



“十二五”江苏省高等学校重点教材

# 国际金融英语

顾维勇·编著

ENGLISH FOR  
INTERNATIONAL FINANCE STUDIES



东南大学出版社  
SOUTHEAST UNIVERSITY PRESS

ENGLISH FOR  
INTERNATIONAL FINANCE STUDIES

# 国际金融英语

顾维勇 编著



东南大学出版社

SOUTHEAST UNIVERSITY PRESS

· 南京 ·



## 内容提要

本书按照国际货币体系发展、国际金融机构以及枢要货币等专题,较为详细地介绍了国际货币体系的形成、发展以及在国际经济活动中的作用,重点介绍了国际货币基金组织 IMF(GAB, SDRs 等)、世界银行、亚洲发展银行等主要国际金融机构的溯源、变迁以及在现代国际金融体系中的重要功能,详述了美国联邦储备体系及美元、欧元体系及欧元、人民币和香港、澳门、台湾地区的货币的来源及发展过程,力图帮助学习者了解国际货币体系的概貌、相关金融机构的功能及在现代政治和经济生活中的作用、主要货币的发展变化及其在国际金融体系中的重要作用。本书选材专业,时效性强,易教易学,且辅之以翻译练习和阅读材料以拓展专题知识。本书适用于金融、外经贸等专业的学生,也可供从事金融工作的人员作为辅助读物使用。

### 图书在版编目(CIP)数据

国际金融英语/顾维勇编著. —南京:东南大学出版社,2015.12

ISBN 978-7-5641-6238-2

I. ①国… II. ①顾… III. ①国际金融—英语  
IV. ①H31

中国版本图书馆CIP数据核字(2015)第316148号

### 国际金融英语

编 著	顾维勇	责任编辑	刘 坚		
电 话	(025)83793329/83790577(传真)	电子邮箱	liu-jian@seu.edu.cn		
出版发行	东南大学出版社	出版人	江建中		
地 址	南京市四牌楼2号	邮 编	210096		
销售电话	(025)83794561/83794174/83794121/83795801/83792174 83795802/57711295(传真)				
网 址	<a href="http://www.seupress.com">http://www.seupress.com</a>	电子邮箱	press@seupress.com		
经 销	全国各地新华书店	印 刷	扬中市印刷有限公司		
开 本	787mm×1092mm 1/16	印 张	18	字 数	470千字
版 次	2015年12月第1版				
印 次	2015年12月第1次印刷				
书 号	ISBN 978-7-5641-6238-2				
定 价	40.00元				

\* 未经许可,本书内文字不得以任何方式转载、演绎,违者必究。

\* 本社图书若有印装质量问题,请直接与营销部联系,电话:025-83791830。

## 前 言

作为商务英语、金融及贸易等课程体系中的重要组成部分,《国际金融英语》的主要目的在于通过得当的选材和丰富的专题阅读,让学习者能够了解涉及国际金融的基础知识,熟悉相关专业词汇和表述,为进一步深入学习专业课程奠定坚实的基础。笔者于2010年编写并出版了《新编国际金融英语教程》,得到了同行专家的关注和好评,并被国内多家院校选用,且于2012年获得了南京市“第十一届哲学社会科学优秀成果三等奖”。

本教材《国际金融英语》是在广泛征集使用者的意见的基础上,结合笔者近几年的研究成果和最新的国际金融发展状况修订而成的,主要包括:国际货币体系发展、国际金融机构以及枢要货币等专题。国际货币体系发展专题涉及金本位制、弹性汇率、布雷顿森林体系以及欧洲货币体系等,较为详细地介绍了国际货币体系的形成及发展以及在国际经济活动中的作用;国际金融机构重点介绍国际货币基金组织 IMF(GAB, SDRs 等)、世界银行、亚洲发展银行等,重点介绍了各组织的溯源及变迁以及在现代国际金融体系中的重要功能;枢要货币专题重点介绍美国联邦储备体系及美元、欧元体系及欧元、人民币和香港、澳门、台湾地区的货币的来源及发展过程。通过这三个部分的学习,学习者能够了解国际货币体系的概貌、相关金融机构的功能及在现代政治和经济生活中的作用、主要货币的发展变化及在国际金融体系中的重要作用。相较于同类图书,本书的鲜明特色在于:

