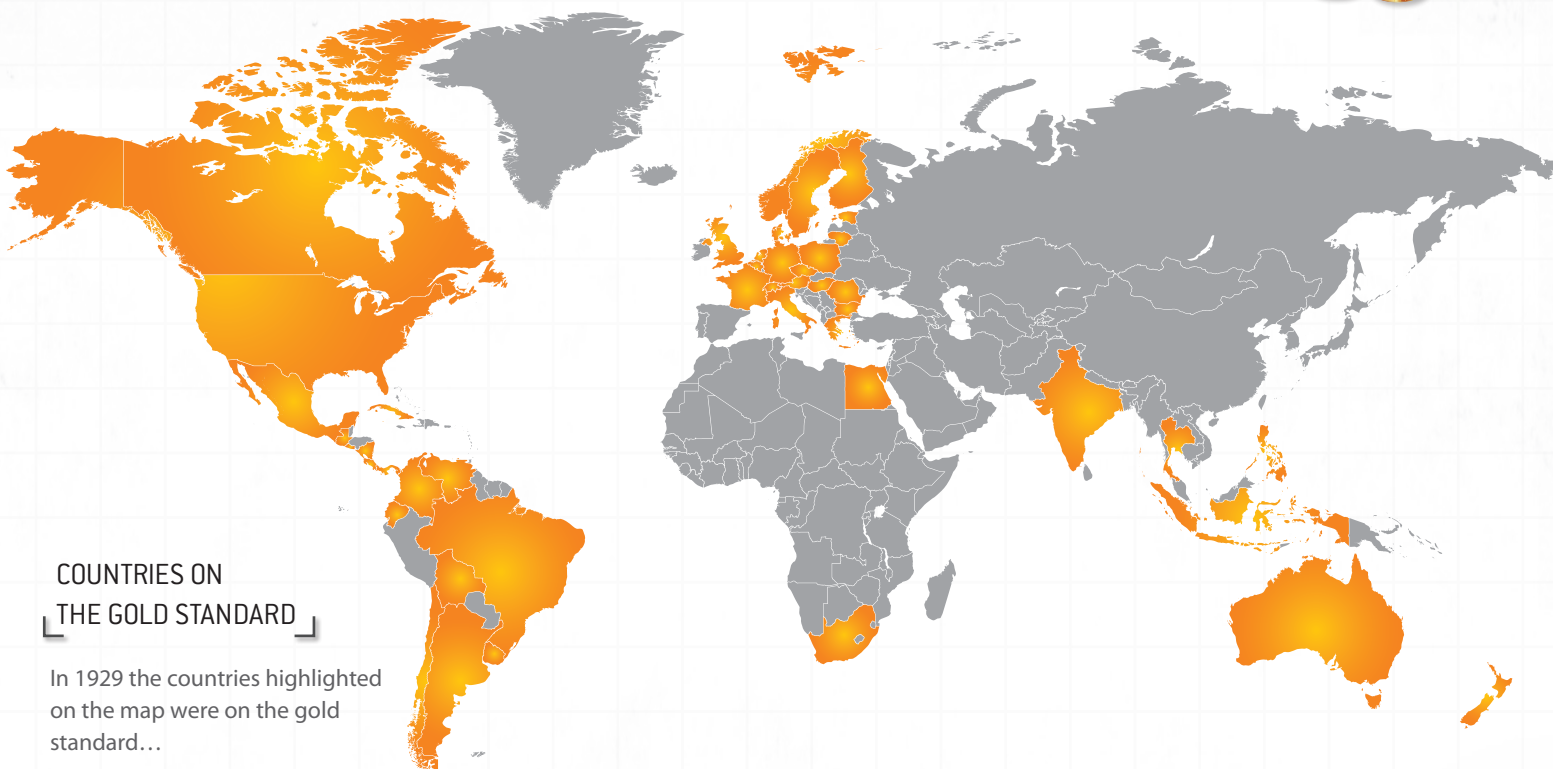


THE GOLD STANDARD'S EFFECT ON THE BRITISH (AND WORLD) ECONOMY DURING THE GREAT DEPRESSION

IN 1925, BRITAIN DECIDED TO RETURN TO THE GOLD STANDARD

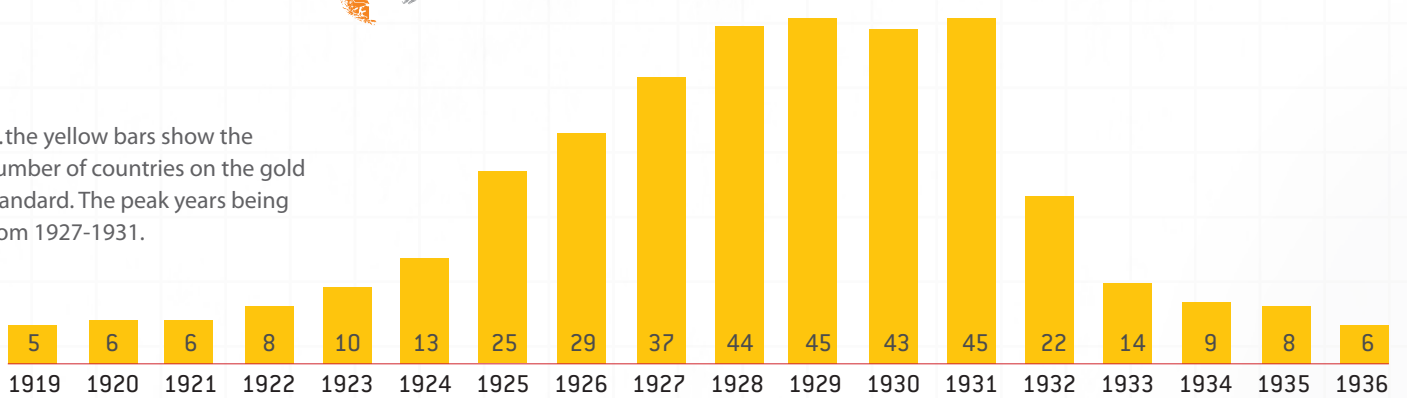
Britain's decision started a mad dash amongst other countries to also adopt the gold standard.



