basic business

# NEWS

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**INVENTORIES CONTINUE RISE** Manufacturers' inventories showed an increase at the end of February, mostly reflecting a build-up of steel stocks to avert a shortage later in case of a strike, the Department of Commerce reported. The book value of manufacturers' inventories was a seasonally adjusted $49.8 billion, compared with $49.5 billion at the end of the preceding month. Durable goods makers' stocks stood at an adjusted $28.4 billion, a rise of some $200 million from the end-of-January total.

The February adjusted total of new orders rose by $1.3 billion to an adjusted $29.8 billion--just shy of the pre-recession peak of $30 billion in November 1956, and the biggest month-to-month gain of the recovery. Manufacturers' sales in February rose by $400 million to an adjusted $28.5 billion with most of the increase centered in the durable goods industries, and reflecting the steel-buying activity. (Wall St. J., 4/2 p.2)

**AUTO OUTPUT ROSE SHARPLY IN MARCH** With Chrysler Corporation getting in a full month of production unhampered by a glass shortage, total auto output in March rose to 576,085 cars, an increase of 20.4% over the preceding month. March had two more production days than February, though some work schedules were affected by time off for the Easter holiday. Because of the added number of work days, an increase of about 8% in production would have been normal for the industry or any auto maker. The March total was 61.3% above the cars assembled in the like 1958 month. (Wall St. J., 4/2 p.3)

**U.S.-BUILT TRUCK SALES CLIMB** This year's sales of U.S.-built trucks through March 20 totaled 198,000, a gain of 35% over the like period of 1958. Last month, U.S. truck makers built around 108,000 trucks, the most for any March since

1953. This recovery is leading to widespread predictions within the industry that truck sales this year will top 1958 by at least 25%. (Melloan. Wall St. J., 4/1 p.1)

CHRYSLER TO MAKE OWN GLASS PARTS — Chrysler Corporation is going into the glass fabricating business early next year and ultimately will produce 50% of its total requirements. Windshields, backlights, windows and other glass parts will be fabricated in a reconverted stamping plant in Detroit. The decision, L.L. Colbert, president of Chrysler Corporation conceded, was "brought to a head" by the long strike at Pittsburgh Plate Glass Company. (Wall St. J., 4/1 p.24)

STOCK VOLUME SOARS — Trading in stocks on the New York Stock Exchange in the first three months of this year was the heaviest since 1929, while on the American Stock Exchange trading set a new record. Turnover on the Big Board was 231,496,751 shares, an increase of about 69% above the 136,744,324 shares exchanged in the first quarter of 1958. (N.Y. Times, 4/1 p.51)

CAUTIONING BY MARKET OFFICIAL — Recent flurries of speculation in low-price stocks and sharp price rises seemingly based on rumors have spurred an informal campaign by brokers, Stock Exchange officials, and advisory services warning investors to be careful. G. Keith Funston, president of the New York Stock Exchange, calls his admonitions to shareholders "cautionary" rather than a warning in the same sense that an amber traffic light flashes before the red one comes on. (Tompkins. N.Y. Times, 4/5 III p.1)

TREASURY'S 13-WEEK BILL RATE RISES — The latest issue of 13-week Treasury bills was sold at a price equivalent to an average yield of 2.841%. The companion issue of 26-week bills drew a rate of 3.236%. Last week, the two issues drew rates of 2.766% and 3.093% respectively. (Wall St. J., 4/1 p.6)

UNEMPLOYMENT STILL AT RELATIVELY HIGH LEVELS — In a report by the Department of Labor covering February and March, 74 cities are classed in the category of "substantial unemployment"--6% or more. The other 75 have slight or moderate unemployment. A year ago, 70 had substantial and 79 mild unemployment. But the March survey shows improvement in the job situation since January, when idleness was high enough to be classified as substantial in 76 cities and mild in 73. "Unemployment in many of the surveyed areas remained at relatively high levels for this time of the year," the Department said. (Wall St. J., 4/1 p.7)

JOBLESS AID EXTENDED President Eisenhower signed into law a bill extending for three months emergency unemployment pay benefits for an estimated 405,000 jobless workers. The measure continues temporarily last year's emergency extension which was to have expired at midnight March 31. Currently, 17 States are participating fully in the emergency extension and others are participating in part. The Department of Labor estimated the new extension would provide payments totaling $78 million to some 405,000 jobless workers who had exhausted State benefits as of March 31. (J. of Comm., 4/1 p.4)

