PERSONAL INCOME  Personal income fell slightly in October as a result of labor troubles in key durable goods manufacturing industries, after reaching new highs for three straight months. The seasonally adjusted annual rate of personal income in October was $357.5 billion, down from the revised September total of $357.8 billion, the Department of Commerce reported. The Agency, however, regarded the decline as within the margin for error and thus termed the rate little changed from the previous month. (Wall St. J., 11/18 p.30)

NATIONAL OUTPUT  The nation's total output of goods and services expanded by $10 billion in the July-September quarter, $1 billion less than the preliminary estimate, the Department of Commerce has reported. This expansion raised the gross national product to an annual rate of $439 billion in that quarter. In the January-March quarter, the low point of the recession, it was $426 billion. In the July-September quarter of last year, the high point of the boom, it was $446 billion. These figures, which do not provide for rising prices, indicate that almost three-fourths of the recession losses have been recouped. But when price increases are taken into account, the real recovery appears to be closer to one-third. (Mooney. N.Y. Times, 11/21 p.1)

FEDERAL RESERVE'S MONEY RATE POLICY  Federal Reserve money rate policy, with the most recent increase in rediscount rates to 2-1/2%, has reached an area of stability that is "appropriate" for the "low-pressure recovery" now being enjoyed by business, according to a high New York banking source familiar with central bank operations. While no prediction was made for the future, the hint was that there would be no further early tightening of the credit brakes;
the monetary policy will be what is now described as "somewhere between ease and restraint." Ample reserves will be furnished to the nation's banks for seasonal requirements, but these requirements appear to be smaller than usual in view of the light demand for business loans at commercial banks. (Tyng. J. of Comm., 11/19 p.6)

TREASURY TO LAUNCH NEW FINANCING

The Treasury Department (November 18) launched a major new debt management program and simultaneously moved to refund $12.2 billion of securities that come due next month. The new debt management program calls for coupling a weekly auction of twenty-six week bills to the Treasury's current weekly auctions of thirteen-week bills. The Department said it will inaugurate the new auction on Thursday, December 11. The decision to offer a cycle of twenty-six week bills is the first fruit of an intensive Treasury Department search for additional ways of financing the public debt. The Treasury said it will raise an additional $2.6 billion of cash through the new bills over the next three months. (Slevin. N.Y. Herald Trib., 11/19, III p.4)

TREASURY EXCHANGE OFFERING

The Treasury offered holders of some $12 billion in maturing debt two new issues in exchange--a 3-3/8% certificate maturing in 11-1/2 months and a 3-5/8% note maturing in about 2-1/2 years. Subscription books on the exchange offering will be open November 19 through 21. (Wall St. J., 11/19 p.3)

PRESIDENT MAPS NEW BUDGET CUTS

President Eisenhower has issued a new economy order and raised Administration hopes of trimming Federal spending next fiscal year more than officials thought possible only a few weeks ago. The President sent the heads of all Federal agencies and departments a brief memo requiring them to stay within tight spending allotments for the fiscal year starting next July 1. He told them to appeal to him for increases only if these limits would injure national security or the nation's welfare. Before the election, Administration officials were talking of holding next fiscal year's spending total to just under $80 billion. Now, however, one policy-maker confides "we are hopeful" of keeping the outlays below that level. (Wall St. J., 11/24 p.3)

TAX URGED ON LIFE INSURANCE INCOME

The Treasury urged taxation of all income of life insurance companies, including underwriting gains, in an attempt to set a permanent formula for taxing life insurance income. Treasury Undersecretary Fred C. Scribner, Jr., made the proposal to a House Ways and Means subcommittee. Whatever the final formula, it is virtually certain that life insurance companies are going to have to pay many millions more than their
$290 million tax tab of last year. And this has important implications for the whole industry--for policyholders, stockholders and others. (J. of Comm., 11/18 p.1)

