

## FDR'S 1942 Declaration On Price Controls

*Here are excerpts from President Franklin D. Roosevelt's January 1942 wartime Declaration on Price Controls.*

The Emergency Price Control Act of 1942 is an important Weapon in our armory against the onslaught of the Axis powers.

Nothing could better serve the purposes of our enemies than that we should become the victims of inflation. The total effort needed for victory means, of course, increasing sacrifices from each of us, as an ever larger portion of our goods and our labor is devoted to the production of ships, tanks, planes, and guns. Effective price control will insure that these sacrifices are equitably distributed.

The Act, taken all in all, is a workable one. It accomplishes the fundamental objectives of setting up a single Administrator, and empowering him to establish maximum prices and rents over a broad field, to prohibit related speculative and manipulative practices, and to buy and sell commodities in order to obtain the maximum production. . . .

...This Act, while granting the Administrator broad powers, imposes upon him a responsibility of equal breadth for fair play. He must, so far as is prac-

ticable, consult with industry members before issuing price regulations, and must accompany each such regulation by a statement of the considerations upon which it is based. . . .

The farm program which has been developed since 1933 has set parity prices and income as a goal. There is nothing in this Act to prevent farmers receiving parity or a fair return. But I feel that most farmers realize that when farm prices go much above parity, danger is ahead. One of the best ways of avoiding excessive price rises, of course, is abundant production. And I hope agricultural prices can be maintained at such level as to give farmers a fair return for increasing production.

In giving my approval to this legislation, I am acting with the understanding, confirmed by Congressional leaders, that there is nothing contained therein which can be construed as a limitation upon the existing powers of governmental agencies, such as the Commodity Credit Corporation, to make sales of agricultural commodities in the normal conduct of their operations. . . .

Finally, all bulwarks against inflation must fail, unless all of us—the businessman, the worker, the farmer, and the consumer—are determined to make those bulwarks hold fast. In the last analysis, as Woodrow Wilson said, “The best form of efficiency is the spontaneous cooperation of a free people.”