JUNE BUILDING AWARDS FELL 4% FROM '58 PERIOD

Construction contracts, last month, fell 4% from June 1958, according to F.W. Dodge Corporation. It was the first time in 1959 that a monthly figure was lower than the one for the like month a year ago. One major reason for the reduction from last June, Dodge said, was a 25% drop in road contracts during the period from a year earlier. George Cline Smith, Dodge economist and vice president, noted that last year's contract awards were stimulated by Federal housing and highway appropriations designed to combat the recession. Heavy engineering project contracts slumped last month, dropping 43% from the like month a year ago. Housing was strong, however. Contracts for homes and apartment buildings rose 29% above the corresponding 1958 month. (Wall St. J., 7/28 p.3)

INDUSTRIAL OUTPUT ROSE FASTER THAN BELIEVED

Industrial production in this country has risen at a rate of close to 4% a year over the past decade—a good bit more than previously thought. Federal Reserve Board Chairman William M. Martin told the Joint Economic Committee that a complete revision of the index, now in process, will probably bring its current level up to 165% of the 1947-49 average—10 points higher than the unrevised figure. The revision is based on more detailed information which has become available as a result of business censuses and other statistical refinements. (J. of Comm., 7/28 p.4)

ALUMINUM LABOR CONTRACTS EXTENDED

The United Steelworkers and five major aluminum producers agreed to extend labor contracts that would have expired at midnight July 31. They announced that contracts for some 35,000 workers were extended until 30 days after a settlement is reached in the steel strike. In a

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statement, representatives of the aluminum companies said that the "atmosphere" as a result of the current steel strike is not conducive to negotiating "an amicable settlement" of the aluminum contract dispute. This action averted a threatened strike that would have closed down production of about 75% of the nation's primary aluminum producing capacity. (Wall St. J., 7/29 p.2)

JUNE TOOL ORDERS Machine tool orders in June made one of the most
HIT 2-YEAR HIGH significant gains from the previous month since
the order uptrend started last fall. Estimated
net new orders for metal cutting and forming tools in June totaled
$67.3 million, the highest for any month since March 1957, according
to the monthly report of the National Machine Tool Builders Association. The figure was 38% higher than in May and more than double
the $32.1 million in June last year, when the industry was near the
bottom of its recession. Machine tool men are becoming increasingly
optimistic about the industry's recovery, which has been lagging
somewhat behind the general economic upsurge. However, machine tool
firms still are not expecting 1959 to hit the $700 million annual
volume they consider "normal." Industry executives indicated that
the orders they are getting are coming from a broad segment of in­
dustry and that companies that were cautious about investing in new
equipment are now having a change of mind. (Wall St. J., 7/31 p.3)

DEFENSE BUDGET A Senate-House conference committee completed a
TRIMMED $39.2 billion defense appropriations bill. It is
scheduled to go to the House floor Tuesday and to
the Senate on Wednesday. Little debate is expected. The amount in
the bill covers the military appropriations for the fiscal year 1960,
which began July 1. It is $660,000,000 lower than the military ap­
propriation for the previous twelve months. Little change is expect­
ed, however, in earlier official estimates that $41 billion would be
spent on military defenses during this fiscal year. The money would
be drawn from funds appropriated this year as well as unspent funds
from previous appropriations. (Raymond. N.Y. Times. 8/1 p.1)

BILLION IN BONDS The House Ways and Means Committee recommended
URGED FOR ROADS that the interstate highway building program be
financed with a $1 billion revenue bond issue.
It rejected President Eisenhower's call for taxing motorists 1-1/2¢
more for a gallon of gasoline. It also called for a drastic slowing
of the $41 billion program, perhaps for several years, until avail­
able cash could cover the operations. The bonds, drawn against the
assets of the highway trust fund, would be paid off within five
years. (Trussell. N.Y. Times, 7/30 p.1)
GENERAL MOTORS  EARNINGS SPURT  Reflecting continued improvement in "general business activity, employment and consumer confidence," General Motors Corporation reported that its sales for the first half totaled $6,512 million, or 27% more than the $5,121 million in the comparable period of last year. Earnings for the first half were the second largest in the history of General Motors. They totaled $590 million, equal to $2.08 a share on the common stock. This compared with $334 million, or $1.17 a share in the first half of last year. General Motors gain in earnings has placed it again in the No. 1 position among American industrial companies in respect to sales and earnings. (J. of Comm., 7/30 p.1)

U.S. STEEL 2ND HALF NET AT RECORD  U.S. Steel Corporation announced record second-quarter and first-half profits and pledged not to raise prices as long as there is a "voluntary settlement of the steel strike--no matter what it is." The company posted second-quarter profits of $148,363,193, or $2.64 a share, a record for any quarter in its history. But the directors declared only the usual quarterly dividend of 75¢ a common share. It said the high second-quarter earnings reflected an unusually high demand artificially stimulated by customers' fear of a steel strike. U.S. Steel in the second quarter also produced and sold more steel than in any preceding three months in its history--or the history of any steel company. (Wall St. J., 7/28 p.3)

STOCK PRICES  Sharply higher earnings for the first half of 1959 helped to push stock prices on the New York Stock Exchange in July to the highest level in history. Traders apparently disregarded the steel strike and the possibility of a strike in the aluminum industry as stock prices climbed. Trading last month was the heaviest for any comparable month since 1933 and for the first seven months it was the highest since 1930. (N.Y. Times, 8/1 p.21)

COMMON STOCK FINANCING  New common stock offerings are likely to continue in small volume despite the high level of stock prices and the avid demand of the public for equities. New common stock offerings last year totaled only $1.3 billion, or 47% lower than in 1957, when such issues exceeded $2.5 billion, according to the Securities and Exchange Commission. So far this year, new offerings of common stock have been materially larger than in the same period of 1958. However, it is doubtful that they will reach $2 billion, which would be well below the level of each of the three years, 1955-57, when equity financing displayed a rising trend. (J. of Comm., 7/28 p.1)
JUNE EXPORTS RISE  Estimates by the Department of Commerce of the 3% ABOVE '58 LEVEL volume of exports in June and in the second quarter as a whole show slight improvement—so slight that officials are not willing to call it a trend. The Department estimated that June exports aggregated $1,347,600,000, not including military aid shipments. That was 4% less than in May but 3% higher than in June 1958. It was the first time in nineteen months—since November 1957—that a month’s exports had exceeded the level of the preceding year. Lagging exports have been one factor contributing to the much-publicized outflow of gold from the United States. (N.Y. Times, 7/30 p.37)

TRADE BARRIERS  The walls put up all over the world to shut out U.S. CRUMBLING goods directly after World War II are crumbling with a roar. Scarcely a month has gone by over the past year and a half when one country or another has not lowered its barriers against "dollar" imports. The biggest and the smallest countries have joined in. The movement shows no signs of letting up. More discriminatory import quotas are likely to go by the board before the year is out and this means correspondingly greater opportunities for U.S. exporters. (J. of Comm., 7/30 p.1)

FARM ASSETS  The Government reported that farm assets had INCREASED 9% IN 1958 increased 9% during 1958 to set a record high. A report by the Federal Reserve Board put farm assets at $203 billion compared with $186 billion at the end of 1957. Farm debts were reported at $23.3 billion compared with $20.2 billion a year earlier. The report said that about half of the increase in the value of farm assets last year had reflected the rising value of real estate. (N.Y. Times, 7/31 p.27)