

~~SECRET~~

THE WHITE HOUSE
WASHINGTON

STAFF NOTES NO. 111

May 11, 1957

1. Wholesale Price Index -- Labor will announce on May 14 that the Wholesale Price Index for the month of April rose 0.3 percent to 117.2 (1947-49 = 100) as a result of seasonal increases in farm products and processed foods. Industrial products dropped 0.1 percent mainly because of sharp declines in the prices of ferrous scrap with most other commodities showing little change. This portends a further increase in the food component of the Consumers' Price Index in the late spring but offers some possibility that non-farm commodity costs will flatten out. (Adm. Conf.)

2. Treasury Financing Results -- Of the \$4.155 billion 1-5/8% notes maturing May 15, \$2.988 billion were exchanged for new certificates and notes, leaving \$1.167 billion for cash redemption, an attrition of about 28%. This was in line with Treasury expectations, in view of the current heavy demand for funds in the money market. (Adm. Conf.)

3. Agriculture Notes

(a) Eighty percent of the Government investment in price supported items is in three commodities: wheat, corn and cotton:

	<u>\$Millions</u>	
Wheat	2,560	
Cotton	1,759	
Corn	2,314	
Tobacco	627	
Dairy Products	115	
All other	966	
Total	8,341	(Adm. Conf.)

(b) As of May 15, the drought relief program will, to all intents and purposes, be closed out because of general rains in the drought areas. (Adm. Conf.)

~~SECRET~~

~~SECRET~~

- 2 -

4. Flood Situation -- HEW reports that floods in Texas are subsiding, damage estimates running from \$51 million up to \$85 million. The Red Cross reports 2,608 families affected, with 394 claims on that organization to date, 11 persons killed, 69 homes destroyed, and 298 homes suffering major damage. All of the 54 Texas counties concerned have been declared eligible for Federal aid under P. L. 875 (81st Congress) and 20 have made specific aid requests to date. An unofficial preliminary estimate of aid to be issued under that law approximates \$2.5 million, the major items being damage to roads, streets and bridges, community facilities such as water and sewer installations, and vector control, debris clearance and related public health problems. There is a further possibility of requests for P.L. 875 aid in Louisiana where the rivers in the central part of the state are in flood stage with some 100,000 acres involved. Agencies working under FCDA with Texas state and local officials include HEW, Commerce, Agriculture, Defense, GSA, Housing and Home Finance, and Small Business. (Adm. Conf.)

5. Soviet Air Moves -- (a) Embassy Tehran believes the Iranians will try to stall as long as possible on a reply to the Soviet proposal for a civil aviation agreement. (b) The Lebanese are continuing to oppose the Soviet request for a bilateral air agreement, which would involve transit of intermediate countries and constitute penetration of the Near East area. (S)

6. ICA in Jordan -- To expedite our Mutual Security Program in Jordan, ICA has given its Operations Mission in Amman wide authority to reprogram all technical cooperation and development assistance projects from all prior year funds without advance clearance with Washington. Although any new projects will require ICA's approval, procedures are to be simplified as much as possible. (Adm. Conf.)

7. U. S. Asks Dismissal of UN Employee -- We have unimpeachable evidence that Samaresekara, a Ceylonese national in the UN Secretariat, recently removed documents from the Ceylonese delegation offices and delivered them to a member of the USSR delegation. We are requesting Hammerskjold to terminate his employment under Section 13 of the UN Headquarters Agreement, and we so informed the Ceylonese Ambassador. (S)

DECLASSIFIED

Authority NLE 202-83 #15

By MMK NLDDE Date 3/3/14

~~SECRET~~

~~SECRET~~

- 3 -

8. Ely Visit -- Admiral Radford's schedule will not permit the early meeting with French Chief of Staff General Ely and the NATO Standing Group which the French had requested to consult on the implications of the British Defense White Paper. Although we have misgivings about the desirability of an Ely visit, we find it difficult to refuse and suggested that it might be arranged in June after President Coty's visit, but with minimal publicity and described as a normal visit to U.S. defense installations. (S)



~~SECRET~~