Rehabilitation is considered as progressing satisfactorily but it is mostly a case of the natives pulling themselves up by their own bootstraps. About the only aid MGU and USCC have been able to give is encouragement. People are managing to subsist and rebuild their homes with no stock in the trade stores but this shortage is seriously handicapping any efforts toward reviving a native economy. Money, per se, is worth nothing to the people so why should they make copra, work on the base, develop handicraft or engage in commercial fishing? For the three months of January, February, and March USCC has received a total of 28000 pounds of flour a small amount of sugar which lasted two trade days by careful rationing and 600 cubic feet of flags and pennants, of the incentive items. The flags and pennants were sent as a substitute for cloth but none have been sold yet, in spite of the intense buyers market. USCC has a standing requisition of 15000 pounds of flour per month so it has been necessary to allocate and ration the small amount received to date. Needless to say, the dearth of trade goods is reflected not only in the economic life of the people but in their whole attitude toward MGH and the United States.