

Price Control

By Gilbert M. Tucker

An official of the Office of Price Administration tells us that price control must be extended in certain textile fields because supply has failed to keep pace with demand, production falling below expectations. Does it never occur to these bright-eyed boys that the very reason why supply so often fails is that price fixing often wipes out profit and kills incentive to produce?

Had we not seen fit to substitute the fiat of bureaucrats for the workings of natural laws some prices would have risen and brought difficulties, but these would be as nothing compared to what political meddling has brought upon us. Taking our usual superficial view, we imagine that high prices and inflation are one and the same thing, but, more accurately, inflation is a dis-balance between supply and demand; while high prices are a symptom and the natural remedy for a condition of which they are the result. Allowing prices to rise naturally, consumption is curbed, production increased and a balance restored—but we prefer to wire down the safety valve! Then, if we just can't hold prices, we fool ourselves, pretend that we have and trick our people, paying the price increase in concealed subsidies. We are certainly a gullible and long-suffering people!

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