COUNTRIES ON THE GOLD STANDARD

In 1929 the countries highlighted on the map were on the gold standard...

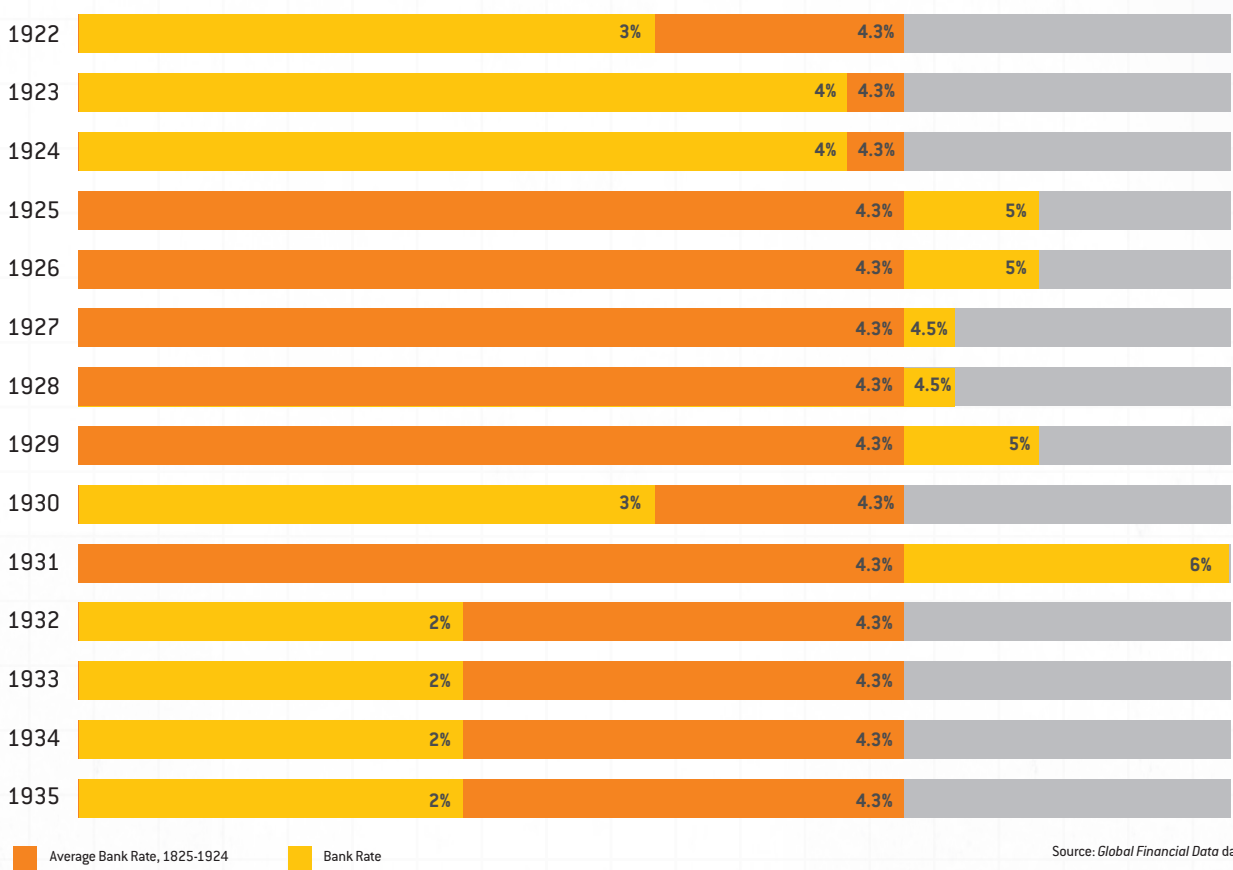
...the yellow bars show the number of countries on the gold standard. The peak years being from 1927-1931.



