

OUR
HOMES
AND
DEFENSE

Inflation

WHAT CAUSES IT?

WHY CONTROL IT?

HOW CONTROL IT?

WHAT CAN WE DO?

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U. S. DEPARTMENT OF AGRICULTURE

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Inflation—What Causes It?

We have more spending power (money and credit) than there are things to buy.

Our plentiful dollars are bidding for scarce goods. The effect is like a lively auction.

The result is—SKYROCKETING PRICES.

Our defense program adds fuel to the fire.

It increases money incomes and reduces supplies of civilian goods.

Inflation—Why Control It?

It drives up costs for everyone.

Government costs go up.

Costs of national defense, too, are increased.

Persons on fixed incomes are hurt badly.

Inflation reduces the values of our savings, bonds, life insurance, and social security.

It tempts us to spend rather than to save.

It throws prices out of balance. Some rise faster and more than others.

Inflation—How Control It?

The causes of inflation—too much spending power and too few goods—must be remedied before inflation can be controlled. Steps to control inflation include the following:

Increase taxes.

Pay-as-we-go.

Curb credit and installment buying.

Expand production to get more goods.

Practice economy in government.

Increase sales of government bonds.

Use some price and wage controls. (Price and wage controls attack results, not causes.)

Inflation—What Can We Do?

Every one of us can help to curb inflation. These are the things we can do:

Buy only what we need.

Support higher taxes to absorb spending power.

Use credit sparingly.

Urge personal and public economy.

Save money—buy U. S. bonds—pay debts.

Help increase production of needed goods.

Shun black markets.

Interest friends and neighbors in what all of us can do to help keep inflation down.

Extension Pamphlet 178

September 1951

UNIVERSITY FARM, ST. PAUL 1, MINNESOTA

Cooperative Extension Work in Agriculture and Home Economics,
University of Minnesota, Agricultural Extension Service and United States
Department of Agriculture, Publisher in full since February 10,
1914.

Director, Publications
and June
DM-8-51



3 1951 D02 390 425 4