the comparisons being made between July, 1914, and various dates on which the last statistics are available in the respective countries:—

Country.	Comparison between July, 1914, and	Increase per Cent.
South Africa	February, 1919	35
New Zealand	May, 1919	42
India	November, 1918	51
Australia	April, 1919	45
Spain	April–September, 1918	51
United States	February, 1919	69
Canada	March, 1919	76
Denmark	January, 1919	86
Holland (Amsterdam)	December, 1918	103
United Kingdom	May, 1919	107
Switzerland	March, 1919	139
France (Paris)	January, 1919	148
Portugal (Lisbon)	May, 1918	151
France (other towns)	December, 1918	160
Italy	September, 1918	167
Norway	December, 1918	175
Sweden	February, 1919	234

This table has been furnished to the Board by the Government Statistician, and, although it deals with the retail prices of foods, it can be taken as indicating approximately the rise in the general price-level.

The conditions created by the war have been dominant factors in the rise of prices since August, 1914. The first effect of the declaration of war by Germany was a speculative rise. As pointed out by Professor Irving Fisher in his forthcoming volume, "Stabilizing the Dollar in Purchasing-power: the Way to Stabilize the Price-level without fixing Individual Prices"—a manuscript copy of which has been kindly sent by the author to the Hon. W. D. S. MacDonald, the Acting President of the Board—"sudden and arbitrary speculative 'mark-up' prices usually accompany war, and the mark-up in 1914, like most others, was temporary. It reached its maximum in the United States in September, 1914. As soon as it became clear that market conditions would not justify it (and this became clear after about a month) speculators were forced to reduce prices again, and until near the close of 1915 no great rise in prices occurred in the United States. From the close of 1915, however, the rise has been far more rapid than before. The rise before the war, between 1896 and 1914, great as it was, amounted in the aggregate in the United States to only one-fifth of 1 per cent. per month; in England to still less; whereas during the war the rise amounted to 1½ per cent. per month in the United States, and to much more in many other countries—in Germany and Austria to 3 per cent. per month, and in Russia apparently to 4 or 5 per cent. per month. To these German and Russian rates there is no parallel among the records of index numbers which have been computed. If before the war we could become excited over a continued average up-grade of one-fifth of 1 per cent. per month, we may partially understand some of the Russian economic unrest with an uphill movement more than twenty times as steep, and probably still steeper under Bolshevism. As yet the evidence is not all in, but the index number of wholesale prices of the United States Bureau of Labour rose 107 per cent. between 1914 (before the war) and November, 1918. Retail prices in the United States rose 79 per cent., in England 133 per cent., in France approximately 120 per cent. It is fair to say that the war doubled prices in the United States, Canada, England, and trebled them on the Continent of Europe; while in Russia it multiplied them by perhaps ten. The result is that the problem of the price-level is throughout the world perhaps the greatest economic problem which the war has left." Later in the same volume Professor Fisher states that, although the data covering the war period are so meagre that it is impossible to express the relation in exact figures, we may still arrange the different countries in the approximate order in which their prices have risen. This order of ascending prices is—India, Australia, New Zealand, United States, Canada, Japan, Sweden, Switzerland, Denmark, Italy, Holland, England, Norway, France, Germany, Austria, and Russia.

The real cost-of-living problem arises from the fact that the quantity of things in general each unit of value will buy varies with every increase in the total supply of money relative to things in general. The unit of value—*i.e.*, the sovereign or the pound sterling—if it were a perfect measure of value, should remain constant in purchasing-power, just as the yard measure remains constant in length, the lb. constant in weight, or the pint constant in quantity; but under our present monetary system each unit of value increases or decreases in purchasing-power with every increase or decrease in the quantity of money, and creates the same confusion in industry, trade, commerce, social relationships, and contractual obligations as would be created if a yard measure were to be increased or decreased in length according to the number of yard measures in existence, or if a pound (avoirdupois) were to increase or decrease in weight according to the number of lb. weights in existence.

On account of the fact that changes occur in the purchasing-power of the unit of value, the price of things in general—*i.e.*, the value of everything—seems to increase or decrease in a most mysterious manner, and it makes the task of calculating the national dividend and its equitable distribution almost incapable of performance. For, after all our price statistics of things in general have been