Source: Barry Eichengreen, *Golden Fetters: The Gold Standard and the Great Depression* [Oxford University Press, 1992]

BANK OF ENGLAND'S INTEREST RATE DURING THE YEARS LEADING UP TO THE RETURN TO GOLD

Maintaining the gold standard forced the Bank of England to maintain high interest rates, which hurt the economy...

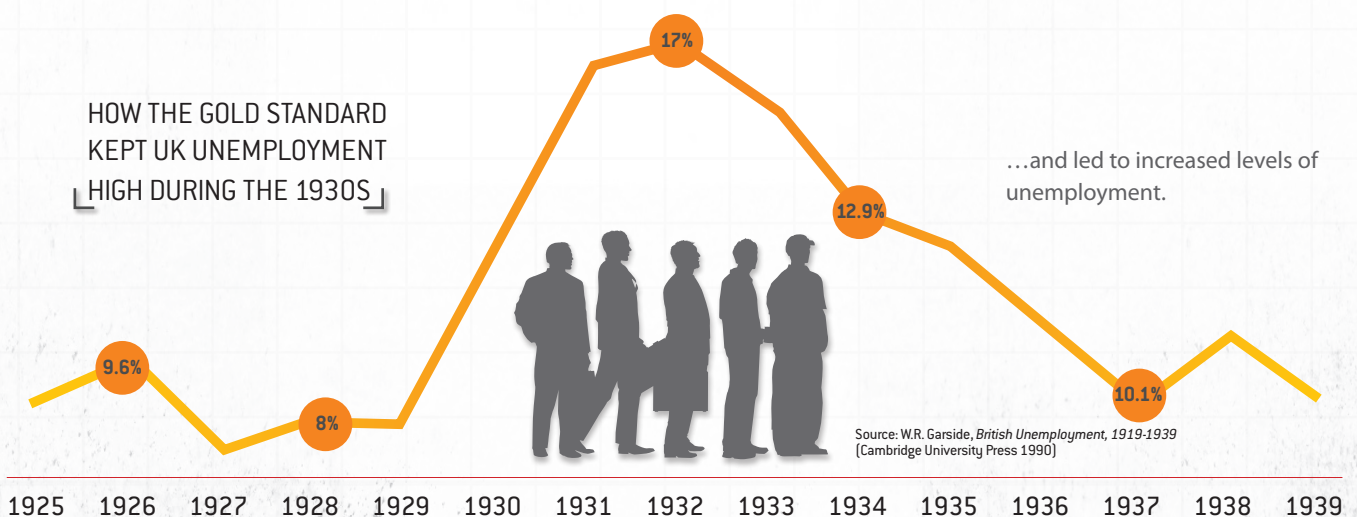


YEARS ON THE GOLD STANDARD

Source: Global Financial Data database

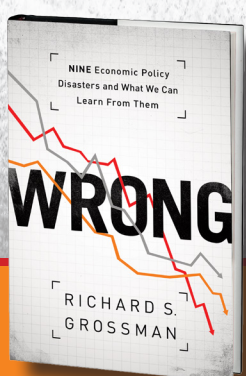
HOW THE GOLD STANDARD KEPT UK UNEMPLOYMENT HIGH DURING THE 1930S

...and led to increased levels of unemployment.



Source: W.R. Garside, *British Unemployment, 1919-1939* [Cambridge University Press 1990]

The rise in British unemployment was mirrored in other countries/across the industrialized world.



Read more about the disastrous return to the gold standard, as well as other epic economic policy mistakes in *WRONG: Nine Economic Policy Disasters and What We Can Learn from Them* by Richard S. Grossman.

Now available wherever books are sold. Also available as an e-book.

OXFORD UNIVERSITY PRESS