all countries endeavoring to stabilize their dollar-exchange that the United States should not enter upon any monetary policy effectively raising the internal value of the dollar. In fact, the problem of stabilizing the world's exchanges being in its nature an international problem, it is desirable that one country should take the lead by fixing the internal value of its money, and it seems natural that this should be the United States.

"In the same manner, it is of great interest for all countries striving to restore a definite parity with gold that the value of gold as against commodities should not be raised and that, when the new parities once have been settled, the value of gold should remain as constant as possible. Though the enormous fall in value of gold since the beginning of the war has certainly been a very injurious process, the inverse process of raising the value of gold would probably be still more disastrous. For the gold countries it would mean a prolonged process of deflation with all its pernicious effects on trade and enterprise and on the financial burdens of the state. For other countries it would seriously aggravate the restoration of a pre-war gold parity or the maintenance of a new established gold parity."

November, 1929

On November 2, 1929, the London Statist reviewed editorially the situation in other countries, under the head "The World Credit Crisis," saying:

Credit Abroad

"We are at the present time witnessing a near approximation to an international credit crisis. The storm center is now in Wall Street, but before the wholesale liquidation in that center made itself felt there had been signs of impending trouble in other parts of the world. * * * On the continent of Europe serious banking difficulties had for some time been apparent. * * * These are some of the indications which had recently become observable of a growing *malaise* in the European industrial and financial spheres. In other parts of the world similar indications were not lacking. * * *

"Upon this apprehensive world position came the crash in Wall Street. The boom in the American Stock Exchange had long ago ceased to have purely domestic significance. In the first place, the eagerness of the American speculator had drawn within the vortex of rising prices a large number of shares of non-American companies—principally Canadian and British. Secondly, the reaction of American credit conditions to the extension of stock speculation had in turn had its effect upon the whole structure of world credit. The break in the boom was, therefore, bound to have immediate repercussions throughout the world. * * * Montreal, by reason of its geographical proximity to New York, has been one of the worst sufferers. The collapse in the securities market has accentuated some of the difficulties which, for many months, have been observable in the Canadian exchange situation and, during the current week, the Canadian dollar has fallen in London * * * well below the gold export point for Canada, and it is only by the unofficial but nevertheless rigorous application of an embargo on gold exports that substantial quantities of gold have not left Canada. * * * Another currency which has recently been forced off the gold standard is the Argentine peso. * * * The gold point has been passed and it is understood that an unofficial embargo on gold exports has been imposed. These reactionary developments—the forsaking of the gold standard by two

Gold Standard

(*Continued on page* 25)