MESSAGES FROM THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

A RECOMMENDATION THAT CONGRESS PASS LEGISLATION PLACING A FLOOR UNDER PRICES OF FARM PRODUCTS

SEPTEMBER 7, 1942—Referred to the Committee on Banking and Currency and ordered to be printed

WASHINGTON, D. C., September 7, 1942.

To the Congress of the United States:

Four months ago, on April 27, 1942, I laid before the Congress a seven-point national economic policy designed to stabilize the domestic economy of the United States for the period of the war. The objective of that program was to prevent any substantial further rise in the cost of living.

It is not necessary for me to enumerate again the disastrous results of a runaway cost of living—disastrous to all of us, farmers, laborers, businessmen—the Nation itself. When the cost of living spirals upward, everybody becomes poorer, because the money he earns buy so much less. At the same time the cost of the war, paid ultimately from taxes of the people, is needlessly increased by many billions of dollars. The national debt, at the end of the war, would become unnecessarily greater. Indeed, the prevention of a spiraling domestic economy is a vital part of the winning of the war itself.

I reiterate the seven-point program which I presented April 27, 1942:

1. To keep the cost of living from spiraling upward, we must tax heavily, and in that process keep personal and corporate profits at a reasonable rate, the word “reasonable” being defined at a low level.

2. To keep the cost of living from spiraling upward, we must fix ceilings on the prices which consumers, retailers, wholesalers, and manufacturers pay for the things they buy; and ceilings on rents for dwellings in all areas affected by war industries.
3. To keep the cost of living from spiraling upward, we must stabilize the remuneration received by individuals for their work.

4. To keep the cost of living from spiraling upward, we must stabilize the prices received by growers for the products of their lands.

5. To keep the cost of living from spiraling upward, we must encourage all citizens to contribute to the cost of winning this war by purchasing War bonds with their earnings instead of using those earnings to buy articles which are not essential.

6. To keep the cost of living from spiraling upward, we must ration all essential commodities of which there is a scarcity, so that they may be distributed fairly among consumers and not merely in accordance with financial ability to pay high prices for them.

7. To keep the cost of living from spiraling upward, we must discourage credit and installment buying, and encourage the paying off of debts, mortgages, and other obligations; for this promotes savings, retards excessive buying, and adds to the amount available to the creditors for the purchase of War bonds.

In my message of 4 months ago, I pointed out that in order to succeed in our objective of stabilization it was necessary to move on all seven fronts at the same time; but that two of them called for legislation by the Congress before action could be taken. It was obvious then, and it is obvious now, that unless those two are realized, the whole objective must fail. These are points numbered 1 and 4—namely, an adequate tax program and a law permitting the fixing of price ceilings on farm products at parity prices.

I regret to have to call to your attention the fact that neither of these two essential pieces of legislation has as yet been enacted into law. That delay has now reached the point of danger to our whole economy.

However, we are carrying out, by Executive action, the other parts of the seven-point program which did not require congressional action.

Price ceilings have been fixed on practically all commodities (other than certain exempted agricultural products), and on rents in war-production areas of the United States.

This process of keeping prices and rents at reasonable levels constitutes one of the most far-reaching economic steps that this Nation has ever taken—in time of peace or war.

Our experience during the last 4 months has proved that general control of prices is possible—but only if that control is all inclusive. If, however, the costs of production, including labor, are left free to rise indiscriminately, or if other major elements in the costs of living are left unregulated, price control becomes impossible. If markets are flooded with purchasing power in excess of available goods, without taking adequate measures to siphon off the excess purchasing power, price control becomes likewise impossible.

Our entire effort to hold the cost of living at its present level is now being sapped and undermined by further increases in farm prices and in wages, and by an ever-continuing pressure on prices resulting from the rising purchasing power of our people.

Annual wage and salary disbursements have increased from 48.7 billion dollars in 1939 to an estimated 75 billion dollars in 1942. This represents an increase of 71 percent. To obtain a full appreciation of what that increase means, we should remember that 75 billion dollars is more than our total national income was during any single year in
the 1930's. Due to constantly increasing employment, overtime, and wage-rate increases, the annual wage and salary bill for the entire country has been rising by more than a billion dollars a month.

It is impossible for the cost of living to be stabilized while farm prices continue to rise. You cannot expect the laborer to maintain a fixed wage level if everything he wears and eats begins to go up drastically in price. On the other hand, it is impossible to keep any prices stable—farm prices or other prices—if wage rates, one of the most important elements in the cost of production, continue to increase.

