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THE RESTORATION OF EUROPEAN
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THE RESTORATION OF EUROPEAN CURRENCIES

BY

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PREFACE

THE following pages were prepared and intended for completion for the autumn of 1926. This was rendered impossible by uncontrollable circumstances. Since that time, important changes have occurred in the general monetary situation in Europe, and the original draft has been completely rewritten with a view to bringing the narrative as far as possible up to date. The final stabilisation of the French franc and the Italian lire remain to be achieved, but except for political considerations that end might already have been accomplished.

As in other cases, a proper understanding of post-war monetary problems as these have developed in Europe requires the adoption of a true sense of perspective. It is to that end that emphasis has been laid in the concluding chapter of this volume upon the successive phases of the general problem of monetary reorganisation which have occurred. It would be misleading to conclude that, with the general reorganisation of European currencies on a gold basis, the monetary difficulties of the present generation had been brought to an end. The problem remains as to the future trend of gold prices and the possibility of preventing extensive movements in either direction which might occur in the value of gold in years to come. The fact that the form of the problem depends upon so many uncertain factors should not be allowed to justify an attitude of neglect. It is perhaps significant of recent developments in economic ideas that schemes for stabilising the value of gold should no longer be relegated to academic treatises. The principles outlined in the Genoa Resolutions in 1922 represent an important advance in the direction

of "managing" this problem. The long-period problem of the future value of gold is not, however, examined in detail in the present volume, but is deferred to a later occasion. The recognition of its existence is nevertheless important.

Finally, I desire to express my indebtedness to all those unnamed persons who have assisted in any way towards the writing of these pages.

D. T. JACK.

*The University, Glasgow,
September 1927.*

CONTENTS

CHAP.	PAGE
I. INTRODUCTION	I
II. UNITED KINGDOM	45
III. SWEDEN, DENMARK AND NORWAY	66
IV. HOLLAND	79
V. SWITZERLAND	83
VI. GERMANY	88
VII. FRANCE	113
VIII. BELGIUM	135
IX. ITALY	143
X. AUSTRIA	149
XI. CZECHOSLOVAKIA	162
XII. RUSSIA	166
XIII. POLAND	179
XIV. BALTIC STATES	191
XV. CONCLUSION	205
APPENDICES	214
INDEX	217

APPENDIX I

TABLE OF GOLD AND FOREIGN ASSETS RESERVE OF CHIEF BANKS.

a = Gold. *b* = Foreign Assets.

