

basic
business

NEWS

Published Weekly by the FEDERAL RESERVE BANK of CLEVELAND

April 14, 1959 to April 20, 1959

INDUSTRY OUTPUT SETS A NEW HIGH Industrial production rose to a record high in March, the Federal Reserve Board reported. The Board's index of industrial production rose to 147% of the 1947-49 average--two points above the pre-recession 145% in August 1957, and a point more than the previous record of 146% in February of the same year. Since the recession low of 126% in April last year, the index has climbed 21 points. The Federal Reserve Board also revised upward February's industrial production figure, originally announced as 144%, to 145%--equalling the August 1957 level. (Wall St. J., 4/16 p.2)

PERSONAL INCOME UP SHARPLY Personal income in March rose to another new high with the biggest month-to-month jump since the middle of 1955. The seasonally adjusted annual rate in March was \$368.6 billion--a gain of \$3.2 billion over the previous month. Most of the March increase this year was in wage and salary payments, the largest segment of the personal income total. Officials said the over-all wage and salary gains came chiefly from higher employment and an increase in average hours worked in March, over February. (Wall St. J., 4/15 p.3)

EARLY START ON LAKES FOR IRON ORE SHIPMENTS Iron ore shipments down the Great Lakes moved toward an early start this year when the Coast Guard cutter "Mackinaw" smashed a 70-mile channel through solid ice above the Soo Locks in northern Michigan. Vessel operators risk ice damage because of hurry-up calls from booming steel mills whose ore stockpiles are running low. This early season rush contrasts sharply with the situation a year ago when depressed ore demand brought about a leisurely start. Nearly all the big bulk cargo ships will operate in 1959, against less than 66% in 1958. (Wall St. J., 4/16 p.1)

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nor agreement with the views expressed.

OPENING OF SEAWAY SET FOR APRIL 25 After more than a week of uncertainty, Canada's Department of Transport has announced it will open the big gates of the St. Lawrence Seaway on April 25 to permit more than 60 waiting ships to make the initial run through the new international waterway. Heavy ice conditions forced postponement of the April 20 opening. Meanwhile, the first U.S. vessel, Grace Line's Santa Regina, one of two American ships scheduled to enter the Seaway, has arrived in Montreal. Harbor authorities admitted that no arrangements have been made to decide the order of ships into the Seaway. (J. of Comm., 4/16 p.1)

HOUSING STARTS SHOW LARGE GAIN IN MARCH The seasonally adjusted annual rate of private homes begun in March rose to 1,390,000 from 1,320,000 in February. The latest rate was the highest for any March since 1950, and it was well above the 918,000 adjusted annual rate in March 1958. (Wall St. J., 4/15 p.7)

CAPITAL GOODS ORDERS STAGE STEADY RISE Capital goods industries have been moving steadily out of the recession which hit late in 1957. As a result, unemployment in the Cleveland area has been reduced and further improvement is expected. The recovery is proceeding steadily on a broad front in many lines. Cleveland is an important factor in machinery and parts of all kinds. Its machinery makers saw new orders drop sharply last year as capital investments declined all over the country.

An illustration of how rapidly some lines have recovered is provided by industrial or lift trucks. The major lift truck manufacturers in Cleveland report that their new orders in the first quarter ran 30% over the same period last year. Machine tool orders also have moved up sharply, but the recovery started from an extremely low level. (Fish. J. of Comm., 4/15 p.1)

CAPITAL SPENDING TO BE UP FOR YEAR Capital expenditures for new plant and equipment this year will register a greater increase than indicated by the latest Securities and Exchange Commission-Department of Commerce estimates, according to the results of the twelfth annual McGraw-Hill survey just released. The total for the year is expected to be \$34.2 billion versus \$32.1 billion last year. Preliminary plans for 1960 call for spending of \$34.3 billion. (J. of Comm., 4/17 p.1)

AUTO SALES GAIN IN EARLY APRIL New car sales showed an encouraging gain in the first third of April--a rise that bolstered indications that this may be the first spring sales boom since 1955. Dealers delivered slightly more than 162,000 cars in the

nine actual selling days of the April 1-10 period, according to unofficial estimates, for an average of 18,000 cars a day. This was up 35% from the initial period of April 1958. (Wall St. J., 4/20 p.3)