BRITAIN LOWERS BANK RATE TO 4% In a surprise step unexpected even by the stock market, the Bank of England for the second time since August 14 cut its discount rate, this time to 4% from 4-1/2%, in an effort to stimulate the domestic economy through doses of cheaper money. The new 4% rate, lowest since 1952, is primarily intended to reverse the recently declining trend of home industrial investment, to increase the flow of new orders and, as a sequel to the recent removal of all restrictions on hire-purchase (instalment credit), to convince the average British businessman that now was the time to expand his trade activities. The return to easier money on the home front has been taken against a background of the gradual building up of the gold and dollar reserves which are the underpinning of the pound sterling. The new reduction is the fifth cut since September of 1957 when the Bank of England posted the punitive rate of 7% to meet a sterling crisis. (J. of Comm., 11/21 p.1)

GOLD BUYING A reason for expecting a tapering off of gold losses lies in the identity of the countries buying most of the gold. Great Britain, Belgium, Holland and Switzerland have purchased the bulk of the gold sold by this country in 1958. Responding to gains in gold, there has been a tendency to ease credit conditions and relax restrictions upon dollar imports. Restoration of convertibility of sterling is again being discussed. These moves will help bring about a recovery in our exports. At the same time, firming of interest rates in this country will encourage foreign nations that gain dollars to keep them invested in Treasury securities, rather than to acquire gold because the return on short-term Government issues is too low. (J.I.B. J. of Comm., 11/18 p.1)

COME-BACK MADE BY DOLLAR BOND The foreign bond payable in United States dollars is making an impressive come-back in the international investment world. The year 1958 will go down as the biggest since the Twenties for foreign interests to raise debt capital in the public bond market of this country. All indications point to a period of similar activity in 1959. So far this year, twenty-four foreign governments, including affiliated interests, have raised $203,500,000 in the United States market, compared with five foreign loans totaling $87,500,000 in 1957. Not counted in these totals are borrowings in this market by Canadian interests, which thus far this year have totaled more than $250 million. (Heffernan. N.Y. Times, 11/23 III p.1)
MINNESOTA IRON ORE  

Minnesota's poorest iron ore shipping season in nearly 20 years is expected to end this week. Preliminary estimates of 1958 production and shipments by mining and railroad companies indicate that tonnage from Minnesota mines was the lowest since 1939. One bright spot in the recession-year slump: Taconite output continued to increase. Taconite shipments totaled about 9 million tons, up from about 6 million tons in 1957. (Wall St. J., 11/24 p.2)

AUTO DEALER STOCKS  

Stocks of new cars in dealer hands on November 1 hit a four-year low at 264,760 units, Automotive News said. On October 1 dealers held 312,897 cars. The November 1, 1957 total was 449,000. The trade paper said: "Stocks fell slightly below 200,000 in mid-October. A gradual build-up of '59 models began then and is continuing, but normalcy in the supply situation is unlikely to return before the first of the year, at least." (J. of Comm., 11/18 p.1)

COTTON CLOTH  

Demand for cotton print cloths rose sharply in yesterday's (November 17) trading and several mills posted price increases of a quarter to a half-cent for various constructions. The eighty-square fabric was marked up to 18¢. This construction, regarded as a leader, is likely to set a pattern for other types of goods. With supplies for near-by delivery hard to find, the converters are attempting to cover their requirements a little farther ahead than they have in the past when sales were lagging and supplies plentiful. Textile prices have been showing signs of strength since early summer, but yesterday's was one of the few price rises in some time. (N.Y. Times, 11/18 p.51)

TEXTILE UNION  

The Textile Workers Union called on mill owners to grant a general wage increase and authorized an "industry-wide campaign" to get one. While asking no specific amount, the AFL-CIO group noted that living costs have risen 5.1% since October 1956, when the last general textile pay boost was granted. In the meantime, it added, workers in other industries, such as steel, auto-making and meat packing, have won wage boosts "ranging from 21¢ to 34¢ an hour." (Wall St. J., 11/20 p.1)

FARM LAND  

Farm land values pushed into new high ground last month, and further gains are in prospect next year. The Department of Agriculture reported that the farm realty valuation index as of November 1 stood at 163% of the 1947-49 average -- up 6% from a year earlier. The Agency predicted another 6% rise may occur in 1959 under the impetus of strong demand for land by expansion-minded farmers and limited acreage offerings. (Wall St. J., 11/19 p.1)