	Dec. 1913.	Dec. 1924.	Dec. 1925.	Dec. 1926.
Germany. <i>a.</i> (marks)	1,170 m.	760 m.	1,208 m.	1,831 m.
<i>b.</i> " "	68 m.	253 m.	403 m.	519 m.
Austria. <i>a.</i> (schilling)	—	11 m.	15 m.	53 m.
<i>b.</i> " "	—	347 m.	499 m.	613 m.
Belgium. <i>a.</i> (francs)	249 m.	272 m.	274 m.	446 m.
<i>b.</i> " "	167 m.	30 m.	30 m.	323 m.
Bulgaria. <i>a.</i> (levas)	55 m.	40 m.	41 m.	44 m.
Denmark. <i>a.</i> (kroner)	73 m.	209 m.	209 m.	209 m.
<i>b.</i> " "	—	—	90 m.	27 m.
Spain. <i>a.</i> (pesetas)	480 m.	2,535 m.	2,537 m.	2,537 m.
<i>b.</i> " "	194 m.	34 m.	29 m.	35 m.
Finland. <i>a.</i> (markka)	276 m.	332 m.	332 m.	327 m.
<i>b.</i> " "	820 m.	563 m.	1,272 m.	1,317 m.
France. <i>a.</i> (francs)	3,517 m.	5,545 m.	5,548 m.	5,548 m.
<i>b.</i> " "	—	69 m.	65 m.	83 m.
Greece. <i>a.</i> (drachmæ)	25 m.	64 m.	66 m.	77 m.
Hungary. <i>a.</i> (pengo)	—	39 m.	59 m.	169 m.
<i>b.</i> " "	—	149 m.	207 m.	117 m.
Italy. <i>a.</i> (lire)	1,493 m.	1,723 m.	1,726 m.	1,650 m.
<i>b.</i> " "	—	147 m.	182 m.	630 m.
Latvia. <i>a.</i> (lats)	—	24 m.	24 m.	24 m.
<i>b.</i> " "	—	60 m.	35 m.	35 m.
Lithuania. <i>a.</i> (litas)	—	31 m.	32 m.	31 m.
<i>b.</i> " "	—	62 m.	30 m.	37 m.
Norway. <i>a.</i> (kroner)	44 m.	147 m.	147 m.	147 m.
Holland. <i>a.</i> (gulden)	151 m.	505 m.	443 m.	414 m.
<i>b.</i> " "	14 m.	112 m.	247 m.	187 m.
Poland. <i>a.</i> (złote)	—	103 m.	134 m.	138 m.
<i>b.</i> " "	—	254 m.	(-3) m.	125 m.
Portugal. <i>a.</i> (escudos)	8 m.	9 m.	9 m.	9 m.
Rumania. <i>a.</i> (lei)	152 m.	248 m.	252 m.	257 m.
U.K. <i>a.</i> (pounds)	35 m.	129 m.	145 m.	151 m.
Russia. <i>a.</i> (roubles)	—	142 m.	182 m.	164 m.
<i>b.</i> " "	—	102 m.	51 m.	65 m.
Sweden. <i>a.</i> (kroner)	102 m.	237 m.	230 m.	224 m.
<i>b.</i> " "	122 m.	136 m.	202 m.	204 m.
Switzerland. <i>a.</i> (francs)	170 m.	506 m.	467 m.	472 m.
<i>b.</i> " "	—	47 m.	26 m.	35 m.
Czechoslovakia. <i>a.</i> (kč.)	—	913 m.	916 m.	918 m.
<i>b.</i> " "	—	737 m.	1,199 m.	2,083 m.

(From League of Nations, *Monthly Bulletin of Statistics*.)

APPENDIX II

INDEX NUMBER OF PRICES (Wholesale).

(Monthly Averages.)

	1913.	1920.	1924.	1926.	1927 (June).
United Kingdom *	100	307	166	148	142
United States †	100	226	150	151	144
France ‡	100	509	488	703	622
Italy §	100	624	585	708	568
Germany	100	1,486	137	134	138
Holland	100	292	156	145	149
Denmark ¶	100	341	234	141	142
Spain	100	221	183	181	171
Finland	100	1,183	1,100	1,088	1,102
Norway	100	—	267	198	166
Poland	100	—	110	181	206
Russia **	100	—	172	177	173
Sweden	100	359	162	149	146
Switzerland	100	—	175	147	147
Czechoslovakia	100	—	997	954	992

(From League of Nations, *Monthly Bulletin of Statistics*.)

* Board of Trade.

† Official.

‡ Official: New Series from 1924.

** End of year.

† Bureau of Labour.

§ Bacchi.

¶ Finanstidende.

INDEX

- Addis, 212
 Agent-General for Reparation Payments, 110
 Austria, 4, 11, 27, 42, Chap. X

 Bank of England policy, 63
 Belgium, 11, 23, 53, 59, Chap. VIII
 Bergmann, 96
 Bonn, 93 n.
 Bordes, 151, 152
 Brussels Financial Conference, 206
 Budget equilibrium, 27, 29, 31, 101, 171, 182, 206

 Caillaux, 125
 Cassel, 9, 15, 23, 67 n., 68
 Chlepnier, 136 n.
 Committee on Currency and Bank of England Note Issues, 54-5
 Czechoslovakia, 40, Chap. XI

 D'Abernon, 26, 96 n., 102
 Dawes Scheme, 99, 103, 111, 145
 Deflation, 36, 38, 40, 163, 206
 Denmark, Chap. III
 "Depreciation" tax, 8, 184
 Devaluation, 37, 42, 207
 Discount rates, 46, 54, 55, 56, 62, 85

