



TECHNOLOGY

HOW THE DOLLAR TOOK OVER THE WORLD

BRETTON WOODS, 1944. 44 NATIONS MET IN NEW HAMPSHIRE. THE DOLLAR REPLACED THE POUND. TODAY: 57% OF ALL GLOBAL RESERVES

SWIPE FOR MORE ▶



THE POUND WAS KING

BEFORE 1944, THE BRITISH POUND WAS THE WORLD'S DOMINANT CURRENCY. THE BANK OF ENGLAND BACKED IT WITH GOLD. WORLD WAR II HAD DRAINED BRITAIN. THE BRITISH EMPIRE WAS CRUMBLING FAST



AMERICA HELD THE WORLD'S GOLD

BY THE END OF WORLD WAR II, THE US HELD TWO-THIRDS OF THE WORLD'S GOLD RESERVES. THE AMERICAN ECONOMY BOOMED. EUROPE WAS IN RUINS. AMERICA BECAME THE WORLD'S BIGGEST CREDITOR



THE BRETTON WOODS CONFERENCE

JULY 1944. 730 DELEGATES FROM 44 ALLIED NATIONS MET AT THE MOUNT WASHINGTON HOTEL IN BRETTON WOODS, NEW HAMPSHIRE. THE GOAL: BUILD A NEW GLOBAL MONEY SYSTEM BEFORE WWII ENDED



KEYNES VS WHITE

BRITAIN'S ECONOMIST JOHN MAYNARD KEYNES PROPOSED A NEUTRAL GLOBAL CURRENCY CALLED "BANCOR." US ECONOMIST HARRY DEXTER WHITE WANTED THE DOLLAR AT THE CENTER. THE US HELD THE GOLD. AMERICA WON



\$35 DOLLAR PEGGED TO GOLD

THE DEAL: DOLLAR PEGGED TO GOLD AT \$35 PER OUNCE. EVERY OTHER CURRENCY PEGGED TO THE DOLLAR. ONLY THE DOLLAR WAS CONVERTIBLE TO GOLD. THE WORLD NOW RAN ON DOLLARS



IMF AND WORLD BANK BORN

BRETTON WOODS ALSO CREATED TWO NEW INSTITUTIONS: THE INTERNATIONAL MONETARY FUND (IMF) AND THE WORLD BANK. THE IMF MANAGED EXCHANGE RATES. THE WORLD BANK FUNDED REBUILDING EUROPE AND DEVELOPING NATIONS



NIXON BROKE THE GOLD LINK

ON AUGUST 15, 1971, PRESIDENT NIXON ENDED DOLLAR CONVERTIBILITY TO GOLD. TOO MANY DOLLARS WERE PRINTED DURING VIETNAM. FOREIGN GOVERNMENTS WANTED GOLD FOR DOLLARS. THE GOLD STANDARD WAS OVER





JUNE 1974
US - SAUDI ARABIA
AGREEMENT



THE PETRODOLLAR ERA

IN JUNE 1974, KISSINGER STRUCK A DEAL WITH SAUDI ARABIA. SAUDIS PRICED OIL IN DOLLARS AND REINVESTED PROFITS IN US TREASURIES. THE US GAVE MILITARY PROTECTION. THE PETRODOLLAR WAS BORN



THE DOLLAR STILL RULES

THE DOLLAR IS 57% OF ALL GLOBAL RESERVES TODAY. DOWN FROM 71% IN 1999. STILL NEARLY 3 TIMES BIGGER THAN THE EURO. THE DOLLAR STILL RULES THE WORLD

