

# History of Floating Exchange Rates

**July 1944**

The Bretton Woods Conference established the Monetary International Fund (IMF) and the World Bank

**1967**

Run on gold and an attack on the British pound caused a 14.3% devaluation

**1973**

System collapsed

**July 1944**

Gold price was set at \$35 per ounce (participating countries pegged their currency to the dollar)

**1971**

President Nixon took the U.S. off the gold standard



# Trade Deficit/Surplus