UNEMPLOYMENT FALLS IN OCTOBER

Unemployment fell 300,000 to 3.8 million between mid-September and mid-October, the Bureau of the Census said in an earlier-than-usual release of its monthly job census. Employment rose 700,000 to 65.3 million by mid-October. Both figures showed more improvement than Federal statisticians ordinarily expect in October. The report was based on a survey taken in the week ended October 18. (Wall St. J., 11/3 p.2)

FARM PRICES OFF IN OCTOBER

Farm prices fell slightly more than 2% in the month ended October 15. The drop largely reflected the seasonal impact of heavy fall harvests on market prices. Farm prices as a whole were at 82% of parity in mid-October compared with 85% in mid-September, the Department of Agriculture reported. The parity ratio was the lowest since January, but 1 point above that for October 1957. Parity is a standard for measuring farm prices in relation to the cost of things farmers must buy. The price decline resumed a four-month slump interrupted last month when the farm index rose about 2-1/2%. (N.Y. Times, 11/1 p.24)

SEPTEMBER BUILDING AWARDS HIT NEW HIGH

Construction contracts last month soared 26% over September 1957 to a new high for the month, F.W. Dodge Corporation reported. The total of contract awards, which indicate a high level of building activity in the months ahead, was $3.2 billion, the third month in a row showing an increase of 20% or more over 1957 levels. Contract awards for the five months through September also rose to a record level for the period. Last month's construction awards were boosted by a sharp rise in the housing sector of this industry. High levels of spending on roads and utilities also helped raise last month's contract award total. Commercial buildings registered a gain of 31%, but manufacturing buildings continued their year-long decline, falling 17% behind September a year earlier. (Wall St. J., 10/29 p.5)

Selection of these items does not imply this bank's guaranty of their accuracy, nor agreement with the views expressed.
MANUFACTURERS' SALES RISE IN SEPTEMBER

The Department of Commerce has reported that manufacturers' sales in September rose more than seasonally above the August level. It also said that new orders had matched the year-ago rate for the first time this year. Manufacturers' sales advanced 1%, after allowing for seasonal changes. But the total of $26.7 billion was about 5% below sales a year earlier. Another favorable aspect of the Department's report was the indication of a further slowdown in manufacturers' inventory liquidation. Stockpiles of goods were reduced by $200 million in September compared with a $400 million liquidation in the preceding month. New orders picked up 3%, with all major industries except transportation equipment reporting increases. (N.Y. Times, 10/30 p.49)

G.M. STRIKE OVER

General Motors Corporation will have all five of its automotive divisions back into production today (October 30) following the end (October 29) of the last strike by a local union of the United Auto Workers. The G.M. strikes began 28 days ago on October 2, and continued over local issues despite agreement at that time on a national contract. One General Motors plant continued to be affected by a strike of another union. Some 4,000 members of the International Union of Electrical Workers still were out at the Delco appliance plant at Rochester, New York. (Wall St. J., 10/30 p.2)

SHARP AUTO OUTPUT Hike Under Way

The ending of strikes, which have seriously curtailed auto output during the last two months, will mean a big gain in production between now and the end of November. Car makers, encouraged by the early trend of orders for 1959 model cars, feel confident that next year will be substantially better than 1958. The study just completed by the National Industrial Conference Board of consumer buying plans (sponsored by the magazine Newsweek) shows that confidence has improved and individual finances have been built up. This could result in a strong bullish trend in the auto market. Thus far, the net effect of the new model showings and the return-to-work movement at auto plants has been a tentative boost of about 50,000, or 10%, in production schedules for November, and a slightly larger boost for December. These boosts would assure output of 1,150,000 cars during the last two months of 1958. (Fish. J. of Comm., 10/30 p.1)

STEEL AND TEXTILES SHOW IMPROVEMENT

Lowered break-even points, the fruits of heavy investment in capital equipment that cut costs, are making for good earnings reports for the third quarter by the steel companies. Specialty steel producers have made excellent showings. U.S. Steel's report is expected to be fully
as good as that for the second three months. Improved steel demand is another influence giving profits a lift.

