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The Symbolic U.S. Dollar: An Exploration of Transforming Meanings

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The Symbolic U.S. Dollar: An Exploration of Transforming Meanings

By

Dylann S. Ward

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April of 2018

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Dylann S. Ward

This Thesis has been examined and approved by the following members of the student’s committee.

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ABSTRACT

The Symbolic U.S. Dollar:
An Exploration of Transforming Meanings

Dylann S. Ward, Master of Arts
Minnesota State University, Mankato
2018

The currency used in the United States (U.S.) is called the dollar. Repeatedly individuals holding lawful positions, within the U.S. government, have used their legal power to change the meanings attached to the U.S. dollar. This study was able to show how a U.S. dollar transforming event can be understood as action taken on the part of individuals holding lawful positions, within the U.S. government, to fundamentally change the meaning attached to the U.S. dollar in efforts to either maintain or elevate the position of the U.S. relative to other countries within the international field. Such was the case in the fourth event chosen for this project, which was shown to allow the U.S. to retain possession of their gold reserves while simultaneously restricting the ability of other countries to increase their gold reserves supply. A primary goal for this exploratory historical case analysis study, was to lay the groundwork for future currency studies, especially studies focused on event history analysis surrounding major currency transforming events. In order to lay this groundwork, four purposefully chosen historical events were used as markers to explore economic, social, and cultural capital indicators ascribed to the U.S. during and after the occurrence of those four events.
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CHAPTER 1

INTRODUCTION

The currency used in the United States (U.S.) is called the dollar. Over the course of the last century, individuals holding lawful positions within the U.S. government have changed the meanings attached to the dollar. This research project investigated different points in history when the meanings attached to the U.S. dollar were changed. This research project illustrates how the meanings attached to the U.S. dollar were indeed transformed at various points over the course of the last century. Essentially, the impact during and after the occurrence of four purposefully chosen U.S. dollar transforming events was examined by exploring various forms of capital ascribed to the United States.

The four distinct U.S. dollar transforming events chosen for this research project included: (1) March 14th 1900, U.S. Congress enacts the Gold Standard Act – (2) April 5th 1933, U.S. president Franklin Delano Roosevelt enacts Executive Order no. 6102 – (3) July 1-22nd 1944, the United Nations Monetary and Financial Conference (Bretton Woods, New Hampshire U.S.A) and (4) August 15th 1971, U.S. president Richard Nixon’s live television announcement of the U.S. dollar gold convertibility suspension. Each of these events reflects people using lawful power in order to change the meanings attached to the U.S. dollar.

The first event reflects a day in which numerous individuals holding lawful positions within the U.S. government (specifically members of Congress) came together and assigned a new meaning to the U.S. dollar through legislative action. This new meaning became a reality through what was known as the Gold Standard Act of March
14, 1900. This act of government legislation basically made it so that one U.S. dollar was representative of twenty-five and eight-tenths grains of gold nine-tenths fine\(^1\). In short, this piece of legislation made a direct connection between paper currency and actual gold. Paper currency was, at this point, similar to a redemption ticket in that when U.S. dollar currency notes were presented to a bank teller, a physical weight in gold could be redeemed upon submission of that paper currency note.

The second event reflects a point in which the president of the U.S. changed the meaning attached to the U.S. dollar through an Executive Order\(^2\). Following this event, no longer was a person allowed to present a bank teller with a paper currency note and redeem gold in exchange for that note. Additionally, this executive order made it illegal for U.S. citizens to be in possession of gold coins.

The third event reflects a day in which government representatives of various countries came together and created a new international fixed-exchange rate currency system known as the Bretton-Woods System\(^3\). This meant that each currency, from the countries represented at this conference, could now be directly understood in terms of another currency. The U.S. dollar was the primary currency in which other countries attached a specific rate of exchange. During this Bretton Woods System, countries were allowed to redeem gold in exchange for their U.S. dollars much in the same way that U.S. citizens were allowed to do during the Gold Standard Act of March 14, 1900.

\(^1\) See Appendix A - (Event One) for official document.

\(^2\) See Appendix B - (Event Two) for official document.

\(^3\) See Appendix C - (Event Three) for official document.
The fourth and final event included in this research project reflects a point in which the president of the U.S. changed the meaning attached to the U.S. dollar through a live television announcement\(^4\). This event made it so that countries were no longer allowed to redeem gold in exchange for their U.S. dollars\(^5\). This event was similar to the second event listed above, however instead of U.S. citizens being prevented from redeeming gold for their U.S. dollar currency notes, foreign countries were also prohibited from redeeming gold with their U.S. dollar currency notes.

A primary goal for this exploratory historical case analysis study was to lay the groundwork for future event history analysis studies, specifically surrounding major currency transforming events. In order to lay this groundwork, these particular historical events were used as markers to explore some of the U.S.’s economic capital, social capital, and cultural capital during the time periods between those events and after. The research questions for this project were: \((1)\) What was the meaning attached to the U.S. dollar at various points over the course of the 20\(^{th}\) century? Who changed the meanings and why? What prompted these changes? \((2)\) What economic, social and cultural capital indicators were ascribed to the United States during the time periods between the four U.S. dollar transforming events?

A synthesized theoretical framework from Bourdieu (1986) and Blumer (1969) was used to make connections between changes to the meanings ascribed to currency and the U.S.’s position within the larger international field. Concepts pertaining to both of

\(^4\) See (Nixon 1971) in References list for the video-link.

\(^5\) See Appendix D - (Event Four) for official document.
these sociologists were used to shed light on the interactions between people and currency as well as the U.S. and other countries. The structure of this exploratory historical case analysis study included a collection of existing data (dating from 1900 past 1971) that can be categorized into Bourdieu’s (1986) economic capital, social capital, and cultural capital. This mix of existing data was analyzed through a content analysis research method.

Numerous social situations and social interactions can arise from a sudden and direct currency transformation. This exploratory historical case analysis research study investigated time periods between different transformative events to the U.S. dollar currency in efforts to further understand these transformations. The implications of this research study are such that can provide deeper insight into the relationship between people and currency, specifically the U.S. dollar. Considering that the vast majority of countries use currency as their primary mechanism for mediating the exchanges of goods and services reflects the importance of this study. It’s important to bear in mind that any transformation to the meanings associated with currency has the potential to impact the survival mechanisms available to large amounts of people. This relates to the fact that, for many people around the world, in order to obtain food, water, shelter, clothing, etc. one will likely need to trade a currency.
CHAPTER 2
THEORY AND LITERATURE REVIEW

2.1 THEORETICAL OVERVIEW

In order to explain how, and potential reasons as to why individuals holding lawful positions within the U.S. government decided to change the meanings attached to the U.S. dollar, it is necessary to include concepts pertaining to both Pierre Bourdieu and Herbert Blumer. A synthesized theoretical framework from Bourdieu (1986) and Blumer (1969) was used to make connections between changes to the U.S. dollar currency and the U.S.’s position within the international field. Concepts presented by both of these sociologists were used to shed light on the interactions between U.S. government officials and the citizens of the U.S. as well as the interactions with governments and corporations of other countries.

The first research area for this project was: (I) What was the meaning attached to the U.S. dollar at various points over the course of the 20th century? Who changed the meanings and why? What prompted these changes?

In order to supplement Bourdieu’s concepts, which help paint the bigger picture as to factors relating to how, and potential reasons as to why, the meanings attached to U.S. dollar have consequently influenced the international field; Blumer’s (1969) symbolic interactionism provides perspective in regards to how different attached meanings come to exist through social interaction. This framework of thought can be best understood through Blumer’s (1969:2) three-pronged definition of symbolic interactionism:
(1) Human beings act toward things on the basis of the meanings which these things have for them.

(2) The meaning of such things is derived from, or arises out of, the social interaction that one has with others and the society.

(3) These meanings are handled in, and modified through, an interpretive process used by the person in dealing with the things he/she encounters.

Currency, or money, is a thing that is created by people. Regardless of the form of the currency (e.g. paper, gold, digital numbers) the meanings that people, more specifically the individuals holding lawful government positions, attach to the currency is what enables its use and determines its evolution. “If people did not believe that paper money could be traded for things they want, such money would be worthless. The power and reality of money derive from shared belief, nothing more” (Schwalbe 2018:15). This goes to show how people act the way they do, within trades, based on the meanings attached to currencies used within those trades.

Individuals holding lawful positions within the U.S. government, specifically members of Congress and the President, are bestowed with the lawful power to attach particular meanings to the U.S. dollar and thus shape the reality of those who use the U.S. dollar within trades, both domestically and transnationally. For example, when a company from one country sells goods or services to a U.S. individual, U.S. corporation, or the government of the U.S., this exchange will very likely be mediated by the U.S. dollar. Blumer’s (1969) *symbolic interactionism* can be used to understand how people (e.g. individuals, people in corporations, people in governments) of other countries learn the socially constructed meanings that are attached to the U.S. dollar. These meanings are learned through their interactions with the people they are trading with as well as their interactions with the governments overseeing those trades.
Those who desire to purchase (or import) goods or services from the U.S. will learn, through social interaction, that the U.S. dollar currency is the required currency for mediating that transaction. When foreign corporations or governments observe other foreign corporations or governments using the U.S. dollar to mediate the exchange of the items they are attempting to acquire, they are taking part in this interaction. A country can also learn the meanings attached to the U.S. dollar during their interactions with others within formal meetings or financial conferences, such as the Bretton Woods Conference of 1944. Additionally, governments use language to further articulate this process by labeling the U.S. dollar as a lawful medium of exchange and discuss with their people (e.g. citizens, local corporations) the various functions of it. This goes to show how people of other countries learn from their interactions with others that in order to complete a trade with the U.S. government or U.S. corporations, for example, they will very likely need to use the U.S. dollar as the medium of exchange.

By using Blumer’s (1969) *symbolic interactionism* as a conceptual lens, it can be shown how the specific meanings attached to the U.S. dollar are ascribed through individuals holding lawful positions within the U.S. interacting with others. For example, the Gold Standard Act of March 14, 1900 was an example of an event from which the U.S. dollar obtained a relational meaning to gold. This connection between gold and the U.S. dollar was a meaning derived specifically from the social interaction between individuals holding lawful positions within the U.S. government (Congress) and the citizens of the U.S. In other words, people within the U.S. government came together and through their meetings, discussions, and interactions produced a meaning that every U.S.
dollar would be representative of twenty-five grains of gold nine-tenths fine. Since the U.S. Congress has the lawful power necessary for writing legislation within the United States, this produced meaning from the Gold Standard Act (a form of legislation) was thus adopted by the citizens of the U.S. as well as any party involved within U.S. related trades. This process of interaction can also be applied to the other three major currency transforming events included within this study.

When taking into account the larger international field, and the U.S.’s place within it, potential reasons as to why the meaning attached to the U.S. dollar changed at various points over the course of the last century can be presented. Considering the United States’ place within the international field, changes to the meaning attached to the U.S. dollar, by individuals holding lawful positions within the U.S. government, have the potential to positively impact some agents while negatively impacting others.

Depending on the change that is implemented could result in a positive impact for a one country and negatively impact other countries. Such was the case in Event Four, which allowed the U.S. to retain possession of their gold reserves and restricted the ability of other countries to increase their gold reserves supply. This was conducted by eliminating the obligation of providing gold in exchange to governments demanding gold redemption with their U.S. dollar legal tender currency notes. In short, this event enabled the U.S. to maintain an economic capital position (in gold reserves) while simultaneously being able to use the U.S. dollar legal tender currency notes within trades, trades that were previously conducted with U.S. dollars linked to gold. In other words, countries other than the U.S., who were using the U.S. dollar as currency within trades, were now
(as a result of this event) no longer able to redeem gold and thus experienced a restriction in their ability to increase their gold reserve (economic capital) position.

Event Four limited the ability for countries to diversify their currency savings while simultaneously solidifying the U.S.’s maintenance of gold reserves. After this event, the ability for countries to acquire gold became restricted because the ability to acquire gold from the government of the U.S. (the country with the most gold reserves) was eliminated.

The reasoning behind this event can be supported through Bourdieu’s reference to a field as a field of struggles, “…undergirds and guides the strategies whereby the occupants of these positions seek, individually or collectively, to safeguard or improve their position, and impose the principle of hierarchization most favorable to their own products” (Bourdieu, cited in Wacquant 1989:40). This shows how changes to the official government authorized meanings attached to the U.S. dollar can be shown to be efforts made in part to safeguard the U.S.’s position within the international field. Therefore, a U.S. dollar transforming event can be understood as action taken on the part of individuals holding lawful positions within the U.S. government to either maintain or elevate the position of the U.S. relative to other countries in the world.

The second research area for this project was: (2) What economic, social and cultural capital indicators were ascribed to the United States during the time periods between the four U.S. dollar transforming events?

Concepts pertaining to Bourdieu (1986) are relevant for addressing this particular research are because in order to understand the big picture in regards to the U.S.’s place
within the international field, Bourdieu’s concepts allow for connections to be made between particular amounts of capital (ascribed to the U.S.) and changes to the meanings attached to the U.S. dollar.

Bourdieu is often cited for the concept known as *habitus*. “Habitus are the “mental, or cognitive structures” through which people deal with the social world” (Ritzer and Stepnisky 2014:520). These mental structures can be understood through how a country fits within the larger world society. Society is itself a space, but society also has a number of smaller spaces, or fields. “The field is a network of relations among the objective positions within it” (Bourdieu and Wacquant 1992:97). These include places of work, institutions, or other social groups. The power relations within fields and between fields produce particular action or human behavior. The metaphor of a field relates to this notion of a platform for competition and struggle amongst agents. This metaphor is works well to illustrate countries interactions considering the fact that interactions amongst various countries was once been openly labeled as “The League of Nations.”

Furthermore, Bourdieu and Wacquant’s (1992) *field* mentioned above can be envisioned through a metaphorical parallel, such as a soccer field and the international field of countries. Just as every player (or agent) on a soccer field occupies a position, every country (or agent) occupies a position within the international field. Just as each position on a soccer field carries with it a particular disposition and a set of particular courses of actions, countries also have particular characteristics and a set of courses of potential action based on their position within the field. For example, within the game of soccer a goalie holds the position of defending the goal while a forward holds the
position of attempting to score a goal. Within the international field, there are developed high income countries with advanced economies (e.g. United States), which consist of high-skilled labor and production, while there are low income countries with developing economies (e.g. Brazil) which primarily run on cheap labor and their natural resources are often exploited by the higher income countries.

The position in which a country holds within the field is partly determined by what Bourdieu (1977) called habitus, those mental or cognitive structures. “The habitus, the product of history, produces individual and collective practices, and hence history, in accordance with the schemes engendered by history” (Bourdieu 1977:82). The habitus takes into account the resources of the other countries within the field, along with the tendencies that organize how those countries perceive the international field and how they react to it. In the soccer example, the behavior of the player will be structured by their physical fitness, their previous training, their knowledge of the game, knowledge of other players in the game (and the skill-sets of those players) and their soccer gear – such as proper shoes/cleats. Therefore, the behavior of a country will be structured by their different amounts of and combinations of various types of resources, or capital. These resources can include legal tender currency and/or gold (economic capital), the networks or organizations they are a part of (social capital), and particular cultural goods (e.g. military weapons) as well as knowing how to behave properly with other countries and in various contexts or fields (cultural capital).

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6 See developed and developing countries in Appendix E – Key Terms list.
When a particular country enters into a particular field (e.g. financial institution) the other capitals in which they have are transformed into “symbolic capital”\(^7\). The country entering into the field will be evaluated, by those countries that make up the field, and through this evaluation process the entering country will be prescribed with a particular position within the field thus reflecting their symbolic capital. This means that some countries are prescribed with symbolic positions of power while others hold positions that are less powerful. Nonetheless, the symbolic capital of a country is important in that it tells other countries how they should act toward other countries within the field, based on the assorted capital ascribed to them.

It is important to note that every field has particular rules and based on those rules the potential courses of action for the agents will be limited. The agents within a field (e.g. players on a soccer field or countries within the international field) will more often than not adhere to the rules of the field. For example, in the game of soccer all of the players abide by the rule – the only player allowed to touch the ball with their hands is the goalie. Within the international field, all of the countries, for the most part, abide by the rule – the only acceptable medium of exchange for goods and services is legal tender currency. This is especially true when a country enters into the field and desires to trade with the U.S. The major rule of trade when trading with the U.S. is that the medium of exchange must be the U.S. dollar. The rules relating to currency and trade emerge from social interaction (e.g. Event Three -Bretton Woods Conference).

Bourdieu (1986) described how cultural capital can be understood through three

\(^{7}\) See *symbolic capital* in Appendix E – Key Terms list.
states: the embodied state, the objectified state, and the institutionalized state. The 
*embodied state* can be understood as the forms of critical knowledge that resides within a 
country. Knowing how to behave properly with people of other countries and in various 
contexts is a resource, a form of capital, a form of cultural capital. In addition to 
knowledge obtained through formalized schooling, the *embodied state* includes 
knowledge that a country will seek out due to its relevance relative to the other countries 
within the international field. For instance, language is one very important factor within 
international interactions and especially within international trading, therefore countries 
often allocate resources for educating their citizens in regards to languages that other 
countries use within the international field. This is because knowledge of a particular 
language (e.g. English) is a form of knowledge which countries come to expect when 
interacting, especially within international trades.

Additionally, knowledge of which countries have strong militaries is also an 
important piece of knowledge when navigating the field and arranging trade agreements. 
Moreover, just as developing countries are not able to invest as much economic capital 
into formalized schooling as developed countries can, developing countries are also not 
able to invest as much economic capital into constructing a military as a developed 
country (e.g. U.S.) can.

The *objectified state* refers to the material objects that countries use to indicate 
their status relative to other countries within the field. Bourdieu (1986:17) provided a 
description of how cultural capital exists, “…in the *objectified state*, in the form of 
cultural goods (pictures, books, dictionaries, instruments, machines, etc.).” This goes to
show how military machines (e.g. missiles, guns, etc.) can be viewed as a form of cultural capital in the *objectified state*. Having a military, and especially a very strong military, holds an important portion of a country’s cultural capital.

Countries around the world continue to use currency as a means for acquiring material objects, especially military objects (e.g. missiles, guns, etc.). The military objects ascribed to a country will certainly impact their status relative to other countries. This is part of the reason as to why, despite histories of war, the U.S. and Russia are often viewed as prominent military agents with high military status. It was reported in 2017, for example, that the U.S. was in possession of 1,393 Warheads on Deployed ICBMs, on Deployed SLBMs, and Nuclear Warheads Counted for Deployed Heavy Bombers and Russia was in possession of 1,561 of the same military weapons (Bureau of Arms Control 2017). Both of these countries are displaying cultural capital in the *objectified state*.

Furthermore, the *institutionalized state* refers to how the countries within the field measure the cultural capital of other countries, similar to symbolic capital but more specific to cultural capital. In the case of military comparison, countries with sophisticated military objects (e.g. missiles, Nuclear Warheads/nuclear weapons, etc.) are given a higher status than countries with fewer sophisticated military objects, and the countries without any sophisticated military objects are given a low or weak status. Just as a doctoral degree is a marker of higher educational status and reflects higher educational qualifications than an undergraduate degree, a country with nuclear weapons holds a superior position and reflects higher military credentials relative to other countries without nuclear weapons. Hence why acquiring nuclear weapons capabilities
has been such an important point of acquisition for the country of North Korea in modern
times. “North Korea continues to pursue a nuclear weapons program, having conducted
nuclear tests in 2006, 2009, and 2013” (Secretary of Defense 2015:21). In this context,
the country of North Korea can be understood as taking efforts to increase their cultural
capital in the *objectified state*, and subsequently move to a higher status within the
*institutionalized state*. By obtaining particular objectified cultural capital (e.g. nuclear
weapons), North Korea, for example, can successively obtain higher military credentials
and as a result can demand more respect amongst other countries within the international
field during meetings and negotiations.

When discussing cultural capital, Bourdieu (1986:20) made it clear that, “To
possess the machines, he only needs economic capital; to appropriate them and use them
in accordance with their specific purpose (defined by the cultural capital, of scientific or
technical type, incorporated in them), he must have access to embodied cultural capital,
either in person or by proxy.” This goes to show how agents need to combine *embodied*
cultural capital with *objectified* cultural capital in order to successfully maneuver within
the international field.

It is important to take into account that the U.S. government has been able to
construct a massive military (massive, both materialistically and symbolically) partially
because they have large amounts of economic capital. Likewise, the U.S. can only
continue to construct and maintain a massive military if the people producing U.S.
military equipment continue to exchange their labor and produce their goods in exchange
for the U.S. dollar; otherwise a different currency would be necessary.
2.2 LITERATURE REVIEW

The following literature was gathered to illustrate relevant research studies and academic works surrounding currency. It illuminates the process of how people create and attach meanings to currency while helping to show the importance and implications of such meanings. The following literature is relevant for displaying how currency is a socially constructed financial instrument and how social behavior is shaped by the meanings that are attached to the currency. The literature below is presented to provide background for this exploratory historical case analysis research study. This literature review is organized into three general areas of focus: (1) Meanings Ascribed to Currency, (2) Currency Creation and Changes, and (3) Value of Gold.

