

#1-9 war, European 1939
Canada

...in one easy lesson

063-038-007

THE STORY OF INFLATION

GLOBE AND PENCIL

In wartime, more
people are working



and there is more
money to spend



but half of what is
made is for war



so consumers can't
get all they want



and people will bid
more for what is
available



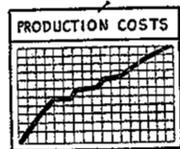
so prices go
up . . .



and workers need
higher wages



costs of production
go up



and producers and
dealers need higher
prices



and the vicious
spiral of inflation
gets started



but wages and salaries
don't catch up with
living costs



the spiral grows —
and the sky is the
limit



money buys less
and less



hardship and confusion
sweep over factory, farm
and home



TO PROTECT US ALL FROM THE RISING COST OF LIVING AND THE DISASTER OF INFLATION

SO!

a ceiling is
set on prices



wages and salaries
are controlled to prevent
higher production costs
from pushing up the ceiling



and excess profits
are taxed away



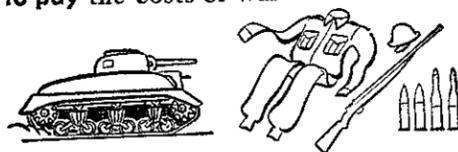
and individual incomes
are taxed more heavily



Victory Loans
are launched



to pay the costs of war



supplies are divided
fairly among producers
and merchants



rationing is introduced
to ensure a fair share
to everyone



at prices within the reach of
everybody



and nobody is permitted
to take advantage of
the war to get more
than his share



while the boys are
out there fighting



(This is the third of a series being
issued by the Government of
Canada to emphasize the import-
ance of preventing further increases
in the cost of living now and deflation
later.)