But even if the process of stabilization of all prices and wages at present levels were to be brought about, there would still remain the great upward pressure on the cost of living created by the vast amount of purchasing power which has been earned in all sections of the country. The national income has been increasing since January 1, 1941, at the average rate of 2 percent each month. This purchasing power now exceeds by an estimated 20 billions the amount of goods which will be available for purchase by civilians this year. The result obviously is that people compete more and more for the available supply of goods; and the pressure of this great demand compared with the small supply—which will become smaller and smaller—continually threatens to disrupt our whole price structure.

A recent study by the Bureau of Labor Statistics has shown very strikingly how much the incomes of the average of families have gone up during the first quarter of 1942. If we assume that the income for the first quarter of 1942 is a fair basis for estimating what the family income will be for the entire year, the results of the study show that whereas less than one-fourth of all families in the United States received as much as $2,500 in 1941, more than one-third will have $2,500 or more in 1942. This shows how much the purchasing power of the average American family has gone up as a result of war production and how essential it is to control that purchasing power by taxation and by investment in War bonds.

We also know that as the war goes on there will not be an adequate supply of all civilian goods; that only through strict rationing, wherever necessary, will these goods be equitably distributed. We are determined that no group shall suffer a shrinkage of its normal quota of basic necessities because some richer group can buy all the available supply at high prices.

In normal peacetimes the ordinary processes of collective bargaining are sufficient in themselves. But in wartimes and particularly in times of greatly increasing prices, the Government itself has a very vital interest in seeing to it that wages are kept in balance with the rest of the economy. It is still the policy of the Federal Government to encourage free collective bargaining between employers and workers; and that policy will continue. Owing to the fact that costs of production are now, in so many cases, being passed on to the Government, and that so large a percentage of profits would be taken away by taxation, collective bargaining between employers and employees has changed a great deal from what it was in peacetimes. In times of danger to our economy the Government itself must step into the situation to see to it that the processes of collective bargaining and arbitration and conciliation are not permitted to break up the balances between the different economic factors in our system.
War calls for sacrifice. War makes sacrifice a privilege. That sacrifice will have to be expressed in terms of a lack of many of the things to which we all have become accustomed. Workers, farmers, white-collar people, and businessmen must expect that. No one can expect that, during the war, he will always be able to buy what he can buy today.

If we are to keep wages effectively stabilized, it becomes imperative, in fairness to the worker, to keep equally stable the cost of food and clothing and shelter and other articles used by workers.

Prices and rents should not be allowed to advance so drastically ahead of wage rates that the real wages of workers as of today— their ability to buy food and clothing and medical care—will be cut down. For if the cost of living goes up as fast as it is threatening to do in the immediate future, it will be unjust, in fact impossible, to deny workers rises in wages which would meet at least a part of that increase.

The cost of all food used by wage earners—controlled and uncontrolled—has been going up at the rate of 1 3/4 percent per month since the price ceilings were set in May 1942. If this rise should be permitted to continue, the increased cost of food to wage earners next May would be more than 15 percent over the level which existed when the ceilings were set.

This would be equal to imposing a 15-percent sales tax on all food purchased by wage earners. Obviously no one would consider imposing such a tax.

This drastic increase has been caused, and will be caused, chiefly by the fact that a number of food commodities are exempt under existing law.

In the case of these exempt commodities the increases are even more startling. The cost of such food used by wage earners has been rising at an average of 3 1/2 percent per month since May 1, 1942.

Prices received by farmers have risen 85 percent since the outbreak of the war in September 1939, and these prices are continuing to rise. Cash farm income, including Government payments, has increased from 8.7 billion dollars in 1939 to substantially more than 15 billion dollars in 1942. This is an increase of about 75 percent.

The movement of uncontrolled food prices since May 18, 1942, the date when price regulation became effective, has been so drastic as to constitute an immediate threat to the whole price structure, to the entire cost of living, and to any attempt to stabilize wages.

Within 2 months after the date that price regulation became effective, the prices of controlled foods actually fell seven-tenths of 1 percent. But uncontrolled foods advanced 7.3 percent during the same period, and are still going up.

To give some specific examples: From May to August of this year round steak and pork chops, which are controlled, showed a slight decline; but during the same period lamb, which was uncontrolled, went up to July, advanced more than 10 percent, and chickens have advanced more than 16 percent.