1. 选材紧扣专业方向。世界货币体系的发展、世界主要金融机构、枢要货币,中国货币单元除了介绍人民币外还介绍了港币、澳币及台币,这些专题内容都涉及相关专业学生必备的专业基础知识。

2. 内容既具有专业性,也具有较好的适时性。大部分内容为市面上教材中所未涉及的,语言地道。

3. 设计风格生动活泼。有的章节配备了图片,让读者欣赏图案的同时学习相关的英语知识。

4. 编排体例新颖,实用性强,易教易学。内容中涉及的背景知识均专项列出,为教学提供了方便。难度较大的句子尽量排在翻译专项练习中。配备的拓展阅读材料与课文材料相关以拓展该专题知识。

本教程建议用40课时左右学完。使用者可根据教学实际,考虑各校安排的课时量,对教程进行有选择的使用,亦可补充新的内容充实教学或替换旧的材料。教学过程中建议师

生充分利用网络资源,采用多媒体手段,拓展阅读视野,对课文中出现的相关术语,语言点或背景知识多查阅资料或工具书等,力求完全准确的理解。

全书由顾维勇教授统筹大纲、目录及选材,孙维林和刘源老师分别负责国际金融机构及枢要货币单元的编写,全书最终由顾维勇教授统稿。《国际金融英语》获得了江苏省教育厅重点教材建设立项,东南大学出版社编审刘坚博士后在本书出版过程中精心审稿,提出了不少有益的建议,在此谨致谢忱!

由于时间仓促,加之笔者专业知识有限,本书中差错在所难免,欢迎同行专家及使用者不吝赐教!

顾维勇

2015年9月于南京

# Contents

<b>PART I</b>	<b>EVOLUTION AND OPERATION OF THE INTERNATIONAL MONETARY SYSTEM</b>	
	<b>CHAPTER 1 THE GOLD STANDARD ERA, 1870—1914</b>	/2
	FURTHER READING GOLD STANDARD	/10
	<b>CHAPTER 2 THE INTER-WAR PERIOD (1918—1939) AND THE BRETTON WOODS SYSTEM (1944—1973)</b>	/15
	FURTHER READING THE LATE BRETTON WOODS SYSTEM THE U.S. BALANCE OF PAYMENTS CRISIS (1958—1968)	/31
	<b>CHAPTER 3 MANAGED FLOATING SINCE 1973 AND THE EUROPEAN MONETARY SYSTEM</b>	/38
	FURTHER READING FIXED OR FLEXIBLE? GETTING THE EXCHANGE RATE RIGHT IN THE 1990s	/48
<b>PART II</b>	<b>ORGANIZATIONS</b>	
	<b>CHAPTER 4 THE INTERNATIONAL MONETARY FUND (IMF)</b>	/62
	FURTHER READING PROMOTING A MORE SECURE AND STABLE GLOBAL ECONOMY—IMF ANNUAL REPORT 2013 (Overview)	/75
	<b>CHAPTER 5 THE WORLD BANK</b>	/79
	FURTHER READING THE WORLD BANK; THE ROLES OF IBRD AND IDA	/97
	<b>CHAPTER 6 ASIAN DEVELOPMENT BANK</b>	/101
	FURTHER READING PEOPLE'S REPUBLIC OF CHINA, ASIAN DEVELOPMENT OUTLOOK 2014	/114
<b>PART III</b>	<b>CURRENCIES</b>	
	<b>CHAPTER 7 THE FEDERAL RESERVE SYSTEM</b>	/124
	FURTHER READING THE FEDERAL RESERVE SYSTEM	/155
	<b>CHAPTER 8 THE EUROPEAN CENTRAL BANK &amp; THE EUROSISTEM</b>	/175
	FURTHER READING THE EUROSISTEM	/209
	<b>CHAPTER 9 HISTORY OF RENMINBI (RMB)</b>	/228
	FURTHER READING HK DOLLAR, MACANESE PATAKA, NEW TAIWAN DOLLAR	/255
	<b>KEY TO THE EXERCISES</b>	/271