(1) Meanings Ascribed to Currency

A currency exists as the medium of exchange because of the meanings people, specifically individuals holding lawful positions within government, attach to them. When a corporation from one country enters into a trade with a corporation from another country they learn through interaction that they will very likely need to exchange some legal tender currency in order to complete the trade. Additionally, it is important to recognize that those involved within trades (e.g. individuals, corporations) attach additional meanings to currency other than the direct government constructed meanings. By noting these various meanings, it can be further understood how people continuously attach meanings to the currency they use.

Rose and Orr (2007) organized a research study to develop a framework for

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8 See medium of exchange in Appendix E – Key Terms list.
exploring the various symbolic meanings associated with money. They conducted numerous surveys and interviews, with a diverse range of people, to explore what types of meanings people attach or associate with money/currency, which are separate from the government constructed meanings. Their study focused upon the links that currency meanings have with status, security, worry, and achievement. The participants within their study expressed a multitude of responses in regards to these various aspects (status, security, worry, and achievement).

In regards to status, their findings suggest that people often use currency as a means to obtaining a particular status. For instance, participants within their study admitted to purchasing items they did not need simply to impress other people. And other participants disclosed how they have purchased items for other people in order to acquire friendship. Both of these actions reflect how people use currency as a measure for status relative to other people.

Rose and Orr’s (2007) study found that people often attach meanings of security, or safety, to currency. Participants within their study acknowledged saving currency was an important factor for giving them a sense of security. It was shown how many people desire to save currency for the purpose of providing a sense of security for their future expenses. Therefore, the amount of currency a person, corporation, or government has, or has access to, can thus be recognized as a measure for their ability to maintain a secure sense of well-being into the future.

In relation to worry, Rose and Orr’s (2007) study showed how people attach meanings of worry to currency. Basically, people are constantly bothered about currency.
Whether people worry about losing all of their savings, or simply not being able to pay all their bills, Rose and Orr’s (2007) study displayed how people often have various levels of uneasiness or concern in regards to their ability to acquire currency and/or in regards to their ability to maintain their savings. Therefore, the amount of currency a person, corporation, or government has, or doesn’t have, can impact whether or not they become anxious in regards to being able to navigate the field.

As far as achievement, Rose and Orr’s (2007) study displayed how meanings of accomplishment are often associated with currency. Participants within their study found currency to be a symbol of success. Additionally, participants admitted to using currency as a measure for determining another person’s achievements. This meant that wealthy people (those with great amounts of currency relative to others) are often viewed as people who have obtained a high level of achievement while poor people (those with very little amounts of currency relative to others) are often viewed as people who have achieved very little or nothing at all. This can also relate to how financially successful corporations and governments are viewed as having achieved success in the field.

Overall, their study was able to show how people associate a number of meanings to currency which subsequently impact people’s behavior. Rose and Orr (2007) did, however, mention that depending on which stage of life people are, and the amount of currency they have, will impact the symbolic meanings that person associates with currency. For instance, to give a relatable example, a corporation on the verge of

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9 See *bills* in Appendix E – Key Terms list.
bankruptcy\textsuperscript{10} may attach meanings of worry more often than a corporation that is exceeding all their financial goals. Nonetheless, this study displayed how people are involved in Blumer’s (1969) symbolic interactionism through attaching meanings, learning meanings through interaction, and interpreting or dealing with various meanings associated to currency, within the context of the situation they are in.

“The sociology of money has never paid much attention to cash, let alone practical uses of cash in actual transactions, how people store, recover, pass, count and evaluate cash in ordinary life… For societal members, cash is perhaps the most obvious manifestation of money” (Llewellyn 2016:796). Llewellyn (2016) conducted a study that examined people’s behavior while conducting a cash currency transaction. Cash refers to legal tender currency in the material form of paper notes\textsuperscript{11}, rather than currency in another form (e.g. check-card)\textsuperscript{12}.

Llewellyn’s (2016) study was able to shed light on how a person’s use of cash displays numerous forms of communication and how cash connects people through the way in which they use cash to finalize their transaction. When considering different technological advances to currency over the years (e.g. digitalization\textsuperscript{13}), Llewellyn’s (2016) study should be viewed as increasingly insightful. For instance, the International

\textsuperscript{10} See bankruptcy in Appendix E – Key Terms list.

\textsuperscript{11} See Appendix F, H, I, J, K, L, M, or N to see currency (U.S. dollar) in cash form.

\textsuperscript{12} A check-card is a piece of plastic, with a code of numbers, that is directly linked to a person’s bank account. A check-card is not currency per-say, rather the check-card is used to transfer currency from one party to another.

\textsuperscript{13} Digitalization is referring to the process of changing the form of currency (such as a paper note) into an electronic form (such as a check-card).
Monetary Fund (IMF)\textsuperscript{14} currently has a working paper on the impacts of “de-cashing,” or removing cash as a form of currency and replacing it with digital forms (Kireyev 2017).

Llewellyn (2016) outlined how currency is essentially a form of language people engage within through the denominations available to them in the form of cash and coins. A currency’s denomination is essentially the structural design of the currency. For instance, the U.S. dollar is currently denominated in values of $100 notes, $50 notes, $20 notes, $10 notes, $5 notes, $2 notes, and $1 notes (Bureau of Engraving and Printing 2017)\textsuperscript{15}. The U.S. dollar also has fractional denominations\textsuperscript{16}. The denominational structure of a currency, as Llewellyn was able to show, allows for a variety of messages to be elicited from the user of cash. In other words, people are able to communicate a number of messages to the seller of a good or service, simply be their choice of which denomination they use within the transaction.

For instance, in Llewellyn’s (2016) study participants were observed during a face-to-face interaction with another person, or clerk, standing behind a cash register. Behind the clerk was a menu board that displayed a variety of art gallery admission ticket options in which the participant could choose from. For example, there were tickets for adults, concessions (over 60 years old or student), family (2 adults and up to 4 children), child (age 5-16), and a few others. Additionally, there was a standard price for those

\textsuperscript{14} See \textit{International Monetary Fund (IMF)} in Appendix E – Key Terms list.

\textsuperscript{15} See Appendix F, H, I, J, K, L, M to see U.S. dollar denominations.

\textsuperscript{16} See \textit{fractional currency} in Appendix E – Key Terms list.
ticket options as well as a “Gift Aid” price which was more expensive but provided additional donation to the center.

Basically, this study showed how people are able to communicate a number of messages to the seller of a good or service, simply be their choice of which denomination they use within the transaction. For example, some participants within this study communicated which ticket they wanted to purchase by paying with precisely the correct denominations. If a participant handed the cashier the precise amount of the cheapest ticket available, there was a clearly elicited message being sent by the participant. Other examples showed how people were able to communicate, through the use of a single paper currency note, that they were paying for their companion as well as themselves. In short, these types of communicational situations were examined at length to highlight how the use of cash allows for different interactions to occur relative to other forms of payment, such as a check-card. This avenue of research could certainly add to the range of data pertaining to currency, especially considering society’s movement toward a more “cashless society”\textsuperscript{17}.

(2) Currency Creation and Changes

Next, this review of literature includes a research study which showcases aspects about how legal tender currency is created. A legal tender currency (e.g. U.S. dollar) is indeed created by people within their country, specifically the people within a central

\textsuperscript{17} Kireyev (2017) is an IMF paper surrounding discussion in regards to the removal cash currency from society.
bank\textsuperscript{18} (e.g. The Federal Reserve\textsuperscript{19}). However, it is important to note that the paper version (paper notes\textsuperscript{20}) of the U.S. dollar is actually printed from the Bureau of Printing and Engraving\textsuperscript{21}. The point being, the U.S. dollar is created in numerous ways and by various groups of people working together to create and maintain it.

Werner (2014) directed an empirical investigation to determine whether or not commercial banks\textsuperscript{22} can actually individually create money out of nothing, or digitally create legal tender currency. This study was able to provide direct insight into the mechanism that allows banks to contribute to legal tender currency expansion. This mechanism was shown to be a digital number entry method or the ability to simply type numbers into a computer. Basically, legal tender currency was shown to be created (in digital form) by commercial banks through the simple mechanism of pushing a few keys on the computer’s keyboard.

Werner (2014) conducted an empirical test where a participant engaged into a live loan contract with a commercial bank to investigate individual bank currency creation\textsuperscript{23}. A number of commercial banks within Germany and the United Kingdom were chosen for the study since they allowed for their internal accounting information to be disclosed.

\textsuperscript{18} See central bank in Appendix E – Key Terms list.

\textsuperscript{19} The Federal Reserve is the central bank of the U.S.

\textsuperscript{20} See Appendix F, H, I, J, K, L, M, or N to see currency in cash form.

\textsuperscript{21} See Bureau of Printing and Engraving (BEP) in Appendix E – Key Terms list.

\textsuperscript{22} See commercial bank in Appendix E – Key Terms list.

\textsuperscript{23} An example of a loan is when someone (e.g. bank) lends currency to another, but different from a gift in that it needs to be paid back, often with additional currency, called interest.
Although Werner’s (2014) study was conducted outside of the U.S., it is applicable to the U.S. dollar currency because of the similarity in commercial bank’s ability to administer loans on the basis of their bank reserve requirements. The loan transactions within Werner’s (2014) study were documented through the use of a scrupulous examination process. For instance, the entire banking transaction process was filmed and all actions were recorded.

Since the countries throughout the world predominantly use legal tender currency as their medium of exchange, it only seems appropriate to include Werner’s (2014) response to answering his initial research question: How do banks create money?

Thus it can now be said with confidence for the first time – possibly in the 5000 years' history of banking - that it has been empirically demonstrated that each individual bank creates credit and money out of nothing, when it extends what is called a ‘bank loan.’ The bank does not loan any existing money, but instead creates new money. The money supply is created as ‘fairy dust’ produced by the banks out of thin air. The implications are far-reaching (Werner 2014:16).

Werner (2014) was able to demonstrate how the modern banking system allows for individual banks to essentially create new legal tender currency through the administration of a loan. Moreover, Werner (2014) stated that the implications were “far-reaching” because this phenomenon is undoubtably a major driving force in the continuous expansion of the supply of today’s legal tender currencies. Werner’s (2014) quote above is also alluding to the notion that this system could itself be a facilitator in exacerbating various social problems, such as wealth inequality.

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24 See “The FED- Reserve Requirements” link in the References. Basically, banks are only legally required to reserve a portion (or fraction) of their depositors’ currency deposit, which allows for additional currency to be created through loan creation.
Nonetheless, Werner’s (2014) study showed how the reality of the currency system is that in addition to governments/central banks, individual commercial banks also can create legal tender currency. Whether people create currency by typing digital numbers into a computer, or print numbers on a piece of paper, the meanings attached to the currency are what gives them life and allows them to be used and maintained. This can further be supported through Blumer’s (1969) framework of *symbolic interactionism* because the meanings attached to public goods are derived from social interaction.

Since U.S. dollars can continuously be created “out of thin air” the U.S. dollar can be viewed as a public good. A sociological reaction to this “out of thin air” phenomenon can best be stated through Pettifor’s (2014: para. 13) statement:

> That is why money and credit is a great public good. As a result of monetary systems it is wrong to ever suggest that “there is no money” – for childcare, education, the arts or for the transformation of the economy away from fossil fuels. The bigger question is this: is our money system just? And as a public, not private good, does it serve the needs of wider society?

Public goods are essentially the common or collective benefits provided by the government (Olson 1965). The U.S. dollar is provided and authorized by the U.S. government, as a collective benefit for individuals and organizations to use as a medium for exchanges and payments of debts. Although the U.S. dollar has been constructed to serve as a public good, the government prescribed terms and conditions may harm some while benefiting others. Olson (1965:15) discussed this notion by stating:

> There is no necessity that a public good to one group in a society is necessarily in the interest of the society as a whole. Just as a tariff could be a public good to the industry that sought it, so the removal of the tariff could be a public good to those who consumed the industry's product. This is equally true when the public-good concept is applied only to governments; for a military expenditure, or a tariff, or
an immigration restriction that is a public good to one country could be a "public bad" to another country, and harmful to world society as a whole.

This shows how restrictions regarding the terms and conditions of the U.S. dollar can be a public good for the U.S. and a “public bad” to other countries using the U.S. dollar. As was discussed earlier and will be shown later, Event Four of this project can certainly shed light on how the U.S. dollar can be observed in this manner.

Nevertheless, different currency transforming events can be defined in different ways. Ignacio Mas (1995) highlighted various ways that governments conduct major currency transforming events and the implications of the chosen method. Mas (1995:484) defined different impacts these events could have on society by stating, “Government can affect the value of the public’s currency holdings by: (i) restricting what people can do with their currency holdings (i.e., not giving them a chance to spend it); (ii) decreasing the purchasing power of currency through the time-honored practice of inflation; or (iii) taking some away (i.e., confiscation).”

Mas (1995:488) collected currency data surrounding various major currency transforming events for more than thirty different countries. This data reflects fifty years of currency reforms for those different countries. Mas (1995) analyzed these various “currency reforms” in a manner that defines the situation through one of the three ((i), (ii), (iii)) definitions listed above. Mas’s (1995) study should be viewed as a relevant collection of currency related data (in regards to major currency transforming events) and therefore provides additional background for this currency project.

25 “Currency Reform” can be understood as a change in a government currency policy, see major currency transforming event in Appendix E – Key Terms list.
Individuals holding lawful positions within the U.S. government have the lawful power to change the meaning attached to their legal tender currency. These individuals also have the lawful power to restrict what the users can and cannot do with the legal tender currency. “The first technique has been a specialty of communist regimes and war-ravaged economies. It can be implemented by administratively allocating resources to central planning or rationing/licensing procedures” (Mas 1995:484). Although the U.S. could neither be defined as being run by a communist regime, or having a war-ravaged economy, this first technique (i) can be observed in U.S. president Richard Nixon's gold convertibility suspension announcement in 1971. His live television broadcast announced to the people, who were using the U.S. dollar currency at the time, what they could and could not do with the U.S. dollar.

As the supply of the currency increases (inflation), relative to the number of users and goods/services in which the currency can be used to purchase, the purchasing power of that currency will decrease. “The second technique, inflating liabilities away, is not well understood but retains raging actuality. Currencies have been debauched through the centuries, first in the form of metal content debasing, more recently by explosive increases in the rate of growth of paper money” (Mas 1995:486). Raging actuality refers to the reality that legal tender currency does indeed experience inflation.26

The U.S. has experienced both metal content debasing (removal of actual gold and silver from circulation) as well as various points in time in which rapid increases in

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26 See inflation in Appendix E – Key Terms list.
the rate of growth of currency occurred. For example, U.S. president Franklin Delano Roosevelt’s Executive Order no. 6102 removed gold from circulation and rapidly increased the rate of growth of paper currency. Paper note production was rapidly increased as they became the primary form of currency following this announcement, considering that gold coins were made illegal to possess by citizens. As paper currency became less bound to gold, the rate of growth became less restricted.

Moreover, since individuals holding lawful positions within the U.S. government have the lawful power to make changes to their country’s currency, they have the ability to confiscate, or simply take currency away from those who use it. “Currency confiscation occurs when legal tender status is suddenly removed from the old currency (or from a particular note or set of notes) to the extent that the public is not given a fair chance to convert its full holdings of de-commissioned notes into other still legal notes or into the new currency” (Mas 1995:493). It is important to note that although U.S. president Franklin Delano Roosevelt’s Executive Order no. 6102 did indeed remove legal tender status from the old currency (gold certificates/gold coins), the public was given a fair chance to convert their gold certificates and gold coins into the new currency. Therefore, this particular U.S. dollar transforming event should not be labeled as a confiscation, but rather more simply, a transformation to the meaning attached to the U.S. dollar.

(3) Value of Gold

Any research study that investigates changes to currency is likely to uncover the continuous meanings of value that numerous societies attach to gold. It should be noted
that gold is a metallic chemical element and can be located on the periodic table. Gold is a substance that can be found deep inside of a mountain as well as deep inside the vault of a central bank. Gold can be melted down and reshaped into various forms such as jewelry, coins, wires, and even teeth. There may actually be fewer things that gold cannot be molded into than things that it can be. Many people throughout the world have cherished this metal for its’ malleability, electrical conductivity, shiny appearance, rarity, and most of all because gold is viewed and talked about as being valuable by others.

Essentially, gold has been used as a currency throughout human history because people have attached meanings of value to it. Additionally, gold has worked as a fantastic medium of exchange for various properties encompassed within it. Since gold can be melted down, it can be made into a portable size as well as different variations (e.g. weights, sizes) in order to be used as a unit of account$^{27}$ for mediating trades. Although gold can be melted down, when it cools down it is indeed very durable and does not deteriorate. Also, since gold is an incredibly rare substance (rare in that it is difficult for most people to acquire it in large amounts) people recognize it as a symbol of value. People often take this meaning of “rarity” into consideration when people offer gold as a mediator within a trade. Gold’s perceived lack of abundance provides its bearer with the mentality that they have something that not everyone is able to have or acquire.

$^{27}$ The expression unit of account is referring to how people are able to use different amounts of a currency to obtain different amounts, or types, of goods and services. Some goods and services are sold for more than others, nonetheless currency denominations act as a measure to price items within trades.
Gold cannot be simply created “out of thin air,” like legal tender notes were observed to be created in Werner’s (2014) study, therefore gold should be recognized as a supply-restricted commodity currency\(^{28}\), and a private good. As Olson (1965:14) stated, “…some goods are collective goods to those in one group and at the same time private goods to those in another, because some individuals can be kept from consuming them and others can't.” Individuals can be kept from holding and using gold by groups of people (e.g. government). The supply of gold in general is restricted to the amount of gold there is on Earth and thus the supply can only rise as fast as the rate at which people are able to extract the yellow metal from the Earth. Basically, the amount of gold ascribed to an individual, corporation, or government can increase if they acquire gold from other individuals, corporations, or governments. This also means that the amount of gold one has can decrease if they renounce possession of more gold than they obtain.

Sandhu, Maninder and Singh (2010) were able to provide insight into various reasons as to why people choose to invest in or hold on to gold. They found six separate motivating factors for investing in gold: a hedge against risks and inflation (paper currency losing trade value), traditionally preferred investment, effective wealth preserver, provides future financial security, safe haven asset during times of uncertainty, and high liquidity\(^ {29}\) (easy to exchange for goods) and marketability (ability to use it to obtain goods)\(^ {30}\). Each of these factors stems from the meanings that people have

\(^{28}\) See commodity in Appendix E – Key Terms list.

\(^{29}\) See liquidity in Appendix E – Key Terms list.

\(^{30}\) Marketability is referring to the ability to use gold in the market, see market in Appendix E – Key Terms list.
attached to gold. In other words, people continue to invest in gold because of the meanings continuously attached to it, by themselves and other people. Gold is often exchanged with ease because large amounts of people, including international financial institutions, perceive it as a substance of “value.” Also, gold is often fungible31 (worth the same regardless of the bearer), the supply of gold is scarce or at least restricted, and gold continues to be marketable/sellable (people continue to want gold).

The numerous and various meanings that individuals and groups of people attach to gold are further supported by cultural practice and language. Gold has been and continues to be used within status symbols. For example, individuals often wear golden jewelry to show to others their ability to obtain it or their economic wealth in general. Also, after Olympic athletes compete, the winner will wear a gold medal to symbolize their superior status. Furthermore, couples have and continue to choose gold as the substance in which their wedding rings (relationship status symbols) should be constructed from. Lastly, the way gold is used in language further indicates gold’s binding relationship with perceived value in the eyes of people. Common expressions such as, “That’s a golden opportunity,” “All that glitters not gold,” “a heart of gold,” “good as gold,” and many others associate the word gold with ideas relating to value. The attached meaning of value to gold is so powerful that the word gold is used in language to signify value, thus further reciprocating gold as a substance of value. In other words, largely because the word gold, as it is used in common language, literally means

31 See fungible in Appendix E – Key Terms list.
valuable, gold as a physical substance is acted toward in relation to that label.

There is no denying the fact that many people around the world still attach a meaning of value to gold. This is clearly reflected today through people wearing gold jewelry, Olympic athletes competing for “gold” medals, people collecting gold coins/bars as investments, and especially governments and central banks\(^{32}\) resilience to hold on to large amounts of gold (also the IMF). The meaning of value attached to gold in the world today can also be reflected through prominent political and economic figures. For instance, in February of 2017 Alan Greenspan (former head of the Federal Reserve from 1987-2006) stated, “I view gold as the primary global currency. It is the only currency, along with silver, that does not require a counter-party signature” (Alan Greenspan 2017:12). This statement reflects a prominent U.S. economic figure expressing meanings of value to gold, or stating how he views gold as a valuable currency, better yet “the primary global currency.” Overall, individuals, corporations, and governments continue to show a persistence to acquire, save and use gold, as a form of currency, in light of an international financial system that operates predominantly on currencies that no longer have direct connection with gold, such as circulating gold coins or gold certificates\(^{33}\). This further indicates how the material substance of gold, will very likely remain as a currency within the international field for years to come.

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\(^{32}\) See *central banks* in Appendix E – Key Terms list.