OUTPUT OF STEEL PER MAN-HOUR DOWN IN '58 Output per man-hour in the steel industry dropped 5% in 1958, the Government reported in a survey on productivity. The productivity index for steel in 1958 was 122.3% of the 1947 base year. The index stood at 128.9% in 1957 and 130.4% in 1956, the record year. The last previous Government report on productivity--issued for basic steel only--came out in October 1957. The new survey is for 18 industries, including steel. "We didn't produce it for labor-management bargaining purposes," Ewan Clague, Commissioner, Bureau of Labor Statistics, asserted. Changes in the index of productivity, the report stated, "may reflect the joint effects of a large number of separate, though interrelated influences, such as technological improvements, the rate of operation, etc." (Wall St. J., 4/17 p.6)

STOCKS CLIMB TO NEW HIGH The stock market is at a new high for all time. It went there last week in a burst of speculative enthusiasm that added an estimated \$8.6 billion to the value of all shares listed on the New York Stock Exchange, and it closed at or around its best. The market advanced every day last week. The New York Herald Tribune's 100-stock index made a new high for all time, as did most others, closing with a gain of 4.91 points. Dow-Jones industrials soared 18.09, its rails 5.81, and utilities 0.63. (Stabler. N.Y. Herald Trib., 4/19 II p.5)

MARKETING OF SECURITIES ADDS TO BANK CREDIT Growing signs of indigestion in the new capital issues market were given in weekly statistics of New York banks, on the heels of termination of many bond syndicates recently with unsold bonds on their shelves. Loans to brokers on securities other than U.S. issues this week rose to the highest level since August 15, 1956. While these loans include a certain proportion of stock market loans, the official explanation was that the bulk of the money was borrowed to finance carrying securities that investors had not bought. (J. of Comm., 4/17 p.4)

NEW CAPITAL ISSUES TO SLACKEN IN MONTH AHEAD The volume of new capital issues in the market next week will be fairly large though mostly spread out in a number of medium and small-sized issues. The week will begin a thirty-day period in which the pace will slacken though still remaining above the four weeks beginning April 13. According to the Commercial and Financial Chronicle, the market will be asked to absorb \$180,221,000 of bonds in the

next month and \$235,855,000 of stock. (N.Y. Times, 4/18 p.30)

TEXAS' OIL ALLOWABLE INCREASED FOR MAY Texas authorities raised the state's crude oil production allowable for May by 106,906 barrels daily above the current level. Wells will be permitted to produce 12 days next month, compared with the 11 days' flow decreed this month. (Wall St. J., 4/17 p.1)

CUT IN COPPER PRICE HELPS DEMAND Custom smelters cut their price for copper a cent a pound to 32¢. The action came on top of a reduction to 33¢ last Friday (April 10), from the 34¢ quotation that had prevailed in the custom field since March 16. Smelting firms reported "pretty good" demand yesterday at the 32¢ price, which reversed the declining trend in consumer buying they had noted for about a month. (Wall St. J., 4/14 p.1)

ANNOUNCE NEW DATA SHEET FOR STEEL SCRAP Consumption of purchased iron and steel scrap rose to 2,321,000 gross tons in February from 2,088,000 tons the previous month, the Institute of Scrap Iron and Steel estimated (April 16). The estimates were given in a new data sheet that the institute plans to prepare monthly for its members, based on statistics compiled from the Bureau of Mines, the Department of Commerce, the Bureau of Labor Statistics, and the American Iron and Steel Institute. (N.Y. Times, 4/17 p.41)

INVESTMENTS ABROAD REPORTED RISING Foreign aid officials reported today a noticeable upturn in foreign investment by United States industries. Charles B. Warden, head of the International Cooperation Administration's investment guaranties division, told the House Foreign Affairs Committee: "For the first time in years, company after company, large or small, is investigating and planning foreign operations...most of this new blood is coming from industrial companies." (N.Y. Times, 4/18 p.30)