SENATE ACTS ON THE SENATE last night (February 5) moved toward final passage of a catch-all housing bill with some cuts in previously proposed spending which Democratic leaders hoped would be enough to avert a veto. The overwhelming Democratic majority easily beat back Republican attempts to make sizable slashes in outlays for public housing and urban renewal. (Wall St. J., 2/6 p.1)

SENATE VOTES The Senate passed (February 6) a bill calling for $4.65 billion to help states and communities develop airports in a four-year period starting next July 1. The roll call vote was 63-22. The Senate rejected President Eisenhower's conclusion last year that such use of public money, even on a matching basis, should taper off and then stop. (Trussell, N.Y. Times, 2/6 p.1)

TREASURY FINANCING The Treasury disclosed today (February 6) that this week's big financing had not been a success. Holders of more than 20%, or $2,081,000,000, of a huge amount of maturing Government securities refused to accept new securities offered in exchange. As a result, the Treasury will undertake an emergency borrowing operation next week to raise $1,500,000,000 needed to pay off the old securities. (Dale, Jr. N.Y. Times, 2/8 p.1)

MARTIN WARNS ON "INFLAMMABLE TINDER" Federal Reserve Board Chairman William McChesney Martin, Jr., told the Congressional Joint Economic Committee that the United States is on the "threshold" of a new period of economic growth but he warned that the country must guard against a fresh outbreak of inflation. The Federal Reserve currently is following a policy of light credit restraint adapted to the prospect of price stability that Mr. Martin

Selection of these items does not imply this bank's guaranty of their accuracy, nor agreement with the views expressed.
sees for the period immediately ahead. He declared that the "inflammable tinder" that is lying about could spark an inflationary upsurge at any time, but he stressed that his warning is not a forecast of inevitable price increases. "Public and private actions...can prevent these dangers from materializing." (Slevin. N.Y. Herald Trib., 2/7 II p.4)

JANUARY BUILDING The dollar value of construction put in place in January rose above the level of January 1958, to a record for the month but slipped slightly from December 1958. The decline from the month before was about normal for this time of year, the Departments of Labor and Commerce reported. The January figure was $3.7 billion and compared with $4 billion in December, and $3.3 billion in the like month of 1958. (Wall St. J., 2/5 p.22)

RAIL LOADINGS Freight traffic of the nation's railroads showed a better year-to-year gain in the week ended January 31 than in any week since August 1957. Loadings of revenue freight aggregated 582,636 cars, the Association of American Railroads announced. (N.Y. Times, 2/6 p.33)

AUTO SALES UP Sales of new cars in January were 12.6% greater than a year earlier, when sales had begun to lag badly. But last month's total was well below that for January 1957. Sales of 428,000 new cars last month, compared with 380,000 reported sold in January 1958, were at an annual rate of slightly more than 5 million. This would be considerably ahead of the 4.5 million cars sold last year, but far behind the 1957 total of 5.9 million. (Stetson. N.Y. Times, 2/7 p.23)

INSTALMENT DEBT Consumers boosted their time-payment debt by $306 million in December on a seasonally adjusted basis, the biggest monthly increase in two years and nearly double the rise in the previous month, the Federal Reserve Board reported. A major factor in the December increase was an adjusted rise of $158 million in auto installment debt, as buyers took on new credit faster than they repaid old debt. Despite a record $3.7 billion extension of all new installment credit in December, the $33.9 billion outstanding at the end of the month was $230 million below the amount on December 31, 1957. (Wall St. J., 2/4 p.5)

BRITAIN'S RESERVES The (British) Treasury announced another substantial gain in the gold and convertible currency reserves held by Britain as central banker for the sterling area. A rise of $42 million in January brought the
total to $3,110,800,000. Seasonal payments to sterling area countries for basic commodities and other goods were said to be one reason for the good January showing. It also was said to reflect the world confidence in sterling during the first full month of partial convertibility of the pound sterling. (N.Y. Times, 2/4 p.43)

BRITAIN RELAXES CURBS ON CAPITAL ISSUES The Treasury took another step toward easier credit when it announced that it was relaxing its control of borrowing and the raising of money through the issue of shares and other securities. With few exceptions, a person or company resident in Britain will no longer be required to seek Treasury consent before borrowing money here, or issuing shares or other securities. The relaxation does not apply to persons or companies outside Britain. (N.Y. Times, 2/5 p.43)

BITUMINOUS COAL OUTLOOK BRIGHTENS Prospects in the bituminous coal industry are brighter than they have been in several years and it is estimated that a 55 million-ton boost in production will be needed to meet expected demand this year—but producers may have to absorb most or all of recent sharp cost increases if this picture is to materialize. At least the industry need not worry about labor troubles during the year, although one cloud on the horizon is the possibility of labor problems shutting down one of their biggest customers, the steel industry. The direct burden of this would fall primarily on steel company-owned "captive" mines rather than on the independents. (Rogers. J. of Comm., 2/4 p.1)

PLASTICS SHOW GAIN The reinforced plastics division of the Society of the Plastics Industry, Inc., reported that sales of polyester resins and of various types of reinforced plastics were showing "unprecedented" gains and that volume might be up as much as 20% to 25% for the industry this year. Use in boats, automotive bodies and components, jet aircraft, and translucent panels for indoor and outdoor construction are all increasing. (N.Y. Herald Trib., 2/3 III p.5)

COPPER PRICE NOW The "big three" copper producers raised the price of refined metal 1¢ a pound yesterday to 30¢, the highest level since mid-June of 1957. All three had been quoting electrolytically refined copper at 29¢ since late last October, when their prices advanced 1-1/2¢ a pound. Demand for copper had picked up substantially in the last two or three weeks, both in this country and abroad. Trade authorities said this reflected not only slowly rising consumption, but also efforts by fabricators to increase inventories. (N.Y. Times, 2/3 p.41)
The Government lowered the 4-1/2% rediscount rate by 1/4% today (February 5) in a new move aimed at stimulating investment in France's expanding industry. The lowering of the rediscount rate was the second move in as many weeks taken by the De Gaulle Government to stimulate investment. (N.Y. Times, 2/6 p.32)

Cotton cloth and synthetic fabric prices are climbing in advance of wage increases scheduled to go into effect shortly at major Southern textile mills. Pace-setting 80-square cotton print cloth, widely used in inexpensive dresses, sold as high as 18-1/2¢ a yard. That is 1/4¢ above the level that had prevailed since early December and the best price in two years. Mark-ups amounting to as much as 1-1/2¢ a yard took place in other cotton and synthetic goods. (Wall St. J., 2/6 p.1)

Foreign iron ore continued to gain a bigger share of the U.S. market in 1958, despite a drop in total tonnage in line with the steel industry downturn. Imported ore accounted for more than 27% of all iron ore consumed in this country last year. This compared with a little over 24% in 1957 and less than 10% five years earlier. Venezuela and Canada each accounted for about one third of all foreign ore received in the U.S., with most of the remainder coming from Peru, Chile, Brazil, Liberia and Sweden. (Wall St. J., 2/3 p.24)

United States exports amounted to $17.8 billion last year, which was 1¼% less than the record set in 1957, according to preliminary estimates published by the Department of Commerce. Imports for the year have been estimated unofficially at $12.6 billion—a decline of about 3% for the year. Because the decline in exports was greater than that of imports, there was a decline in the surplus of exports over imports for the first time in three years—a partial explanation for the much discussed outflow of gold. (N.Y. Times, 2/5 p.52)