Part

I

EVOLUTION AND OPERATION OF THE INTERNATIONAL  
MONETARY SYSTEM



CHAPTER 7

**THE GOLD STANDARD ERA, 1870—1914**

**Learning Objectives**

1. The concept of gold standard and its origins;
2. The rules of gold standard;
3. The operation of the gold standard.

**Origins of the Gold Standard**

The gold standard had its origin in the use of gold coins as a medium of exchange, unit of account, and store of value. While gold has been used in this way since ancient times, the gold standard as a legal institution dates back to 1819, when the British Parliament passed the Resumption Act. The Resumption Act marks the first adoption of a true gold standard because it simultaneously repealed long-standing restrictions on the export of gold coins and bullion from Britain.

Later in the nineteenth century, Germany, Japan, and other countries also followed suit. The U. S. effectively joined the gold standard in 1879 and institutionalized the dollar-gold link through the U. S. Gold Standard Act of 1900. With Britain's preeminence in international trade and the advanced development of its financial system, London naturally became the center of the international monetary system built on the gold standard.

**The Gold Standard Rules**

The gold standard regime has conventionally been associated with three rules of the game. The first rule is that in each participating country the price of the domestic currency must be fixed in terms of gold. Since the gold content in one unit of each currency was fixed, exchange rates were also fixed. This was called the mint parity. The second rule is that there must be a



free import and export of gold. The third rule is that the surplus country, which is gaining gold, should allow its volume of money to increase while the deficit country, which is losing gold, should allow its volume of money to fall.

The first two rules together ensure that exchange rates between participating countries are fixed within fairly narrow limits. With the price of any two currencies fixed in terms of gold the implied exchange rate between the two currencies is also fixed and any significant deviation from this fixed rate will be rapidly eliminated by arbitrage operations.

The third rule, requiring the volume of money to be linked in each participating country to balance of payments developments, provides an “automatic” mechanism of adjustment which ensures that, ultimately, any balance of payments disequilibria will be corrected.

### **The Automatic Adjustment Mechanism under the Gold Standard**

The gold standard contains some powerful automatic mechanisms that contribute to the simultaneous achievement of balance of payments equilibrium by all countries. The most important of these was the price-specie-flow mechanism (precious metals were referred to as “specie”). Hume’s description of this mechanism has been translated into modern terms. Assume that Britain’s current account surplus is greater than its non-reserve capital account deficit. In this case, foreigners’ net imports from Britain are not being financed entirely by British loans. The balance must be matched by flows of international reserves that is, of gold—into Britain. The gold inflows into Britain automatically reduce foreign money supplies and increase Britain’s money supply, driving foreign prices downward and British prices upward. As a result, the demand for British goods and services will fall and at the same time the British demand for foreign goods and services will increase. Eventually, reserve movements stop and both countries reach balance of payments equilibrium. The same process also works in reverse, eliminating an initial situation of foreign surplus and British deficit.

However, the response of central banks to gold flows across their borders furnished another potential mechanism to help restore balance of payments equilibrium. Central banks experiencing persistent gold outflows were motivated to contract their domestic asset holdings for the fear of becoming unable to meet their obligation to redeem currency notes. Thus domestic interest rates were pushed up and capital would flow in from abroad. Central banks gaining gold had much weaker incentives to eliminate their own imports of the metal. The main incentive was the greater profitability of interest-bearing domestic assets compared with “barren” gold. Central banks that were accumulating gold might be attempted to purchase domestic assets, thereby increasing capital outflows and driving gold abroad. These domestic credit measures, if undertaken by central banks, reinforced the price-specie-flow mechanism in pushing all countries toward balance of payments equilibrium. Because such measures speeded up the movement of countries toward their external balance goals, they increased the efficiency of the automatic

adjustment processes inherent in the gold standard.

However, research has shown that countries often reversed the steps mentioned above and sterilized gold flows, that is, sold domestic assets when foreign reserves were rising and bought domestic assets as foreign reserves fell. Government interference with private gold exports also undermined the system. The picture of smooth and automatic balance of payments adjustment before World War I therefore did not always match reality.

