

COOPERATIVE EXTENSION WORK IN AGRICULTURE AND HOME ECONOMICS
AGRICULTURAL AND MECHANICAL COLLEGE OF TEXAS AND UNITED
STATES DEPARTMENT OF AGRICULTURE COOPERATING

L-25
June 1942

Extension Service
County Agent Work

TO COMMUNITY AND NEIGHBORHOOD VICTORY LEADERS:

Any sacrifice we have to make to win this war is cheaper than losing it. The war against inflation is an important part of the war against the Axis. To wage a successful war against inflation, we must all understand what it is and how we can fight it. This leaflet tells how.

Very truly yours,

County Extension Agents

HERE ARE EIGHT WAYS YOU CAN FIGHT INFLATION

As a victory leader, you can encourage your neighbors to (1) Understand and support the price control and rationing programs; (2) Pay taxes and buy bonds to the limit of your ability; (3) Pay debts and, as far as possible, make no new debts; (4) Take good care of buildings, equipment and supplies—waste nothing; (5) Buy only those things really needed—Make things at home; (6) Produce your share of the nation's agricultural goods; (7) Cooperate with your neighbors in every way possible—using trucks and machinery, sharing canning equipment, group buying and selling; (8) Do as much of your own farm work as possible and exchange work with neighbors.

SIX QUESTIONS AND ANSWERS ABOUT INFLATION

1. WHAT IS INFLATION?

It means **run-away prices**—higher prices for almost everything we buy and for most things we sell. Inflation has come with every big war this country has fought and a long and painful depression has followed each.

2. WHAT CAUSES INFLATION?

Taken as a whole, the people of the U. S. will make **more money in 1942 than ever before**, but there will be less consumer goods to buy with the increased earnings. The reason is that our factories have turned from making goods we normally buy to manufacturing articles for the armed forces.

Bidding for scarce goods means higher prices. Because of higher living costs, wages go up. Because wages go up, the cost of goods must go still higher. Once started, this spiral of inflation goes upward faster and faster.

3. ARE WE MOVING TOWARD INFLATION?

Since the outbreak of the war, the cost of living has started climbing much as it did during the last war. A study of price increases from month to month shows that this upward movement has been picking up speed. Think how your own cost of living has gone up.

4. ARE FARMERS INTERESTED IN HIGHER PRICES?

Farmers are more interested in **parity prices**, or fair exchange value for their produce, than in **high prices**. Incomes do not quite catch up with living costs. We handle more money but it will buy less and less of the things our families need.

5. WHAT IS BAD ABOUT INFLATION?

Inflation slows down our war effort and doubtless its cost. The enemy would rejoice to know that the U. S. has gone on a wild inflationary drunk.

One of the worst things about inflation is the **let-down** following it. Most farmers remember after the last war trying to pay for high priced land, machinery and supplies with low priced cotton, wheat and beef.

Inflation raises taxes which are slow to shrink during the depression.

All groups do not share equally in increased incomes but all must pay the inflated prices if they buy. Some can't buy much.

6. WHAT IS THE GOVERNMENT DOING TO FIGHT INFLATION?

Congress and the President have taken action to prevent a further rise in the cost of living by placing **ceiling prices**—now in effect—on almost everything we buy. For most items this ceiling price can be no higher than the highest price charged for such items in each store during March of 1942. **Prices may be lower** and will still vary from store to store.

Other steps being taken are increased taxes on individual and corporation incomes and the stabilization of industrial wages and the prices of farm products. Other points in the government's fight against inflation are given in the summary above. Remember, every individual has a part in this war. Do your part to win. Fight inflation.

If you would like to study inflation more thoroughly, ask your county Agricultural Agent or Home Demonstration Agent for, "Inflation Comes Back to the Farm."

U. S. DEPARTMENT OF AGRICULTURE
EXTENSION SERVICE
WASHINGTON, D. C.
OFFICIAL BUSINESS

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