How high will the price level go? And when?

Recently it was around 75, by the BLS wholesale price index.

At present it is about 80, and the average is still rising.

Somewhere between 5 and 10 points gain in the next 6 months is expected by most gov't price experts. This is regarded as "moderate." It is not a runaway. The rise is seen as gradual, affecting most things, but there may be an early correction in some commodities.

Remember that this refers to AVERAGES, not to each commodity. Ideas about special commodities are too complex for brief reporting.

As for the longer-range price trend, most gov't analysts agree that world-wide and domestic pressures will be on side of higher prices, until the war and the war-born inflation have run their course.

Past supply-&-demand statistics are no longer conclusive guide in the calculation of future prices...this is now generally admitted.

There's a new fundamental factor...war-inflation psychology. This is replacing the depression psychology. Turning point is past. For years the prudent have clung to cash and "safe" investments...scared. Shift from this to equities, tangibles, would change the whole picture.

So concepts about "normal" inventories must be revised UPWARD. "Normal" inventories will be larger in the future than in the past.

This note of caution for laymen is sounded by experts here: Unskilled and non-nimble persons usually get caught and whipsawed when they try to speculate on short turns...in markets like the present.

Commodity prices, if U.S. goes to war, will be controlled, frozen. Guessing is that control or freeze would be at higher levels than now.

Railroads are a special concern of gov't war-planners just now. Many are deficient in rolling stock, behind times on maintenance of way. They are being pressed by gov't to remedy both, and are responding.

Plan is to buy some new cars and locomotives. And large program of fixing up old ones is to be pushed. RFC is working out an easy plan to finance such a program, and signs are that the RFC plan will be used.

Thus rail equipment business will be upped substantially above what had been forecast heretofore. But gov't plan to own-&-lease is out.

For power companies, the gov't has war plans which involve extensive interconnections of facilities of private and public plants. But some left-wingers want a gov't ownership program as defense item. The private interests say they are fully ready to meet ANY war need. There will be some minor conflict between the gov't and the industry.

Utility plant expansion plans probably will be increased a bit, due to gov't pressure...plus higher estimate of future demand volume.

Construction: War is traditionally bad for normal building. Authorities here believe, however, that during the next few months there will be further extension of the residential construction trend, due to rise in purchasing power, and also the wish to beat rising costs.

FHA dropped interest rate just before other rates began to rise. Some say this was untimely. FHA officials say 4½% rate is high enough to attract investment funds, and will not be serious brake on housing.

For durable goods lines, the current trend seems especially good.