Given the prices of currencies fixed in terms of gold, the price levels within gold standard countries did not rise as much between 1870 and 1914 as over the period after World War II, but national price levels moved unpredictably over shorter horizons as periods of inflation and deflation followed each other. What is more, the gold standard does not seem to have done much to ensure full employment. A fundamental cause of short term internal instability under the pre-1914 gold standard was the subordination of economic policy to external objectives. Internal policy objectives were only emphasized after World War I as a result of the worldwide economic instability of the interwar years, 1918—1939. To understand how the post-World War II international monetary system tried to reconcile the goals of internal and external balance, we need to examine the economic events of the period between the two world wars.

### WORDS AND EXPRESSIONS

- *unit of account* 计算单位; 记账单位
- *a legal institution* a legal system 合法的制度
- *repeal* /rɪ'pi:l/ v. to revoke or rescind, especially by an official or formal act 撤销, 废止
- *long-standing* /'lɒŋstændɪŋ/ adj. of long duration or existence 长时间的; 经久不衰的; 长期存在的
- *follow suit* follow the example, imitate 效仿
- *institutionalize* /,ɪnstɪ'tju:ʃənəlaɪz/ vt. to make into, treat as, or give the character of an institution to 制度化; to make part of a structured and usually well-established system 使机构化
- *preeminence* /pri:'emɪnəns/ n. 卓越, 杰出
- *regime* /reɪ'ʒi:m/ n. social system; a form of government 体制; 政体, 政权制度
- *in terms of* 依……, 据……; 从……方面; 从……角度来讲; 换算, 折合; 以……为单位; 关于, 在……方面, 就……来说
- *surplus country* the country who has favorable balance of trade/active trade balance/active balance/trade surplus 顺差国
- *deficit country* a country who has adverse balance of trade/trade deficit 逆差国
- *deviation from* 偏离

- *arbitrage operations* arbitration procedures 仲裁程序
- *disequilibria* /dɪsɪːkwɪˈlɪbrɪə/ *pl.* of *disequilibrium* /,dɪsɪːkwɪˈlɪbrɪəm/ *n.* loss or lack of stability or equilibrium 不均/平衡, 不安定
- *price-specie-flow mechanism* 价格—货币—流动机制
- *capital account* an account stating the amount of funds and assets invested in a business by the owners or stockholders, including retained earnings 资本账户, 股本账户记录企业所有者或股东投资于这个企业的资金和资产数量的账户, 包括净利润的记录。
- *meet one's obligation* 履行某人的职责
- *redeem* /rɪˈdiːm/ *vt.* pay off, compensate, to convert into cash 兑换成现金
- *incentive* /ɪnˈsentɪv/ *n.* encouragement, inducement, motive, stimulus 刺激
- *barren* /ˈbærən/ *adj.* unproductive, infertile, unprofitable 没有收益的, 无利息的
- *central bank* an institution which—by way of a legal act—has been given responsibility for conducting the monetary policy for a specific area. 央行

### BACKGROUND KNOWLEDGE

1 *gold standard n.* A monetary standard under which the basic unit of currency is equal in value to and exchangeable for a specified amount of gold. 金本位制: 一种货币制度, 在此制度下, 通货基本单位与一定数量的黄金价值相同, 并可与之兑换。

Gold standard is a monetary system formerly used by many countries, under which the value of the standard unit of currency was by law made equal to a fixed weight of gold of a stated fineness. Thus the rates of exchange between various gold-standard countries remained fixed, which helped international trade, but the system limited the power of the monetary authorities to control the supply of money in fighting inflation and unemployment. Under a full gold-standard system, such as existed in Britain from the 1870s to 1914, gold coin and bullion (bars of gold) could be freely imported and exported; gold coins circulated freely; and the central bank bought and sold gold in any quantity at the fixed price. The system was set up again by 1928 in limited form but it broke down in the 1930s. After the Second World War some countries in Europe agreed to make their currencies freely convertible into gold for international payments only, thus forming a gold standard that was entirely external. Variations of the gold standard are: gold bullion standard; gold exchange standard. 金本位是过去许多国家采用的货币制度, 在这种制度下, 货币标准单位的价值由法律规定等于固定重量的既定纯度黄金。这样, 各个不同的金本位制国家之间的汇率保持固定, 有助于国际贸易。但这种制度限制了财政当局控制货币供应数量以抑制通货膨胀及失业的力量。在完全金本位制下, 如在 19 世纪 70 年代至 1914 年间的英国, 金币和金条/块可以自由输出输入, 金币自由流

