

basic business NEWS

Published Weekly by the FEDERAL RESERVE BANK of CLEVELAND

February 24, 1959 to March 2, 1959

BUILDING AWARDS CONTINUE HIGH

Construction activity measured by contract awards for future work maintained its high level in January, F.W. Dodge Corporation reported. Awards rose 12% from January 1958 to \$2,319,167,000, and were slightly ahead of the \$2,281,881,000 registered in December 1958. Housing contracts continued to be the major support for building activity, economists for the construction news and marketing concern said. (Wall St. J., 3/2 p.26)

SALES AND ORDERS OF TEXTILES ARE BRISK

Textile sales are picking up along with wages and prices in the industry's biggest forward movement since late 1956. With more than 300,000 Southern mill hands now collecting an extra dime an hour, and prices up on everything from towels to tent cloth, fabric buyers' reluctance to make forward commitments is rapidly disappearing. Mills and brokers report that a steady stream of orders for cotton and synthetic goods is beginning to fill second quarter delivery books. Since most mills have sold their first quarter production weeks ago, buyers still in need of cloth to be delivered before the end of March have to scramble to line up supplies. The move so far has not developed a heavily concentrated buying, but merchants are pleased with the mosaic of small orders now forming the market pattern at the going price. (Church. Wall St. J., 2/24 p.6)

AUTO OUTPUT AND SALES ARE UP

Auto production is moving up again, after brief cutbacks reflecting the Pittsburgh Plate Glass strike which hit Chrysler and American Motors. Output this week will reach a six weeks' high of nearly 129,000 units, compared with 120,822 last week, and 91,442 in the same week of 1958. "Satisfactory" sales by leading manufacturers are contributing to the improved production schedules. (Fish. J. of Comm., 2/27 p.1)

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STEEL SCRAP PRICES SLIDE Steel scrap prices have been slipping at the broker level in key steel centers. Declines this week ranged up to \$5 a ton in Chicago, \$2.50 in Cleveland, and \$2 in Pittsburgh. One influence in sagging scrap quotations on sales from scrap collectors to brokers, trade sources explained, is the fact that mills are receiving a heavy flow of scrap straight from customers, by-passing brokers. And though steel mills are producing at near-record levels, they are cutting scrap requirements by stepping up the proportion of pig iron used in the steel-making process. (Wall St. J., 2/27 p.1)

SOFT COAL PRICES CUT TO KEEP KEY MARKETS Soft coal prices are being reduced over a wide area despite labor cost increases growing out of the industry's recently-signed contracts with the United Mine Workers Union. The price reductions are being made in certain key consuming areas by leading suppliers in an effort to hold electric utility markets against competition from residual oil. (Lally. Wall St. J., 2/25 p.3)

ECONOMIC ADVISER SEES LARGE CUT IN UNEMPLOYMENT A "reasonable" forecast of the recovery in the economy this year would put unemployment by the year-end at "not much above 3,000,000," Raymond J. Saulnier, chairman of the Council of Economic Advisers, told the National Press Club. Such an unemployment total would result if the economy moved upward at a pace somewhere between the recoveries following the 1948-49 and 1953-54 recessions. (Dale. N.Y. Times, 2/28 p.34)

MACHINE TOOL ORDERS DECLINE Activity in the machine-tool industry, which was in a sharp upturn at the end of 1958 eased off a bit in January. Preliminary figures for the machine-makers, released yesterday (February 23) in Cleveland by the National Machine Tool Builders Association, put net new orders for metal-cutting and metal-forming machine tools by domestic manufacturers in January at \$34 million. That compared with \$34,750,000 a month before and \$22 million a year earlier. (N.Y. Times, 2/24 p.44)

TREASURY INCREASES OFFERING OF BILLS The Treasury Department tonight (February 25) invited tenders for two series of Treasury bills to the aggregate amount of \$1.9 billion, or thereabouts, for cash and in exchange for Treasury bills maturing March 5 in the amount of \$1,800,000,000, as follows: 91-day bills for \$1.5 billion, to be dated March 5 and to mature June 4, and 182-day bills for \$400 million, to be dated March 5 and to mature September 3. The bills of both series will be issued on a discount basis

under competitive and non-competitive bidding and at maturity their face amount will be payable without interest. (N.Y. Herald Trib., 2/26 III p.6)

SAVINGS BOND DRIVE LAUNCHED The Treasury Department, enlisting the aid of President Eisenhower, launched a new drive to perk up lagging sales of U.S. savings bonds and thus help ease its debt management problems. Mr. Eisenhower, Treasury Secretary Anderson and Chairman Martin of the Federal Reserve Board, all stressed the need for increasing the proportion of the growing national debt in savings bonds, now 15%, in speeches before a conference of business executives called to promote bond sales. The conference was called, Treasury Department officials said, simply because sales of savings bonds began dipping late last year after running ahead of 1957 levels. (Wall St. J., 2/27 p.7)

PRICES OF FARM PRODUCTS FALL IN FEBRUARY The Department of Agriculture reported today that farm product prices declined 0.4% in the month ended February 15. Prices paid by farmers went down 0.33% during the same period. With few exceptions, livestock and livestock-product prices were down and crop prices were up. (N.Y. Times, 2/28 p.24)

NET FARM INCOME ROSE 10% PER CAPITA The Department of Agriculture reported today (February 26) that net farm income per person rose 10% last year to a record \$1,068--9% above the previous peak.

Total realized net farm income--the money left after farmers pay their expenses--amounted to \$13,100,000,000 in 1958, up 21% from 1957. However, this total did not set a record. There has been a steady decline in the farm population in recent years, spreading the total income among fewer farmers and thus helping to raise their per capita income. (N.Y. Herald Trib., 2/27 p.7)

HOUSE UNIT VOTES HOUSING BILL The House Banking Committee approved an omnibus housing bill which authorizes outlays of \$2.1 billion for various housing programs over the next few years, but which would add something less than \$100 million to the Administration's budget requests in fiscal 1960. The over-all \$2.1 billion authorization--which will cover a period of three years or more in certain programs--compares with the Administration's long-range spending request of \$1.6 billion.

The total authorization contained in the House bill is somewhat smaller than the \$2.7 billion involved in a companion measure which has already passed the Senate. But the principal reason for the

difference is the fact that the Senate approved a six-year slum clearance program, while the House committee voted only a three-year program. (J. of Comm., 2/26 p.2)

\$103-MILLION HOUSING BONDS SOLD Twenty-two public housing authorities subsidized by the Public Housing Administration borrowed \$103,495,000 yesterday on bonds maturing over forty-one years. The average interest cost was 3.4087%. The money will furnish permanent financing for low-rent projects administered by the local authorities. The cost of the borrowing was the highest yet incurred in the Federally subsidized program. A buying syndicate headed by Chase Manhattan Bank and other major commercial banking institutions bought in most of the bonds offered yesterday. (N.Y. Times, 2/27 p.33)

\$6 BILLION NEW CAPITAL FROM LIFE FUNDS More than \$6 billion of new capital was available to the national economy last year through the increase in aggregate accumulations of life insurance policyholder funds in the more than 1,300 life companies of the United States. This new capital came from the increase in aggregate assets of all U.S. life insurance companies, according to the Institute of Life Insurance. Adding \$12 billion made available for reinvestment from maturities, refundings, amortizations and sales of old investments, this made a total of \$18 billion available for investment in the year. Life company holdings of U.S. Government securities increased in the year to \$7 billion, the first rise in such holdings since 1946. (J. of Comm., 2/26 p.6)