\(^{33}\) See Appendix N for gold certificate.
CHAPTER 3

RESEARCH METHOD

This research project was an exploratory historical case analysis research study which investigated time periods between four purposefully chosen major U.S. dollar transforming events: (Event One) March 14th 1900, U.S. Congress enacts the Gold Standard Act – (Event Two) April 5th 1933, U.S. president Franklin Delano Roosevelt (F.D.R) enacts executive order no. 6102 – (Event Three) July 22nd 1944, the final day of the United Nations Monetary and Financial Conference (Bretton Woods, New Hampshire U.S.A) and (Event Four) August 15th 1971, U.S. president Richard Nixon’s live television announcement of gold convertibility suspension.

This exploratory historical case analysis project utilized existing data in the form of publically available documents, archives, and databases. A primary goal of this exploratory study, amongst other goals, was to lay the groundwork for future researchers to conduct event history analyses surrounding major currency transforming events, whether related to the U.S. dollar or another national currency. “Event history analysis is used to study the duration until the occurrence of the event of interest, where the duration is measured from the time at which an individual becomes exposed to the ‘risk’ of experiencing the event” (Steele 2005:4). In order to lay this groundwork, the four historical events listed above were used as markers to explore the economic capital, social capital, and cultural capital ascribed to the U.S.’s during those time periods.

Since this research project examined laws, letters, speeches, and Web pages, a content analysis research methodology served as an adequate structure of analysis for this
thesis. A *content analysis* research method is essentially the study of any style of recorded human communications. When discussing content analysis, Babbie (2001:304) mentioned, “Among the forms suitable for study are books, magazines, Web pages, poems, newspapers, songs, paintings, speeches, letters, email messages, bulletin board postings on the Internet, laws and constitutions, as well as any components or collections thereof.” By examining these various records of human communication it can be shown how the meanings attached to the U.S. dollar have been transformed as well as various capitals ascribed to the U.S. Therefore, this mixed (use of both qualitative and quantitative data) content analysis research method is adequate for answering the research questions: 

1. **What was the meaning attached to the U.S. dollar at various points over the course of the 20th century? Who changed the meanings and why? What prompted these changes?**

2. **What economic, social and cultural capital indicators were ascribed to the United States during the time periods between the four U.S. dollar transforming events?**

For economic capital, the data of interest was the gold reserves ascribed to the U.S. over the course of the 20th century. This existing data was derived from the World Gold Council’s database\(^3\). This provided empirical data in regards to the U.S.’s economic capital. In order to organize this data, a *scattergram* was used. “A scattergram is a graph on which a researcher plots each case or observation, where each axis represents the value of one variable” (Neuman 2000:323). For this research project, the years 1900-1998 were listed on the horizontal (x) axis and the weight (metric tons) of gold reserves ascribed to the U.S. 

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\(^3\) See the World Gold Council in the References.
gold reserves were listed on the vertical (y) axis. Also, the four U.S. dollar transforming events selected for this study were plotted along the (x) axis. Basically, the world total of gold reserves and the amount of gold reserves ascribed to the U.S. government, over the course of the 20th century, was plotted on scattergram Graphs35.

For social capital, the data of interest was the various memberships ascribed to the U.S. in reference to major international groups (e.g. United Nations, IMF), within the time periods of interest. This existing data was collected from the Central Intelligence Agency (CIA) World Factbook. This provided empirical data in regards to the U.S.’s social capital. In order to organize this data, a chronological time list was used to create a version what Grafton and Rosenberg (1996) called, time in print. This style of organizing historical events can be seen as far back as, “…the famous medieval manuscript chronology called the Annals of St. Gall, which records events in the Frankish kingdoms during the eighth, ninth, and tenth centuries in chronological order with dates in a left hand column and events on the right” (Grafton and Rosenberg 1996:11). Basically, each time the U.S. became part of a major international group, the name of that organization was placed next to the year of its origin as well as the type of organization36.

For this research project, the years 1900-2013 were listed on the left-hand column and the international organization was listed in the middle column. The right-hand column displayed the type of international organization. This list of international organizations was derived from the list provided by the Central Intelligence Agency

35 See Graph 1 in Chapter 4: Findings and Analysis
36 See Tables 1, 2, 3, 4, and 5 in Chapter 4: Findings and Analysis
(CIA) World Factbook Web page, therefore any group that was not listed within their webpage (as of February 1, 2018), was not included within this project’s data chart. Also, 2013 was the last year in which the U.S. obtained membership within an international organization, according to the CIA World Factbook list used for this project.

For cultural capital, the data of interest is currency spent on the military, more specifically the amount of currency governments (e.g. U.S. government) of countries have spent on the military. This existing data was collected from Our World in Data. “Our World in Data is an online publication that shows how living conditions are changing. The aim is to give a global overview and to show changes over the very long run, so that we can see where we are coming from and where we are today. The project, produced at the University of Oxford, is made available in its entirety as a public good” (Our World in Data 2018: para. 1). This empirical data gives reference to objectified cultural capital (military objects), it gives reference to the power of the U.S. dollar, and gives reference to the U.S.’s military position within the international field.

In order to organize this cultural capital related data, scattergram Graphs were used to record the amount of currency governments spent on military goods and services. For this research project, the years 1900-2007 (only data for these years was available from Our World in Data) were listed on the horizontal (x) axis and the amount of currency (valued in terms of U.S. dollars) was listed on the vertical (y) axis of this Graph. For each year (1900-2007) the annual military cost was plotted for the countries: United States (U.S.), Russia, United Kingdom (U.K.), China, Germany, Brazil and Peru.

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37 See Graph 2 in the Chapter 4: Findings and Analysis
Data pertaining to Brazil and Peru was included to provide comparison between the amount of currency developed countries (e.g. U.S.) have spent on military goods and services and the amount of currency developing countries (e.g. Brazil and Peru) have spent on military goods and services.

This exploratory historical case analysis research design provided a sound structure for adding to the breadth of studies associated with the sociology of currency. Neuman (2000) outlined various goals that different research designs and approaches often target. The goals of research Neuman (2000:22) listed pertaining to exploratory research included: (a) to become familiar with the basic facts, setting, and concerns of a topic., (b) to create an overview of conditions surrounding a topic., and (c) to formulate and focus questions for future research on a topic. By following each of Neuman’s (2000) exploratory research goals listed above, my study aimed to lay a foundation for future studies surrounding major currency transforming events38.

First, becoming familiar with the basic facts, vocabulary, and important events surrounding the U.S. dollar was a crucial part of building a foundation from which future currency research may be conducted. The specific U.S. dollar transforming events included within this study were part of the basic facts for this area of research. Both the inclusion and explanation of these events provided a setting, or background, for context surrounding this topic. Also, concerns surrounding the impacts of these events were discussed to shed light on the relevance of these types of events.

Next, providing an overview of important currency concepts and of various

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38 See major currency transforming event in Appendix E – Key Terms list.
conditions surrounding the evolution of the U.S. dollar should allow future researchers to gain perspective and insight into why currency evolution is an important topic to study. This was accomplished through highlighting major U.S. dollar transforming events and documenting an assortment of capitals ascribed to the U.S., and other countries, during the time between those events. This overview can be constructed through tracking the U.S.’s gold holdings (economic capital), U.S.’s participation within international organizations (social capital), and U.S. dollars spent by the U.S. government on military goods and services over the course of the four currency transforming events.

Finally, an assortment of focused questions for future research pertaining to major currency transforming events were formulated\(^3^9\). By formulating these focused questions, future researchers can use them to make further connections, between people and currency, when conducting studies relatable to this topic. Researchers interested in conducting research concerning currency evolution could certainly benefit from an assortment of questions to direct their areas of scientific investigation.

By following Neuman’s (2000) goals of exploratory research, this project sought to structure paths for future currency research. Neuman’s (2000) guidelines for this project were used, in part, to generate questions necessary for making further connections in regards to major currency transforming events and how society is impacted as a result. A primary goal and focus for this project was to collect data for future researchers to be able to reflect back on in order to make further connections between people and currency.

**CHAPTER 4**

\(^{3^9}\) See Table 6 in Chapter 5: Conclusions, Discussion and Implications.
FINDINGS AND ANALYSIS

The first area of focus for this research project was: (1) *What was the meaning attached to the U.S. dollar at various points over the course of the 20th century? Who changed the meanings and why? What prompted these changes?*

In order to understand potential reasons as to why these four major U.S. dollar transforming events occurred, it is important to reflect on certain contextual aspects that likely prompted these events. For example, in the case of Event One it is important to take into account other relevant occurrences as well as the political climate leading up to this event. Three particular legal scripts (U.S. Constitution Article 1 (Section 10), the Coinage Act of 1792, and the Coinage Act of 1873) can be reflected upon in order to contextualize Event One.

The U.S.’s history with currency is closely linked to the idea that gold and silver should be used as legal tender. Article 1, Section 10 of the U.S. Constitution states that no state is allowed to, “…make any Thing but gold and silver Coin a Tender in Payments of Debts.” This shows how gold and silver were originally given a status as lawful substances, that of which were acceptable to mint (melt into coins, with weighted denominations) and use as legal tender currency within trades and payments of debts.

The Coinage Act of 1792 was a significant form of government legislation because it approved the “free coinage” of both gold and silver. “‘Free coinage’ is critical because it gave practical content to a specie standard by providing that the government mint would convert specie that individuals chose to bring to the mint into legal tender currency denominated in ‘dollars’ (initially solely in the form of coins; later in paper
certificates as well) at the stated metallic equivalent. ‘Both’ is critical because it effectively established the United States on a bimetallic standard, that is, a monetary standard that authorized free coinage, and hence the use as money, of either of two metals, silver or gold” (Friedman 1990:1161).

Furthermore, the Coinage Act of 1873 was significant because it listed the various coins that were allowed to be minted from the gold and silver provided by individuals. Consequently, “The omission of any mention of the standard silver dollar in the Coinage Act of 1873 ended the legal status of bimetallism in the United States” (Friedman 1990:1165). The Coinage Act of 1873 paved the way for a gold standard by solidifying gold as the prominent substance of which the U.S. dollar should be understood in terms of. In years leading up to the Gold Standard Act of 1900 (Event One), “bimetallism” was a major topic of presidential debate. For instance, a populist presidential candidate, William Jennings Bryan, ran his presidential campaign largely on the notion that “bimetallism” should be re-instated. Despite Bryan’s efforts (e.g. Cross of Gold Speech) to highlight an argument regarding the importance of “bimetallism,” Republican presidential candidate William McKinley became the U.S. president in 1897. McKinley was indeed the individual to later sign Congress’ Gold Standard Act of 1900 into law, thus inscribing gold, not silver or both, as the substance for U.S. dollar valuation.

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40 See *The Gold Standard* in Appendix E – Key Terms list.

41 In arguably one of the most infamous political speeches in U.S. history, William Jennings Bryan delivered the “Cross of Gold” speech advocating for “bimetallism.” See Bryan (1896) in References.
Basically, on March 14, 1900 individuals holding lawful position within the U.S. government (specifically members of Congress) came together and assigned a new meaning to the U.S. dollar through legislative action\(^{42}\). After McKinley signed this act of government legislation, one U.S. dollar was representative of twenty-five and eight-tenths grains of gold nine-tenths fine, which is a particular weight of gold for a corresponding one-dollar. Paper notes were printed once actual gold was minted and/or deposited in a government vault. In short, this piece of legislation made a direct connection between paper currency and actual gold. Paper currency was, at this point, similar to a redemption ticket in that when U.S. dollar currency notes were presented to a bank teller a physical weight in gold could be redeemed upon submission of that paper currency note.

Gold’s relation to the U.S. dollar remained as a critical topic of debate within U.S. politics and among presidential candidates in the years following the Gold Standard Act of 1900. This was especially true in the years leading up to the 1932 presidential election. International events (e.g. United Kingdom abolished their gold standard, 1931) also likely influenced these debates. Despite criticism in regards to the gold standard, residing president and Republican presidential nominee Herbert Hoover, maintained a position in support of the gold standard on his presidential campaign trail by stating:

> Going off the gold standard is no academic matter. By going off that standard, gold goes to a premium, and the currency dollar becomes depreciated. In our country, largely as a result of fears generated by the experience after the Civil War and by the Democratic free-silver campaign in 1896, our people have long

\(^{42}\) See Appendix A – (Event One) for official document.
insisted upon writing a large part of their long-term debtor documents as payable in gold (Hoover 1932: para. 49).

It is important to note that, by the time of the 1932 presidential election, the U.S. was in the midst of the Great Depression. This meant that efforts to improve the economy were critical discussion points within the debates among presidential candidates. The gold standard was being examined by the public because it was indeed the currency system before and during the Great Depression. As was mentioned earlier, other countries were also questioning the gold standard; the United Kingdom discontinued their gold standard in 1931. Hoover’s (1932) quote above illustrates concerns about what making changes to the gold standard would mean, while also arguing that Americans have long supported a gold standard.

It can certainly be argued that if Williams Jennings Bryan would have beat William McKinley in their presidential race, Bryan would have likely structured the U.S. dollar to be bi-metallic rather than a singular gold standard. Nevertheless, McKinley won the presidential race and inevitably signed Congress’ Gold Standard Act of 1900 short thereafter. It can similarly be argued that if Herbert Hoover would have been re-elected in the 1932 presidential election, he would have likely maintained the U.S. dollar’s relationship to gold, via maintaining the gold standard. Nevertheless, the Democratic candidate Franklin Delano Roosevelt won the 1932 presidential race and inevitably enacted Executive Order no. 6102 (Event Two), thus drastically changing the gold standard for U.S. citizens.\footnote{See Appendix B – (Event Two) for official document.}
Event Two was April 5th 1933, when newly elected president Franklin Delano Roosevelt used his lawful power to enact Executive Order no. 6102. This Executive Order changed the redemption ticket-like meaning previously attached to the U.S. dollar and changed the way the gold standard was to be understood from the perspective of a U.S. citizen. The meaning attached from this Executive Order made it so that no longer was a person allowed to present a bank teller with a paper currency note and redeem gold in exchange for that note. Additionally, this Executive Order made it illegal for U.S. citizens to be in possession of gold coins, gold bars, and gold certificates. Citizens were required to forfeit their gold coins to the government and received printed legal tender paper currency notes in exchange. These legal tender paper currency notes were still representative of gold in the government vault, however gold redemption was restricted.

Event Two allowed the U.S. government to increase their gold reserves by obtaining gold coins and gold bars from their citizens through Executive Order by the president. Additionally, this event changed U.S. citizens’ interactions with the U.S. dollar and gold coins and bars. In other words, the Executive Order was the symbol that spawned a fundamental change in meaning to the U.S. dollar. The redemption mechanism of the gold standard was eliminated for U.S. citizens and therefore was no longer part of the definition of what a U.S. dollar was a symbol of.

Moving along, the closing of World War II prompted Event Three as countries around the world were looking to partake in a new international exchange system that would stabilize international trade. Considering the U.S.’s performance during World War II, it is understandable how the U.S. took the lead role in orchestrating the post-
World War II international currency exchange system. Event Three was the United Nations Monetary and Financial Conference (also known as the Bretton Woods Conference) held in Bretton Woods, New Hampshire, United States on July 1-22, 1944. This conference was undoubtedly a symbolic event of solidarity, cooperation and unification in which countries around the world came together and agreed on a new currency exchange system for conducting trades. It is important to note, however, that this event came just a month after D-day and prior to the end of the World War II. Nevertheless, the international sentiment at this time was such that attempts to advocate for and coordinate a stabilizing international currency system were viewed as respectable attempts central to steadying international relations moving forward after the war.

This third event reflects an event in which individuals holding government positions from various countries (including the U.S.) finalized an international fixed-exchange rate currency system known as the Bretton Woods System. This system outlined how each currency, from the countries present at this conference, could now be directly understood in terms of another currency. The U.S. dollar was the primary currency in which other countries attached a specific rate of exchange. During this Bretton Woods System, governments of countries were allowed to redeem gold in exchange for their U.S. dollars much in the same way that U.S. citizens were allowed to between Event One and Event Two.

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44 See Appendix C – (Event Three) for official document.
45 D-day (June 6, 1944) was an enormous seaborne invasion of Normandy conducted by the Allies.
46 See fixed-exchange rate in Appendix E – Key Terms list.
Moreover, the U.S. was able to effectively convince the countries within this conference to agree that the U.S. dollar should be the primary currency in which other countries should attach a specific rate of exchange. The fact that the U.S. had the majority of the world’s gold reserves, at the time of Event Three, undoubtingly helped the U.S. make their case. The decision of the other countries to agree to the U.S.’s proposal strengthened the position of the U.S. within the international field by making the U.S. dollar central to the majority of international trades and the standard for currency exchange valuation.

In the decades following its construction, the Bretton Woods System became exhausted through the perceived improper valuation of the U.S. dollar compared with gold and other currencies. Other countries started to question the value of the U.S. dollar, partly because of the abundance of various U.S. government programs. This can be supported by statements from the International Monetary Fund (2018: para. 1) such as:

By the early 1960s, the U.S. dollar's fixed value against gold, under the Bretton Woods system of fixed exchange rates, was seen as overvalued. A sizable increase in domestic spending on President Lyndon Johnson's Great Society programs and a rise in military spending caused by the Vietnam War gradually worsened the overvaluation of the dollar.

As countries, including the U.S., contemplated the benefits of the Bretton Woods System, it was only a matter of time before another currency transformative event would occur. Event Four was August 15, 1971 when U.S. president Richard Nixon changed the meaning attached to the U.S. dollar through a television announcement47. This event

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47 See Appendix D – (Event Four) for official document. Also, see (Nixon 1971) in References for a URL link to the video announcement.
made it so that governments of countries were no longer allowed to redeem gold in exchange for their U.S. dollars. Essentially, no one was allowed to redeem gold with U.S. dollars after this event. This event was similar to Event Two listed above, however instead of U.S. citizens being prevented from redeeming gold for their U.S. dollar currency notes, foreign countries were now also prohibited from redeeming gold with their U.S. dollar currency notes. At this point, the U.S. dollar was changed into a legal tender paper currency (without convertibility), with non-gold metallic fractional denominations (metal coins), often referred to as fiat currency.  

Considering the extent to which the U.S. dollar is used within trades throughout the world, these currency changes have been shown to positively impact some agents while negatively impacting others. This can be supported through Bourdieu’s reference to a field as a field of struggles, “…undergirds and guides the strategies whereby the occupants of these positions seek, individually or collectively, to safeguard or improve their position, and impose the principle of hierarchization most favorable to their own products” (Bourdieu, cited in Wacquant 1989:40). This illustrates how changes to the meanings attached to the U.S. dollar can be shown to be efforts made in part to safeguard the U.S.’s position within the international field. Therefore, a U.S. dollar transforming event can be understood as action taken on the part of individuals holding lawful positions, within the U.S. government, to either maintain or elevate the position of the U.S. relative to other countries within the field. An example of this was shown through Event Four which essentially solidified a large gold reserve position for the U.S. and

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48 See fiat currency in Appendix E – Key Terms List.
resulted in not allowing other countries to elevate their gold reserve position by restricting their right to redeem gold with their U.S. dollars. Overall, major U.S. dollar transforming events have been shown to be prompted by political and economic debate as well as various social events involving other countries (e.g. war, formal meetings).

The second area of focus for this research project was: (2) *What economic, social and cultural capital indicators were ascribed to the United States during the time periods between the four U.S. dollar transforming events?*

**ECONOMIC CAPITAL –**

In terms of economic capital, *Graph 1* shows how over the course of the four chosen major U.S. dollar transforming events, the U.S. acquired possession of, relinquished possession of, and maintained possession of a considerable supply of government controlled gold reserves relative to other countries. The World Gold Council provides records that show how the United States has maintained more gold reserves than any other country from 1905 to 2018.

*Graph 1* shows the big picture in regards to the gold reserves ascribed to the U.S. government over the course of the 20th century. *Graph 1a and 1b* were created to be snapshots of the big picture data of *Graph 1* in order to provide a closer look at different trends. For example, *Graph 1a* shows the increasing pattern of gold reserve acquisition on the part of the U.S. government. *Graph 1a* shows how from 1905 until the late 1950’s, the U.S. continuously increased their gold reserves. In contrast, *Graph 1b* shows how the U.S.’s possession of gold reserves drastically decreased from the late 1950s until U.S. president Richard Nixon’s television announcement Event Four. In respect to *Graph 1b,*
**Graph 1**

Gold Reserves

- **Major U.S. Dollar Transforming Event**
- **World Total Gold Reserves** (metric tonnes fine gold)
- **U.S. Total Gold Reserves** (metric tonnes fine gold)
- **Russia Total Gold Reserves** (metric tonnes fine gold)
- **United Kingdom (U.K.) Total Gold Reserves** (metric tonnes fine gold)
**Graph 1a**

U.S. Total Gold Reserves  
(metric tonnes fine gold)

Thousands (metric tons)

1880 1890 1900 1910 1920 1930 1940 1950 1960 1970

△ U.S. Total Gold Reserves  
(metric tonnes fine gold)
the occurrence of Event Four further supports the notion of an individual holding a lawful position within the government of the U.S. changing the meaning to the U.S. dollar in order to maintain the U.S.’s position within the international field. By retaining a diversified holding of currency (both legal tender currency and gold) allows the U.S. government to conduct almost all their international trades with a currency they can construct, while simultaneously holding gold, a currency the U.S. can only acquire rather than create, but a currency nonetheless that has perceived value within trades.

