COST-OF-LIVING INDEX ROSE IN MAY

The Bureau of Labor Statistics reported that the cost of living rose for the ninth straight month. The consumer price index for May stood at 119.6% of the 1947-49 average. This was 0.3% higher than the April figure and 3.6% higher than the index for May last year. BLS Commissioner Ewan Clague said the end of the long upward cost of living climb may be in sight. He predicted the index will rise in June, may steady in July, and should go down in August because of harvest-time drop in food prices. The BLS said price increases for food accounted for most of the May rise in the index, advancing 0.7% as prices of fresh fruits and vegetables and meats rose seasonally. The latest rise in the cost of living index will mean wage boosts for about a million workers, Labor Department officials said. (Wall St. J., 6/26 p.26)

EXPECT STEEL PRICE HIKE TO BE PASSED ON

Steel price boosts, effective today, will spur increases on a host of steel products—in some cases even greater proportionately than the steel hike itself. Most steel users, including fabricators, furniture makers, auto manufacturers and appliance firms, indicated in a nationwide survey that they plan to pass on to the consumer the average $6-a-ton increase on steel announced late last week by United States Steel Corp., the nation's largest producer. Other leading steel makers, including Republic Steel Corp., National Steel Corp., and Youngstown Sheet & Tube, quickly followed U. S. Steel's lead and posted higher prices. (Wall St. J., 7/1 p.1)

REPORT BACKS TIGHT MONEY

A joint Congressional subcommittee recommended unanimously today that the Government maintain tight money and resist tax cuts, as the best way to counter the inflation threat. The five-man subcommittee of the Joint Economic
Committee was headed by Representative Wilbur D. Mills, Democrat of Arkansas. It had held seven days of hearings in which thirty-five private economists and Government officials had been heard. The overwhelming majority of the witnesses had urged the course that the subcommittee recommended. (Dale. N. Y. Times, 6/27 p.1)

**PRESIDENT, HUMPHREY, ON INFLATION**

President Eisenhower told his news conference that the Government alone could not do the whole job of preventing inflation. He said there also must be "statesmanlike action" by business and labor. George M. Humphrey, Secretary of the Treasury, continuing his appearance before the Senate Finance Committee, said it was "idle" to suppose that the country could live continuously and safely with "creeping" inflation, such as has characterized the last fifteen months. The inflation "will get beyond you," he said, if an effort is made "to go on being just a little inflated." Both the President and Mr. Humphrey strongly opposed direct price and wage controls as a solution to the problem. (Dale. N. Y. Times, 6/27 p.1)

**CLEVELAND BANKS BOOST SAVINGS RATES**

Depositors in Cleveland's financial institutions are going to receive more interest on their savings beginning July 1. This was assured when the major firms of Cuyahoga County's 41 savings and loan organizations announced an increase in their interest rates from 3% to 3-1/2%, and 3 of the city's 5 large banks raised their rate from 2% to 2-1/2%. This long-awaited increase, following a national trend, was touched off by the Society for Savings and its wholly-owned subsidiary, Society National Bank, which announced their intention to increase their savings interest rate to 2-1/2%. The Cleveland Trust Co. and National City Bank of Cleveland, next announced an increase in their savings interest rate equivalent to that of the Society banks. Two of Cleveland's smaller banks, the Capital and Continental, have been paying the legal savings interest limit of 3% annually for many months. (J. E. Bryan. Cleve. Plain Dealer, 6/26 p.1)

Three more Cleveland banks announced increases from 2% to 2-1/2% on savings. They were Central National Bank of Cleveland, North American Bank and the Bank of Cleveland. (Cleve. Plain Dealer, 6/27 p.22)

**BANK CALL FOR JUNE 6**

In a precedent-breaking move, the three Federal supervisory agencies issued a bank call today as of June 6. For many years, the midyear bank call has been as of June 30. The Comptroller of the Currency (for national banks) the Federal Reserve Board (for State member banks) and the Federal Deposit Insurance Corporation (for all State non-member banks) requested these banks to report their condition as of June. (Amer. Bkr., 6/26 p.1)
SBA LOAN ACTIVITY DOUBLED IN 10 MONTHS