通,中央银行按固定价格收购及出售任何数量的黄金。1928年这一制度以有限的形式重新建立,但在20世纪30年代垮台。“二战”后,有些欧洲国家同意其货币可以自由兑换黄金,但只限于国际支付,这样就形成了完全对外的金本位。金本位的不同形式有:金块本位制;金汇兑本位制。(引自杨佑方主编,《外贸经济英语用法词典》,2002:PP618—619)

## 2 *the Resumption Act* 纸币收回条例

3 *mint parity = mint par of exchange, par rate of exchange*: It is the rate of exchange between two currencies that are on the gold standard, i. e. when the gold value of their standard currency unit has been fixed by law. The rate between any pair of gold standard currencies is always directly related to the amount of gold in a unit of each currency. 铸币平价汇率是两种金本位之间的汇率,即标准货币单位的黄金值已由法律固定时的汇率。任何两种金本位之间的汇率总是直接与每种货币一个单位的金含量有关。

## 4 *balance of payments* 国际收支

It is the balance of a national account in which are recorded all the international dealings resulting in payment of money during certain period. Unlike the balance of trade, which includes only visible dealings (articles of trade, and gold and silver bars and coins), the balance of payments takes note of invisible imports and exports (payments for banking, insurance, transport, and other services), interest payments and movements of capital. The balance is said to be in deficit, adverse, passive or unfavorable if it shows that the country pays or owes more than it receives or is owed; and in surplus, active or favorable if the opposite is true. 国际收支是一个国家记录一定时期内发生支付货币的所有国际交易的账户上的余/差额。与贸易差额只包括有形交易(贸易商品、金条银条及硬币)不同,国际收支着重于无形进出口(银行、保险、运输及其他服务)、利息支付及资本的流动。如其差额表示一个国家支付与欠人多于收入与人欠,则为逆差,反之则为顺差。

## 5 *currency notes* 流通券,国库券

Currency notes are notes issued as money by the British Treasury during the war of 1914—1918 and after, of two values, £ 1 and 10s, later amalgamated (1928) with Bank of England notes. 流通券是在1914—1918战争期间及战后英国财政部发行作货币使用的票据,有两种面值:1英镑和10先令,之后于1928年与英格兰银行票据合并。[同]Treasury notes. 此文中指“通货券,流通券”,并非特指英国的“流通券”。

### NOTES

1 *current account* 经常项目:国际收支差额一个分类,包括商品进出口及劳务项目收支,其差额大小与方向对一个国家的国际收支有重大影响。(注:在不同的语境下,此词还有下列意义:往来账户;经常账户;活期存款账户)

例: The immediate causes of the fall of the Canadian dollar are a current account deficit of \$4 billion and a sharp drop in Canadian borrowing abroad. 加元下跌的直接原因是,40 亿加元的经常项目赤字和加拿大从国外借款的急剧减少。

2 **sterilize** /'sterilaɪz/ vt. [Economics] to place (gold) in safekeeping so as not to affect the supply of money or credit 【经济学】使(黄金)封存而不起作用

sterilization of gold (黄金冲销):在金本位制下,黄金的输入使通货供给量增加,导致通货膨胀物价上升。为了防止此通货膨胀,必须阻止黄金流入对通货及物价上升的影响。此种做法称为黄金冲销(sterilizing of gold)

注:本课中出现了大量的英语复数形式词,需要学习者特加注意,(参见 2007 第 5 期《中国翻译》“商务英语复数形式词语的翻译”)如:reserves, movements, holdings, flows, outflows, loans 等。在金融英语里及商务英语中,复数形式是一种常见的语法现象,但它们与通常的复数形式有所不同,它们常常是有所指的,常用来表示“量”,或“金额”、“额”。又如:

