

Bretton Woods Reconsidered: The Dollar Standard and the Role of China

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The US Dollar's Roles as International Money (1945 to 2014)

| | <i>Private</i> | <i>Official</i> |
|-------------------------------------|----------------|-----------------|
| <i>Medium of Exchange</i> | Vehicle | Intervention |
| <i>Store of Value</i> | Banking | Reserves |
| <i>Unit of Account</i> | Invoice | Peg |
| <i>Standard of Deferred Payment</i> | Private Bonds | Sovereign Bonds |

Les Trente Glorieuses

Average Real GDP Growth Rates: 1946 – 1975

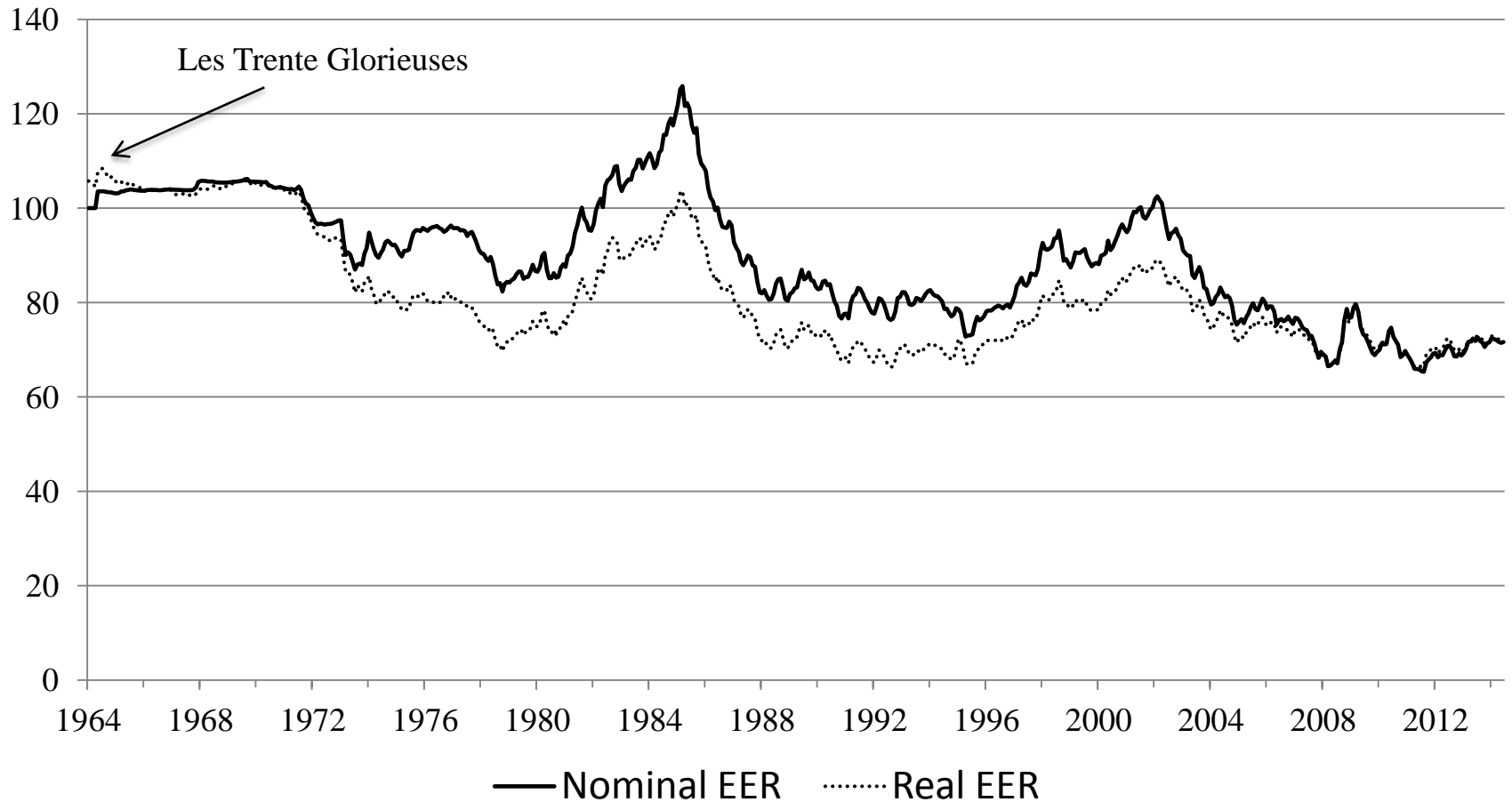
| | 1946-50 | 1951-54 | 1955-60 | 1961-65 | 1966-70 | 1971-75 |
|---------|---------|---------|---------|---------|---------|---------|
| France | 17.76 | 4.46 | 4.70 | 5.79 | 5.36 | 3.50 |
| Germany | 2.81 | 8.93 | 6.54 | 4.47 | 3.97 | 2.23 |
| Italy | 13.94 | 6.63 | 5.49 | 5.90 | 5.73 | 2.97 |
| Japan | 9.46 | 9.13 | 8.58 | 9.38 | 11.56 | 4.37 |
| U.K. | 0.09 | 2.89 | 2.49 | 3.21 | 2.48 | 2.20 |
| | | | | | | |
| Canada | 2.96 | 5.25 | 3.99 | 5.64 | 4.52 | 4.41 |
| U.S. | -1.86 | 4.47 | 2.55 | 4.97 | 3.42 | 2.69 |

