1959 PLANT OUTLAYS will rise throughout this year—but at a very modest rate, according to a forecast made by the Department of Commerce and the Securities and Exchange Commission on the basis of their quarterly joint survey of business capital spending plans. For the year as a whole, outlays on plant and equipment are expected to total about $32 billion, or 4% more than the $30.5 billion recorded last year but still very much less than the $37 billion spent in 1957. Capital spending actually rounded the corner and started heading upward—although it was a hairline small movement—in the fourth quarter of last year, the survey showed. Slightly larger, but still small, upward movements are now forecast for the first and second quarters of this year. (Shanahan. J. of Comm., 3/18 p.1)

PERSONEL INCOME The Department of Commerce reported that the rate of personal income, seasonally adjusted, rose in February by $1.5 billion to a new record of $364.5 billion a year. The rise was almost entirely in wage and salary income, and social security payments, which increased in February because of changes in the law enacted last year. (N.Y. Times, 3/17 p.47)

INDUSTRIAL OUTPUT Industrial production rose again in February to a seasonally adjusted 1 4/1% of the 1947-49 average, the Federal Reserve Board reported. The February gain was an advance of one point over January. The increase reflected gains in most of the major segments of industry, except for autos. New car assemblies went down again during the month, mainly because of glass shortages resulting from work stoppages in that industry. A
sharp advance in the output of primary metals marked the gain in durable goods production for the month. Board officials said the expansion in buying of durable goods comes in the wake of substantial inventory liquidation in 1958 and in conjunction with current moves by businessmen to protect themselves against strikes, particularly in steel, as well as through increased consumption. Non-durable goods production also continued to rise in February. (Wall St. J., 3/17 p.3)

TREASURY PLANS  The Treasury announced a major new debt-management device March 19. As part of a three-way offering to raise $4 billion in new cash, the Treasury took the first step in a plan aimed eventually at getting about $8 billion of the one-year debt on an auction basis. It did so by including in the offering $2 billion of 289-day auction bills maturing next January 15. The aim is to have roughly $2 billion of one-year auction bills mature every January 15, April 15, July 15, and October 15, to be "rolled over" with as little strain in the market as the regular weekly issues of 91-day and 182-day bills. The other parts of the March 19 offering were $1.5 billion of four-year notes bearing a 4% interest, maturing May 15, 1963, and $500 million of an additional offering at par of the 4% bonds maturing October 1, 1969. Both of these offerings will have the effect of stretching out somewhat the maturity schedule of the debt. (Dale, Jr. N.Y. Times, 3/20 p.41)

NEW OFFERINGS  The volume of new offerings in the capital market is slated to rise sharply (this) week. The increase follows several weeks of reduced activity in the market and falls in the same week as the Treasury's $4 billion cash financing is scheduled. About $268 million in new stocks and bonds are slated for offering during the week, according to the Commercial and Financial Chronicle. (N.Y. Times, 3/21 p.28)

RAILROAD MAY HELP  The Pennsylvania Railroad announced that barring excessive cost, it will participate in constructing a multi-million dollar belt conveyor in Cleveland to carry iron ore from the Lake Erie docks to local steel mills, and the railroad's nearby Bedford yards. Final decision on construction of the conveyor will not be made for several months, pending completion of engineering and economic studies. Unofficial estimates place the cost of the conveyor at more than $25 million. Utilizing a pair of four-foot-wide belts, the conveyor would be between 12 and 17 miles long, depending on the final route chosen. (Wall St. J., 3/20 p.6)
AUTO PRODUCTION AT HIGH FOR 1959

Passenger car output in United States plants this week will total 136,409 units. This will be the highest volume for any week so far this year, according to Ward's Automotive Reports. The previous peak for the year was 135,953 cars built from January 12 to 17. (N.Y. Times, 3/21 p.26)

CLEVELAND-LORAIN STEEL INCREASES OUTPUT

Although the national average of soaring steel production leveled off last week at 92.5% of capacity, the Cleveland-Lorain district's output jumped up two points to 96.5%. This was reported yesterday (March 22) by Steel magazine which said production across the country was half a point under the previous week after a steady two-month climb raising operating rates 20%. The week's output totaled 2,619,000 net tons of steel for ingots and castings. (Bryan. Cleve. Plain Dealer, 3/23 p.34)

TEXTILE OUTLOOK SEEN BRIGHTENING

Major factors helping the market for the textile industry's products were listed today by Martin R. Gainsbrugh, chief economist of the National Industrial Conference Board, as brightening the outlook for the long-depressed manufacturers and processors. He told the convention of the American Cotton Manufacturers Institute that the textile industry might be able to halt the post-war trend of consumers to devote a smaller portion of their disposable income to apparel. In 1947 and 1948, consumers spent 9.4% of their income for this purpose, he said. He put the figure now at about 7%, with each percentage point counting for about $3 billion a year in sales. (Freeman. N.Y. Times, 3/21 p.26)

COFFEE PRICES AT TEN-YEAR LOW

Coffee prices are hovering around a ten-year low. Despite an agreement by Latin-American producers to withhold supplies, stepped-up promotion to increase consumption and efforts to get the United States to take a more active part in attempting to solve the coffee problem, quotations this month fell to the lowest level since 1949. (Auerbach. N.Y. Times, 3/22 III p.1)

MORE ACRES SLATED FOR 1959 PLANTING

The Department of Agriculture reported (March 18) that farmers plan to plant or grow about 339 million acres of crops this year, compared with 330 million last year. Major increases were indicated for such spring planted crops as corn, spring wheat, barley, tobacco, and dry peas. Decreases were forecast for oats, flaxseed, sorghums, potatoes, soybeans, peanuts and hay. (N.Y. Herald Trib., 3/19 III p.6)
FRESH EGGS  Excessive supplies and unusually slow demand for this
ARE BARGAINS  time of the year pushed fresh egg prices last week to
their lowest levels in nearly two years, providing
Easter bargains. Prices for some large types now are 11-1/2¢ below
a year earlier. (Wall St. J., 3/23 p.16)

TEXAS OIL ALLOWABLE  The Texas Railroad Commission set the state's
CUT FOR APRIL  oil production for April on an eleven-day basis.
            This will mean a permissible output of 3,065,472
barrels a day next month. This month’s output is on a twelve-day
basis. The reduction came as a surprise. Many in the industry had ex­
pected that production in Texas in April would at least be maintained
at the March level, if not increased. (N.Y. Times, 3/20 p.41)