单数词与词义	复数词与词义
import 进口	imports 进口量
export 出口	exports 出口量
damage 损坏	damages 损坏赔偿金
loss 灭失	losses 损失额/金
sale 销售	sales 销售额
stock 库存(货)	stocks 库存量
reserve 储存	reserves 储量
shipment 装船	shipments 装船的货
holding 持有	holdings 持有量
payment 付款	payments 付款额

## EXERCISES

### I. Translate the following expressions into Chinese.

1. the international monetary system built on the gold standard
2. participating country
3. significant deviation from this fixed rate
4. automatic mechanism of adjustment
5. achievement of balance of payments equilibrium
6. the response of central banks to gold flows across their borders

7. meet their obligation to redeem currency notes
8. ensure full employment
9. subordination of economic policy to external objectives
10. tried to reconcile the goals of internal and external balance

**II. Give the Chinese meaning of the following plurals.**

1. international reserves
2. gold flows
3. net imports
4. capital outflows
5. domestic assets

**III. Translate the following paragraphs into Chinese.**

1. However, research has shown that countries often reversed the steps mentioned above and sterilized gold flows, that is, sold domestic assets when foreign reserves were rising and bought domestic assets as foreign reserves fell. Government interference with private gold exports also undermined the system. The picture of smooth and automatic balance of payments adjustment before World War I therefore did not always match reality.
2. The gold standard regime has conventionally been associated with three rules of the game. The first rule is that in each participating country the price of the domestic currency must be fixed in terms of gold. Since the gold content in one unit of each currency was fixed, exchange rates were also fixed. This was called the mint parity. The second rule is that there must be a free import and export of gold. The third rule is that the surplus country, which is gaining gold, should allow its volume of money to increase while the deficit country, which is losing gold, should allow its volume of money to fall.
3. Central banks experiencing persistent gold outflows were motivated to contract their domestic asset holdings for the fear of becoming unable to meet their obligation to redeem currency notes. Thus domestic interest rates were pushed up and capital would flow in from abroad. Central banks gaining gold had much weaker incentives to eliminate their own imports of the metal. The main incentive was the greater profitability of interest-bearing domestic assets compared with "barren" gold.
4. Given the prices of currencies fixed in terms of gold, the price levels within gold standard countries did not rise as much between 1870 and 1914 as over the period after World War II, but national price levels moved unpredictably over shorter horizons as periods of inflation and deflation followed each other.

**IV. Read the passage and fill in the blanks with the words or phrases given below.**

bonds; payments; dividends; record; broking; financial transactions; bank advances; net overflow; immediate transactions; an overall balance; capital account; investment purposes; visible account; non-commercial items; net errors and omissions

Balance of payments is the total movement of goods, services and (1) \_\_\_\_\_ between one country and the rest of the world; the term commonly used for the (2) \_\_\_\_\_ of such movements. In money terms, therefore, the balance of payments is the total of all receipts from abroad, and of all (3) \_\_\_\_\_ to recipients abroad. All receipts and payments of whatever nature are included, whether they be payments and receipts for non-commercial purposes, such as legacies and for pensions; for goods sold or services rendered; for (4) \_\_\_\_\_; on behalf of government; or of private persons and agencies.

The balance of payments record or account is conventionally divided into the current account, or payments and receipts for (5) \_\_\_\_\_, such as the sale of goods and rendering of services; and the (6) \_\_\_\_\_, or the money movements not immediately devoted to trade, such as investment. The current account is subdivided into the merchandise, or (7) \_\_\_\_\_ (often also termed the trade account), comprising the movement of goods; and the invisible account, comprising the movement of services, transfers and investment incomes. Services comprise transport, travel, banking, insurance, (8) \_\_\_\_\_ and other activities; transfers comprise money movements for the transmission of legacies, pensions and other (9) \_\_\_\_\_; investment income consists of the interest, profits and (10) \_\_\_\_\_ deriving from capital placed abroad.

The capital account is normally divided into long-term and short-term capital, the former relating to capital employed for investment purposes, the latter to (11) \_\_\_\_\_, trade credit and the like. Long-term capital is again subdivided into direct investment capital, or capital employed for the establishment of commercial premises and industrial plant, and portfolio investment capital (证券投资资本), or capital employed for the purchase of (12) \_\_\_\_\_ and shares.

