

basic
business
NEWS

Published Weekly by the **FEDERAL RESERVE BANK of CLEVELAND**

April 7, 1959 to April 13, 1959

**MARCH UNEMPLOYMENT DOWN;
JOBS UP ONE MILLION** The Government reported a net rise of 1,106,000 job holders in March and a decrease of 387,000 in the unemployed. The change from February was about twice as good as seasonal expectations. Not since 1951 has a February-March job pick-up been so large. The jobless decrease was the best for these two months since 1950. The estimates made by the Department of Commerce were: employment, 63,828,000; unemployment, 4,362,000.

Average weekly hours of work in manufacturing is still on the rise. It was 40.1 hours in March, up 0.1 from February and 1.5 from a year ago. (Loftus. N.Y. Times, 4/8 p.1)

**RETAIL SALES ROSE
TO PEAK IN MARCH** American consumers bought more in retail shops in March than in any previous month (after seasonal adjustment), the Department of Commerce reported. After the usual adjustments for the number of trading days and for seasonal factors, March retail sales totaled \$17,692,000,000, on the basis of the preliminary "flash" estimate. The previous record had been \$17,605,000,000 in December 1958. The rise in retail sales in March reflected mainly the steady improvement in personal incomes since the recession low in March 1958. Sales last month were 10% above those in March of last year. (Dale, Jr. N.Y. Times, 4/11 p.27)

**RECORD STEEL
OUTPUT IN MARCH** The nation's steel industry turned out more raw steel in March than in any other month in history, the American Iron and Steel Institute reported yesterday. Production of ingots and steel for castings was 11.5 net tons. That compared with 9.6 tons poured in February, and with 6.2 tons produced in March last year. The big March output brought output for the first quarter to 30.4 net tons--the largest quarterly production since that of the like three months of 1957, when 31.5 tons

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were produced. In the first quarter last year, output was 18.7 tons. (N.Y. Times, 4/11 p.26)

REJECT PROPOSAL FOR STEEL WAGE FREEZE The basic steel industry proposed a one-year freeze on its workers' wages and benefits. The suggestion brought a prompt and emphatic rejection from the United Steelworkers of America. (N.Y. Times, 4/11 p.1)

AUTO PRODUCTION FAR AHEAD OF 1958 United States auto production, coasting through the last days of March to keep dealer inventories in balance, rounded out the first three months well ahead of the 1958 schedule and is aimed at better than 1.6 million passenger cars in the second quarter, Automotive Digest, monthly summary published by Pacific Finance Corporation, reports. Production through the first half of the year is scheduled for approximately 3.2 million cars, a million more than during the first half of 1958. (Amer. Bkr., 4/9 p.6)

WOOL CONSUMPTION UP SHARPLY Wool mills are now pacing the textile industry's recovery. Government statistics show that weekly mill consumption of apparel wool shot up 43% above the 1958 month in January, and climbed another 31% in February. Though all segments of the fibre-and-cloth business are currently humming with more activity than a year ago, raw wool consumption started 1959 with much sharper gains than those posted for other fibers. Cloth prices are rising, also, as demand improves. Mill men and wool economists hope that wool can increase its share of total textile consumption for the first time since 1956. (Church. Wall St. J., 4/7 p.30)

PLAN FAST PROBE OF HIGH UNEMPLOYMENT AREAS Moving with extraordinary speed, the Senate voted unanimously to create a Special Commission on Unemployment. House approval early next week is expected. The Commission would consist of five members appointed by the President, three by the Senate leadership and three by the Speaker of the House. It would make on-the-spot investigations of conditions in high-unemployment areas and recommend within sixty days a program of curative action. (Baker. N.Y. Times, 4/11 p.1)

BRITAIN LOWERS INCOME TAX The British Government has cut the basic income tax rate. It also reduced the national sales tax and knocked 2-1/3¢ off the tax on each pint of beer. These items were contained in a 1959-60 national budget presented

to the House of Commons by the Chancellor of Exchequer. The basic tax on incomes was cut to 38-3/4% from 42-1/2%. The new rate, lowest since before the war, is designed to save taxpayers about \$560 million a year. The new rate amounts to a tax reduction of 8.8%. The Government estimated that the total tax cut will amount to 295 million pounds (\$826 million) for 1959. (Wall St. J., 4/8 p.9)

INTER-AMERICAN BANK CHARTER IS READY The twenty-one American republics have recently completed the charter of a \$1 billion inter-American bank to promote economic development in Latin America. The agreement will go into effect when the charter has been ratified by countries whose allotted subscriptions represent 85% of the authorized capital stock. The United States, which is to put up 40% of the capital, is expected to move quickly to obtain Congressional endorsement of membership and an appropriation for its initial subscription. The charter provides for two complementary agencies: The Inter-American Development Bank, and a Fund for Special Operations, which will make loans that would normally be regarded as unacceptable bank risks. (Kenworthy. N.Y. Times, 4/9 p.1)

COMMITTEE VOTES FOR RESERVE RECLASSIFICATION The Senate Banking and Currency Committee, in a surprise move, voted today (April 9) to abolish the "central reserve city" classification for reserve requirements of member banks of the Federal Reserve System. The effect of the move, if it remains in the final version of the legislation, would be to reduce reserve requirements for New York and Chicago banks. (Dale, Jr. N.Y. Times, 4/10 p.43)

DROP PREDICTED FOR WHEAT CROP A Federal crop survey indicated that this year's wheat crop--like most of its predecessors in recent years--would add to the record surplus. The Department of Agriculture forecast the winter wheat crop at 966,236,000 bushels. This, with a prospective spring wheat crop of at least 233 million bushels, would give a total crop of about 1.2 billion bushels. The 1958 total of 1,462,213,000 bushels set a record. (N.Y. Times, 4/11 p.27)

MANUFACTURING PROFITS SHOW INCREASE Sales and profits of manufacturing corporations increased sharply in the last three months of 1958, the Government reported. Higher auto sales accounted for about half the advance. Profits after taxes rose even more sharply. They were up 22% to \$4 billion. The figures were given in a joint report by the Federal Trade Commission and the Securities and Exchange Commission. Sales and profits increased in each succeeding quarter of 1958. Not until the

final quarter, however, did the figures top the levels of a year earlier. (N.Y. Times. 4/10 p.43)

RUSSIAN OUTPUT SHOWS SPURT Over a 7-year period, industry in the Soviet Union has grown at an annual rate of 9.5%, as compared with an American annual rate of only 3.6%, Central Intelligence Agency Director Allen W. Dulles said yesterday (April 8). Dulles also said that "even with continued heavy emphasis on heavy industry and armaments," the Russians will be able to make "some additional improvement" in the standard of living. (Wash. Post and Times Herald, 4/9 p.A7)

CANADA'S BANK RATE CLIMBS TO 4.67% The Bank of Canada's interest rate this week climbed for the fourth consecutive week, increasing to a record high of 4.67% from 4.58% last week, the Central Bank reported. The rate has climbed steadily from 4.30% on March 12. The bank rate of 4.67% compares with the record low of 1.12% set last August 2. (N.Y. Times, 4/10 p.46)