The Small Business Administration more than doubled its business loan activity in the first 10 months of fiscal 1957 over the year-earlier period. Administrator Wendell Barnes reported that the Agency handed out 3,260 loans worth $145,803,000 to small firms through the end of April, against 1,577 payments for $67,149,000 during the first 10 months of the previous fiscal year. The lending leap came despite a three-month dry spell between last February and April when the SBA ran short of funds. It drew a $45 million supplemental appropriation from Congress late in April. (Wall St. J., 6/25 p.17)

BUSINESS AT HIGH LEVEL LAST HALF OF 1957

Business in the last six months of 1957 promises to hold on a "high plateau," with several major industrial groups working out the economic kinks developed in the second quarter. That's the general view of 12 key executives who discussed the outlook for the First National Bank of Chicago's semi-annual survey of business conditions. One executive, Fred Lazarus, Jr., chairman of Federated Department Stores, Inc. forecast that the net effect of economic "crosscurrents" in the last half of 1957 "will be for the general economy to hold on a high plateau, but for income and consumer expenditures to continue on a slow upward grade." (Wall St. J., 6/28 p.9)

TIGHT MONEY AIDS SHIRT INDUSTRY

Tight money has been termed a "blessing in disguise" to the shirt, sport shirt and pajama industry by Seymour J. Phillips, president of a large shirt manufacturing concern. Speaking before a luncheon meeting of the National Association of Shirt, Pajama and Sport Shirt Manufacturers, Mr. Phillips said that the higher costs of borrowing money have made it unprofitable to overproduce. Excessive overproduction in the past was one of the chief reasons for the poor showing of the shirt industry. In the past, Mr. Phillips pointed out that manufacturers built up inventories in anticipation of such peak selling periods as Father's Day and Christmas. "Unfortunately, year after year, excess quantities of our products have been dumped at off-prices because the normal demand did not materialize." (Wall St. J., 6/27 p.9)

BUILDING AWARDS

A sharp spurt in heavy construction work put under contract in May and rising home building rates helped push awards for construction in the United States 14% above May 1956, F. W. Dodge Corp. reported. Dollar volume of contracts for every type of construction rose in May except for housing. But for the first time this year, contracts for one and two-family homes did not fall below year-earlier volume. Housing units, including multi-family dwellings, however, fell 5% to 101,741. May contracts
toted $3.4 billion, the largest increase above year-ago figures so far in 1957 and substantially more than the $2.7 billion registered in April. Much of the increase in May came from a 48% boost in heavy engineering projects such as streets, highways, public and private utilities, the Dodge report indicated. (Wall St. J., 7/1 p.7)

CANADIAN DOLLAR  The Canadian dollar has reached another high. At one point yesterday it sold at $1.05-3/64 in United States money, highest level since November 1933, when it reached $1.05-5/8. It closed at $1.05-1/64. The strength was attributed mainly to the flotation of $39,372,000 of Toronto debentures in the New York market. (N. Y. Times, 6/27 p.36)

FARMERS' CASH RECEIPTS RISE 2% The Department of Agriculture today said farmers received $10.4 billion from cash marketings in the first five months of 1957, or about 2% more than during the corresponding period last year. Prices averaged 3% higher than last year, but the volume of marketings was down slightly. (N. Y. Herald Trib., 6/25 II p.3)

STEEL SCRAP Steel scrap prices are off $1 to $4 a ton in the Chicago area, based on sales to a Chicago area mill, the first decline in two months. Most of the decline is in secondary grades of scrap, but top-graded heavy melting steel is down at least $1. This is the first decline here at the mill level since prices started to advance in late April. At that time, prices had sunk to an 18-month low, with No. 1 dealer heavy melting grade at $39. (Wall St. J., 6/27 p.18)

CEMENT STRIKE The cement industry, already hit by strikes at some 17 plants, figures it is facing its most serious labor dispute in recent years. Seven of the 18 big plants in the important Lehigh Valley producing area of eastern Pennsylvania already have been struck by locals of the A.F.L.-C.I.O. United Cement, Lime and Gypsum Workers International Union and at least 10 others from Washington State to Florida have been shut-down by union walkouts. (Wall St. J., 6/28 p.2)

TRAVEL ABROAD Travel expenditures in Europe and the Mediterranean area by U. S. residents reached about $475 million in 1956, according to the Department of Commerce. The average cost per trip of the 521,000 U. S. residents traveling in Europe last year was about $1,565, or 2-1/2% more than average expenditures per trip in 1955. Of this amount, $905 was spent within Europe and $660 on trans-Atlantic fares. (J. of Comm., 6/25 p.28)