A balance of payments account will normally resolve the various subordinate accounts into balances or net receipts and payments, summing these to (13) \_\_\_\_\_, subject to a balancing item (UK), (14) \_\_\_\_\_, or statistical discrepancy (US), against which the (15) \_\_\_\_\_ from or net inflow into the country's reserves is noted. The balance of payments account is also referred to as the external account of a nation.

(FROM: *International Dictionary of Finance* P. 18)

## FURTHER READING

### GOLD STANDARD

by *Michael D. Bordo*

The gold standard was a commitment by participating countries to fix the prices of their domestic currencies in terms of a specified amount of gold. National money and other forms of money (bank deposits and notes) were freely converted into gold at the fixed price. England adopted a **de facto** (事实上的) gold standard in 1717 after the master of the mint, Sir Isaac Newton, overvalued the silver **guinea** (几尼:英国的旧金币,等于一镑一先令) and formally adopted the gold standard in 1819. The United States, though formally on a **bimetallic** (gold and silver 金银复本位) standard, switched to gold **de facto** in 1834 and **de jure** (权利上的) in 1900. In 1834 the United States fixed the price of gold at \$20.67 per ounce, where it remained until 1933. Other major countries joined the gold standard in the 1870s. The period from 1880 to 1914 is known as the classical gold standard. During that time the majority of countries adhered (in varying degrees) to gold. It was also a period of unprecedented economic growth with relatively free trade in goods, labor, and capital.

The gold standard broke down during World War I as major **belligerents** (交战国) resorted to inflationary finance and was briefly reinstated from 1925 to 1931 as the Gold Exchange Standard. Under this standard countries could hold gold or dollars or pounds as reserves, except for the United States and the United Kingdom, which held reserves only in gold. This version broke down in 1931 following Britain's departure from gold in the face of massive gold and capital outflows. In 1933 **President Roosevelt** (罗斯福总统) nationalized gold owned by private citizens and abrogated contracts in which payment was specified in gold.

Between 1946 and 1971 countries operated under the Bretton Woods system. Under this further modification of the gold standard, most countries settled their international balances in U.S. dollars, but the U.S. government promised to redeem other central banks' holdings of dollars for gold at a fixed rate of \$35 per ounce. However, persistent U.S. balance-of-payments deficits steadily reduced U.S. gold reserves, reducing confidence in the ability of the United States to redeem its



currency in gold. Finally, on August 15, 1971, President Nixon announced that the United States would no longer redeem currency for gold. This was the final step in abandoning the gold standard.

Widespread dissatisfaction with high inflation in the late seventies and early eighties brought renewed interest in the gold standard. Although that interest is not strong today, it strengthens every time inflation moves much above 6 percent. This makes sense. Whatever other problems there were with the gold standard, persistent inflation was not one of them. Between 1880 and 1914, the period when the United States was on the "classical gold standard," inflation averaged only 0.1 percent per year.

### How the Gold Standard Worked

The gold standard was a domestic standard, regulating the quantity and growth rate of a country's money supply. Because new production of gold would add only a small fraction to the accumulated stock, and because the authorities guaranteed free convertibility of gold into non-gold money, the gold standard assured that the money supply and, hence, the price level would not vary much. But periodic surges in the world's gold stock, such as the gold discoveries in Australia and California around 1850, caused price levels to be very unstable in the short run. The gold standard was also an international standard—determining the value of a country's currency in terms of other countries' currencies. Because adherents to the standard maintained a fixed price for gold, rates of exchange between currencies tied to gold were necessarily fixed.

Because exchange rates were fixed, the gold standard caused price levels around the world to move together. This co-movement occurred mainly through an automatic balance-of-payments adjustment process called the price-specie-flow mechanism. Here is how the mechanism worked: Suppose a technological innovation brought about faster real economic growth in the United States. With the supply of money (gold) essentially fixed in the short run, this caused U.S. prices to fall. Prices of U.S. exports then fell relative to the prices of imports. This caused the British to demand more U.S. exports and Americans to demand fewer imports. A U.S. balance-of-payments surplus was created, causing gold (specie) to flow from the United Kingdom to the United States. The gold inflow increased the U.S. money supply, reversing the initial fall in prices. In the United Kingdom the gold outflow reduced the money