To take another example: Lard, which is a controlled product, dropped nearly 5 percent; whereas, butter, which is uncontrolled, went up more than 6 percent or twice the normal seasonal rate. Oranges have gone up more than 25 percent, although the normal seasonal increase is only about 6 or 7 percent.
Uncontrolled agricultural commodities include some of the most important of the foods and include the grain foods necessary for livestock. When you consider that in this category are wheat, corn, oats, barley, rye, dry beans, cotton, sweetpotatoes, apples, sheep, butterfat, wholesale milk, chickens, eggs, and oranges, you can realize how important these products are to the pocketbook of the housewife.

The greatest danger is in dairy products, which are, as you know, most important items in the American diet. Butter, cheese, and evaporated milk are exempt under the Price Control Act. The prices for these have been going up so fast that they constitute a serious threat to an adequate supply of fluid milk. Unless we are able to get control of butter, cheese, and other dairy products in the very near future, the price of milk in large cities is certain to go up.

If wages should be stabilized and farm prices be permitted to rise at any rate like the present rate, workers will have to bear the major part of the increase. This we cannot ask. The Congress must realize that unless the existing control over farm prices is strengthened, we must abandon our efforts to stabilize wages and salaries and the cost of living. If that occurs, workers and farmers alike will not only suffer a reduction in real income, but will bring upon themselves and the Nation the unparalleled disaster of unchecked inflation.

The reason why price ceilings have not already been imposed on all food products is, as you know, that paragraph 3 of the Emergency Price Control Act prohibits such ceilings until farm prices as a whole have gone up beyond parity prices—far beyond—as high as an average of 16 percent beyond.

Although that restriction upon establishing ceilings for farm products usually is referred to as the 110 percent of parity limitation, it is much worse than that. The statute provides other limitations which are more drastic. Ceilings cannot be imposed, under the statute, on any product at a level below the market price on October 1, 1941, or December 15, 1941, or the average price for the period July 1, 1919 to June 30, 1929, or below 110 percent of current parity, whichever of those four levels is highest. As a result, the lowest average level for all farm commodities at which ceilings may be imposed is not 110 percent, but 116 percent of parity—some of the commodities going almost as high as 150 percent of parity.

Even more important is the psychological effect of such unfair privilege. It provides fuel for fires of resentment against farmers as a favored class. After all, parity is, by its very definition, a fair relationship between the prices of the things farmers sell and the things they buy. Calculations of parity must include all costs of production including the cost of labor. As a result parity prices may shift every time wage rates shift. Insisting that the ceilings on no farm commodity shall ever be lower than 110 percent of parity is asking for more than a fair price relationship with other prices.

In fact, the limitations on agricultural ceilings are now being cited by other groups as a reason for resisting economic controls that are needed in their own fields. The limitations will be a rallying point for such opposition as long as they are in effect.

As I urged in my message of April 27, 1942, "the original and excellent objective of obtaining parity for the farmers of the United States should be restored."
Our policy with respect to farm products should be guided by three principles: First, to hold the line against inflationary price increases. Second, to get the required production of necessary farm products. Third, to maintain the principle of parity for agriculture.

Agricultural ceilings should be permitted at either parity or at the price levels which prevailed at some recent date, whichever is higher. In most cases the formula would preserve the general structure of wholesale and retail price controls, and would also call out the volume of production needed. Also, it would preserve the parity principle.

In regard to increasing the total of our food production, one of the worries that a farmer has today is the shortage of labor for cultivating and harvesting crops. The time is soon coming when in many parts of the country we shall have to use seasonally the help of women and grown young people. I feel certain the Nation will cooperate wholeheartedly.

It not only would be unfair to labor to stabilize wages and do nothing about the cost of food; it would be equally unfair to the farmer. For we must all remember that the farmer's wife buys many articles of food at the store for the use of her own family, and high prices hurt her pocketbook as much as that of the city housewife.

What is needed, therefore, is an over-all stabilization of prices, salaries, wages, and profits. That is necessary to the continued production of planes and tanks and ships and guns at the present constantly increasing rate.

We cannot hold the actual cost of food and clothing down to approximately the present level beyond October 1. But no one can give any assurances that the cost of living can be held down after that date.

