

the 12 Controllers operating under the Wartime Industries Control Board). The duties of the Controllers and Administrators will be increased considerably as a result of the price ceiling policy, and they will require additional staff and other assistance. It will be important for the Prices Board and the Wartime Industries Control Board to co-operate closely in all questions which involve rationalization of standards and styles, rationing of supplies, subsidies or other forms of bonuses to producers whose costs have increased, and the granting of price increases to essential industries when all other means fail.

Curtailement of Non-Essential Production

Shortages of labour, materials, transportation, and power are now so general that it is difficult to envisage any curtailment of non-essential activity which would not to some extent mitigate these shortages for more essential producers. This would tend to ease the problem of costs and would thus relieve some of the pressure on the price ceiling.

This is a problem which will have to be tackled on several fronts. The Price Board itself will clearly play a major role, both through its Administrators and perhaps more importantly through the conditions which it imposes before granting any price increases.

Even in the case of essential goods the Price Board will presumably insist on elimination of all but the most staple lines or models, and the reduction of packaging, distribution and selling costs to an absolute minimum, before granting a price increase. In the case of non-essential goods it will be able to effect actual curtailment of production as costs tend to rise, by refusing to grant price increases. This latter method would, however, be slow and uncertain, and probably an unduly arbitrary and inefficient method of achieving the end in view. It would seem more desirable to use the methods of direct limitation of production, plus increasingly rigorous restrictions upon the distribution of industrial raw materials.