UNEMPLOYMENT The unemployment situation worsened slightly in February despite continuing improvement in over-all business activity. The Departments of Commerce and Labor estimated today (March 11) that there were 4,749,000 unemployed in mid-February and 62,722,000 employed. Both figures were up from mid-January by 25,000 or less. But employment normally is expected to decline slightly at this time of year. Because it did not, the seasonally adjusted rate of unemployment at mid-February was computed to be 6.1%, compared with 6% the month before. The report acknowledged that recovery from the recession peaks of unemployment had been "largely compressed into a short span of months" in the second half of last year, and that there had been "little change since November except for seasonal fluctuations." (N.Y. Times, 3/12 p.1)

FEBRUARY RETAIL SALES Retail sales in February continued at a high level, on a seasonally adjusted basis, and nearly matched the record December figure, the Department of Commerce reported. February retail sales amounted to $17.5 billion, on an adjusted basis, a rise of about $100 million from the previous month and just below the $17.6 billion record set in December. The February adjusted total was well above the $16.1 billion reported in February 1958 which was the low month of the recession for retail sales. (Wall St. J., 3/11 p.2)

HOUSING START RATE Private home starts in February slipped to a seasonally adjusted annual rate of 1,320,000, the Department of Labor reported. This compared with a rate of 1,350,000 in January, and an average of about 1,390,000 in the final quarter of 1958. The February annual rate of private home starts, however, was well above the rate of 915,000 in February.
last year, and was the highest rate for any February since 1955. Actual February private home starts amounted to 87,900, an increase of 4,600 from the month before. (Wall St. J., 3/16 p.9)

RAIL CARLOADINGS Rail freight shipments continue to reflect improving business conditions. Loadings last week rose to 595,930 cars, the Association of American Railroads reported. This was 9.5% above the like 1958 period, though still 11.4% below the corresponding week two years ago, prior to the economic downturn. The latest total was the largest since late November when 619,350 cars were loaded in the traditional autumn rush. A.A.R. spokesmen predicted first half freight shipments would be 10% above a year ago. Thus far in 1959, they are only 4.8% ahead. (Wall St. J., 3/13 p.1)

RISE IN PLANT CAPITAL The capital expenditures appropriations of manufacturing companies turned upward at the end of 1958—a change which should reflect itself in actual increased outlays on plant and equipment within six to nine months. This was the major conclusion of the quarterly survey of capital appropriations of manufacturing concerns made by the National Industrial Conference Board for Newsweek magazine. The rise in capital appropriations in October-December was considerably larger than the normal seasonal trend, the conference board reported, and extended to both durables and non-durables manufacturers. (J. of Comm., 3/11 p.4)

STRICT CURBS SET The Government imposed restrictions today (March 10) on imports of crude oil, gasoline and other principal petroleum products. The mandatory controls replace a voluntary program which has been in operation since mid-1957. The new controls are effective tomorrow (March 11) in the case of crude oil and unfinished oils, and on April 1 in the case of gasoline and other finished products. In the area east of the Rocky Mountains, imports of finished products other than residual oil would be reduced to about 60,000 barrels a day from recent levels of about 300,000 barrels. The limitation on imports of crude and other unfinished oils for the area will be about 750,000 barrels a day. This compares with a limitation under the voluntary program for the area of about 873,000 barrels a day. (N.Y. Times, 3/11 p.47)

RESERVE POSITIONS Reserve positions of the nation’s banks experienced a decided tightening in the first week following the beginning of a new round of rediscount rate increases. Net borrowed reserves on a daily average
basis reached the highest figure since late 1957. Federal Reserve operations in Government securities were on the buying side, but were too small to ease the market. Commercial loans at New York banks rose sharply, as they usually do in mid-March. (J. of Comm., 3/13 p.1)

TREASURY BILL RATES
RISE SHARPLY
The Treasury's short-term borrowing costs, in the wake of an increase in the Federal Reserve discount rate, topped the 3% mark for the first time since mid-January. The latest issue of 13-week bills was sold at a price equivalent to an average yield of 3.062%. Last week, a similar issue drew a rate of 2.816%. The new rate was the highest since December 22, 1957. (Wall St. J., 3/11 p.16)

ECONOMIC PROBE
BEGINNING FRIDAY, MARCH 20
The Joint Economic Committee has scheduled a four-day series of hearings to lay the groundwork for its extensive investigation of overall economic policies, Senator Paul H. Douglas, chairman, announced. Each day's session will be devoted to the questioning of one expert witness. The four witnesses were chosen "to represent a different point of view, representative of a significant segment of American thought on economic issues." (Amer. Bkr., 3/13 p.1)

SEAWAY TOLLS SET
The United States and Canada set final St. Lawrence Seaway ship tolls at the much-protested levels proposed last June. Charges for moving the length of the entire Seaway from Montreal to Lake Erie will be 6¢ on each ton of a ship's official weight, plus 42¢ for each ton of bulk cargo, or 95¢ a ton on general cargo. Shippers immediately renewed their complaints that the tolls are too high. Along with other Midwest interests and Great Lakes ports, the shippers stand to benefit if the levies are low. On the other hand, the Association of American Railroads again attacked the tolls as too low. The railroads, fearing Seaway shipping will cut into their traffic, assert the fees are based on over-optimistic forecasts of the waterway's use and thus won't pay off construction costs in 50 years as required by law. (Wall St. J., 3/13 p.3)

"PRIME RATE" HIked
BY CANADIAN BANKS
Canadian chartered banks have raised their prime rate to 5-1/2% from 5-1/4%. For several years the Canadian rate has averaged higher than the U.S. rate which is now 4%. The immediate cause of the rate increase is due in part to lack of funds in chartered banks and in part to the recent high rate for Treasury bills, with which yield the Canadian bank rate fluctuates automatically. (J. of Comm., 3/11 p.22)
FARM SUPPORTS  The Government had a record $9 billion tied up in farm price supports last January 31, the Department of Agriculture reported. The previous record of $8.9 billion was set in February 1956. The big jump was due to heavy price support operations on the bumper 1958 crops. Wheat was the leading item in the total support investment. The Department reported it owned wheat valued at $2,176,000,000. Corn was in second place with Government owned stocks valued at $2,036,000,000. (J. of Comm., 3/10 p.4)

39 NATIONS AGREE  The United States, Canada and seven other wheat growing nations reached an agreement with 30 wheat-importing countries to regulate price and quantities in the international wheat trade for the next three years. The agreement was formally announced this morning after a long conference held in Geneva under the agency of the United Nations. (Wash. Post, 3/11 p.C4)

WOOL PRICES AT  Prices for raw wool in the U.S. are hugging lowest levels of the past 12 years. Industry leaders believe a price rise might be experienced within the next few months as manufacturing plants restock small inventories, but the rise is expected to be only "a modest one." World supplies have been larger than demand for the past several years. The price for fine staple wool in Boston on August 27, 1957, was around $1.71 a pound. It's now down to $1.06. (Wall St. J., 3/16 p.18)

FORD WILL HAVE  Ford Motor Company confirmed that it plans to introduce a smaller car for the 1960 model year. Ford II, president, and Ernest R. Breech, chairman, said such a car will be produced "barring changes in the market or other circumstances." Ford thus becomes the first of Detroit's "Big Three" to admit definitely that it is planning to introduce a small car for the 1960 model year next fall. (Peebles. N.Y. Herald Trib., 3/12 p.1)