Therefore, I ask the Congress to pass legislation under which the President would be specifically authorized to stabilize the cost of living, including the price of all farm commodities. The purpose should be to hold farm prices at parity, or at levels of a recent date, whichever is higher.

I ask the Congress to take this action by the 1st of October. Inaction on your part by that date will leave me with an inescapable responsibility to the people of this country to see to it that the war effort is no longer imperiled by threat of economic chaos.

In the event that the Congress should fail to act, and act adequately, I shall accept the responsibility, and I will act.

At the same time that farm prices are stabilized, wages can and will be stabilized also. This I will do.

The President has the powers, under the Constitution and under congressional acts, to take measures necessary to avert a disaster which would interfere with the winning of the war.

I have given the most thoughtful consideration to meeting this issue without further reference to the Congress. I have determined, however, on this vital matter to consult with the Congress.

There may be those who will say that, if the situation is as grave as I have stated it to be, I should use my powers and act now. I can only say that I have approached this problem from every angle, and that I have decided that the course of conduct which I am following in this case is consistent with my sense of responsibility as President in time of war, and with my deep and unalterable devotion to the processes of democracy.
The responsibilities of the President in wartime to protect the Nation are very grave. This total war, with our fighting fronts all over the world, makes the use of executive power far more essential than in any previous war.

If we were invaded the people of this country would expect the President to use any and all means to repel the invader.

The Revolution and the War between the States were fought on our own soil, but today this war will be won or lost on other continents and remote seas.

I cannot tell what powers may have to be exercised in order to win this war.

The American people can be sure that I will use my powers with a full sense of my responsibility to the Constitution and to my country. The American people can also be sure that I shall not hesitate to use every power vested in me to accomplish the defeat of our enemies in any part of the world where our own safety demands such defeat.

When the war is won, the powers under which I act automatically revert to the people—to whom they belong.

In March and April 1933, this Nation faced a threatening domestic situation calling for the most drastic measures. The Congress, alive to the needs of that day, formulated and enacted whatever was required to do the job before it—without long debate, without party politics and without heed to the pressures of any special group looking for advantages for itself.

I need not argue the point that the situation facing the Nation today is infinitely more critical than it was 10 years ago. We are fighting a war of survival. Nothing can yield to the over-all necessity of winning this war, and the winning of the war will be imperiled by a runaway domestic economy.

As a part of our general program on farm prices, I recommend that Congress in due time give consideration to the advisability of legislation which would place a floor under prices of farm products, in order to maintain stability in the farm market for a reasonable future time. In other words, we should find a practicable method which will not only enable us to place a reasonable ceiling or maximum price upon farm products but which will enable us also to guarantee to the farmer that he would receive a fair minimum price for his products for 1 year, or even 2 years—or whatever period is necessary after the end of the war. Every farmer remembers what happened to his prices after the last war. We can, I am sure, if we act promptly and wisely, stabilize the farmers' economy so that the post-war disaster of 1920 will not overtake him again.

The farmer, instead of looking forward to a new collapse in farm prices at the end of the war, should be able to look forward with assurance to receiving a fair minimum price for 1 or 2 years after the war. Such a national policy could be established by legislation.

In computing parity, we should continue to use the computations of the Bureau of Agricultural Economics made under the law as it stands today. And in determining whether a commodity has reached parity, we should include all the benefits received by the farmer from his Government under the A. A. A. program, allocable to the particular commodity. For it is unfair to give a farmer a parity price, and, in addition, to pay him benefits which will give him far more than parity.

I have confidence that the American farmer who has been doing so
much in the battle of production of food will do as much in this struggle against economic forces which make for the disaster of inflation; for nobody knows better than the farmer what happens when inflationary, wartime booms are permitted to become post-war panics.

With respect to point seven of the program of April 27, 1942, we have made certain credit rulings designed to curtail unnecessary buying; and whatever else has to be done along these lines will be done.

With respect to point six, rationing is now in effect on some commodities, and, when necessary, will be extended to others.

But with respect to point one—a fair tax program—that still waits upon the Congress to act.

One of the most powerful weapons in our fight to stabilize living costs is taxation. It is a powerful weapon because it reduces the competition for consumers' goods—especially scarce foods.

The cooperation and self-restraint of the whole Nation will be required to stabilize the cost of living. The stabilization of the cost of living cannot be maintained without heavy taxes on everyone except persons with very low incomes. With such increases in the tax load, unfair tax distribution becomes less and less tolerable. We can rightfully expect the fullest cooperation and self-restraint only if the tax burden is being fairly levied in accordance with ability to pay.

