EMPLOYMENT SETS  The number of Americans holding jobs in November declined by 1,191,000 compared with the preceding month. This drop was slightly greater than usual for the month. Even so, the total of 65,640,000 with jobs was the highest for any November. The total of persons looking for jobs rose by 398,000 during the month. This was less than expected. But the jobless total of 3,670,000 was the second largest for any November since World War II. It was exceeded only by November 1958. The October unemployment rate of six persons for each 100 in the labor force dropped to 5.6 in November. (N.Y. Times, 12/12 p.1)

NEW WAGE CONTRACTS  American Can Company yesterday announced it will boost can prices slightly January 15. The company guaranteed the new levels until the end of 1960, provided the price of steel used in can making was not increased. The company move followed by one day its signing of a new three-year contract with the United Steelworkers of America which provides for a general wage increase and additional fringe benefits. Continental Can Company, the other major can producer, signed a similar contract with the same union. Continental said higher labor costs and increased operating expenses "will definitely lead to" higher prices for containers but said that no precise amounts could be named at this time. Container prices were reduced twice in 1959. (N.Y. Herald Trib., 12/10 p.34)

NO RAILROAD STRIKE  Rail walkouts threatened for 1960 may be averted, according to union sources. And, if a national strike does take place, it will not come before May 1, predicted G.R. Leighty, chairman of the Railway Labor Executive Association. His views represented the most optimistic appraisal of the rail labor dispute yet made by union spokesmen, heretofore

Selection of these items does not imply this bank's guaranty of their accuracy, nor agreement with the views expressed.
gloomy regarding settlement prospects. Major railroads are negoti­
ing with the 11 non-operating unions for a new agreement to replace
the three-year pact which ran out November 1. Labor demands wage in­
creases ranging up to 14%. The roads seek elimination of alleged
"featherbedding," which they contend costs the industry $500 million
annually. (Wall St. J., 12/14 p.1)

AUTO ASSEMBLIES  Assembly of 1960 model cars resumed at five General
STAGE RECOVERY  Motors Corporation plants for the first time since
November 11, when steel shortages forced them to
close. On the basis of present recall plans, the industry figures
it will have lost production of about 713,000 cars during the final
three months of 1959 as a result of steel shortages. At the peak,
General Motors was forced to lay off 215,000 employees. The in­
dustry has scheduled assembly of 2,240,800 new cars during the
first three months of 1960, a 5% increase over the 1955 record of
2,129,000. (J. of Comm., 12/8 p.4)

IMPORTS OF CARS  Imports of foreign automobiles declined this summer
SHOW A DECLINE  for the first time since early last year. It is
too early to say that the leaping upward trend of
auto imports has come to an end, but there is informed speculation
that it is leveling off. Auto imports have figured largely in the
rising deficit in the United States balance of international payments.
American purchasers are paying foreign auto manufacturers almost
three-quarters of a billion dollars for their wares this year, or
about fifteen times as much as in 1954. Whether the trend is level­
ing off or not, this year's imports are well ahead of last year's,
and the foreign car has pushed up within hailing distance of 10% of
the new-car market. (N.Y. Times, 12/12 p.31)

CAPITAL OUTLAYS  Business spending this year for new plant and
TO RISE IN '60  equipment will fall $600 million short of earlier
expectations--primarily because of the steel strike.
But the rising trend of capital outlays which has prevailed through­
out this year will continue through the present quarter and the first
quarter of 1960, the Department of Commerce and Securities and Ex­
change Commission said. The quarter-to-quarter rise in both the
present quarter and the next one will amount to around $500 million,
at annual rates. The year's dropoff in capital spending, compared
with pre-strike estimates, amounted to almost $1 billion, at annual
rates, in the third quarter and will exceed $1.3 billion in the final
quarter, the survey showed. The big reductions came mostly in the
iron and steel industry itself, with some cutbacks also recorded
among electric and gas utilities and--for the fourth quarter--by
petroleum firms and railroads. Total capital spending for the year
is now expected to reach $32.6 billion—7% more than the $30.5 billion reached in 1958, but still very far short of the amounts spent in 1956 and 1957. (Shanahan. J. of Comm., 12/10 p.1)

