

It was short-lived, and soon gave way before a much more dangerous delusion, the belief that everything ought to be sold at the same price as before the war, and that anyone who sold anything at a higher price than that was an extortioner of so deep a dye that a new word, "profiteer," had to be invented for him. Regulation of prices, with the intention of keeping them down, began to be undertaken by the Government, and this of course soon led to what became known as the queue system of distribution; when there was a shortage of the supply of any article and the price was prevented from rising by regulation, so that the demand was not contracted as usual by a rise of price, the would-be buyers stood in a queue for the commodity in question, and those at the head of the queue got as much as they wanted, and those at the other end got none. The course of things showed a complete absence of any general appreciation of the function of prices. Hence the appearance in this collection of many protests, of which the most general is 1915 II, "Why some prices should rise," or as it was originally entitled, "The Good Side of Rising Prices."

The rise of prices which I defended was of course the rise in the price of particular things which happened to be in abnormally short supply or for which there happened to be an abnormally large demand. But it was not long before a different kind of rise of price, little thought of at first, the general rise of prices which is synonymous with decline in the purchasing power of money, began to force itself on the attention of the public.

Part of the depreciation of the pound merely corresponded with a depreciation of gold throughout the world. Some hoards had been or were being thrown on the market, and the usual demand of the mints for currency purposes was entirely cut off, while the production of gold proceeded with little diminution. The natural result was that an ounce of gold would buy less than formerly. Great Britain might, of course, by sufficient limitation of the issue of paper money and