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cut off the heads of the tall poppies. A D.Sc. (Econ.) ought to know better. The child complains when it is always jam yesterday and jam to-morrow, but never jam to-day. We may take comfort that *Taxation: Yesterday and To-morrow* will never be taxation to-day.

HENRY HIGGS

Inflation et Déflation. Par YVES-GUYOT et ARTHUR RAFFALOVICH. (Paris: Félix Alcan. 1921. Pp. viii + 278. Small 8vo.)

THE dominant purport of this vivid sketch is, we gather, not so much to delineate and present aright what is new, though that aim is included, as to recall and impress what is old. The authors repeat, in fact, a tale told frequently before, which has unfortunately as often been forgotten, and once more, in recent years, with a like result. There are indeed some fresh incidents, but most is, unhappily, familiar; and similar causes have again had no dissimilar effects.

In a short first section certain "elementary" notions about money are deftly emphasised for the benefit of the lay public at a juncture when those more authoritatively placed and expertly trained, who "should" have opposed "inflation," have yielded to the subtle infection of "error" on the character of bank-notes and the nature of exchange. The next hundred pages are filled with a comprehensive picture showing the dry searching light shed by calamitous experience, monotonously reiterated in well-nigh the self-same sombre guise, or disguise, on each occasion, of "inflationism" in the past. Yet the stern lesson, grimly taught, was overlooked, or unheeded, or thrust aside, by belligerent nations in the testing period of the recent war, and, even more recklessly, or fatalistically, by some in that succeeding the armistice; and in their third section our authors pass no unmerited censure on the behaviour in these eventful and distressful times of France, Germany, England, the United States and Russia. The scale of their misdoing may have differed; and more than one of possible instruments was utilised in varying measure by the countries concerned, including, we may add, neutral nations. But, without exception, they have earned the general condemnation here pronounced. They have been responsible for "inflation."

They might indeed plead the plausible, if not sufficient, excuse of hard necessity, or they might set up the more specious

defence that, as they conformed to what was in effect a world-movement, they could not, by standing out, have stopped the origination, or avoided the results, of imprudent act. But in most, if not all, cases they cannot claim a verdict of "not guilty" or "not proven" on the special charge brought here by MM. Guyot and Raffalovich of infelicitous recourse to a "forced loan" by the issue of "inconvertible paper." On this count, though not on "inflation," the United States alone of the five countries mentioned previously seem entitled to acquittal with, it may be, a "caution." Our own Government, whose sin was less unblushing in intention than that of other countries, and whose *modus operandi* has been more circuitous, must nevertheless be adjudged to have got part of the enlarged credit, which it forthwith employed, by this dubious means; and the Prime Minister, we hold, was skating across ice of extreme tenuity when he boasted lately that we had not transgressed on that treacherous quicksand of "inflation of the currency" in which Continental nations were floundering, and sinking deeper out of reach of firm ground. Lord Cunliffe's Committee has mapped England's slow route to a goal to which, as this book demonstrates, Russia under Lenin, attaining "le dernier degré de l'inflation dans la monde," passed with lightning speed.

A brief fourth section discusses "déflation," the direction in which we may now be supposed to have set our face with dour resolve and may boast that we have led rather than followed in the track of European currency-handlers, although it must be remembered that the antidote cannot wisely or securely be administered to the sick patient with the short-sighted haste and deadly ease of the original poison. The cure, which is painful, should be gradual. In a final section our authors deal faithfully with inflationist "sophisms," where the inclusion of tainted opinion spread by protectionists may be connected with a pet aversion which they would not, we imagine, be careful to disown.

The appearance of this spirited lucid essay is, as we have hinted, not inopportune. It was well worth the while of MM. Guyot and Raffalovich to bestow pains on pressing home the moral drawn from past history and confirmed by late experience. Of all "forced loans" inconvertible paper money is the "worst," and the manufacture of credit done during the war amounted, by its mischievous influence on prices, to indirect taxation of the people. It is true that there is room for fair argument whether, in British experience, for example, the supply of additional

currency was not a necessary sequence of the credit operation that must be held primarily responsible for the ills and suffering of "inflation." That facile mode of furnishing "ways and means" to driven Ministers, faced by the formidable task, admitting neither of delay nor respite, set by the huge cost of modern warfare on the grand scale, is a new feature distinguishing the recent struggle from its predecessors; and the "rotatory" (or, in the expressive French, the "giratoire") movement, which is the device of contemporary banking, seemed, during the war, to offer almost limitless possibility of raising the big funds required without unconcealed taxation, or straightforward borrowing of savings, got from the contributing or subscribing public. The aftermath accompanying the armistice and peace has rendered disagreeably obvious the inwardness of such finance. Its final impassable boundaries and its postponed but inevitable consequences have been too plainly demonstrated to be neglected or misunderstood. But nevertheless our authors, while, apparently, they indorse Dr. Cannan's characteristically positive exhortation to burn the paper pounds and ten-shillings that we owe to the "profiteering" of the Treasury, are sensible that "inflation" is a term which demands the long, full definition or description they themselves supply, embracing an extraordinary multiplication of banking deposits, against which cheques are drawn. Their attitude here is rightly broader, while in their general treatment they may be inclined to emphasise too narrow what is a prominent symptom rather than sole proof of the underlying malady. The issue of inconvertible paper is fastened upon by them as by others; and we are not sorry, for it is the common and plain incident of conduct, of which continuing recognition of the need for a gold "backing" serves as wholesome restraint.

Of the vice of "inflation" MM. Guyot and Raffalovich entertain no doubt. With French neatness and point the distorting, mystifying atmosphere thereby spread is pithily described by them as a situation in which we witness "Gladstone battu par John Law."

L. L. PRICE

Finanzwissenschaft. VON DR. BÉLA FÖLDES. (Jena, Verlag von Gustav Fisher. 1920. Pp. 686.)

DR. BÉLA FÖLDES, in this work, covers as adequately as a text-book permits the whole ground of Public Finance. His treatment of the subject, which is both historical and analytical,