

basic
business

NEWS

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JANUARY JOBLESS UP SEASONALLY

Unemployment rose to 4,724,000 last month, an increase of 616,000 over December and the largest January total since 1941. The Departments of Labor and Commerce said in a joint report that the jump in joblessness was "about normal for this time of year." However, they conceded it reflected a slowdown in the rate of job recovery from last year's recession lows. Taking seasonal adjustments into account, the unemployment rate remained virtually unchanged at 6% of the total labor force for the second month in a row. (J. of Comm., 2/11 p.1)

JANUARY RETAIL SALES TOPPED 1958 PERIOD

Total sales of retail stores in January amounted to a seasonally adjusted \$17.6 billion, almost unchanged from December, but 5% over the like 1958 month, the Department of Commerce said in a preliminary report. The adjusted sales total for January 1958 was \$16.7 billion. (Wall St. J., 2/12 p.12)

HOUSING STARTS DROP

The seasonally adjusted annual rate of private home starts fell in January after 10 straight months of rise, the Government reported. But officials said there were indications the drop might be temporary. The decline in the seasonally adjusted annual rate of private new home starts, to 1,350,000 in January from 1,430,000 in December, was all in privately owned units started with Government mortgage backing, the Department of Labor reported. The rate still topped the year-ago rate of 1,020,000. The January annual rate was not much behind the average rate of 1,354,000 in the final three months of 1958. (Wall St. J., 2/16 p.15)

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\$1.5 BILLION RAISED WITH EASE BY U.S. The Treasury reported no trouble today (February 10) in raising \$1.5 billion to cover the heavy "attrition" on last week's big financing. The issue in special 217-day tax anticipation bills sold on an auction basis at an average yield of 3.293%. This was actually a little less than the rate Monday on the regular auction of 182-day bills, and well below the 3-3/4% rate on the one-year certificate offered in last week's exchange. (N.Y. Times, 2/12 p.39)

STEEL PRODUCTION AT 19-MONTH HIGH The nation's steel-makers turned out more ingots and steel for castings last month than in any other month since June 1957, the American Iron and Steel Institute reported. Raw steel output in January was 9,312,000 net tons. At the low point in the industry's recent recession last April, output fell to 5,532,991 net tons. The steel-makers operated their facilities last month at an average of 74.3% of the 1959-rated capacity of 147,633,670 net tons a year. (N.Y. Times, 2/12 p.39)

SPOT SHORTAGES IN STEEL The steel buying spurt that has seen the production rate shoot up more than 10 percentage points since the first of the year is threatening to bring spot shortages of raw steel despite the industry's ample over-all capacity. Individual producers who haven't enough steel of their own to support the heavy rolling schedules called for by their order books are scanning the field for other producers who might have excess ingot tonnage. Some such open market purchases of semi-finished steel already have been made, one company lining up an emergency supply from several sources just within the past week. (Lally. Wall St. J., 2/16 p.24)

ACTIVITY IN MUNICIPALS DOWN The January total of municipal bond sales was \$636 million, or 19% below the record \$783 million tax-exempt volume of January 1958, according to the Investment Bankers Association of America. The January issue yields averaged 10 to 15 basis points higher than December's. Revenue bonds accounted for more than half the dollar amount of the January offerings, which were dominated by the \$200 million issue of the New York State Power Authority. (Wall St. J., 2/13 p.13)

BUSINESS LOANS SHOW DROP IN N.Y. So far this year, business loans in New York City have declined seasonally \$495 million compared with a drop of \$607 million in the 1958 period. Loans now stand at \$10.5 billion compared with \$11.1 billion a year ago, according to the Federal Reserve Bank of New York. (N.Y. Times, 2/14 p.27)

CANADIAN DOLLAR DROPS The Canadian dollar in terms of its United States counterpart currently is at a premium of only about 2¢, the lowest level in a year and down 1-1/2¢ since the end of 1958. The drop is attributed to a "drying up" in capital inflow into Canada, and to Canada's economic development which is only now beginning to resume its upward climb after the recession of 1958. There is no Canadian Government explanation of the current movement of the Canadian dollar. (Wall St. J., 2/13 p.2)

CUBA CURBS IMPORTS TO PROTECT PESO Foreign-exchange controls by Cuba were tightened (February 11) to protect national reserves and reduce the adverse balance of payments. Simultaneously, Felipe Pazos, president of the National Bank of Cuba, reported that free national reserves had sunk to 110,700,000 pesos, about 60 million pesos below the amount required by law. The peso is at par with the United States dollar. Under the new exchange regulations, importers must obtain permits for a long list of goods, including refrigerators, television and radio sets, electrical appliances, automobiles,... and other goods. Dr. Pazos assured the Cuban people that there were sufficient reserves to "maintain without difficulty the stability of the Cuban peso under a system of exchange control and a balanced budget." (Phillips. N.Y. Times, 2/12 p.8)

CASH DIVIDENDS SHOW DECLINE The first decline in dividends in twelve years was recorded last year by common stocks listed on the New York Stock Exchange. But the drop was only 1%, bringing cash payments to \$8.7 billion. Nine out of ten, or 961 issues of the 1,086 common stocks listed at the year-end had paid at least one dividend during the year. (N.Y. Times, 2/11 p.58)

CARPET PRICES UP AGAIN Carpet prices may be headed for the second round of increases in two months. One of the carpet industry's biggest producers, announced it will hike prices 3-1/2% on its "entire line," effective in mid-March. Other producers indicated that similar increases are being considered. (Wall St. J., 2/13 p.2)

LUMBER OUTPUT NEAR 1957 VOLUME A strong rally in the last four months of 1958 brought national lumber production within 1% of 1957 volume, according to the National Lumber Manufacturers Association. Output for the year totaled 33,275,000,000 board feet, while in December it amounted to 2,678,000,000, an increase of 22% from the month a year ago, the association noted. (J. of Comm., 2/10 p.4)

SOIL BANK CUTS Land idled by the soil bank's conservation reserve
IN 1959 in 1959 will eliminate nearly 143 million bushels
 of corn and 45 million bushels of wheat from "normal"
crop production, the Department of Agriculture estimated. Mr. Benson
reported 13.2 million additional acres are being signed up for the
1959 reserve, bringing to 23.2 million acres the amount idled since
the program started in 1956. Some 3.5 million new acres were signed
up for the 1958 reserve. (Wall St. J., 2/16 p.18)

BEEF PRICE DROP More and cheaper beef, but a year or more away,
EXPECTED IN YEAR was predicted today (February 13). The Department
 of Agriculture reported that the number of cattle
on farms and ranches reached the highest in record on January 1. A
sharp decline in the number of cows slaughtered last year was also
reported, an indication that ranchers were building their herds.
This continuing increase could decrease retail prices of beef sub-
stantially when the animals start moving to market next year.
(Blair. N.Y. Times, 2/14 p.26)