919. Only six other months have ever gone over the $200 billion level. (Amer. Bkr., 3/6 p.1)

NEW CONSTRUCTION PUT IN PLACE

Construction expenditures in February, though seasonally below January, amounted to $3.1 billion, a new high for the month, according to a report of the Departments of Commerce and Labor. For the first two months of 1958, expenditures totaled $6.3 billion, a record for the two-month period. Construction is regarded by Administration officials as one of the encouraging features of the current economic situation. They expect 1958 spending on building projects to register a 5% increase over last year. (Wall St. J., 3/7 p.1)