The fact that people view gold as an acceptable currency within trades is certainly a matter of shared belief, however because gold is a natural chemical element, gold needs to be obtained or acquired rather than digitally created (Werner 2014) or printed by
people working for an organization, such as the U.S. Bureau of Printing and Engraving. This reality impacts the social interactions involving gold and other currencies.

The U.S. maintained the vast majority of the world’s gold reserves into the 1950’s, however the U.S. began to relinquish large sums of their gold reserves until 1971. *Graph 1b* shows how from 1957 to 1971 the U.S. relinquished more than half of their gold reserves. Part of the reason as to why the U.S. was able to solidify a central currency position within the Bretton Woods System was because they had a plethora of gold reserves. Although the U.S. obtained a central position within Bretton Woods System, it came with a cost and the cost was gold. This gold relinquishing trend following Event Three likely played a factor in the Nixon administration’s decision to suspend the gold convertibility of the U.S. dollar.

Nevertheless, this event effectively solidified the gold reserve holdings of the U.S. government. As a result of Event Four, the U.S. has been able to maintain more than 8,000 metric tons of gold reserves past the turn of the century. During 1998, the U.S. had 8,137 metric tons and as of February 2018 the World Gold Council (2018) reported the U.S. gold reserve total to be 8,133 metric tons of gold, which is much more than all other countries. This goes to show how the U.S. has been able to maintain a substantial portion of the world’s gold reserves.

**SOCIAL CAPITAL**

In order to better conceptualize the U.S.’s place within the international field, this project collected social capital data pertaining to the United States. In terms of this social capital, *Tables 1, 2, 3, and 4* show how over the course of the four chosen major U.S.
Table 1

U.S. Dollar Transforming Event: (Event One)
U.S. Congress formed the
Gold Standard Act
March 14, 1900

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Membership in International Organizations (social capital)</th>
<th>Type of International Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1900</td>
<td>1900-1918 the U.S. did not join any International Organizations</td>
<td>N/A</td>
</tr>
<tr>
<td>1919</td>
<td>International Federation of Red Cross and Red Crescent Societies</td>
<td>humanitarian aid</td>
</tr>
<tr>
<td>1919</td>
<td>International Labor Organization (ILO)</td>
<td>labor standards</td>
</tr>
<tr>
<td>1921</td>
<td>International Hydrographic Organization (IHO)</td>
<td>navigation (sea/ocean)</td>
</tr>
<tr>
<td>1923</td>
<td>International Criminal Police Organization (Interpol)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1930</td>
<td>Bank of International Settlements (BIS)</td>
<td>financial</td>
</tr>
</tbody>
</table>
**Table 2**

U.S. Dollar Transforming Event: (Event Two)
U.S. President Franklin Delano Roosevelt
enacts Executive Order no. 6102
April 5, 1933

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Membership in International Organizations (social capital)</th>
<th>Type of International Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1933</td>
<td>1933-1943 the U.S. did not join any International Organizations</td>
<td>N/A</td>
</tr>
</tbody>
</table>


### Table 3

**U.S. Dollar Transforming Event: (Event Three)**  
United Nations Monetary and Financial Conference  
(Bretton Woods, New Hampshire U.S.A.)  
July 1-22, 1944

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S. Membership in International Organizations (social capital)</th>
<th>Type of International Organization</th>
</tr>
</thead>
<tbody>
<tr>
<td>1944</td>
<td>International Monetary Fund (IMF)</td>
<td>financial</td>
</tr>
<tr>
<td>1944</td>
<td>International Bank of Reconstruction and Development (IBRD)</td>
<td>financial</td>
</tr>
<tr>
<td>1945</td>
<td>United Nations (UN)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1945</td>
<td>United Nations Security Council (UNSC)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1945</td>
<td>Food and Agriculture Organization (FAO)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1945</td>
<td>United Nations Educational Scientific and Cultural Organization (UNESCO)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1946</td>
<td>World Health Organization (WHO)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1947</td>
<td>International Civil Aviation Organization (ICAO)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1947</td>
<td>International Organization for Standardization (ISO)</td>
<td>non-governmental</td>
</tr>
<tr>
<td>1947</td>
<td>the Pacific Community (SPC)</td>
<td>environmental, humanitarian, multi-dimentional</td>
</tr>
<tr>
<td>Year</td>
<td>Organization</td>
<td>Type</td>
</tr>
<tr>
<td>------</td>
<td>------------------------------------------------------------------------------</td>
<td>---------------------</td>
</tr>
<tr>
<td>1947</td>
<td>the Pacific Community (SPC)</td>
<td>environmental</td>
</tr>
<tr>
<td>1948</td>
<td>Organization of American States (OAS)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1948</td>
<td>United Nations Truce Supervision Organization (UNTSO)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1948</td>
<td>Council of Europe (CE) - U.S. is an observer</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1949</td>
<td>North Atlantic Treaty Organization (NATO)</td>
<td>military alliance</td>
</tr>
<tr>
<td>1949</td>
<td>Works Agency for Palestine Refugees in the Near East (UNRWA)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1950</td>
<td>Colombo Plan (CP)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1950</td>
<td>World Meteorological Organization (WMO)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1950</td>
<td>United Nations High Commissioner for Refugees (UNHCR)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1951</td>
<td>Australia, New Zealand, United States Security Treaty (ANZUS)</td>
<td>military alliance</td>
</tr>
<tr>
<td>1951</td>
<td>International Organization for Migration (IOM)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1952</td>
<td>World Customs Organization (WCO)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1954</td>
<td>Research (CERN) - U.S. is an observer</td>
<td>research</td>
</tr>
<tr>
<td>1956</td>
<td>International Finance Corporation (IFC)</td>
<td>financial</td>
</tr>
<tr>
<td>1956</td>
<td>Paris Club</td>
<td>financial</td>
</tr>
<tr>
<td>1957</td>
<td>International Atomic Energy Agency (IAEA)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1958</td>
<td>Nuclear Energy Agency (NEA)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1959</td>
<td>Inter-American Development Bank (IADB)</td>
<td>financial</td>
</tr>
<tr>
<td>Year</td>
<td>Organization Name</td>
<td>Type</td>
</tr>
<tr>
<td>------</td>
<td>-------------------</td>
<td>------</td>
</tr>
<tr>
<td>1947</td>
<td>the Pacific Community (SPC)</td>
<td>environmental, humanitarian, multi-dimensional</td>
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<td>intergovernmental</td>
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<td>1948</td>
<td>United Nations Truce Supervision Organization (UNTSO)</td>
<td>UN organization</td>
</tr>
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<td>1949</td>
<td>Council of Europe (CE) - U.S. is an observer</td>
<td>intergovernmental</td>
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<tr>
<td>1949</td>
<td>North Atlantic Treaty Organization (NATO)</td>
<td>military alliance</td>
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<tr>
<td>1949</td>
<td>United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA)</td>
<td>UN organization</td>
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<tr>
<td>1950</td>
<td>Colombo Plan (CP)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1950</td>
<td>World Meteorological Organization (WMO)</td>
<td>UN organization</td>
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<tr>
<td>1950</td>
<td>United Nations High Commissioner for Refugees (UNHCR)</td>
<td>UN organization</td>
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<tr>
<td>1951</td>
<td>Australia, New Zealand, United States Security Treaty (ANZUS)</td>
<td>military alliance</td>
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<tr>
<td>1951</td>
<td>International Organization for Migration (IOM)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1952</td>
<td>World Customs Organization (WCO)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1954</td>
<td>European Organization for Nuclear Research (CERN) - U.S. is an observer</td>
<td>research</td>
</tr>
<tr>
<td>1956</td>
<td>International Finance Corporation (IFC)</td>
<td>financial</td>
</tr>
<tr>
<td>1956</td>
<td>Paris Club</td>
<td>financial</td>
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<td>1957</td>
<td>International Atomic Energy Agency (IAEA)</td>
<td>intergovernmental</td>
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<td>1958</td>
<td>Nuclear Energy Agency (NEA)</td>
<td>intergovernmental</td>
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<td>1959</td>
<td>Inter-American Development Bank (IADB)</td>
<td>financial</td>
</tr>
<tr>
<td>1959</td>
<td>International Maritime Organization (IMO)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1960</td>
<td>International Development Association (IDA)</td>
<td>financial</td>
</tr>
<tr>
<td>1961</td>
<td>Organization for Economic Co-operation and Development (OECD)</td>
<td>financial</td>
</tr>
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<td>1962</td>
<td>Group of Ten (G-10)</td>
<td>financial</td>
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<tr>
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<td>United Nations Institute for Training and Research (UNITAR)</td>
<td>UN organization</td>
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<tr>
<td>1964</td>
<td>African Development Bank (AfDB) - U.S. is a non-regional member</td>
<td>financial</td>
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<tr>
<td>1964</td>
<td>International Telecommunications Satellite Organization (ITSO)</td>
<td>intergovernmental</td>
</tr>
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<td>1964</td>
<td>United Nations Conference on Trade and Development (UNCTAD)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1966</td>
<td>Asian Development Bank (ADB) - U.S. is a non-regional member</td>
<td>financial</td>
</tr>
<tr>
<td>1967</td>
<td>Association of Southeast Asian Nations (ASEAN)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1967</td>
<td>World Intellectual Property Organization (WIPO)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1970</td>
<td>Zangger Committee (ZC)</td>
<td>nuclear weapons treaty</td>
</tr>
<tr>
<td>Year</td>
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<td></td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
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<td>1971</td>
<td>1971-1972 the U.S. did not join any International Organizations</td>
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<tr>
<td>1973</td>
<td>Organization for Security and Co-operation in Europe (OSCE)</td>
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</tr>
<tr>
<td>1974</td>
<td>Canadian Institute of Chartered Accountants (CICA) - U.S. is an observer</td>
<td></td>
</tr>
<tr>
<td>1974</td>
<td>International Energy Agency (IEA)</td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>Group of Seven (G-7)</td>
<td></td>
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<tr>
<td>1975</td>
<td>Institute of Certified Records Managers (ICRM)</td>
<td></td>
</tr>
<tr>
<td>1975</td>
<td>Nuclear Suppliers Group (NSG)</td>
<td></td>
</tr>
<tr>
<td>1977</td>
<td>International Fund for Agricultural Development (IFAD)</td>
<td></td>
</tr>
<tr>
<td>1979</td>
<td>International Mobile Satellite Organization (IMSO)</td>
<td></td>
</tr>
<tr>
<td>1985</td>
<td>Australia Group</td>
<td></td>
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<td>1985</td>
<td>South Asian Association for Regional Cooperation (SAARC) - U.S. is an observer</td>
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<tr>
<td>1986</td>
<td>Intergovernmental Authority on Development (IGAD)</td>
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</tr>
<tr>
<td>1988</td>
<td>Multilateral Investment Guarantee Agency (MIGA)</td>
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</table>

Table 4
U.S. Dollar Transforming Event: (Event Four)
U.S. President Richard Nixon suspends U.S. dollar gold convertability
August 15, 1971
<table>
<thead>
<tr>
<th>Year</th>
<th>Organization</th>
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<tr>
<td>1988</td>
<td>Asia-Pacific Economic Cooperation (APEC)</td>
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<tr>
<td>1989</td>
<td>Financial Action Task Force (FATF)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1991</td>
<td>Arctic Council</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1991</td>
<td>European Bank for Reconstruction and Development (EBRD)</td>
<td>financial</td>
</tr>
<tr>
<td>1991</td>
<td>Central American Integration System (SICA) - the U.S. is an observer</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1992</td>
<td>Organization of the Black Sea Economic Cooperation (BSEC) - U.S. is an observer</td>
<td>non-governmental</td>
</tr>
<tr>
<td>1992</td>
<td>Council of the Baltic Sea States (CBSS) - U.S. is an observer</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1994</td>
<td>North American Free Trade Agreement (NAFTA)</td>
<td>trade</td>
</tr>
<tr>
<td>1995</td>
<td>World Trade Organization (WTO)</td>
<td>intergovernmental, trade</td>
</tr>
<tr>
<td>1997</td>
<td>European-Atlantic Partnership Council (EAPC)</td>
<td>NATO organization</td>
</tr>
<tr>
<td>1997</td>
<td>Organization for the Prohibition of Chemical Weapons (OPCW)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1998</td>
<td>Group of Eight (G-8)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1999</td>
<td>Group of Twenty (G-20)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>1999</td>
<td>United Nations Organization Stabilization Mission in the Democratic Republic of the Congo (MONUSCO)</td>
<td>UN organization</td>
</tr>
<tr>
<td>1999</td>
<td>Pacific Islands Forum (PIF) - the U.S. is a partner</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>2000</td>
<td>Community of Democracies (CD)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>2002</td>
<td>International Criminal Court (ICC)</td>
<td>intergovernmental</td>
</tr>
</tbody>
</table>
dollar transforming events, and beyond, the U.S. has expanded their social capital through participation within numerous international organizations. When comparing the data between these tables it is apparent that the world became more integrated through the emergence of a multitude of international organizations and initiatives.

*Table 1* shows how the U.S. was a part of a variety of international organizations which included: humanitarian aid, financial, intergovernmental, and others. *Table 1* was created for this project to show how the U.S. indeed expanded their social capital from

<table>
<thead>
<tr>
<th>Year</th>
<th>Organization</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>International Criminal Court (ICC)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>2003</td>
<td>Extractive Industries Transparency Initiative (EITI)</td>
<td>industry oversight</td>
</tr>
<tr>
<td>2003</td>
<td>United Nations Mission in Liberia (UNMIL)</td>
<td>UN organization</td>
</tr>
<tr>
<td>2004</td>
<td>United Nations Stabilization Mission in Haiti (MINUSTAH)</td>
<td>UN organization</td>
</tr>
<tr>
<td>2005</td>
<td>Group of Five (G-5)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>2006</td>
<td>International Trade Union Confederation (ITUC)</td>
<td>trade union</td>
</tr>
<tr>
<td>2011</td>
<td>East Asia Summit (EAS)</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>2011</td>
<td>Southeast European Law Enforcement Center (SELEC) - the U.S. is an observer</td>
<td>intergovernmental</td>
</tr>
<tr>
<td>2011</td>
<td>United Nations Mission in South Sudan (UNMISS)</td>
<td>UN organization</td>
</tr>
<tr>
<td>2012</td>
<td>Pacific Alliance - the U.S. is an observer</td>
<td>trade</td>
</tr>
<tr>
<td>2013</td>
<td>United Nations Multidimensional Integrated Stabilization Mission in Mali (MINUSMA)</td>
<td>UN organization</td>
</tr>
</tbody>
</table>
1900-1930, however this expansion dwarfs in comparison to the social capital expansions that can be displayed on Tables 3 and 4. Interestingly, Table 2 shows a lack of social capital expansion, actually there are zero international organizations included in Table 2. There may have been various international organizations that formed and/or included the U.S. during the time frame of Table 2, however those organizations were not included within the list found on the CIA World Factbook’s database, and therefore were not included in this project’s data. Also, the time frame of Table 2 was during the Great Depression and World War II, therefore it should be of no surprise regarding international organizational expansion was curtailed during this time.

Tables 3 and 4 display similar data to each other in a number of regards. For instance, they both show a considerable level of social capital expansion relative to Tables 1 and 2. Furthermore, Tables 3 and 4 include predominantly intergovernmental organizations, and a range of United Nations (UN) organizations. The continuous pattern of U.S. involvement within UN organizations gives reference to efforts made on the part of the U.S. government to continue and expand international cooperation through UN specified goals. The increasing number of UN organizations can illustrate the success of the U.S. government in taking a lead role in forming an international platform (UN) of which a variety of types of international organizations and initiatives can be continuously formed and sustained. This shows how the existence of the UN allows the U.S. to maintain and expand their social capital.

Table 3 includes organizations focused on humanitarian issues, two military alliances, numerous financial organizations and a nuclear weapons treaty. Table 4
includes two export control organizations, a military organization as well as accounting and oversight organizations. *Tables 3 and 4* can show the U.S.’s involvement within powerful organizations. The United States expanded their social capital by aligning themselves with other countries in direct military alliances (e.g. NATO, ANZUS), UN organizations (e.g. IMF, IFAD), and various oversight organizations (e.g. export control regimes – e.g. NSG). Formal participation within international organizations is important in determining the position a country occupies within the international field. Based on the *Tables* presented in this project, it can at the very least be presumed that the U.S. is an important and active agent within international relations, spanning from humanitarian aid initiatives all the way to military activities concerning actual war and nuclear weapons production.

Overall, the data displayed within *Tables 1, 2, 3, and 4* can show how the U.S. government expanded their membership within international organizations over the course of the 20th century, during which various U.S. dollar transforming events took place. Considering the abundance of, and diversity in types of international organizations presented in this list, this data requires further investigation and analysis.49

By including this data, the number of and the particular international organizations the U.S. joined over the course of the 20th century can be shown, however further research needs to be conducted for discovering how membership within each of these international organizations precisely impacts the U.S.’s position within the

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49 See *Table 6* in Chapter 5: Conclusions, Discussion and Implications.
international field. For example, the U.S. took the lead role in constructing the International Monetary Fund (IMF) as well as the International Bank of Reconstruction and Development (IBRD, the World Bank)\textsuperscript{50}. This project highlighted a logical connection, at least partly, that since the U.S. had vastly more gold reserves than any other country, the U.S. was ascribed with the symbolic capital necessary for assuming a lead international financial role, and ascribed the credibility to lead the IMF.

\textit{Table 5} was constructed in order to provide a snapshot view of notable international organizations and conferences listed in \textit{Tables 1, 2, 3, and 4}. The data displayed in \textit{Table 5} shows how the U.S. was involved in numerous currency conferences, military alliances, nuclear weapons treaties, and humanitarian organizations over the course of the 20\textsuperscript{th} century. \textit{Table 5} is essentially a combined, condensed and abbreviated version of the previous tables to provide a lens to capture the U.S. membership within significant organizations. The organizations and conferences listed in \textit{Table 5} are significant in that they formed from heads of state, or governments, of various countries. The organizations within \textit{Table 5} cover a wide spectrum from weapons-related organizations to humanitarian-aid related organizations.

Nevertheless, the U.S.’s position within international organizations as well as the variety of organizational membership (e.g. financial, humanitarian, military) both need to be further investigated in order to understand which organizations are most important or relevant for maintaining, expanding, and/or displaying a country’s position within the

\textsuperscript{50} See \textit{International Monetary Fund} and the \textit{International Bank of Reconstruction and Development (the World Bank)} in Appendix E – Key Terms list.
field. One can at the least presume, from the social capital data presented within this project, that the U.S. does indeed have a social network with many connections to other groups of people across the international field, and thus displays U.S. social capital.

CULTURAL CAPITAL –

Next, the amount of currency a government spends on its military can reflect the fact that many people are indeed working in exchange for that currency, and thus reflects power pertaining to that currency. Therefore, the U.S. military expenditures served as an adequate data point for reflecting data relating to cultural capital in the objectified state (the U.S.’s military) as well as the power of the U.S. dollar (power as an acceptable form of currency) from 1900 past the turn of the century. The objectified state of the military can be reflected in Graph 2 because a record of military expenditures relates to the fact

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**Table 5**

Snapshot of U.S. Participation in International Organizations

<table>
<thead>
<tr>
<th>Event</th>
<th>Years</th>
<th>U.S.’s Membership in International Trade or Currency Related Alliances, Conventions, or Organizations</th>
<th>U.S.’s Membership in International Military/Security Related Alliances, Conventions, or Organizations</th>
<th>U.S.’s Membership in International Political or Diplomatic Alliances, Conventions, or Humanitarian Organizations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1900-1932</td>
<td>International Labor Organization (ILO) and the International Convention for the Suppression of Counterfeiting Currency (ICSCC)*, and the Bank of International Settlements (BIS)</td>
<td>U.S. was affiliated with The Allies (or Entente)* of World War 1, and the International Criminal Police Organization (Interpol)</td>
<td>International Federation of Red Cross and Red Crescent Societies (IFRCS)</td>
</tr>
<tr>
<td>2</td>
<td>1933-1943</td>
<td>N/A</td>
<td>The Allies* military alliance of World War 2</td>
<td>N/A</td>
</tr>
<tr>
<td>3</td>
<td>1944-1970</td>
<td>Bretton Woods Conference, the International Monetary Fund (IMF), International Bank of Reconstruction and Development (IBRD-The World Bank)</td>
<td>North Atlantic Treaty Organization (NATO), Australia, New Zealand, United States Security Treaty (ANZUS), Treaty on the Non-Proliferation of Nuclear Weapons (NPT)*, and the Zanagger Committee (ZC - nuclear weapons treaty)</td>
<td>United Nations (UN), the Pacific Community (SPC), and the Group of 10 (G-10)</td>
</tr>
<tr>
<td>4</td>
<td>1971-2013</td>
<td>North American Free Trade Agreement (NAFTA) and The World Trade Organization (WTO)</td>
<td>European-Atlantic Partnership Council (EAPC - NATO organization)</td>
<td>Group of Seven (G-7), Group of 5 (G-5), Group of 8 (G-8), and the Group of 20 (G-20)</td>
</tr>
</tbody>
</table>

*Note: Organizations signified with * were not included in the CIA World Factbook list, however were included in this table for their pertinence to this project.
that currency was indeed exchanged for actual military objects (military equipment), the
labor that went into producing them, and the fact that currency served as payment for
individuals holding military positions necessary for the military to exist.

