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In respect of wages, the Government is committed to the policy enunciated in P.C. 7440. This policy cannot, however, be maintained on its present basis. It must either be extended or withdrawn. Quite aside from political repercussions and the opposition of this or that group, the present policy will enable non-essential industries, to the degree that they are not controlled directly, to draw labour from war industries at present subject to P.C. 7440. The establishment of a price ceiling will make necessary the extension of the principles of P.C. 7440 to cover all industry, and in conjunction with a price ceiling such extension could reasonably be made.

The policy of a price ceiling admittedly raises, as does any other policy, serious administrative problems, and problems of co-ordination and administration, which are dealt with in further memoranda.