

countries forms the best proof of the impracticability of this policy. When once international speculation came to believe that a restoration of the old gold standard was to be expected, it took the currency into its own hands, and the authorities lost all control over developments. They were simply obliged to precipitate the deflation in order that the purchasing power of the currency should be made to correspond with its international value. In this way both currencies have been practically restored to their old gold parity, but the deflation which had to be gone through seriously affected the economic life of the countries. The losses were heavy, and unemployment became a most distressing factor. It will probably still take some years before an equilibrium is restored between the different groups of prices, and the economic life of the countries can again be built up on a reliable basis. An evil that always seems to attend such monetary disturbances is the spread of all sorts of false social and economic ideas, with consequent tendencies to experiment with popular devices for evading natural economic laws. This is not the least damage that European countries have suffered from their monetary disorders and their lack of a clear and consistent monetary policy.