Further research will need to be conducted to determine the specific military
objects, or military equipment, that were acquired by the U.S. over the course of the 20th
century. Earlier, in the Theoretical Overview, it was mentioned that in 2017 the U.S.
was in possession of 1,393 Warheads on Deployed ICBMs, on Deployed SLBMs, and
Nuclear Warheads Counted for Deployed Heavy Bombers and Russia was in possession
of 1,561 of the same weapons (Bureau of Arms Control 2017). This data from the Bureau
of Arms Control is a numerical reference to actual physical military equipment/objects
that are ascribed to both the U.S. and Russia. Another example of an objectified reference

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51 See Table 6 in Chapter 5: Conclusions, Discussion and Implications.
to the military could be the number of military installations or military bases\textsuperscript{52} ascribed to a country.

Furthermore, it must be stressed that countries (e.g. U.S.) around the world continue to use currency (e.g. U.S. dollar) as a means for acquiring material objects, especially military objects (e.g. missiles, guns, etc.) and this project was able to shed light on that reality. The military objects ascribed to a country will certainly impact their status relative to other countries, which shows how important access to a currency with high value is for a country for their positioning within the international field.

*Graph 2a, 2b, 2c, and 2d* were constructed in order to provide snapshot (zoomed-in) views of the military expenditure data displayed within *Graph 2. Graph 2a* displays data between Event One and Event Two, *Graph 2b* displays data between Event Two and Event Three, *Graph 2c* displays data between Event Three and Event Four, and *Graph 2d* displays data following Event Four.

Moreover, the data shown in *Graph 2, 2a, 2b, 2c, and 2d* shows how over the last century the U.S. has spent more currency on military objects than any other country. Although Russia has not spent nearly as much currency on military objects and activities as the U.S., these *Graphs* display Russia’s continuous use of currency to build and maintain their military and therefore add to their military status. It should be noted that each time a country spent more currency on their military than all other countries (e.g. Germany, United Kingdom, Russia), the U.S. would spend more in the years following.

\textsuperscript{52} a military base is essentially a designated area in which people conduct military activities, actions related to the military, store military equipment, etc.
Graph 2a

Currency Spent on Military

<table>
<thead>
<tr>
<th>Billions</th>
<th>U.S.</th>
<th>Russia</th>
<th>United Kingdom</th>
<th>Germany</th>
<th>Brazil</th>
<th>Peru</th>
</tr>
</thead>
</table>

1900 1902 1904 1906 1908 1910 1912 1914 1916 1918 1920 1922 1924 1926 1928 1930 1932
Graph 2b

Currency Spent on Military

<table>
<thead>
<tr>
<th></th>
<th>1933</th>
<th>1934</th>
<th>1935</th>
<th>1936</th>
<th>1937</th>
<th>1938</th>
<th>1939</th>
<th>1940</th>
<th>1941</th>
<th>1942</th>
<th>1943</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S.</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Russia</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
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</tr>
<tr>
<td>UK</td>
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<td>$0</td>
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</tr>
<tr>
<td>Germany</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Brazil</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Peru</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Billions

U.S. - Russia - United Kingdom - Germany - Brazil - Peru
Graph 2c

Currency Spent on Military

<table>
<thead>
<tr>
<th>Year</th>
<th>U.S.</th>
<th>Russia</th>
<th>United Kingdom</th>
<th>Germany</th>
<th>Brazil</th>
<th>Peru</th>
</tr>
</thead>
<tbody>
<tr>
<td>1944</td>
<td>$800</td>
<td>$600</td>
<td>$400</td>
<td>$200</td>
<td>$100</td>
<td>$0</td>
</tr>
<tr>
<td>1946</td>
<td>$700</td>
<td>$500</td>
<td>$300</td>
<td>$200</td>
<td>$100</td>
<td>$0</td>
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<tr>
<td>1948</td>
<td>$600</td>
<td>$400</td>
<td>$300</td>
<td>$200</td>
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</tr>
<tr>
<td>1950</td>
<td>$500</td>
<td>$300</td>
<td>$200</td>
<td>$100</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>1952</td>
<td>$400</td>
<td>$200</td>
<td>$100</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>1954</td>
<td>$300</td>
<td>$100</td>
<td>$0</td>
<td>$0</td>
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<tr>
<td>1956</td>
<td>$200</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
</tbody>
</table>

Billions


U.S. Russia United Kingdom Germany Brazil Peru
This project was able to show a clear pattern of the U.S. consistently spending more currency on their military, shortly after another country began to rapidly increase their spending.

All these Graphs (2, 2a, 2b, 2c, and 2d) illustrate three areas: (1) the power of the U.S. dollar as an acceptable currency through record of currency spent on military goods/services, (2) a connection between currency spent on military goods/services and the display of cultural capital in the objectified state, and (3) data pertaining to the U.S.’s position within the international field relative to both developed and developing countries.

(1) The power of the U.S. dollar as currency can be shown in these Graphs because it reflects the fact that the U.S. government exchanged large amounts of U.S.$
dollars for military goods and services. These goods and services would not have been acquired were it not for the people (those producing and/or selling the military goods) accepting the U.S. dollars as payment, with the belief that individuals, businesses, and/or governments would indeed accept those U.S. dollars as currency within a future transaction.

Increasing amounts of U.S. dollars spent on the military can reflect periods of time in which the U.S. dollar indeed had power as currency because these expenditures are records of U.S. dollars that were exchanged for military goods and services. The decreasing amount of U.S. dollars spent on the military, however, does not necessarily reflect a loss in power to the U.S. dollar as a valuable currency, but certainly reflects a decrease in U.S. dollars spent on the military. For example, the sharp decreases in currency spent on the military from 1946-1947 coincided with the end of World War II, thus it is expected that less currency would be spent on the military in a world without a major war occurring. Immediately following a war (e.g. World War II), countries decreased their military expenditures and allocated their resources into other sectors, understandably since less war-activity was taking place. It is important to understand, therefore, that the U.S. dollar was still viewed and existed as a valuable currency during periods of lower military spending.

(2) There is indeed a connection between currency spent on military goods and the display of cultural capital in the objectified state because the military objects (e.g. missiles, Nuclear Warheads etc.) a country has ascribed to them is an objectified reflection of their power status, more specifically their military status. The U.S. dollar
can be understood as a powerful currency for acquiring military objects and as a result of this power has enabled the U.S. to obtain a large supply of military objects and consequently achieve great military status.

Nonetheless, the increase in military expenditures of a country does indeed reflect the fact that countries (e.g. U.S.) increased their cultural capital (specifically military objects) in the objectified state. The country that exchanged the most currency for military goods and services was by far the U.S. These military expenditures are in reference to currency being exchanged for actual physical military goods and/or services to be used in actual military activity (e.g. war, training) and/or as military status symbols.

(3) Graph 2 also illustrates the U.S.’s position within the international field relative to both developed and developing countries. Brazil and Peru, for example, were included within this research project to reference the U.S. to developing countries. The data pertaining to Brazil and Peru displays considerably less currency spent on military goods than the U.S. Actually, the amount of currency Brazil and Peru spent on military goods (from 1900-2007) is so much less than the U.S. has spent, that the data is barely visible on the chart, thus reflecting a more powerful military position and a more powerful currency ascribed to the U.S.

It is important to keep in mind that wars and military operations\(^{53}\) were taking place between the four chosen U.S. dollar transforming events (e.g. World War I, World War II), therefore numerous resources were being acquired and depleted. The extent to

\(^{53}\) Military operations refer to people working to build and/or maintain the military, and includes but is not limited to action taken by military agents.
which the U.S. experienced fluctuations to their ascribed capitals, as a result of wars and military operations, needs further investigation.\textsuperscript{54}

\textsuperscript{54} See \textit{Table 6} in Chapter 5: Conclusions, Discussion and Implications.
CHAPTER 5

CONCLUSIONS, DISCUSSION AND IMPLICATIONS

5.1 CONCLUSIONS, DISCUSSION AND IMPLICATIONS

In conclusion, during different points throughout history, individuals holding lawful positions within the U.S. government, have changed the meanings attached to the U.S. dollar. This research project investigated different points in history when the meaning attached to the U.S. dollar was changed. This project can illustrate how the meanings attached to the U.S. dollar were transformed at various points over the course of the last century.

The research areas for this project were: (1) What was the meaning attached to the U.S. dollar at various points over the course of the 20th century? Who changed the meanings and why? What prompted these changes?

(2) What economic, social and cultural capital indicators were ascribed to the United States during the time periods between the four U.S. dollar transforming events?

A synthesized theoretical framework from Bourdieu (1986) and Blumer (1969) was used to make connections between changes to meanings attached to the U.S. dollar currency and the U.S.’s position within the larger international field. Concepts pertaining to both of these sociologists were used to shed light on the interactions between the U.S. and other countries. The structure of this exploratory historical case analysis study included a collection of existing data (focused around the occurrences of the four specific U.S. dollar transforming events listed above) of which can be categorized into

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55 Short descriptions of these events are listed in Chapter 1: Introduction

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Bourdieu’s (1986) economic capital, social capital, and cultural capital. A mix of existing quantitative and qualitative data was analyzed through a content analysis research method.

It is evident from this project that numerous social situations and interactions can arise from a sudden and direct currency transformation. These social situations were shown to range from presidential political debates to fundamental shifts in currency interactions. This Thesis project was essentially an exploratory historical case analysis research study that investigated time periods surrounding different transformative events to the U.S. dollar currency in efforts to further understand currency transformations. The implications of this research study are such that can provide deeper insight into the relationship between people and currency, specifically the U.S. dollar.

Considering the reality that the vast majority of countries use legal tender currency as their primary mechanism for mediating the exchanges of goods and services, reflects the importance of this study. It’s important to bear in mind that any transformation to the meanings associated with currency, especially the U.S. dollar, has the potential to impact the survival mechanisms available to large amounts of people. This relates to the fact that, for many people in the world, in order to obtain food, water, shelter, clothing, etc. one will likely need to trade a currency.

Over the course of conducting this research project, a theme of “power” related to the U.S. dollar continuously emerged and became apparent. Therefore, this chapter’s Conclusions, Discussion and Implications section includes narrative surrounding power as it relates to the U.S. dollar.
AN EMERGENT THEME – Power

In light of the four major U.S. dollar transforming events examined within this research project, the U.S. dollar has been shown to remain as a powerful currency. For example, in the years following Richard Nixon’s 1971 television announcement (Event Four), the U.S. dollar has remained as a currency that can be exchanged for countless military goods and services. This further illustrates the reality of Blumer’s (1969) symbolic interactionism because people (e.g. factory workers, military equipment providers, governments, etc.) continue to attach meanings of value to the U.S. dollar. These people act towards this meaning of value as if it were true by allowing the U.S. dollar to be traded in exchange for their labor and goods. This meaning of value has been learned through social interaction, both from events such as Richard Nixon’s television announcement as well as countless interactions involving the U.S. dollar serving as acceptable currency within trades. It is important to note that depending on the social-historical context, people will determine whether the U.S. dollar is indeed a “valuable” or preferable currency. For instance, perhaps had the U.S. not obtained a prominent position following World War II, the U.S. dollar might had been viewed as less valuable.

Partly as a result of having a currency (U.S. dollar) that many countries perceive as valuable, the U.S. has been able to build and maintain a massive military power position. Additionally, since the U.S. maintains a strong military power position, the U.S. holds a higher status within the international field. It is difficult to deny the symbolic power having a massive military provides the United States. When individuals holding lawful positions, within the government of the U.S., interact and construct agreements
with other political and lawful individuals of other countries, military status is likely added to the equation.

It is increasingly apparent that the existence of currency reflects a process involving people and power. There are different types of power that people wield, depending on their relationship to others, and a variety of ways in which power can be administered. For example, a physically powerful person can get others to cooperate with their demands by coercing them directly with the use of their body, literally by forcing someone to do something for them through physical force. Additionally, these people can often hold power over others by threatening coercive physical action if their demands are not met. Similarly, militarily powerful countries can get others to cooperate with various demands by threats of military action and/or actual military action (e.g. dropping bombs). This shows how power can be understood as one’s ability to get other people to do things for them, either voluntarily or non-voluntarily.

Considering the extent to which the U.S. dollar has been used inside and outside of the U.S. over the course of the last century, it is easy to understand how the U.S. government (as well as wealthy U.S. corporations) are powerful. “People who have lots of money are powerful because they can use their money to get others to work for them. If no one would trade goods and services for money, having money would bring a person no power” (Schwalbe 2018:15). The reality of the U.S. dollar as a mechanism for administering power can be shown through governments and international corporations purchasing land, employing workers, purchasing military equipment, and so on.
Part of the reason as to why the U.S.’s Central Intelligence Agency and Hinkelman (2008:55) label a country as a “developing country” relates to the fact that these countries do not have very much economic capital. In short, these countries do not have a large supply of currency, specifically currency predominantly used within international trades (e.g. gold, U.S. dollars). Since developing countries lack economic capital, they do not have the power to get as many people to do things for them, like a country such as the U.S. is able to. For example, the U.S. has a large amount of economic capital (e.g. U.S. dollars) which they are able to use to employ many workers in factories, who can then produce items, which can then be sold for profits or used to build and/or maintain social organizations such as the military. The U.S. has been able to, and continues to, benefit from this cyclical process as a result of having large quantities of economic capital. On the contrary, a developing country typically does not have large amounts of economic capital (currency) of which countries ascribe high value to, such as gold or U.S. dollars, and as a result developing countries are not able to gain nearly as much from economic capital investment.

Over the course of the last century, the United States has been able to employ many people to construct a massive military (massive, both materialistically and symbolically), partially from having large amounts of economic capital (gold, U.S. dollars). Basically, the U.S. government has been able to, and continues to, exchange U.S. dollars for the time, energy/labor, and intellect of a great number of people, and has resulted in the construction of military equipment (e.g. missiles, guns, etc.) and maintenance of a massive military. The massiveness of the U.S. military can be
illustrated through Bruner (2007:1) stating:

The United States maintains a global military presence to support foreign policy and military strategy. Representation ranges from one Marine in Sierra Leone to an Army Corps in Germany, and is found in 144 nations. In some countries, presence is maintained continuously and service members are assigned tours of one to three years. In other countries, there may be short term deployments of units or teams in response to emergencies or training opportunities.

The U.S. dollar has been shown to be a trusted currency in which hard working people (whether U.S. citizens or transnational military equipment providers\(^\text{56}\)) continue to work for to acquire. “If no one would trade goods and services for money, having money would bring a person no power. For money to bring power, people must create and share a belief in its value- and then they must act as if that belief were true” (Schwalbe 2018:15). In the case of the United States, the U.S. dollar is able to bring the U.S. government a great deal of power because the vast majority of countries within the international field believe the U.S. dollar is valuable- and they act as if that belief were true by continuing to export goods and services in exchange for the U.S. dollar.

The implications for this research project are such that can provide deeper insight into the relationship between people (corporations, individuals, governments) and currency, specifically the U.S. dollar. Countless transactions, or trades, have been conducted over the course of the last century and continue to be conducted each and every day using the U.S. dollar. This means that changes to the meanings attached to the U.S. dollar consequently impact those who use the U.S. dollar to mediate their trade.

\(^{56}\) The phrase *Transnational military equipment providers* refers to corporations and/or governments that are in the business of providing others with military goods across international borders (e.g. Lockheed Martin, North Grumman, Boeing).
It needs to be stressed that the government authorized meaning of the U.S. dollar was derived from individuals holding lawful positions within the U.S. government using their lawful power. Power is central to currency processes whether it is the interactions utilizing the U.S. dollar as a medium of exchange or the discussions and meetings that determine how one is to define the U.S. dollar. Event Four was the clearest example of an individual using lawful power to stop a power reducing trend. In this case, lawful power (enacted from the President of the U.S.) was used to retain economic capital power (in the form of gold reserves). It is evident from this research project that currencies, whether gold or U.S. dollars, always yield powerful interactions.

The purpose of this research project was to provide a clear collection of empirical data, become familiar with the basic facts and settings of the four chosen major U.S. dollar transforming events, create an overview of the conditions surrounding these events, and to formulate a list of questions for future research in regards to currency transformation. It is evident from this project that the U.S. dollar transforms. Time and time again individuals holding lawful positions, within the U.S. government, have used their lawful power to change the meanings attached to the U.S. dollar. It is thus possible to presume another fundamental change to the U.S. dollar will occur sometime, likely in the near future but undoubtedly during the 21st century.

In order to predict the time of this future event, or any future currency transformative event for that matter, more research will need to be conducted and additional questions will need to be presented. Future research should take into account how this project alluded to the notion that the existence and maintenance of the U.S.’s
massive military will only remain so far as the vast majority of people working to maintain it continue to work in exchange for U.S. dollars; otherwise a different currency with perceived value will need to be used for payments.

5.2 LIMITATIONS

It was beyond the scope of this research project to provide a more in-depth analysis of the development of the Bretton Woods agreement during World War II. The conference was held soon after D-day, but more than a year prior to the end of the war. A future report on the development of this agreement relative to the implications for the respective Allies and Axis could be insightful given today’s various alliances.

Overall, this research project utilized a purposive sampling technique for assembling the data and therefore limited the data for this project. This type of sampling technique allows the researcher to select cases with a specific purpose in mind (Neuman 2000). This sampling technique enabled data to be collected specifically pertaining to the research questions of this project. Changes to the official government authorized meanings attached to the U.S. dollar became evident by purposefully selecting four major U.S. dollar transforming events that occurred during the last century. In order to both consolidate and collect important data to answer the research questions, major data points were collected for economic capital (gold reserves), social capital (U.S. membership in international organizations), and cultural capital (the military).

For economic capital, gold reserves held by financial institutions, central banks, and governments has remained as a prominent economic data point throughout human history. In other words, regardless of any transformations made to legal tender currencies,
governments and financial institutions have held on to gold. Therefore, gold reserves should be viewed as an adequate reference point for collecting data in regards to the U.S.’s economic capital. Additionally, the World Gold Council (2018) provided publicly available records of gold reserves held by financial institutions, central banks, and governments dating back past 1900. This existing data was easily obtained from records accounted by the World Gold Council.

For social capital, the U.S.’s membership within international organizations is an adequate reference point for data in regards to the U.S.’ social capital because membership within international organizations reflects the various networks and connections the U.S. is a part of within the international field. This existing data was collected through the Central Intelligence Agency (CIA) World Factbook website. A clear list is displayed within this website that provides each international organization of which the U.S. is a member.

The amount of currency a government spends on building and/or maintaining a military reflects the fact that many people are producing cultural goods by working in exchange for that currency, thus reflecting the power of the currency. The objectified state of the military can also be reflected in this data because a record of military expenditures relates to the fact that currency was indeed exchanged for actual military objects, or military equipment, and/or services and activities conducted by and for the military. Therefore, U.S. military expenditures served as an adequate data point for reflecting data pertaining to cultural capital ascribed to the U.S. and can also reflect the power of the U.S. dollar, as a form of acceptable currency, from 1900 past the turn of the
This research project was limited by the data that was selected, considering other important or relevant pieces of data were not selected. Since this research project is using a purposive sampling technique there was indeed data that was not included. For example, this project focused on four specific U.S. dollar transforming events throughout the history of the U.S. There were certainly other U.S. dollar transforming events that took place over the course of the last century (e.g. Federal Reserve Act, 1913), however those were not included. This is also true in regards to economic capital, social capital, and cultural capital. Other data points for each of these capitals exist, however only those listed above were included.

Additionally, only a handful of countries were selected to give reference for this project. Brazil, for example, was simply chosen since they represent a large developing country (e.g. population of more 207 million people) and Peru was chosen as they represent a smaller developing country (e.g. population of more than thirty-one (31) million people) (Central Intelligence Agency 2018). Certainly, more and/or different developing countries could have been selected for this project, however in order to keep the data concise only a handful of countries were included within the Graphs.

This Thesis project displayed international organizations (e.g. NATO, NSG, Australia Group) that hold powerful positions within the field. Understanding how membership within certain groups may be more strategic than membership within others, depending on the context, is important for tracking interactions between countries. The structure of this research project was such that referenced various powerful groups as
they were relevant for understanding interactions within the international field, however further research should be done to advance understandings of the most imperative and critical social capital data points.

The particular data collected for this study allowed for this research project to meet the research goals that were formulated at the beginning of this project. The purpose of this research project was to provide a clear collection of empirical data, become familiar with the basic facts and settings of various major U.S. dollar transforming events, create an overview of the conditions surrounding these events, and formulate a list of questions for future research in regards to currency transformation.

5.3 RECOMMENDATIONS FOR FUTURE CURRENCY RESEARCH

This research project was not able to cover the entirety of issues related to the U.S. transforming events presented in this project. In response to this, Table 6 was created. This project was not able to cover every issue related to each currency transformative event partly because there are far too many issues related to these events to be covered in a single study. Additionally, this project did not attempt to cover all issues related to these events because this research project predominantly concentrated on basic and focused data points in order to provide an overview of various relevant aspects surrounding these events. Table 6 was constructed to provide an outline for researchers to use when constructing studies and/or analyzing their findings in regards to currency interactions and transformations. After analyzing the data of this project, it became apparent that these questions could offer guidance for studies related to major currency transformative events.
When investigating major currency transformative events to legal tender currency one should ask:

- How was the event orchestrated? And who orchestrated it?
- Who benefited from the event?
- Who was negatively impacted by the event?
- What were the consequences of the event (in regards to individuals, corporations, governments, international relations, etc.)? How were other countries in the field impacted?
- What position did the country orchestrating the event hold within the international field, in years leading up to and years following the event?

