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In a report on the food situation USDA says that demand for food will continue strong in 1949, with generally high prices continuing, but with some prospect that food prices at retail may weaken some time in the last part of the year. The report indicates that food exports in 1949 are not expected now to be much if any below the 1948 total, that even though there was a marked increase in food production in Europe this year, heavy imports onto the Continent will again be needed to provide more equitable distribution of food and to restore food stocks to reasonable working levels.

The report also indicates that rising consumer expenditures for things other than food, particularly consumer durable goods, may put some moderate downward pressure on food prices.

The U. S. per capita consumption of food in the 1947-48 season was well above prewar in spite of exports of close to 20 million tons, according to USDA. The per capita consumption was 14 per cent above the 1935-39 average, although below the 1946-47 consumption, due to smaller supplies of meat and livestock.

Nonagricultural employment rose again in October, marking the sixth consecutive month of increases and reaching a new record high of 45,751,000 (on a seasonally adjusted basis). Employment in all major industrial classifications was higher in October than in the same month of 1947 except for transportation and public utility groups. The economy thus seems to continue to ride along at a high peak. Some private and unofficial estimates for 1949, by quarters of the year, appear to expect a continuation of current levels of disposable income and personal expenditures during the first half of 1949 and then a level about three per cent lower during the last half of the year. Such a change, if it does develop, should be expected to bring more than a corresponding decline in farm prices.

Additional agricultural production goals for 1949 were announced around the first of the month by USDA. They reflect continuing optimism and assume a continued high level of consumer demand, as well as the urgency of returning to better crop rotation patterns. For dairy production the goal calls for 120 billion pounds of milk, an increase of three per cent over 1948. On poultry the goals suggest a total of 425 million hens (announced in September) for the first of the year, to which is added a goal of 700 million young chickens to be produced for flock replacement (a 10 per cent increase over 1948). All of this would yield 273 million pullets so as to have 405 million potential layers that would yield a supply of 370 eggs per capita in 1950 (when meat supplies are expected to increase), compared with 380 eggs per person expected for 1949. To feed more livestock anticipated for 1949 an increase of five per cent is asked in tame hay acreage.

Senator Langer (Rep. N. D.) was the source of two comments on announcements about farm legislation last week. He indicated he would introduce a bill to raise FDIC insurance maximum per deposit from $5,000 to $15,000 because the lower limit is "out of date" in the present economy and has become a nuisance to northwest farmers, who have to use as many as six banks to keep their deposits covered. He said the present limits put smaller banks at a disadvantage.

He also announced he would introduce a bill to authorize an appropriation of one billion dollars for REA and for power generating plants. He said the repayment of 17 million dollars by REA borrowers ahead of schedule shows the soundness of this loan program, and that he could not see any reason why, since Germany and the Scandinavian countries have reached 95 per cent electrification, this country should not be 100 per cent electrified.

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