Source: Bolt, J. and J. L. van Zanden (2013). The First Update of the Maddison Project; Re-estimating Growth Before 1820. Maddison Project Working Paper 4

Note: 1990 International Geary-Khamis dollars

U.S. Effective Exchange Rate: 1964 – 2014

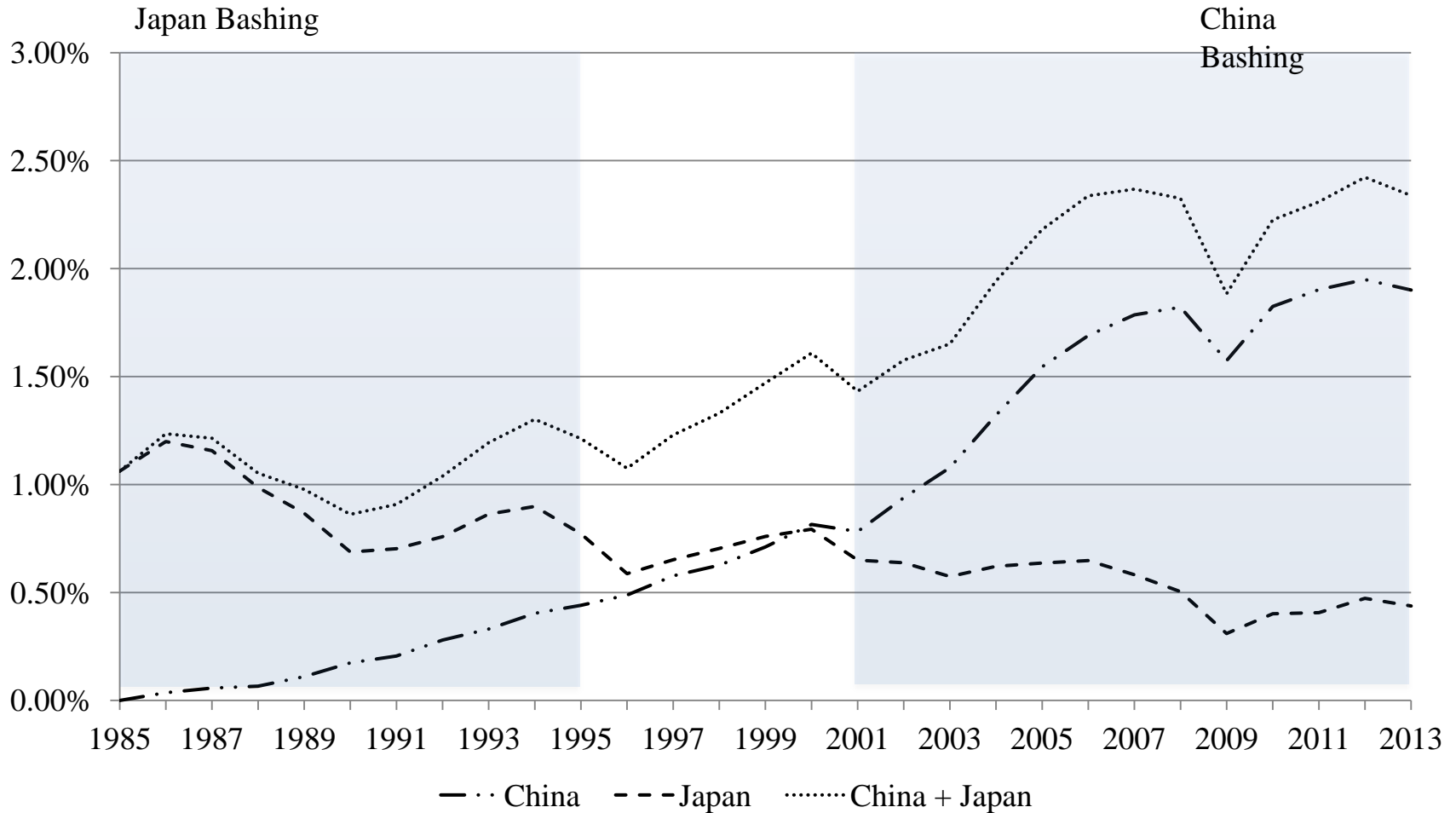
(1964 = 100)