Additionally, when investigating the positions of a country within the international field one should ask:

- Which international organizations do developed countries partake membership within for maintaining or elevating their field position?
- Which organizations allow developed countries to gain more advantage over other countries in the field?
- How do developed countries use their membership within particular international organizations to gain advantage over other countries?
- How does the amount of gold reserves, ascribed to the country, influence their status within the international field? (Depending on the socio-historical context, how important is it for a government to have gold reserves?)
- How do countries use their military status to obtain advantage within international agreements (e.g. trade agreements)? Which capitals are most impacted by war?
- By what means do countries obtain gold and/or legal tender currency?

The continuation of question asking must persist for new and deeper understandings between people and currency to be obtained. Also, the primary recommendation for future research, of which this project can recommend, aside from asking the numerous critical questions listed in Table 6, is to monitor the use of gold within the international field. It is important to remember that despite of transformations made to national legal tender currencies, gold has remained as an economic capital asset and an international currency. Countries have used gold within trades and continue to
acquire gold, through trades and/or mines. Countries have also been shown to hold onto
gold for long periods of time. Interestingly enough, gold itself has remained pretty
consistent in its material form (e.g. coins, bars) as it relates to trades, however social
interactions involving gold reserves continues to change in the context of currency
transformative events.

Lastly, future currency research should keep in mind how an emergent theme of
power became apparent throughout the duration of this project. Therefore, it is vital that
future research studies surrounding currency evolution don’t neglect discussing the power
relationships that emerge within interactions, between people, involving currency. It is
within these power struggles one can observe the extent to which individuals,
corporations, and governments are able to get other people to act for them. The
underlying power of currency is that people act in exchange for currency primarily based
on the belief that the currency used for their payment will be a medium they can use to
obtain a variety of things in a future transaction.
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APPENDIX A
(Event One)

U.S. Congress "Gold Standard Act" CHAP. 41. March 14, 1900


CHAP. 39.—An Act To change the name of the Potomac Insurance Company of Georgetown, and for other purposes.

March 10, 1900.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Act entitled "An Act to incorporate a fire insurance company in Georgetown, in the District of Columbia," approved the second of March, eighteen hundred and thirty-one, and the Act entitled "An Act to amend the charter of the Potomac Fire Insurance Company of Georgetown," approved the third of March, eighteen hundred and thirty-seven, and the Act entitled "An Act to renew and continue in force the charter of the Potomac Insurance Company of Georgetown," approved the twenty-seventh of January, eighteen hundred and fifty-one, and the Act entitled "An Act to renew and continue in force the charter of the Potomac Insurance Company of Georgetown, District of Columbia," approved the twenty-fifth of March, eighteen hundred and seventy, be, and the same are hereby, amended, so that the name and style of said company shall hereafter be "The Potomac Insurance Company of the District of Columbia."

Sec. 2. That the Act of March second, eighteen hundred and thirty-one, above referred to, be amended by inserting the words "a board of not less than" immediately before the words "twelve directors," which they occur in section six of said Act; and to further amend said Act by striking out all the words of section seven thereof and substituting in lieu thereof the following words: "Each stockholder shall be entitled to vote in person, or by agent or proxy appointed under his hand and seal, certified by one witness, at all stockholders' meetings, and shall have one vote for each share recorded in his name on the books of the company;" and to further amend said Act by striking out of section eight the words "not exceeding ten thousand dollars in any one policy," and the words "in Georgetown," where they occur in said section; and to further amend said Act by striking out section nine in full, and by striking from section ten the words "not oftener than once in six months."

Sec. 3. That the Act of March third, eighteen hundred and thirty-seven, above mentioned, be amended by adding at the end of section two the words "and the board of directors created under this charter shall have the power to increase the capital stock at any time to any amount not in excess of one million dollars."

Approved, March 10, 1900.

CHAP. 41.—An Act To define and fix the standard of value, to maintain the parity of all forms of money issued or coined by the United States, to refund the public debt, and for other purposes.

March 14, 1900.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the dollar consisting of twenty-five and eight-tenths grains of gold nine-tenths fine, as established by section thirty-five hundred and eleven of the Revised Statutes of the United States, shall be the standard unit of value, and all forms of money issued or coined by the United States shall be maintained at a parity of value with this standard, and it shall be the duty of the Secretary of the Treasury to maintain such parity.

Sec. 2. That United States notes, and Treasury notes issued under the Act of July fourteenth, eighteen hundred and ninety, when presented to the Treasury for redemption, shall be redeemed in gold coin of the standard fixed in the first section of this Act, and in order to secure the prompt and certain redemption of such notes as herein provided it shall be the duty of the Secretary of the Treasury to set
apart in the Treasury a reserve fund of one hundred and fifty million dollars in gold coin and bullion, which fund shall be used for such redemption purposes only, and whenever and as often as any of said notes shall be redeemed from said fund it shall be the duty of the Secretary of the Treasury to cause said notes to be redeemed to restore and maintain such reserve fund in the manner following, to wit: First, by exchanging the notes so redeemed for any gold coin in the general fund of the Treasury; second, by accepting deposits of gold coin at the Treasury or at any subtreasury in exchange for the United States notes so redeemed; third, by procuring gold coin by the use of said notes, in accordance with the provisions of section thirty-seven hundred of the Revised Statutes of the United States. If the Secretary of the Treasury is unable to restore and maintain the gold coin in the reserve fund by the foregoing methods, and the amount of such gold coin and bullion in said fund shall at any time fall below one hundred million dollars, then it shall be his duty to restore the same to the maximum sum of one hundred and fifty million dollars by borrowing money on the credit of the United States, and for the debt thus incurred to issue and sell coupon or registered bonds of the United States, in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of not exceeding three per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after one year from the date of their issue, and to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority; and the gold coin received from the sale of said bonds shall first be covered into the general fund of the Treasury and then exchanged, in the manner hereinbefore provided, for an equal amount of the notes redeemed and held for exchange, and the Secretary of the Treasury may, in his discretion, use said notes in exchange for gold, or to purchase or redeem any bonds of the United States, or for any other lawful purpose to the public interests may require, except that they shall not be used to meet deficiencies in the current revenues. That United States notes when redeemed in accordance with the provisions of this section shall be reissued, but shall be held in the reserve fund until exchanged for gold, as herein provided; and the gold coin and bullion in the reserve fund, together with the redeemed notes held for use as provided in this section, shall at no time exceed the maximum sum of one hundred and fifty million dollars.

SEC. 3. That nothing contained in this Act shall be construed to affect the legal-tender quality as now provided by law of the silver dollar, or of any other money coined or issued by the United States.

SEC. 4. That there be established in the Treasury Department, as a part of the office of the Treasurer of the United States, divisions to be designated and known as the division of issue and the division of redemption, to which shall be assigned, respectively, under such regulations as the Secretary of the Treasury may approve, all records and accounts relating to the issue and redemption of United States notes, gold certificates, silver certificates, and currency certificates. There shall be transferred from the accounts of the general fund of the Treasury of the United States, and taken up on the books of said divisions, respectively, accounts relating to the reserve fund for the redemption of United States notes and Treasury notes, the gold coin held against outstanding gold certificates, the United States notes held against outstanding currency certificates, and the silver dollars held against outstanding silver certificates, and each of the funds represented by these accounts shall be used for the redemption of the notes.
and certificates for which they are respectively pledged, and shall be used for no other purpose, the same being held as trust funds.

Sec. 5. That it shall be the duty of the Secretary of the Treasury, as fast as standard silver dollars are coined under the provisions of the Acts of July fourteenth, eighteen hundred and ninety, and June thirteenth, eighteen hundred and ninety-eight, from bullion purchased under the Act of July fourteenth, eighteen hundred and ninety, to retire and cancel an equal amount of Treasury notes whenever received into the Treasury, either by exchange in accordance with the provisions of this Act or in the ordinary course of business, and upon the cancellation of Treasury notes silver certificates shall be issued against the silver dollars so coined.

Sec. 6. That the Secretary of the Treasury is hereby authorized and directed to receive deposits of gold coin with the Treasurer or any assistant treasurer of the United States in sums of not less than twenty dollars, and to issue gold certificates therefor in denominations of not less than twenty dollars, and the coin so deposited shall be retained in the Treasury and held for the payment of such certificates on demand, and used for no other purpose. Such certificates shall be receivable for customs, taxes, and all public dues, and when so received may be reissued, and when held by any national banking association may be counted as a part of its lawful reserve: Provided, That whenever and so long as the gold coin held in the reserve fund in the Treasury for the redemption of United States notes and Treasury notes shall fall and remain below one hundred million dollars the authority to issue certificates as herein provided shall be suspended: And provided, further, That whenever and so long as the aggregate amount of United States notes and silver certificates in the general fund of the Treasury shall exceed sixty million dollars the Secretary of the Treasury may, in his discretion, suspend the issue of the certificates herein provided for: And provided further, That of the amount of such outstanding certificates one-fourth at least shall be in denominations of fifty dollars or less: And provided further, That the Secretary of the Treasury may, in his discretion, issue such certificates in denominations of ten thousand dollars, payable to order. And section fifty-one hundred and ninety-three of the Revised Statutes of the United States is hereby repealed.

Sec. 7. That hereafter silver certificates shall be issued only of denominations of ten dollars and under, except that not exceeding in the aggregate ten per centum of the total volume of said certificates, in the discretion of the Secretary of the Treasury, may be issued in denominations of twenty dollars, fifty dollars, and one hundred dollars; and silver certificates of higher denomination than ten dollars, except as herein provided, shall, whenever received at the Treasury or redeemed, be retired and canceled, and certificates of denominations of ten dollars or less shall be substituted therefor, and after such substitution, in whole or in part, a like volume of United States notes of lesser denomination than ten dollars shall from time to time be retired and canceled, and notes of denominations of ten dollars and upward shall be reissued in substitution therefor, with like qualities and restrictions as those retired and canceled.

Sec. 8. That the Secretary of the Treasury is hereby authorized to use, at his discretion, any silver bullion in the Treasury of the United States purchased under the Act of July fourteenth, eighteen hundred and ninety, for coining into such denominations of subsidiary silver coin as may be necessary to meet the public requirements for such coin: Provided, That the amount of subsidiary silver coin outstanding shall not at any time exceed in the aggregate one hundred millions of dollars. Whenever any silver bullion purchased under the Act of
July fourteenth, eighteen hundred and ninety, shall be used in the coinage of subsidiary silver coin, an amount of Treasury notes issued under said Act equal to the cost of the bullion contained in such coin shall be canceled and not reissued.

SEC. 9. That the Secretary of the Treasury is hereby authorized and directed to cause all worn and uncurrent subsidiary silver coin of the United States now in the Treasury, and hereafter received, to be recoined, and to reimburse the Treasurer of the United States for the difference between the nominal or face value of such coin and the amount the same will produce in new coin from any moneys in the Treasury not otherwise appropriated.

SEC. 10. That section fifty-one hundred and thirty-eight of the Revised Statutes is hereby amended so as to read as follows:

"Section 5138. No association shall be organized with a less capital than one hundred thousand dollars, except that banks with a capital of not less than fifty thousand dollars may, with the approval of the Secretary of the Treasury, be organized in any place the population of which does not exceed six thousand inhabitants, and except that banks with a capital of not less than twenty-five thousand dollars may, with the sanction of the Secretary of the Treasury, be organized in any place the population of which does not exceed three thousand inhabitants. No association shall be organized in a city the population of which exceeds fifty thousand persons with a capital less than two hundred thousand dollars."

SEC. 11. That the Secretary of the Treasury is hereby authorized to receive at the Treasury any of the outstanding bonds of the United States bearing interest at five per centum per annum, payable February first, nineteen hundred and four, and any bonds of the United States bearing interest at four per centum per annum, payable July first, nineteen hundred and seven, and any bonds of the United States bearing interest at three per centum per annum, payable August first, nineteen hundred and eight, and to issue in exchange therefor an equal amount of coupon or registered bonds of the United States in such form as he may prescribe, in denominations of fifty dollars or any multiple thereof, bearing interest at the rate of two per centum per annum, payable quarterly, such bonds to be payable at the pleasure of the United States after thirty years from the date of their issue, and said bonds to be payable, principal and interest, in gold coin of the present standard value, and to be exempt from the payment of all taxes or duties of the United States, as well as from taxation in any form by or under State, municipal, or local authority: Provided, That such outstanding bonds may be received in exchange at a valuation not greater than their present worth to yield an income of two and one-quarter per centum per annum; and in consideration of the reduction of interest effected, the Secretary of the Treasury is authorized to pay to the holders of the outstanding bonds surrendered for exchange, out of any money in the Treasury not otherwise appropriated, a sum not greater than the difference between their present worth, computed as aforesaid, and their par value, and the payments to be made hereunder shall be held to be payments on account of the sinking fund created by section thirty-six hundred and ninety-four of the Revised Statutes: And provided further, That the two per centum bonds to be issued under the provisions of this Act shall be issued at not less than par, and they shall be numbered consecutively in the order of their issue, and when payment is made the last numbers issued shall be first paid, and this order shall be followed until all the bonds are paid, and whenever any of the outstanding bonds are called for payment interest thereon shall cease three months after such call; and there is hereby appropriated out of any money in the Treasury not otherwise appropriated, to effect the exchanges of bonds provided for in this Act, a
sum not exceeding one-fifteenth of one per centum of the face value of said bonds, to pay the expense of preparing and issuing the same and other expenses incident thereto.

SEC. 12. That upon the deposit with the Treasurer of the United States, by any national banking association, of any bonds of the United States in the manner provided by existing law, such association shall be entitled to receive from the Comptroller of the Currency circulating notes in blank, registered and countersigned as provided by law, equal in amount to the par value of the bonds so deposited; and any national banking association now having bonds on deposit for the security of circulating notes, and upon which an amount of circulating notes has been issued less than the par value of the bonds, shall be entitled, upon due application to the Comptroller of the Currency, to receive additional circulating notes in blank to an amount which will increase the circulating notes held by such association to the par value of the bonds deposited, such additional notes to be held and treated in the same way as circulating notes of national banking associations heretofore issued, and subject to all the provisions of law affecting such notes: Provided, That nothing herein contained shall be construed to modify or repeal the provisions of section fifty-one hundred and sixty-seven of the Revised Statutes of the United States, authorizing the Comptroller of the Currency to require additional deposits of bonds or of lawful money in case the market value of the bonds held to secure the circulating notes shall fall below the par value of the circulating notes outstanding for which such bonds may be deposited as security: And provided further, That the circulating notes furnished to national banking associations under the provisions of this Act shall be of the denominations prescribed by law, except that no national banking association shall, after the passage of this Act, be entitled to receive from the Comptroller of the Currency, or to issue or reissue or place in circulation, more than one-third in amount of its circulating notes of the denomination of five dollars: And provided further, That the total amount of such notes issued to any such association may equal at any time but shall not exceed the amount at such time of its capital stock actually paid in: And provided further, That under regulations to be prescribed by the Secretary of the Treasury any national banking association may substitute the two per centum bonds issued under the provisions of this Act for any of the bonds deposited with the Treasurer to secure circulation or to secure deposits of public money, and so much of an Act entitled "An Act to enable national banking associations to extend their corporate existence, and for other purposes," approved July twelfth, eighteen hundred and eighty-two, as prohibits any national bank which makes any deposit of lawful money in order to withdraw its circulating notes from receiving any increase of its circulation for the period of six months from the time it made such deposit of lawful money for the purpose aforesaid, is hereby repealed, and all other Acts or parts of Acts inconsistent with the provisions of this section are hereby repealed.

SEC. 13. That every national banking association having on deposit, as provided by law, bonds of the United States bearing interest at the rate of two per centum per annum, issued under the provisions of this Act, to secure its circulating notes, shall pay to the Treasurer of the United States, in the months of January and July, a tax of one-fourth of one per centum each half year upon the average amount of such of its notes in circulation as are based upon the deposit of said two per centum bonds; and such taxes shall be in lieu of existing taxes on its notes in circulation imposed by section fifty-two hundred and fourteen of the Revised Statutes.

SEC. 14. That the provisions of this Act are not intended to preclude the accomplishment of international bimetallism whenever conditions

R.S., sec. 934, p. 1088

International bimetallism unhindered.
shall make it expedient and practicable to secure the same by concurrent action of the leading commercial nations of the world and at a ratio which shall insure permanence of relative value between gold and silver.

Approved, March 14, 1900.

March 16, 1900.

CHAP. 45.—An Act To grant an American register to the steamer Windward.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Secretary of the Treasury is hereby authorized and directed to cause the foreign-built steamer Windward, owned by Civil Engineer Robert E. Peary, United States Navy, to be registered as a vessel of the United States, provided that she shall not engage in the coastwise trade of this Republic.

Approved, March 16, 1900.

March 23, 1900.

CHAP. 88.—An Act Declaring Cuivre River to be not a navigable stream.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Cuivre River, in the counties of Lincoln and Saint Charles, in the State of Missouri, being the dividing line, is hereby declared not to be a navigable stream, and shall be so treated by the Secretary of War and all other authorities.

Approved, March 23, 1900.

March 23, 1900.

CHAP. 89.—An Act To constitute South Manchester, Connecticut, a port of delivery.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That South Manchester, Connecticut, be, and is hereby, constituted a port of delivery in the customs collection district of Hartford, Connecticut, and that the privileges of the seventh section of the Act approved June tenth, eighteen hundred and eighty, entitled “An Act to amend the statutes in relation to the immediate transportation of dutiable goods, and for other purposes,” be, and they are hereby, extended to said port of South Manchester.

Approved, March 23, 1900.

March 23, 1900.

CHAP. 90.—An Act To amend section forty-four hundred and forty-five, of title fifty-two, of the Revised Statutes of the United States relating to the licensing of officers of steam vessels.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section forty-four hundred and forty-five, of title fifty-two, of the Revised Statutes, be, and is hereby, amended by adding thereto the following paragraphs:

“Every applicant for license as either master, mate, pilot, or engineer under the provisions of this title shall make and subscribe to an oath or affirmation, before one of the inspectors referred to in this title, to the truth of all the statements set forth in his application for such license.
APPENDIX B
(Event Two)
Section 2: All persons are hereby required to deliver or before May 1, 1933, to a Federal reserve bank or a branch or agency thereof or to any member bank of the Federal Reserve System all gold coin, gold bullion and gold certificates now owned by them or coming into their ownership on or before April 28, 1933, except the following:

(a) Such amount of gold as may be required for legitimate and customary use in industry, profession or art within a reasonable time, including gold prior to refining and stocks of gold in reasonable amounts for the usual trade requirements of owners mining and refining such gold.

(b) Gold coin and gold certificates in an amount not exceeding in the aggregate $100,000 belonging to any one person; and gold coins having a recognized special value to collectors of rare and unusual coins.

(c) Gold coin and bullion earmarked or held in trust for a recognized foreign government or foreign central bank or the Bank for International Settlements.
(d) Gold coin and bullion licensed for other proper transactions (not involving hoarding) including gold coin and bullion imported for reexport or held pending action on applications for export licenses.

Section 3. Until otherwise ordered any person becoming the owner of any gold coin, gold bullion, or gold certificates after April 28, 1933, shall, within three days after receipt thereof, deliver the same in the manner prescribed in Section 2; unless such gold coin, gold bullion or gold certificates are held for any of the purposes specified in paragraphs (a), (b) or (c) of Section 2; or unless such gold coin or gold bullion is held for purposes specified in paragraph (d) of Section 2 and the person holding it is, with respect to such gold coin or bullion, a licensee or applicant for license pending action thereon.

Section 4. Upon receipt of gold coin, gold bullion or gold certificates delivered to it in accordance with Sections 2 or 3, the Federal reserve bank or member bank will pay therefore an equivalent amount of any other form of coin or currency coined or issued under the laws of the United States.
Section 6. Member banks shall deliver all gold coin, gold bullion and gold certificates owned or received by them (other than as exempted under the provisions of Section 3) to the Federal reserve banks of their respective districts and receive credit or payment therefor.

Section 6. The Secretary of the Treasury, out of the sum made available to the President by Section 601 of the Act of March 9, 1933, will in all proper cases pay the reasonable costs of transportation of gold coin, gold bullion or gold certificates delivered to a member bank or Federal reserve bank in accordance with Sections 2, 3, or 5 hereof, including the cost of insurance, protection, and such other incidental costs as may be necessary, upon production of satisfactory evidence of such costs. Voucher forms for this purpose may be procured from Federal reserve banks.
Section 7. In cases where the delivery of gold coin, gold bullion or gold certificates by the owners thereof within the time set forth above will involve extraordinary hardship or difficulty, the Secretary of the Treasury may, in his discretion, extend the time within which such delivery must be made. Applications for such extensions must be made in writing under oath, addressed to the Secretary of the Treasury and filed with a Federal reserve bank. Each application must state the date to which the extension is desired, the amount and location of the gold coin, gold bullion and gold certificates in respect of which such application is made and the facts showing extension to be necessary to avoid extraordinary hardship or difficulty.