This means that we must eliminate the tax exemption of interest on State and local securities, and other special privileges or loopholes in our tax law.

It means that in the higher income brackets, the tax rate should be such as to give the practical equivalent of a top limit on an individual's net income after taxes, approximating $25,000. It means that we must recapture through taxation all wartime profits that are not necessary to maintain efficient all-out war production. Such provisions will give assurance that the sacrifices required by war are being equitably shared.

Next to military and naval victory, a victory along this economic front is of paramount importance. Without it our war production program will be hindered. Without it we would be allowing our young men, now risking their lives in the air, on land, and on the sea, to return to an economic mess of our own making. The least that we at home can do for them is to see that our production increases every day so as to give them the weapons of war with which to fight, and to make sure that our economy at home continues to be one to which they can return with confidence and security.

FRANKLIN D. ROOSEVELT.
JOINT RESOLUTION

To aid in stabilizing the cost of living.

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That in order to aid in the effective prosecution of the war, the President is authorized and directed to stabilize prices, wages, salaries, and other factors affecting the cost of living; and such stabilization shall so far as practicable be on the basis of the levels which existed on August 15, 1942. In exercising the authority conferred by this joint resolution, the President may provide for making adjustments with respect to such prices, wages, salaries, and other factors, to the extent that he finds necessary to correct gross inequities or to aid in the effective prosecution of the war.
SEC. 2. The President may, from time to time, promulgate such regulations as may be necessary and proper to carry out any of the provisions of this joint resolution; may exercise any power or authority conferred upon him by this joint resolution through such department, agency, or officer as he shall direct; and may suspend any provisions of law relating to the establishment or maintenance of prices, wages, salaries which are inconsistent with the purposes of this joint resolution.

SEC. 3. No maximum price shall be established or maintained for any agricultural commodity under authority of this joint resolution or otherwise below a price which will reflect to producers of agricultural commodities the higher of the following prices, as determined and published by the Secretary of Agriculture—

(1) The parity price for such commodity (adjusted by the Secretary of Agriculture for grade, location, and seasonal differentials) or, in case a comparable price has been determined for such commodity under and in accordance with the provisions of section 3 (b) of the Emergency Price Control Act of 1942, such comparable price (adjusted in the same manner), or

(2) The highest market price for such commodity between January 1, 1942, and September 15, 1942.
and no maximum price shall be established or maintained
under authority of this joint resolution or otherwise for any
commodity processed or manufactured in whole or substantial
part from any agricultural commodity below a price which
will reflect to the producers of such agricultural commodity a
price therefor equal to the higher of the prices specified in
clauses (1) and (2) of this section: Provided, That the
President may provide for a lower price than the highest
market price for any commodity between January 1, 1942,
and September 15, 1942, to the extent that he finds necessary
to correct gross inequities or to aid in the effective
prosecution of the war.

SEC. 4. No action shall be taken under authority of this
joint resolution with respect to wages or salaries (1) which
is inconsistent with the provisions of the Fair Labor Stan-
ards Act of 1938, as amended, (2) which is inconsistent with
any recommendation or order of any agency of the Federal
Government affecting the wages or salaries of employees whose
cases were pending before such agency on September 15,
1942, and were undetermined on the date of enactment of
this joint resolution, or (3) for the purpose of reducing the
wages or salaries for any particular work below the highest
wages or salaries paid therefor between January 1, 1942,
and September 15, 1942: Provided, That the President may
adjust wages or salaries below the wages or salaries referred
to in clauses (2) and (3) of this section to the extent that
he finds necessary to correct gross inequities in the effective prosecution of the war.

Sec. 5. No employer shall pay, and no employee shall receive, wages or salaries in contravention of the regulations promulgated by the President under this joint resolution. The President shall also prescribe the extent to which any wage or salary payment made in contravention of such regulations shall be disregarded by the executive departments and other governmental agencies in determining the costs or expenses of any employer for the purposes of any other law or regulation.

Sec. 6. The provisions of this joint resolution, and all regulations thereunder, shall terminate on June 30, 1944, or on such earlier date as the Congress by concurrent resolution, or the President, may prescribe.

Sec. 7. Section 1 (b) of the Emergency Price Control Act of 1942 is hereby amended by striking out “June 30, 1943” and substituting “June 30, 1944”.
JOINT RESOLUTION
To aid in stabilizing the cost of living.

