

THE LISTENING POST

Peace and the Cost of Living

Now that our nation is on the road to re-conversion—from war to peacetime production—school people are deeply concerned with the prices they will have to pay for food, clothing, rentals, and other essentials which make up their cost of living. They also want to know what ceiling prices will be on new automobiles, refrigerators, radios, and other consumer durable goods which will soon be coming back on the market again. Obviously the price levels at which teachers can buy these commodities will in no small part determine the buying power of their present salaries.

Under authority of the Congress and direction of the President, the Office of Price Administration has worked out policies for pricing during the reconversion period. These policies are based on the assumption that the best way to extinguish the fire of inflation is to smother it under an avalanche of goods. These policies therefore are designed to enable manufacturers to continue or to get back into large scale production and sale of goods at prices consumers can afford to pay.

With reference to food, clothing, and other goods which stayed in production during the war, OPA expects to keep ceilings as nearly as possible at their present levels. On automobiles and other consumer durables, OPA expects to set ceiling prices at or near 1941 or 1942 prices—the prices at which these goods went out of production because of the war. When industries or manufacturers believe they cannot resume production at their former prices, they may ask OPA to review these prices. If they can prove that certain types of production costs are higher than they were in 1941 or in 1942, OPA has a definite and rapid method for making necessary adjustments.

To help consumers and merchants to know exactly what legal prices are, OPA expects to continue to set ceiling prices in dollars-and-cents figures, and to extend this program to new durable goods and building materials. Such figures now appear on official food price lists and on tickets which manu-

facturers must attach to certain clothing items, to electric irons, and to many other goods.

Recognizing that public understanding, support, and participation all are essential to obtain 100 per cent compliance with retail ceiling prices, OPA and local volunteers are strengthening the Price Panels and Community Service Panels (information panels) of local War Price and Rationing Boards. These panels are made up of school people and other leading citizens who are doing their part as volunteers to make price control an effective people's program in their own communities.

The importance of keeping firm controls over prices is highlighted by the fact that consumer demand (in terms of current incomes and savings) is still much larger than consumer supply (particularly of automobiles and other durables). Until supply and demand come back into reasonable balance, controls over prices according to OPA should be maintained.

If all controls are lifted too soon, there is grave danger that America will go through a disastrous cycle of inflation, then depression, like that which occurred after the end of World War I. On the other hand, if prices are held at steady levels, America will have a sound economic foundation to achieve prosperity—a prosperity marked by full production, full employment, full consumption, and a high and rising standard of living for all our people.—JAMES E. MENDENHALL, *Office of Price Administration*, for the DSCD Legislative Committee.

Through The Listening Post, the Legislative Committee of the Department of Supervision and Curriculum Development brings readers of EDUCATIONAL LEADERSHIP news on legislative and governmental matters of interest to school people. Chairman of the Committee is James E. Mendenhall. Other members are Mary Dabney Davis, Frances Mayfarth, Mary Henderson, Ruth Kemp, James Fox, Walter Hager, Marion Jordon, Edgar Draper, and Henry Otto.

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