

whole industrial mechanism of the nation, and fix prices for every commodity. Having made this demand, it was promptly suspended and retired into one of its frequent periods of temporary silence, although shortly afterwards it was announced that the Government was about to do almost exactly what the paper had asked.

We may well ask ourselves whether this can be carried out in its entirety. In plain language it is an attempt to run counter to economic forces, and to create a fictitious market value by laying violent hands on one of its two factors, namely, supply. In other words, the equation of supply and demand is not to be allowed to function in its usual course. The Government may forbid a man to sell above a certain price, but it cannot ensure that he will receive a sufficient quantity of that commodity to keep him in the business with curtailed profits. In other words, the attempt to fix prices arbitrarily is impossible when the smooth running of the production forces of the land is thrown out of gear. That is what has happened in Germany, and in a less degree that is what has happened all over the world. Vast masses of men, in Germany practically the entire effective manhood of the country, have been suddenly called away, either to fight in the armies or work in some connection for military purposes. This means that in Germany, far more than in other countries that can draw their supplies from abroad, the dislocation in the production of food-stuffs is very severe. The work is of necessity relegated to less efficient hands, to women who by lack of physical strength or experience, cannot labour as well as the men who have joined the colours, or to old men past their prime of health and strength. Production has, of course, suffered immensely, and all the legislative fixing of maximum prices in the world cannot keep them at anything like normal level. Then again, what are we to say of the great emissions of paper money that have poured forth from the Reichsbank and its attendant satellites? The task of describing measures taken by the German government to finance the war does not belong to this study; they are fully dealt with elsewhere.¹² We do not know accurately how far the German note issues are depreciated, that they are is certain. And what is still more certain is that the note issues are sending prices up, and will continue to do so in the future, governmental interference being more and more helpless to stop it as time goes on.

And, lastly, we may well ask whether all this state control is capable of achieving the results which it desires, name-

¹²See Mr. W. C. Clark's study of war finance.