Source: Bank of International Settlements

Bilateral Trade Balance of China & Japan vs. U.S.

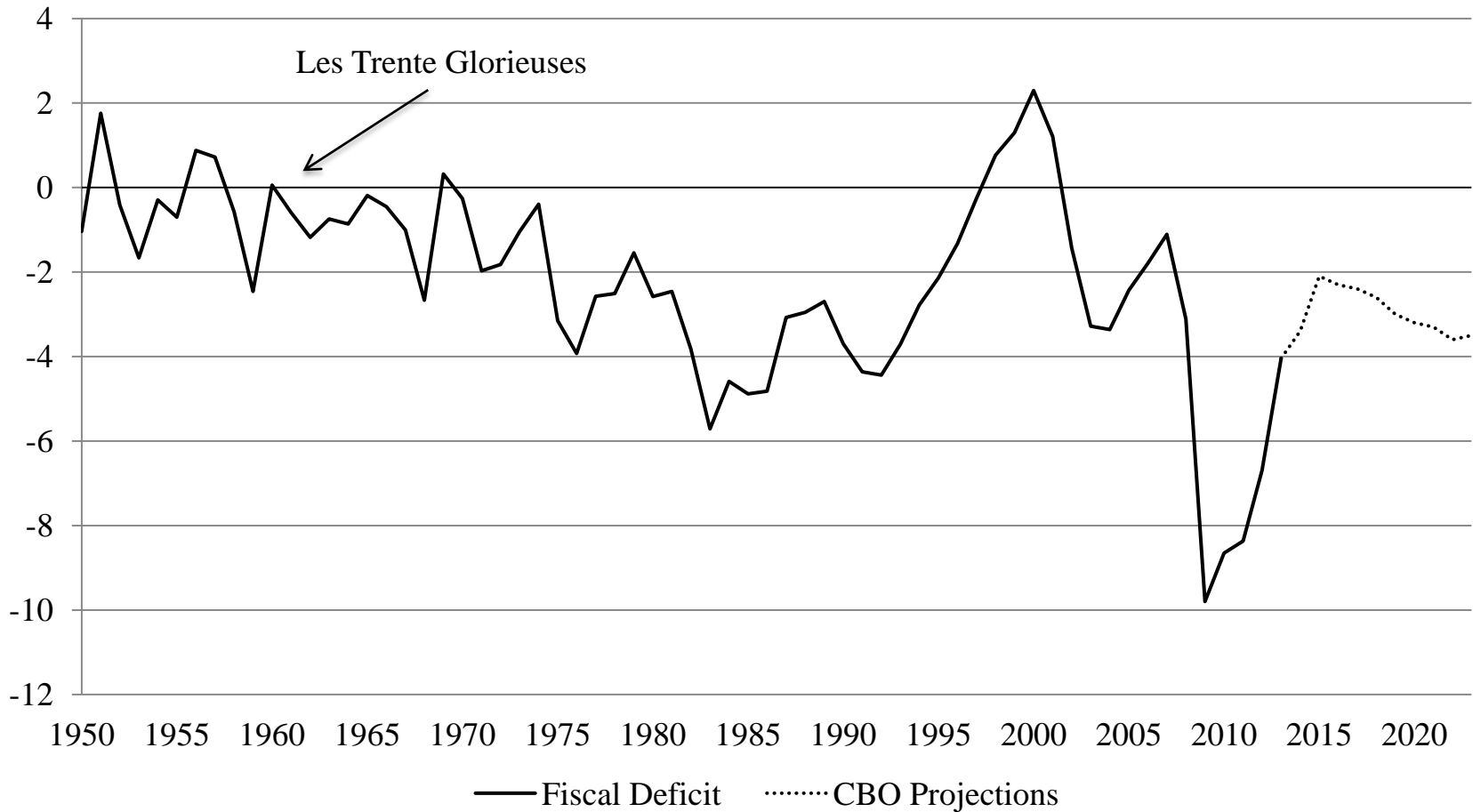
(Current Prices, % U.S. GDP)