By Mr. Brown (for himself and Mr. Wagner)

September 14, 1942
Referred to the Committee on Banking and Currency
(first and second readings waived)
SUGGESTIONS FOR JOINT RESOLUTION TO AID IN STABILIZING
THE COST OF LIVING.

The following points should be made clear:

(1) Use as framework short resolution drafted by legislative counsel.

(2) The general standard for both prices and wages is the existing level and relationship; but provision should be made for correction of gross inequities in either existing price or wage levels.

(3) The President should institute his general price and wage controls at the same time.

(4) Limitation on power of President should be stated to cover following points:

Agriculture prices may not be fixed below parity or recent market (whichever is higher) or below existing wages as of approximately date of passage of the bill, with provision that pending wage applications before War Labor Board are not affected.

Wages
JOINT RESOLUTION

TO FURTHER THE PROSECUTION OF THE
WAR BY STABILIZING THE COST OF
LIVING

Resolved by the Senate and House of Representatives of
the United States of America in Congress assembled, That the
President is authorized and directed to take such action to
stabilize the cost of living as he deems appropriate to further
the prosecution of the war.

Sec. 2. This Joint Resolution shall remain in effect
until six months after the conclusion of the treaty of peace,
or until such earlier date as the Congress, by Joint Resolution,
or the President, shall determine.
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

September 10, 1942

TO: MISS TULY
FROM: MR. LUBIN

The final figures on what happened to the cost of living between July and August have just come in. I thought the President might want them handy for his press conference tomorrow morning.
MEMORANDUM

THE WHITE HOUSE
WASHINGTON

September 10, 1942

TO: THE PRESIDENT
FROM: MR. LUBIN
SUBJECT: COST OF LIVING

The final figures on the cost of living for the month of August have just been completed by the Bureau of Labor Statistics. They show the following:

1. Between July and August **uncontrolled** foods rose 2.2 per cent.

2. **Controlled** foods rose 1/2 of 1 per cent.

3. Since May, when price fixing became effective, **uncontrolled** foods have advanced approximately 10 per cent. **Controlled** foods have declined 3/10 of 1 per cent.

4. Between July and August, the total food bill went up 1.2 per cent.

5. Other factors in the cost of living — clothing, rent, fuel, ice, and house furnishings — declined slightly for the most part between July and August.

6. The total cost of living as a whole rose 4/10 of 1 per cent between July and August.

**Foods**

Some of the important advances in uncontrolled foods between July and August are shown in the following table:

<table>
<thead>
<tr>
<th>Item</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lettuce</td>
<td>41.8</td>
</tr>
<tr>
<td>Sweet potatoes</td>
<td>41.4</td>
</tr>
<tr>
<td>Butter</td>
<td>+ 2</td>
</tr>
<tr>
<td>Roasting</td>
<td>+ 5</td>
</tr>
<tr>
<td>chickens</td>
<td></td>
</tr>
</tbody>
</table>

**All of these rises were approximately double the seasonal advances usual at this time of the year.**
Other increases, *somewhat greater than seasonal*, were:

<table>
<thead>
<tr>
<th>Item</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eggs</td>
<td>4 12%</td>
</tr>
<tr>
<td>Green beans</td>
<td>4 16%</td>
</tr>
<tr>
<td>Dried prunes</td>
<td>4 8%</td>
</tr>
</tbody>
</table>

**Rents**

1. Rents declined 1/10 of 1 per cent during the month.
2. Rents have declined 2.1 per cent since May 15.
3. Between July and August, rents declined in 7 of the cities covered by the BLS. The reductions were greatest in the crowded defense areas.

**Other Factors in the Cost of Living**

1. Clothing declined 2/10 of 1 per cent during the month.
2. Since May 15, clothing has declined 9/10 of 1 per cent.
3. Fuel, electricity and ice declined an average of 1/10 of 1 per cent during the month.

4. There were price reductions for fuel oil and gasoline in the East due to an OPA order rescinding an earlier increase which is now being covered by subsidy.

5. Services exempt from Federal control show relatively large increases. They have been advancing steadily for some time. Since March, haircuts have gone up 5 per cent; women's beauty parlor services, 3 ½ per cent; and medical care, 2 per cent.

6. Between July and August, reductions were reported in a few cities for laundry services which became subject to OPA control on July 1.