Section 8. The Secretary of the Treasury is hereby authorized and empowered to issue such further regulations as he may deem necessary to carry out the purposes of this order and to issue licenses thereunder, through such officers or agencies as he may designate, including licenses permitting the Federal reserve banks and member banks of the Federal Reserve System, in return for an equivalent amount of other coin, currency
or credit, to deliver, transfer or hold in trust gold coin and bullion to or for persons showing the need for the sine for any of the purposes specified in paragraphs (a), (c) and (d) of Section 2 of these regulations.

Section 9. Whoever willfully violates any provision of this Executive Order or of these regulations or of any rule, regulation or license issued thereunder may be fined not more than $10,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in any such violation may be punished by a like fine, imprisonment, or both.

This order and these regulations may be modified or revoked at any time.

THE WHITE HOUSE
April 5, 1933.

Franklin D. Roosevelt
APPENDIX C
(Event Three)


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MONETARY AND FINANCIAL CONFERENCE

DRAFT TEXT

Final Act of the United Nations Monetary and Financial Conference

Bretton Woods, New Hampshire

July 1 to July 22, 1944

7/20/44

(p. 2)

UNITED NATIONS MONETARY AND FINANCIAL CONFERENCE

Bretton Woods, New Hampshire

July 1 to July 22, 1944

Final Act

The Governments of Australia, Belgium, Bolivia, Brazil, Canada, Chile, China, Colombia, Costa Rica, Cuba, Czechoslovakia, Dominican Republic, Ecuador, Egypt, El Salvador, Ethiopia; the French Delegation; the Governments of Greece, Guatemala, Haiti, Honduras, Iceland, India, Iran, Iraq, Liberia, Luxembourg, Mexico, Netherlands, New Zealand, Nicaragua, Norway, Panama, Paraguay, Peru, Philippine Commonwealth, Poland, Union of South Africa, Union of Soviet Socialist Republics, United Kingdom, United States of America, Uruguay, Venezuela, and Yugoslavia;

Having accepted the invitation extended to them by the Government of the United States of America to be represented at a United Nations Monetary and Financial Conference;

Appointed their respective delegates, who are listed below by countries in the order of alphabetical precedence:

AUSTRALIA

Leslie G. Melville, Economic Adviser to the Commonwealth Bank of Australia; Chairman of the Delegation

James B. Brindicci, Financial Counselor, Australian Legation, Washington

Frederick H. Wheeler, Commonwealth Department of the Treasury

Arthur H. Tange, Commonwealth Department of External Affairs

BELGIUM

Camille Gutt, Minister of Finance and Economic Affairs; Chairman of the Delegation

Georges Theunis, Minister of State; Ambassador at Large on special mission in the United States; Governor of the National Bank of Belgium

Baron Hervé de Gruben, Counselor, Belgian Embassy, Washington

Baron René Boel, Counselor of the Belgian Government

BOLIVIA

René Ballivián, Financial Counselor, Bolivian Embassy, Washington

Chairman of the Delegation

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BRAZIL
Arthur de Souza Costa, Minister of Finance; *Chairman of the Delegation*
Francisco Alves dos Santos-Filho, Director of Foreign Exchange of the Bank of Brazil

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Valentim Bougas, Commission of Control of the Washington Agreements and Economic and Financial Council
Eugenio Gudin, Economic and Financial Council and Economic Planning Committee
Octávio Bulhões, Chief, Division of Economics and Financial Studies, Ministry of Finance
Victor Azevedo Bastian, Director, Banco da Provincia do Rio Grande do Sul

CANADA
J. L. Ilsley, Minister of Finance; *Chairman of the Delegation*
L. S. St. Laurent, Minister of Justice
D. C. Abbott, Parliamentary Assistant to the Minister of Finance
Lionel Chevrier, Parliamentary Assistant to the Minister of Munitions and Supply
J. A. Blanchette, Member of Parliament
W. A. Tucker, Member of Parliament
W. C. Clark, Deputy Minister of Finance
G. F. Towers, Governor, Bank of Canada
W. A. Mackintosh, Special Assistant to the Deputy Minister of Finance
L. Rasminsky, Chairman (alternate), Foreign Exchange Control Board
A. F. W. Plumptre, Financial Attaché, Canadian Embassy, Washington
J. J. Deutsch, Special Assistant to the Under Secretary of State of External Affairs

CHILE
Luis Alamos Barros, Director, Central Bank of Chile; *Chairman of the Delegation*
Germán Riesco, General Representative of the Chilean Line, New York Arturo Maschke Tornero, General Manager, Central Bank of Chile
Fernando Mardones Restat, Assistant General Manager, Chilean Nitrate and Iodine Sales Corporation

CHINA
Hsiang-Hsi K'ung, Vice President of Executive Yuan and concurrently Minister of Finance; Governor of the Central Bank of China; *Chairman of the Delegation*
Tingfu F. Tsiang, Chief Political Secretary of Executive Yuan; former Chinese Ambassador to the Union of Soviet Socialist Republics
Ping-Wen Kuo, Vice Minister of Finance
Victor Hoo, Administrative Vice Minister of Foreign Affairs
Yee-Chun Koo, Vice Minister of Finance
Kuo-Ching Li, Adviser to the Ministry of Finance
Te-Mou Hsi, Representative of the Ministry of Finance in Washington; Director, the Central Bank of China and Bank of China
Tsu-Yee Pei, Director, Bank of China
Te-Liang Soong, General Manager, Manufacturers Bank of China; Director, the Central Bank of China, Bank of China, and Bank of Communications
MONETARY AND FINANCIAL CONFERENCE

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COLOMBIA
Carlos Lleras Restrepo, former Minister of Finance and Comptroller General; Chairman of the Delegation
Miguel Lopez Pumarejo, former Ambassador to the United States; Manager, Caja de Crédito Agrario, Industrial y Minero
Victor Dugand, Banker

COSTA RICA
Francisco de P. Gutiérrez Ross, Ambassador to the United States; former Minister of Finance and Commerce; Chairman of the Delegation
Luis Demetrio Tinoco Castro, Dean, Faculty of Economic Sciences, University of Costa Rica; former Minister of Finance and Commerce; former Minister of Public Education
Fernando Madrigal A., Member of Board of Directors, Chamber of Commerce of Costa Rica

CUBA
E. I. Montouliel, Minister of Finance, Chairman of the Delegation

CZECHOSLOVAKIA
Ladislav Feierabend, Minister of Finance; Chairman of the Delegation
Jan Mladek, Ministry of Finance; Deputy Chairman of the Delegation
Antonín Basch, Department of Economics, Columbia University
Josef Hanc, Director of the Czechoslovak Economic Service in the United States of America
Ervin Hexner, Professor of Economics and Political Science, University of North Carolina

DOMINICAN REPUBLIC
Anselmo Copello, Ambassador to the United States; Chairman of the Delegation
J. R. Rodriguez, Minister Counselor, Embassy of the Dominican Republic, Washington

ECUADOR
Esteban F. Carbo, Financial Counselor, Ecuadorian Embassy, Washington; Chairman of the Delegation
Sixto E. Durán Ballén, Minister Counselor, Ecuadorian Embassy, Washington

EGYPT
Sany Lackany Bey; Chairman of the Delegation
Mahmoud Saleh El Falaky
Ahmed Selim

EL SALVADOR
Agustín Alfaro Moran; Chairman of the Delegation
Raúl Gamero
Victor Manuel Valdes

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ETHIOPIA
Blatta Ephrem Tewelde Medhen, Minister to the United States; Chairman of the Delegation
George A. Blowers, Governor, State Bank of Ethiopia
FRENCH DELEGATION
Pierre Mendes-France, Commissioner of Finance; Chairman of the Delegation
Andre Istel, Technical Counselor to the Department of Finance
Assistant Delegates
Jean de Largentaye, Finance Inspector
Robert Mossé, Professor of Economics
Raoul Aglion, Legal Counselor
André Paul Maury

GREECE
Kyriakos Varvaressos, Governor of the Bank of Greece; Ambassador Extraordinary for Economic and Financial Matters; Chairman of the Delegation
Alexander Argyropoulos, Minister Resident; Director, Economic and Commercial Division, Ministry of Foreign Affairs
Athanase Sharounis, Director General, Ministry of Finance

GUATEMALA
Manuel Noriega Morales, Postgraduate Student in Economic Sciences, Harvard University; Chairman of the Delegation

HAITI
André Liautaud, Ambassador to the United States; Chairman of the Delegation
Pierre Chauvet, Under Secretary of State for Finance

HONDURAS
Julián R. Cáceres, Ambassador to the United States; Chairman of the Delegation

ICELAND
Magnús Sigurdsson, Manager, National Bank of Iceland; Chairman of the Delegation
Ásgeir Ásgeirsson, Manager, Fishery Bank of Iceland
Svanbjörn Frímannsson, Chairman, State Commerce Board

INDIA
Sir Jeremy Raisman, Member for Finance, Government of India; Chairman of the Delegation
Sir Theodore Gregory, Economic Adviser to the Government of India
Sir Chintaman D. Deshmukh, Governor, Reserve Bank of India

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Sir Shanmukham Chetty
A. D. Shroff, Director, Tata Sons, Ltd.

IRAN
Abol Hassan Ebtchaj, Governor of National Bank of Iran; Chairman of the Delegation
A. A. Daftary, Counselor, Iranian Legation, Washington
Hossein Navab, Consul General, New York
Taghi Nassr, Iranian Trade and Economic Commissioner, New York
IRAQ
Ibrahim Kamal, Senator and former Minister of Finance; Chairman of the Delegation
Lionel M. Swan, Adviser to the Ministry of Finance
Ibrahim Al-Kabir, Accountant General, Ministry of Finance
Claude E. Loombe, Comptroller of Exchange and Currency Officer

LIBERIA
William E. Dennis, Secretary of the Treasury; Chairman of the Delegation
James F. Cooper, former Secretary of the Treasury
Walter F. Walker, Consul General, New York

LUXEMBOURG
Hugues La Gallais, Minister to the United States; Chairman of the Delegation

MEXICO
Eduardo Saurez, Minister of Finance; Chairman of the Delegation
Antonio Espinosa de los Monteros, Executive President of Nacional Financiera; Director of Banco de México
Rodrigo Gómez, Manager of Banco México
Daniel Costo Villegas, Chief of the Department of Economic Studies, Banco de México

NETHERLANDS
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D. Crema de Jongh, President of the Board for the Netherlands Indies, Surinam and Curaçao in the United States
H. Riemers, Financial Attaché, Netherlands Embassy, Washington; Financial Member of the Netherlands Economic, Financial, and Shipping Mission in the United States
A. H. Philipse, Member of the Netherlands Economic, Financial, and Shipping Mission in the United States

NEW ZEALAND
Walter Nash, Minister of Finance; Minister to the United States; Chairman of the Delegation
Bernard Carl Ashwin, Secretary to the Treasury
Edward C. Fussell, Deputy Governor, Reserve Bank of New Zealand
Alan G. B. Fisher, Counselor, New Zealand Legation, Washington

NICARAGUA
Guillermo Sevilla Sacasa, Ambassador to the United States; Chairman of the Delegation
León DeBayle, former Ambassador to the United States
J. Jesús Sánchez Roig, former Minister of Finance; Vice Chairman, Board of Directors, National Bank of Nicaragua

NORWAY
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Ole Colbjørnsen, Financial Counselor, Norwegian Embassy, Washington
Arne Skaug, Commercial Counselor, Norwegian Embassy, Washington
PANAMA
Guillermo Arango, President, Investors Service Corporation of Panama;
Chairman of the Delegation
Narciso E. Garay, First Secretary, Panamanian Embassy, Washington

PARAGUAY
Celso R. Velázquez, Ambassador to the United States; Chairman of the
Delegation
Néstor M. Campos Ros, First Secretary, Paraguayan Embassy, Washington

PERU
Pedro Beltrán, Ambassador-designate to the United States; Chairman of
the Delegation
Manuel B. Llosa, Second Vice President of the Chamber of Deputies;
Deputy from Cerro de Pasco
Andrés F. Dasso, Senator from Lima
Alberto Alvarez Calderón, Senator from Lima
Juvenal Monge, Deputy from Cuzco
Juan Chávez, Minister, Commercial Counselor, Peruvian Embassy, Washington

PHILIPPINE COMMONWEALTH
Colonel Andrés Soriano, Secretary of Finance of the Philippine Common-
wealth; Chairman of the Delegation
Jaime Hernández, Auditor General of the Philippine Commonwealth
Joseph H. Foley, Manager, Philippine National Bank, New York Agency,
Philippine Commonwealth

POLAND
Ludwik Grosfeld, Minister of Finance; Chairman of the Delegation
Leon Baránski, Director General, Bank of Poland
Zygmunt Karpiński, Director, Bank of Poland
Stanisław Kikkor, Director, Ministry of Finance
Janusz Ziółtowski, Financial Counselor, Polish Embassy, Washington

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UNION OF SOUTH AFRICA
S. F. N. Gie, Minister to the United States; Chairman of the Delegation
J. E. Holloway, Secretary for Finance; Co-delegate
M. H. de Kock, Deputy Governor of South African Bank; Co-delegate

UNION OF SOVIET SOCIALIST REPUBLICS
M. S. Stepanov, Deputy People's Commissar of Foreign Trade;
Chairman of the Delegation
P. A. Maletin, Deputy People's Commissar of Finance
N. F. Chechulin, Assistant Chairman of the State Bank
I. D. Zlobin, Chief, Monetary Division of the People's Commissariat of
Finance
A. A. Arutjunian, Professor; Doctor of Economics; Expert-Consultant of
the People's Commissariat for Foreign Affairs
A. P. Morozov, Member of the Collegium; Chief, Monetary Division of
the People's Commissariat for Foreign Trade

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MONETARY AND FINANCIAL CONFERENCE

UNITED KINGDOM
Lord Keynes: Chairman of the Delegation
Robert H. Brand, United Kingdom Treasury Representative in Washington
Sir Wilfrid Eady, United Kingdom Treasury
Nigel Bruce Ronald, Foreign Office
Dennis H. Robertson, United Kingdom Treasury
Lionel Robbins, War Cabinet Offices
Redvers Opie, Counselor, British Embassy, Washington

UNITED STATES OF AMERICA
Henry Morgenthau, Jr., Secretary of the Treasury; Chairman of the Delegation
Fred M. Vinson, Director, Office of Economic Stabilization; Vice Chairman of the Delegation
Dean Acheson, Assistant Secretary of State
Edward E. Brown, President, First National Bank of Chicago
Leo T. Crowley, Administrator, Foreign Economic Administration
Marriner S. Eccles, Chairman, Board of Governors of the Federal Reserve System
Mabel Newcomer, Professor of Economics, Vassar College
Brent Spence, House of Representatives; Chairman, Committee on Banking and Currency
Charles W. Tobey, United States Senate; Member, Committee on Banking and Currency
Robert F. Wagner, United States Senate; Chairman, Committee on Banking and Currency
Harry D. White, Assistant to the Secretary of the Treasury
Jesse P. Wolcott, House of Representatives; Member, Committee on Banking and Currency

URUGUAY
Mario La Gamma Acevedo, Expert, Ministry of Finance; Chairman of the Delegation
Hugo Garcia, Financial Attaché, Uruguayan Embassy, Washington

VENEZUELA
Rodolfo Rojas, Minister of the Treasury; Chairman of the Delegation
Alfonso Espinosa, President, Permanent Committee of Finance, Chamber of Deputies
Christóbal L. Mendoza, former Minister of the Treasury; Legal Adviser to the Central Bank of Venezuela
José Joaquín González Gorrondua, President, Office of Import Control; Director, Central Bank of Venezuela

YUGOSLAVIA
Vladimir Rybář, Counselor of the Yugoslav Embassy, Washington; Chairman of the Delegation

Who met at Bretton Woods, New Hampshire, on July 1, 1944, under the Temporary Presidency of The Honorable Henry Morgenthau, Jr., Chairman of the Delegation of the United States of America.


Volume III  After the Gold Standard, 1931-1999

1971 August 15

“Address to the Nation Outlining a New Economic Policy: ‘The Challenge of Peace.’ August 15, 1971”. United States President Richard Nixon’s address to the nation announcing the “temporary” suspension of the dollar’s convertibility into gold. While the dollar had struggled throughout most of the 1960s within the parity established at Bretton Woods, this crisis marked the breakdown in the system. While attempts were made to preserve the system, the closing of the gold window signified the end of the Bretton Woods system. The excerpts below indicate that this decision was part of a broader economic plan that, in addition to its monetary measures, included wage and price controls, tax breaks, and reductions in government expenditures.

_______

Good evening:

I have addressed the Nation a number of times over the past 2 years on the problems of ending a war. Because of the progress we have made toward achieving that goal, this Sunday evening is an appropriate time for us to turn our attention to the challenges of peace.

America today has the best opportunity in this century to achieve two of its greatest
ideals: to bring about a full generation of peace, and to create a new prosperity without war.

This not only requires bold leadership ready to take bold action—it calls forth the greatness in a great people.

Prosperity without war requires action on three fronts: We must create more and better jobs; we must stop the rise in the cost of living; we must protect the dollar from the attacks of international money speculators.

We are going to take that action—not timidly, not half-heartedly, and not in piecemeal fashion. We are going to move forward to the new prosperity without war as befits a great people—all together, and along a broad front.

The time has come for a new economic policy for the United States. Its targets are unemployment, inflation, and international speculation. And this is how we are going to attack those targets.

First, on the subject of jobs. We all know why we have an unemployment problem. Two million workers have been released from the Armed Forces and defense plants because of our success in winding down the war in Vietnam. Putting those people back to work is one of the challenges of peace, and we have begun to make progress. Our unemployment rate today is below the average of the 4 peacetime years of the 1960's.

I will propose to provide the strongest short term incentive in our history to invest in new machinery and equipment that will create new jobs for Americans: a 10 percent Job Development Credit for 1 year, effective as of today, with a 5 per- cent credit after August 15, 1972. This tax credit for investment in new equipment will not only generate new jobs; it will raise productivity; it will make our goods more competitive in the years ahead.

Second, I will propose to repeal the 7 percent excise tax on automobiles, effective today. This will mean a reduction in price of about $200 per car. I shall insist that the American auto industry pass this tax reduction on to the nearly 8 million customers who are buying
automobiles this year. Lower prices will mean that more people will be able to afford new cars, and every additional 100,000 cars sold means 25,000 new jobs.

Third, I propose to speed up the personal income tax exemptions scheduled for January 1, 1973, to January 1, 1972—so that taxpayers can deduct an extra $50 for each exemption 1 year earlier than planned. This increase in consumer spending power will provide a strong boost to the economy in general and to employment in particular.

To offset the loss of revenue from these tax cuts which directly stimulate new jobs, I have ordered today a $4.7 billion cut in Federal spending.

Tax cuts to stimulate employment must be matched by spending cuts to restrain inflation. To check the rise in the cost of Government, I have ordered a postponement of pay raises and a 5 percent cut in Government personnel.

I have ordered a 10 percent cut in foreign economic aid.

In addition, since the Congress has already delayed action on two of the great initiatives of this Administration, I will ask Congress to amend my proposals to postpone the implementation of revenue sharing for 3 months and welfare reform for 1 year.

In this way, I am reordering our budget priorities so as to concentrate more on achieving our goal of full employment.

The second indispensable element of the new prosperity is to stop the rise in the cost of living.

The time has come for decisive action—action that will break the vicious circle of spiraling prices and costs.

I am today ordering a freeze on all prices and wages throughout the United States for a period of 90 days. In addition, I call upon corporations to extend the wage-price freeze to all dividends.

I have today appointed a Cost of Living Council within the Government. I have directed
this Council to work with leaders of labor and business to set up the proper mechanism for achieving continued price and wage stability after the 90-day freeze is over.

Let me emphasize two characteristics of this action: First, it is temporary. To put the strong, vigorous American economy into a permanent strait jacket would lock in unfairness; it would stifle the expansion of our free enterprise system. And second, while the wage-price freeze will be backed by Government sanctions, if necessary, it will not be accompanied by the establishment of a huge price control bureaucracy. I am relying on the voluntary cooperation of all Americans—each one of you: workers, employers, consumers—to make this freeze work.

Working together, we will break the back of inflation, and we will do it without the mandatory wage and price controls that crush economic and personal freedom.

The third indispensable element in building the new prosperity is closely related to creating new jobs and halting inflation. We must protect the position of the American dollar as a pillar of monetary stability around the world.

In the past 7 years, there has been an average of one international monetary crisis every year. Now who gains from these crises? Not the workingman; not the investor; not the real producers of wealth. The gainers are the International money speculators. Because they thrive on crises, they help to create them.

In recent weeks, the speculators have been waging an all-out war on the American dollar. The strength of a nation's currency is based on the strength of that nation's economy—and the America: economy is by far the strongest in the world. Accordingly, I have directed the Secretary of the Treasury to take the action necessary to defend the dollar against the speculators.

I have directed Secretary Connally to suspend temporarily the convertibility of the dollar into gold or other reserve assets, except in amounts and conditions determined to be in the interest of monetary stability and in the best interests of the United States.

