

THE LISTENING POST

Economic Stability and Education's Future

SCHOOL PEOPLE as well as many other Americans are deeply interested in what will happen to prices and price control during the reconversion from war to peacetime production. They want answers to such key questions as these:

1. How long will ceiling prices be kept on food, clothing, rentals, services, and other living necessities, and on farm products, industrial materials, and the like?
2. At what levels will ceiling prices be set on new consumer durable goods, which have been out of production during the war, but which will be available as soon as military requirements permit?
3. How can the cycle of "skyrocketing, then crashing, prices" like that which followed World War I be prevented this time?

Although prices have been held relatively steady since May 1943, the job of price stabilization is not yet finished. During the reconversion period, America will confront two main dangers—inflation and deflation—which, strange as it may seem, may exist side by side as our economy is changed back from war to civilian production.

Within three months after the defeat of Germany, it is estimated more than 4,000,000 war-workers and plants now producing 40 per cent of our war goods will be available for the production of civilian goods. On the one hand, if reconversion does not occur as rapidly as possible, the curtailment of war production and employment will be a serious deflationary threat. On the other hand, if the wartime savings of Americans estimated to total more than \$100 billion at the end of 1944 are used to bid for civilian goods, which are still relatively scarce, this pent-up demand will prove inflationary.

To hold prices steady during the reconversion period, the Office of Price Administration expects to continue its present price regulations substantially in their present form, so long as there is danger of inflationary price increases. It also expects to establish price ceilings on consumer durable goods, out of production during the war, when these goods are manufactured again. In so far as possible, OPA will set these ceilings at the manufacturer's own 1942 prices. These ceilings will require producers to absorb part if not all of their increased costs of labor and materials but will allow them to receive in-

creases if their profits have fallen below the level of the 1936-39 period. If such cost increases are necessary, OPA will ordinarily expect distributive trades to absorb them.

These reconversion pricing objectives are of special concern to teachers and others engaged in educational work. If these objectives are reached, school people will be in a better position to plan for the future. They will know, for example, how much food, clothing, consumer durables, and other necessities they can buy with their salaries and wartime savings. They will know how much money is needed for instruction; for maintenance and operation of plant; and for repairing, equipping, and constructing school buildings—the last having been sharply curtailed because of war conditions. In short, they will be better able to make and begin to carry out their educational plans with a feeling of confidence and economic security.

But, as school people well know, price stabilization alone is not enough. If America is to avoid the economic disasters of inflation and depression, it must have full production, full employment, high wage rates, low unit profits, reasonable total profits, high farm income, and a high and rising standard of living for all the people. These and steady prices together will help develop a sound and expanding national economy, an economy which can provide the financial and material resources needed to have better schools, better-paid teachers, and better education for all the children of all the people.—*DSCD Legislative Committee.*

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