Some of the major textile companies are revealing third quarter betterment, although the industry's basic problem of over-capacity seems to be the same. Such improvement as has been registered seems ascribable to the turn for the better in the economy as a whole. (J. of Comm., 10/28 p.1)

**U.S. STEEL EARNINGS**

United States Steel Corporation's third quarter earnings were about the same as in the preceding three months. But Roger M. Blough, chairman, reported that orders and production now are considerably higher than in the third quarter. He expects the higher rate of output to continue the rest of 1958 and through the first quarter next year. Net profits in the third quarter amounted to $1.27 a common share, compared with $1.25 a share earned in the second quarter. Net in the third quarter of 1957 was $1.70 a share. (Wall St. J., 10/29 p.1)

**GENERAL MOTORS EARNINGS**

General Motors Corporation has reported profits of $399 million, or $1.39 a share for the first nine months of 1958. This was a 34% reduction from a year ago when the giant automotive concern racked up earnings of $620 million, or $2.14 a share. Despite the sharply reduced profits, however, General Motors achieved the distinction of being the only "Big Three" auto producer to wind up in the black for the first nine months of the year. (Peebles. N.Y. Herald Trib., 10/29 III p.6)

**CHICAGO & CLEVELAND RAISE DISCOUNT RATE**

The Federal Reserve Banks of Chicago and Cleveland became the seventh and eighth banks to lift their discount rate from 2% to 2-1/2% today (October 30). (Amer. Bkr., 10/31 p.5)

**STRENGTH IN BOND MARKET**

The corporate bond market was tested last week with new offerings unmatched for variety and number since late summer. The results showed surprising strength. The market received some support from the stabilizing influence on money rates of the recent increase in the Federal Reserve lending (discount) rate from 2% to 2-1/2%. Although long-term United States Government bonds have hardly been strong, they firmed early in the week and a little buying activity was reported. (Tompkins. N.Y. Times, 11/2 III p.4)

**RAILROAD FARES RAISED**

The Interstate Commerce Commission has authorized a 5% fare increase in inter-state coach travel on the Pennsylvania and New York Central Railroads. A 15% increase was permitted in first-class fares. The higher fares, which
also apply to four other railroads in the East, go into effect at midnight tonight (October 31). The increases had been sought by the railroads in September to meet rising expenses; the railroads face an automatic wage increase of 7¢ an hour, starting tomorrow (November 1) for many employees. The railroads last received a coach and first-class fare increase in April 1957. A coach fare increase was granted in January of this year. (N.Y. Times, 11/1 p.1)

STOCK TRADING

In the heaviest monthly trading in more than twenty-five years, stocks gyrated throughout October and wound up with a modest advance. Steel and electronic issues got the major play, with the leaders in both fields showing good gains. The increase in margin requirements from 70% to 90% on October 16 acted to switch much investor interest to the lower-priced stocks. On many days, these studded the most active list. The volume of trading in October amounted to 95,087,094 shares, the largest for any October since the 1929 crash, when it reached a record 141,668,410 shares. (N.Y. Times, 11/1 p.24)

INSTALMENT DEBT

The continued slump in auto sales in September brought on a renewed decline in consumer installment debt, the Federal Reserve Board reported. Installment credit outstanding dropped $60 million, on a seasonally adjusted basis, during the month. This cut total consumer time-payment debt on September 30 to about $33,1 billion, or $257 million below the total on the like day of 1957. The September decline resumed a trend which--except for August when installment debt rose by an adjusted $30 million--has been going on since February. However, the September drop was much less than that of earlier months in the year. (Wall St. J., 11/3 p.5)

PAN AMERICAN

Pan American World Airways, Inc., first American airline to provide jet passenger service across the Atlantic, has arranged a $130 million, three-year revolving credit. The deal was made with a group of thirty-nine banks in seventeen cities. This is the biggest financing ever obtained by a domestic airline. Pan American will use the credit toward purchase of jet equipment. (N.Y. Times, 10/30 p.42)

NATIONAL DEBT

The national debt, spurred by bigger spending and a decline in income, has climbed to its highest point in the nation's history, it was disclosed (October 28). The Treasury's daily financial statement showed that the total gross public debt, including certain non-Treasury securities the government guarantees, touched the all-time high of $280,851,429,657 on October 23. The previous high of $280,821,613,239 was set on December 31, 1955. (N.Y. Herald Trib., 10/29 p.1)