RESERVE SUPPLIES With Christmas still two weeks distant, money in SEASONAL CREDIT circulation rose to a new high and doubtless will go higher still with consumers in a continuing spending mood. This week's big circulation rise, along with a further loss of gold and a decrease in Reserve credit against uncollected checks, would normally have spelled a tighter money market. However, the banks' reserve position was easier. The explanation was further liberal purchases of Government securities by the Federal Reserve, along with further gains by country banks through the effects of a recent Federal Reserve regulation on counting a portion of vault cash as reserves. Country banks now do not have to count as deductions checks drawn upon them by Reserve banks in settlement of clearance items. This eventually will give country banks some $75 million more of reserves. The Reserve System's holdings of Government obligations went to a new record for a second week in a row. (J. of Comm., 12/11 p.1)

FEWER BUYERS The Treasury paid a new high record interest rate on this week's offerings of discount bills which, in one sense, indicates a tighter money market but, in another, merely means that certain erstwhile bidders for bills are buying fewer of them. This slackening in bidding interest has been noticeable in the steel and auto industries, which are currently needing the money they had that was formerly idle and employable in bills. It also has been noticeable among foreign bidders for Treasury bills who are investing less because higher money rates and greater credit demands abroad are providing more profitable opportunities at home. The higher the Treasury bill rate goes, of course, the more it threatens the stability of the Reserve banks' rediscount rate of 4 1/2 and the commercial banks' prime lending rate of 5 1/2%. However, at this late stage of the intensive borrowing season which has produced credit demands of manageable proportions, there is much skepticism over a new round of increases in borrowers' rates. (J. of Comm., 12/8 p.1)

BLUE CHIPS LEAD Heavy replacement buying and investment of new funds by portfolios featured activity last week in the stock market. Leaders in the resulting price rise were mainly blue chip stocks, many of which moved into new high ground. As evidence of the public appetite for top-rated securities, brokers pointed to the rapid over-subscription of two large secondary offerings--2,000,000 shares of Ford Motor Company
from the Ford Foundation and 200,000 shares of General Motors, believed to be from an estate liquidation. Although the auto industry has been hard hit by the steel strike, the Ford offering went rapidly at 82 and the stock subsequently moved into new high ground above 85. Dealers said that evidently many investors believe 1960 will live up to predictions of auto output this year totaling between 6.5 million and 7 million cars. Of course the bears continue to hammer at the steel-labor situation and there is not too much optimism in Wall Street on a settlement before January 26, when the Taft-Hartley injunction expires. Brokers say, however, that the most anxiety is being generated from fears of what the Government might do if a settlement is not reached within what the Administration considers a reasonable time. (Gingold, ed. Wall St. J., 12/14 p.23)

FORD FOUNDATION MAKES THIRD OFFERING A public offering of 2 million shares ($164,000,000) of Ford Motor Company common stock was oversubscribed yesterday shortly after being placed on the market by a 317-member underwriting group. The stock, purchased by the underwriters from the Ford Foundation, was priced to the public at $82 a share. The offering did not represent financing by the Ford Motor Company. The purpose of the sale was to again diversify its investments, according to the Ford Foundation, which makes grants to scientific, educational, and charitable organizations. The grants have totaled about $1.2 billion since 1936. Two previous offerings of Ford Motor stock by the Ford Foundation were made in January 1956, when 10,200,000 shares were sold at $64.50 a share; and in April 1959, when 2 million shares were sold at $56.50. Following yesterday's offering, the Foundation said it would hold 58.5% of the "outstanding equity securities" of Ford Motor. (Wall St. J., 12/10 p.21)

FARM SURPLUS AT The Government's mountain of farm surpluses rose $9.2 BILLION to a record $9.2 billion on October 31, and the growth is expected to continue in the months ahead. The Department of Agriculture reported the amount tied up in surplus farm goods at the end of October was up more than $200 million from the month before and far above the $7.9 billion surplus on hand a year earlier. Uncle Sam's surplus holdings usually climb during the fall and early winter as farmers place newly-harvested crops under price support loans. Officials believe the total Federal surplus figure may top $10 billion by February or March before heading seasonally downward in the spring. A reduction of the Government's crop inventories results from sales or gifts in the U.S. and overseas. (Wall St. J., 12/9 p.7)