CONSUMER CREDIT UP $333 MILLION Consumers boosted their outstanding instalment debt by a seasonally adjusted $333 million in February, the Federal Reserve Board reported. While this was less than the $387 million adjusted increase in January, officials said it was the highest gain for any month, except January, since February 1956, when the increase was $371 million. And the increase was in sharp contrast to the $167 million reduction of outstanding instalment debt in February last year. (Wall St. J., 4/3 p.5)

CARLOADINGS SEEN 12.4% ABOVE 1958 Railroad shippers predicted that revenue freight carloadings of major commodities for the second quarter of 1959 will be 12.4% above the like quarter last year. Big increases over a year earlier were forecast in loadings of such basic industrial materials as ore and ore concentrates, which are expected to be up 63.9%, and iron and steel, 47.9%. Decreases were forecast for only four commodities. (Wall St. J., 4/1 p.3)

FARM SURPLUSES AT NEW HIGH The Government's farm surplus pile crept upward to a new high in February, the Department of Agriculture reported, but officials indicated the glut's steady eight-month rise may be ending. The Agency said it had nearly $9.1 billion tied up in surpluses February 28, up a relatively slight $68 million from the end of January, but far above the $7.3 billion a year earlier. Officials said the February figure may have marked the top of this year's seasonal advance. (Wall St. J., 4/3 p.16)

U.S. BOOSTS RATE FOR BANKS ON FARM LOANS The Department of Agriculture announced that effective May 1, it will increase to 2-3/4% the interest rate paid to banks for financing Government price support loans to farmers. The rate is now 2-1/2%. The Department said the increase is designed to bring the rate more in line with current rates on short-term government and commercial borrowing. (N.Y. Hearld Trib., 4/2 III p.9)

GOLD OUTFLOW STABILIZES Foreign countries continue to gain dollar balances in substantial volume even though the outflow of gold from the United States came to a virtual halt in February. The underlying cause of the 10% decline in this country's gold stock last year was the $3.1 billion decline in our exports. The severe contraction in exports enabled foreign countries not only to gain gold, but also to add more than $1 billion to their short-term balances here. The gold stock of this country, now $20.5 billion, is half the world's total. It remains ample for all practical purposes. However, the $2.3 billion decline in 1958 demonstrated how rapidly this reserve can decline when the balance of payments turns adverse because of a sharp drop in exports. (J.I.B. J. of Comm., 3/31 p.1)

EXPORTS AT 3-YEAR LOW The Department of Commerce's final report on February commercial exports put the value of shipments at $1,183,500,000, up slightly from the $1,171,000,000 reported earlier in a preliminary tally. The final figure still marked a three-year low. The last time commercial exports dropped that low was in September 1955 when they were valued at $1,160,000,000. (Wall St. J., 4/2 p.10)

SEAWAY HELD TRADE SPUR Forecasts of impressive boosts in U.S. foreign trade as a result of the St. Lawrence Seaway were unfurled by some of the nation's top economists, Government and trade officials at a one-day meeting of Cleveland's industrial leaders. New York economist Walter H. Diamond forecast that the expanded seaway could lead to a rise in the total annual U.S. exports to $15 billion from the current rate of $13 billion. He backed this optimistic forecast by predicting that more than 75% of all foreign sales of vehicles, auto parts, metals and ores, and foodstuffs will be shipped from the Great Lakes region. (J. of Comm., 4/3 p.1)

DEMAND BOOSTS OIL PROSPECTS Prospects are looking up for quite a number of oil companies--large and small, international or domestic. Basically, the 1959 recovery in demand is expected to increase U.S. consumption of refined products about 4% or 5%, while a 7% or 8% gain is projected for the rest of the world. (Weberman. N.Y. Herald Trib., 4/5 II p.5)

SHOE PRICES TO RISE Shoes are going to cost more this fall, generally 50¢ to $1 a pair, and up to $1.50 to $3 a pair more for work shoes, say shoe manufacturers at the advance fall shoe market this week. Not only were manufacturers busy booking orders for fall at the higher prices, but they even predicted further increases were in the offing, possibly by the time the popular price shoe show is held in New York May 3-7, if leather prices keep rising. (Smith. Wall St. J., 4/3 p.3