

The Battle Against Inflation.

Determined to curb the menace of inflation which inevitably accompanies war and which, as the records show, always bears heavily on the working classes, the government took wide-ranging measures against it:

An Excess Profits Tax of 100 per cent was imposed to preclude the making of excess profits on war contracts;

Income Taxes were sharply Increased particularly on large and medium incomes, to higher levels than ever before in the history of our country.

Price Control. It was found impossible to combat inflation effectively simply by big increases in taxes and borrowings. It was necessary to establish control over most of the things we buy - and sell. This meant putting a price ceiling on most products. It also necessitated the stabilization of wages and salaries. If any substantial increase in wages had been allowed, it would have been reflected quickly in increased prices. And experience has shown that in this run uphill, wages never keep up with prices.