

Letter: Denarius and the dollar

From Jeffrey Race, Somerville, MA, US

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In “Lagarde warns on parallels to 1920s slump” ([Report](#), September 21), you quote Christine Lagarde, president of the European Central Bank, as saying that — relieved of the constraints imposed by the link to precious metals — central bankers’ tools for preserving the overarching goal of price stability “have proved effective”.

The Roman denarius was roughly stable for three centuries between 250BC and 50AD, then dropped about 55 per cent over the next 145 years. The US dollar was roughly stable for 200 years until 1971.

Then — using those effective central bank tools — it lost about 80 per cent or more of its purchasing power over the next 50 years, a much faster decline than that of the Roman coinage.

Current US experience more closely resembles the final denarius collapse to extinction starting in 250AD.

In fact Lagarde’s statement is egregiously false, but this was neither clarified nor even hinted at in your article.

My psychiatrist daughter would call her statement delusional. This reader is sorely disappointed, as surely are many other FT enthusiasts. We buy your paper to be warned of financial delusions in our times.

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