 Estonia, Chap. XIV
 Exchanges, 13-16, 19, 21, 24, 25, 48, 54, 68, 69, 74, 81, 84, 86, 91, 94, 119, 123, 133, 140, 147, 151, 155, 160, 164, 165, 181, 183, 193, 198
 Federal Reserve policy, 46
 Finland, Chap. XIV

 "Flight" from currency, 13, 23, 31, 126
 Floating debts, 26, 91, 95, 115, 128, 136, 141
 Foreign loans, 28, 62, 74, 110, 114, 124, 136, 142, 146, 151, 164, 184, 189, 195, 206
 France, 6, 18, 19, 24, 31, 41, 53, 59, Chap. VIII
 Franck, 136, 139, 141

 Genoa Conference, 207, 208, 209, 210, 211
 Germany, 4, 5, 7, 9, 11, 20, 24, 26, 33, 42, Chap. VI, 135
 Gold Exchange Standard, 44, 210
 Gold movements, 57, 62, 63, 68, 72, 84, 212
 Gold production, 209
 Gold stocks, 10, 72, 79, 80, 96, 109, 118, 214
 Grabski, 182, 183
 Gregory, 32, 57 n., 62 n., 63, 129, 186 n.

 Helfferich, 89
 Holland, 23, 43, 59, Chap. IV

 Indian Currency and Finance, Royal Commission on, 1926, 212
 Inflation, 2-4, 7, 8, 12-13, 24
 Italy, 11, 53, 59, Chap. IX

 Janssen, 138

 Katzenellenbaum, 169, 174
 Kemmerer Report, 190
 Keynes, 9, 17, 24, 50, 62 n., 99 n.

- Latvia, Chap. XIV
 Layton and Rist, 158, 159, 160
 League of Nations, 28, 154, 200
 Lithuania, Chap. XIV
 Loveday, 90 n.
- Mlynarski, 187, 188
- New Economic Policy (Russia), 170
 Norway, Chap. III
- Poincaré, 134
 Poland, 9, 11, 28, 31, 43, Chap. XIII
 Prices, 5, 17, 19, 30, 45, 47, 48, 56, 57, 70, 72, 77, 78, 81, 82, 86, 92, 93, 107, 118, 133, 140, 142, 145, 147, 151, 152, 155, 157, 164, 165, 168, 169, 186, 202, 203, 215
 Public debts, 40, 73, 79, 89, 115, 136, 167
 Public finances, 6, 10, 11, 26, 31, 39, 40, 73, 83, 95, 114, 121, 123, 127, 135, 152, 167, 180, 182
 Purchasing-power-parities, 15, 17, 18, 49, 77, 78, 82, 119, 132, 145, 202
- Rasin, 162, 164
 Reparations, 92, 94, 97, 153
 Report of French Committee of Experts (1926), 116, 128, 208
 Reserves, gold, 214; foreign currencies, 214
- Ruhr, 94, 123
 Russia, 4, 6, 9, 12, 24, 25, 28, 43, Chap. XII
- Schacht, 110
 Sheltered prices, 50-1, 58, 65
 Speculation, 22
 Stabilisation, 27, 28, 29, 32, 33, 35, 37, 42, 129, 139, 141, 142, 156, 160, 204
 Sweden, 9, 10, 43, 53, 59, Chap. III
 Switzerland, 9, 43, Chap. V
- Taxation, 8, 10, 27, 31
 Trade returns, 60-1, 67, 72, 73, 113, 144, 159
- Unemployment, 49, 51, 52, 58, 69, 77, 78, 82, 86, 107, 145, 148, 157, 165, 186
 United Kingdom, 6, 8, 10, 34, 43, Chap. II, 209
 United States, 6, 10, 20, 44-7, 48, 53, 54, 55, 57, 59, 60 n., 62, 207, 211
 Unsheltered prices, 50-1, 58, 65
- Wicksell, 66 n.
- Young, E. Hilton, 181
 Yurovsky, 169, 170, 171, 174
- Zdziechowski, 9, 181 n., 186 n.

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