Source: Bureau of Economic Analysis,
Census Bureau, International Monetary Fund

U.S. Fiscal Deficit/Surplus: 1950 – 2013

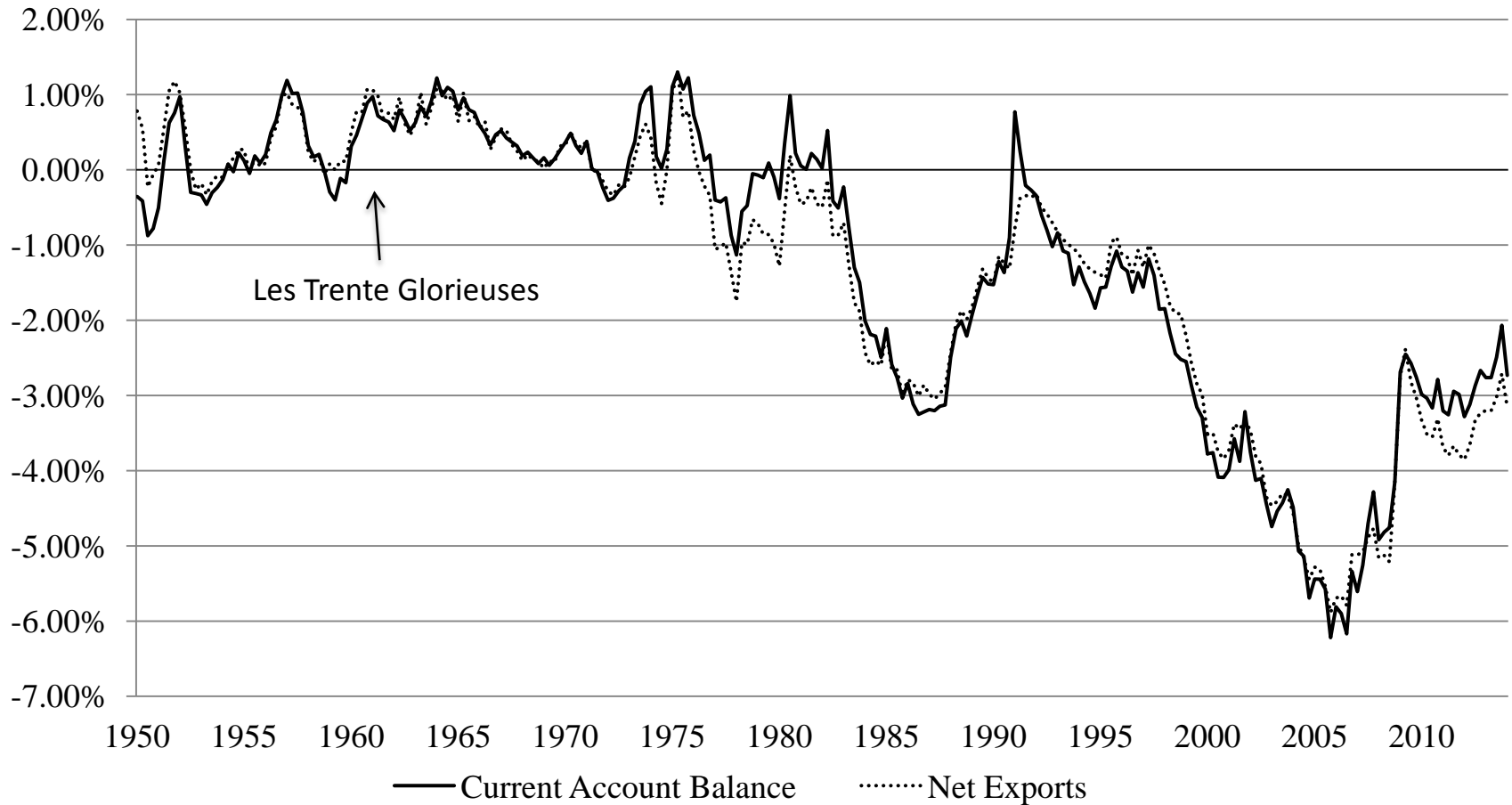
(CBO Projections 2014 – 2023, % GDP)



Source: Federal Reserve, Bureau of Economic Analysis,
Congressional Budget Office

U.S. Current Account & Trade Balance

(% GDP, 1950 – present)



Source: Federal Reserve, Bureau of Economic Analysis