Now, what is this action—which is very technical—what does it mean for you?
Let me lay to rest the bugaboo of what is called devaluation.

If you want to buy a foreign car or take a trip abroad, market conditions may cause your dollar to buy slightly less. But if you are among the overwhelming majority of Americans who buy American-made products in America, your dollar will be worth just as much tomorrow as it is today.

The effect of this action, in other words, will be to stabilize the dollar. Now, this action will not win us any friends among the international money traders. But our primary concern is with the American workers, and with fair competition around the world.

To our friends abroad, including the many responsible members of the international banking community who are dedicated to stability and the flow of trade, I give this assurance: The United States has always been, and will continue to be, a forward-looking and trustworthy trading partner. In full cooperation with the International Monetary Fund and those who trade with us, we will press for the necessary reforms to set up an urgently needed new international monetary system. Stability and equal treatment is in everybody's best interest. I am determined that the American dollar must never again be a hostage in the hands of international speculators.

I am taking one further step to protect the dollar, to improve our balance of payments, and to increase jobs for Americans.

As a temporary measure, I am today imposing an additional tax of 10 percent on goods imported into the United States. This is a better solution for international trade than direct controls on the amount of imports.

This import tax is a temporary action. It isn't directed against any other country. It is an action to make certain that American products will not be at a disadvantage because of unfair exchange rates. When the unfair treatment is ended, the import tax will end as well.

As a result of these actions, the product of American labor will be more competitive, and the unfair edge that some of our foreign competition has will be removed. This is a major
reason why our trade balance has eroded over the past 15 years.

At the end of World War II the economies of the major industrial nations of Europe and Asia were shattered. To help them get on their feet and to protect their freedom, the United States has provided over the past 25 years $143 billion in foreign aid. That was the right thing for us to do.

Today, largely with our help, they have regained their vitality. They have become our strong competitors, and we welcome their success. But now that other nations are economically strong, the time has come for them to bear their fair share of the burden of defending freedom around the world. The time has come for exchange rates to be set straight and for the major nations to compete as equals. There is no longer any need for the United States to compete with one hand tied behind her back.

The range of actions I have taken and proposed tonight—on the job front, on the inflation front, on the monetary front—is the most comprehensive new economic policy to be undertaken in this Nation in four decades. [...]

APPENDIX E

Key Terms List

These *key terms* were selected for their relevance and applicability for this research study and for other future research studies surrounding interactions and events related to currency. All terms within this list (*unless otherwise cited*) were selected from Edward Hinkelman’s (2008) *Glossary of International Trade: Transaction, Banking, Shipping, Legal and Other Terms Used in International Trade*, 5th edition. Petaluma: World Trade Press. pp. 1-185. The Key Terms listed below were selected from Hinkelman’s (2008) glossary for their pertinence to this research study, and appropriateness for future studies surrounding currency.

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**bank holiday (pp. 21)**
(UK) British term for a legal holiday where banks and government offices are closed. (banking) A day on which banks are closed.

**Bank for International Settlements (BIS) (pp. 21)**
(banking) Established in 1930, this organization was designed to foster cooperation among world central banks, to seek opportunities for development of financial activity among governments and to serve as an agent involving the transfer of payments. Contact: Bank for International Settlements; Centralbahnplatz 2; CH-4002 Basel, Switzerland; Tel: [41] (61) 280-8080; Fax: [41] (61) 280-9100; Email: email@bis.org; Web: www.bis.org.

**bank guarantee (pp. 21)**
(banking) Unilateral contract between a bank as guarantor and a beneficiary as warrantee in which the bank commits itself to pay a certain sum if a third party fails to perform or if any other specified event resulting in a default fails to take place.

**bank note (pp. 21)**
(banking) Paper issued by the central bank, redeemable as money and considered to be full legal tender.

**bank note rate (pp. 21)**
(banking/foreign exchange) Exchange rate used in bank note dealing.
**bankruptcy (pp. 21)**
(law) (a) the status of an individual or legal entity who does not have the financial resources needed to pay debts as they come due. (b) the legal proceedings for declaring bankruptcy and discharging or restructuring debt. Laws related to these proceedings vary greatly among different countries. In the United States, bankruptcy proceedings are brought before bankruptcy courts. In some countries, a bankruptcy is dealt with through administrative agencies and a bankrupt person must first attempt to make a composition with creditors.

**barter (pp. 22)**
The direct exchange of goods for other goods without the use of money as a medium of exchange and without the involvement of a third party. See countertrade.

**bearer (pp. 22)**
(general) The person in possession. (banking/finance/law/shipping) A person who possesses a bearer document and who is entitled to payment of funds or transfer of title to property on presentation of the document to the payee or transferor. A buyer, for example, who presents bearer documents of title (such as a bill of lading) to a shipper that transported the goods is entitled to receive the shipment. A seller who presents to a bank a negotiable instrument, such as a check, that is payable to the bearer is entitled to payment of the funds.

**bilateral trade (pp. 23)**
(economics) The commerce between two countries.

**bill (pp. 23)**
(law) (a) A written statement of contract terms. (b) A listing of items in a transaction or demand. (c) A promissory obligation for the payment of money. (d) An account for goods sold, services, rendered, or work completed.

**bond: (pp. 25)**
(general) An interest-bearing certificate of debt usually issued in series, by which the issuer obligates itself to pay the principal amount at a specified time and to pay interest periodically. 
(banking) An instrument used a proof of a debt. 
(finance) The obligation to answer for the debt of another person.

**Bretton-Woods Agreement of 1944 (pp. 26)**
(banking/foreign exchange) Articles of agreement adopted by the international monetary conference of 44 nations which met at Bretton Woods, New Hampshire in 1944. The International Monetary Fund and the International Bank for Reconstruction and Development were created as a result of this agreement. The Fund’s major responsibility was to maintain orderly currency practices in international trade, while the Bank’s function was to facilitate extension of long-term investments for productive purposes.
**Bretton-Woods System (pp. 26)**
(banking/foreign exchange) The system of fixed exchange rates with fluctuation grids, in which every member of the International Monetary Fund (IMF) set a specific parity for its currency relative to gold or the dollar, and undertook to keep fluctuations within ±1% of parity by central bank market interventions. This system was in operation from the end of WWII through the early 1970s.

**Bureau of Engraving and Printing (BEP)** – This definition was derived from The U.S. Department of the Treasury, retrieved from: https://www.treasury.gov/about/history/Pages/bep.aspx

“The U.S. Government began printing paper money in 1862, when demand notes and legal tender (greenback) currency were issued to finance the Civil War. On August 29, 1862, one male and four female clerks and the chief of the bureau began work in the attic of the Treasury Building to affix the Treasury seal and cut apart sheets of notes by machinery. The Bureau of Engraving and Printing (BEP) has no organic act, but the law of July 11, 1862 allowing some of the authorized notes to be engraved and printed at the Treasury is the start of the Bureau. The first legislative recognition of BEP was in the appropriations act of June 20, 1874. The Act of March 3, 1877 made the Bureau the exclusive printer of U.S. currency and securities and in 1894 BEP became the exclusive printer of postage stamps. BEP ceased printing postage stamps in June 2005.

BEP designs, engraves, and prints all U.S. paper currency. In 1996, the Bureau began the production of new designs for our money, the most comprehensive overhaul of the basic currency design since the 1860s and the introduction of the now current small-sized bills in 1929. Early on, the Bureau did other government work. By late 1864, it printed forms for Treasury, engraved passport plates for the State Department, and numbered money orders for the Post Office Department. Some of the other products produced currently by the Bureau include: Presidential appointment certificates, military identification cards, naturalization documents, Small Business Administration financial documents, Coast Guard water use licenses, Presidential portraits, and vignettes of various Washington, D.C. historical buildings.”

**capital** - this definition is from **Pierre Bourdieu’s (1986:15) The Forms of Capital**
“Capital is accumulated labor (in its materialized form or its “incorporated,” embodied form) which, when appropriated on a private, i.e., exclusive, basis by agents or groups of agents, enables them to appropriate social energy in the form of reified or living labor.”

- **economic capital** – is immediately and directly convertible into money and may be institutionalized in the form of property rights (Bourdieu, 1986:16).

- **cultural capital** – is convertible in certain conditions, into economic capital and may be institutionalized in the form of educational qualifications (Bourdieu, 1986:16).
Bourdieu (1986:17) provided a description of how cultural capital exists, “…in the objectified state, in the form of cultural goods (pictures, books, dictionaries, instruments, machines, etc.).”

- **social capital** – made up of social obligations (“connections”), which is convertible, in certain conditions, into economic capital and may be institutionalized in the form of a title of nobility (Bourdieu, 1986:16).

- **symbolic capital** – capital in whatever form, insofar as it is represented, i.e., apprehended symbolically, in a relationship of knowledge or, more precisely, of misrecognition and recognition, presupposes the intervention of the habitus, as a socially constituted cognitive capacity (Bourdieu, 1986:27).

**central bank (pp. 32)**
(banking) The only institution which has the right to issue banknotes and which constitutes the monetary and credit policy authority of a currency zone. Apart from this, it supplies the economy with money and credit, regulates domestic and foreign payments transactions and maintains internal and external monetary stability.

**commercial bank (pp. 37)**
(banking) A bank that specializes in accepting demand deposits (deposits that can be withdrawn on demand by the depositor) and granting loans.

**commodity (pp. 39)**
Broadly defined, any article exchanged in trade, but most commonly used to refer to raw materials, including such minerals as tin, copper and manganese, and bulk-produced agricultural products such as coffee, tea and rubber.

**company (Co.)**
(law) (a) An organization established to conduct business.
(b) A legal entity established under the laws of a country, state, province or other administrative unit for the purpose of conducting business. (c) a generic and comprehensive term which may include sole proprietorships, individuals, partnerships, corporations, societies, associations, and organizations established and operating to prosecute a commercial, industrial or other legitimate business, enterprise or undertaking.

**convertibility (pp. 44)**
(banking/foreign exchange) Ease of exchanging one currency for that of another nation or for gold.

**convertible currency (pp. 44)**
(foreign exchange) Currency that can be easily exchanged, bought and sold for other currencies. Also, see Appendix N to view a convertible currency.
currency (pp. 48)
(banking/foreign exchange) Name given to the material form of a country’s payment medium, for example, “Swiss francs, divided into 100 centimes.”

currency basket (pp. 48)
(banking/foreign exchange) A means of establishing value for a composite unit consisting of the currencies designated nations. Each currency is represented in proportion to its value in relation to the total. The European Currency Unit (ecu) which is now obsolete, for example was a weighted average of the currencies of the European Union member nations, used as a unit of value in transactions among businesses in the member countries. The ecu has been replaced by the European Union Euro.

currency swap (pp. 48)
(banking/foreign exchange) System whereby an institution with funds in one currency converts them into another and enters into a forward exchange contract to recover currency borrowed.

currency translation (pp. 48)
(accounting/foreign exchange) The recording in accounts of assets (or liabilities) in one currency when they are actually in another. No actual exchange of funds takes place. The World Bank, for example, translates all their assets and liabilities into U.S. dollar amounts, regardless of the actual currency in which they are denominated.

currency zone (pp. 48)
(banking/foreign exchange) A geographic area where one currency is valid. A currency zone normally, but not always coincides with the national frontiers of a country. A supranational currency zone arises when different currencies are connected either through convertibility or fixed exchange rates. An example is the Sterling zone.

demand (pp. 54)
(banking/law) (a) A request for the payment of a debt or other amount due. (b) A demand clause is a term in a note by which the note holder can compel full payment if the maker of the note fails to meet an installment.

deposit money (pp. 54)
(banking) Also known as bank or giro money. Bank, giro and postal giro account credit balances which can be converted at any time into notes and coinage, but which are normally used for cash-less payment transactions.

depreciation (pp. 55)
(economics/accounting) (a) The charges against earnings to write-off the purchase price of an asset over its useful life. (b) The decline in the value of a property or asset. (insurance) An allowance for a decrease in value of property through deterioration or
damage. (foreign exchange) The decline in value of one currency in relation to another currency.

devaluation (pp. 55)
(economics) The lowering of the value of a national currency in terms of the currency of another nation. Devaluation tends to reduce domestic demand for imports in a country by raising their prices in terms of the devalued currency and to raise foreign demand for the country’s exports by reducing their prices in terms of foreign currencies. Devaluation can therefore help to correct a balance of payments deficit and sometimes provide a short-term basis for economic adjustment of a national economy. In a fixed exchange rate situation, devaluation occurs as the result of an administrative action taken by a government to reduce the value of its domestic currency in terms of gold or foreign monies. In a free exchange rate situation, devaluation occurs as a result of the action of the foreign exchange market where the value of the domestic currency drops by market forces against a specific unit of foreign currency.

developed countries (pp. 55)
(economics) A term used to distinguish the more industrialize nations, including all Organization for Economic Cooperation and Development (OECD) member countries as well as the Soviet Union and most of the socialist countries of Eastern Europe, from “developing,” or less developed countries. The developed countries are sometimes collectively designated as the “North,” because most of them are in the Northern Hemisphere. See developing countries.

developing countries (pp. 55)
(economics) A broad range of countries that generally lack a high degree of industrialization, infrastructure and other capital investment, sophisticated technology, wide-spread literacy, and advanced living standards among populations as a whole. The developing countries are sometimes collectively designated as the “South,” because a large number of them are in the Southern Hemisphere. All of the counties of Africa (except South Africa), Asia and Oceania (except Australia, Japan and New Zealand), Latin America, and the Middle East are generally considered “developing countries” as are a few European countries (Cyprus, Malta, Turkey and countries of the former Yugoslavia, for example). Some experts differentiate four subcategories of developing countries as having different economic needs and interests: (1) A few relatively wealthy Organization of Petroleum Exporting Countries (OPEC) countries – sometime referred to as oil exporting developing countries – share a particular interest in financially sound international economy and open capital markets; (2) Newly Industrializing Countries (NICs) have a growing stake in an open international trading system; (3) A number of middle income countries – principally commodity exporters – have shown a particular interest in commodity stabilization schemes; and (4) More than 30 very poor countries (“least developed countries”) are predominantly agricultural, have sharply limited development prospects during the near future, and tend to be heavily dependent on official development assistance.
**dollar (pp. 58)**
The currency of: American Samoa (uses U.S. dollar), Anguilla, Antigua and Barbuda, Australia, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands (uses U.S. dollar), Brunei, Canada, Cayman Islands, Dominica, Fiji, Grenada, Guam, Guyana, Hong Kong, Jamaica, Kiribati (uses the Australian dollar), Liberia, Montserrat, Nauru (uses Australian dollar), New Zealand, Puerto Rico (uses U.S. dollar), St. Christopher, St. Kitts-Nevis, St. Lucia, St. Vincent and the Grenadines, Singapore, Solomon Islands, Taiwan, Trinidad and Tobago, Turks and Caicos Islands (uses U.S. dollar), Tuvalu (uses Australian dollar), United States, Virgin Islands (U.S. & British – use U.S. dollar), Zimbabwe. [1$=100 cents].

**exchange rate (pp. 67)**
(foreign exchange) The price of one currency expressed in terms of another, i.e., the number of units of one currency that may be exchanged for one unit of another currency. For example, $/SFr = 1.50, means that one U.S. dollar costs 1.50 Swiss francs.
(a) In a system of **free exchange rates**, the actual exchange rate is determined by supply and demand on the foreign exchange market.
(b) In a system of **fixed exchange rates**, the exchange rate is tied to a reference (e.g., gold, US$, etc.). Influences on exchange rates include differences between interest rates and other asset yields between countries; investor expectations about future changes in a currency’s value; investors’ views on the overall quantity of assets in circulation; arbitrage; and central bank exchange rate support. See floating.

**exploratory research** – this definition was derived from Neuman (2000: 510)
“Research into an area that has not been studied and in which a researcher wants to develop initial ideas and a more focused research question.

**exporter (pp. 71)**
An individual or company that transports goods or merchandise from one country to another in the course of trade.

**event history analysis** – This definition was derived from the Economic & Social Research Council (ESRC), National Centre for Research Methods.
“Event history analysis is used to study the duration until the occurrence of the event of interest, where the duration is measured from the time at which an individual becomes exposed to the ‘risk’ of experiencing the event” (Steele 2005:4).

**Federal Reserve System (pp. 72)**
(U.S. banking) The central banking system of the U.S. It has twelve Federal Reserve Banks divided up by geographical regions. The Board of Governors supervises the operations of the regional banks and coordinates monetary policy through its Federal Open Market Committee.
**fiat (pp. 72)**
a legally binding command or decision, generally issued by a government.

**fiat money/fiat currency (pp. 72)**
coinage or currency that is accepted as a medium of exchange by virtue of government decree (fiat). Fiat money is not backed by a commodity such as gold or silver and only retains value so long as holders of the currency feel that they can find an exchange partner for it at some later time.

**financial instrument (pp. 73)**
(banking/finance) A document which has monetary value, or is evidence of a financial transaction. Examples of financial instruments are: checks, bonds, stock certificates, bills of exchange, promissory notes and bills of lading.

**financial market (pp. 73)**
(banking/finance) Market for the exchange of capital and credit in an economy. It is divided into money markets, and capital market(s).

**fixed exchange (pp. 73)**
(foreign exchange) An administratively fixed exchange rate. With rate fixed exchange rates, no rate fluctuations are possible.

**fixed exchange rate (pp. 73)**
See exchange rate; fixed exchange.

**floating (pp. 74)**
(foreign exchange) (a) Clean floating: Free determination of exchange rates without intervention on the part of the central bank. Correspondingly, exchange rates are determined by supply and demand on the foreign exchange market. (b) Dirty floating: Monetary policy which in principle recognizes floating exchange rates, but which tries to influence the exchange rate level through more or less frequent interventions. See floating currency.

**floating currency (pp. 74)**
(banking/foreign exchange) One whose value in terms of foreign currency is not kept stable (on the basis of the par value or a fixed relationship to some other currency) but instead is allowed, without a multiplicity of exchange rates, to be determined (entirely or to some degree) by market forces. Even where a currency is floating, the authorities may influence its movements by official intervention; if such intervention is absent or minor, the expression “clean float” is sometimes used. See floating.

**foreign currency (pp. 76)**
(banking) The currency of any foreign country which is the authorized medium of circulation and the basis for record keeping in that country. Foreign currency is traded in
by banks either by the actual handling of currency or checks, or by establishing balances in foreign currency with banks in those countries.

**foreign exchange (pp. 76)**
(banking/foreign exchange) Current or liquid claims payable in foreign currency and in a foreign country (bank balances, checks, bills of exchange). Not to be confused with foreign bank notes and coin, which are not included in this definition.

**foreign exchange holdings (pp. 76)**
(foreign exchange) Holdings of current or liquid foreign exchange claims denominated in the currency of another country.

**foreign exchange market (pp. 76)**
(foreign exchange) (a) The worldwide system of contacts, either by telephone, teleprinter or in writing, which take place between nonbank foreign exchange dealers and foreign exchange traders at banks as well as foreign exchange traders amongst themselves, where the monies of different countries are bought and sold. (b) Wherever foreign exchange rates are determined.

**foreign exchange rate (pp. 76)**
(foreign exchange) The price of one currency in terms of another.

**foreign exchange trader (pp. 76)**
(foreign exchange) An individual engaged in the business of buying and selling foreign exchange on his own account or as an employee of a bank or other business authorized to deal in foreign exchange.

**foreign exchange trading (pp. 76)**
(foreign exchange) Buying and selling of foreign exchange, holding of currency positions, foreign exchange arbitrage, and foreign exchange speculation on the foreign exchange market.

**foreign exchange transactions (pp. 77)**
(foreign exchange) The purchase or sale of one currency with another. Foreign exchange rates refer to the number of units of one currency needed to purchase one unit of another, or the value of one currency in terms of another.

**fractional currency (pp. 79)**
(banking) Any currency that is smaller than a standard money unit (e.g., any coin worth less than $1).
fungibles (pp. 83)
(law) Goods that are identical with other goods of the same nature. A merchant who is unable to deliver a specific load of grain, for example, may negotiate to replace that grain with fungibles, that is another load of grain of the same nature and quality.

gold exchange standard (pp. 86)
(banking/foreign exchange) An international monetary agreement according to which fiat national currencies can be converted into gold at established price ratios. gold fixing (banking/commodity markets) In London, Paris and Zurich, at 10:30 a.m. and again at 3:30 p.m., gold specialists or bank officials specializing in gold bullion activity determine the price for the metal. Gold Key Service (U.S.) An International Trade Administration, U.S. Department of Commerce service that provides customized information for U.S. firms visiting a country—market orientation briefings, market research, introductions to potential business partners, an interpreter for meetings, assistance in developing a market strategy, and help in putting together a follow-up plan. Trade specialists design an agenda of meetings, screen and select the right companies, arrange meetings with key people, and go with U.S. representatives to ensure that no unforeseen difficulties occur. For further information, in the U.S. call [1] (800) USA-TRADE (872-8723).

gold reserves (pp. 86)
(banking/foreign exchange) Gold, retained by a nation’s monetary agency, forming the backing of currency that the nation has issued.

gold standard (pp. 86)
(economics) A monetary agreement whereby all national currencies are backed 100 percent by gold and the gold is utilized for payments of foreign activity.

The Gold Standard – This definition was derived from the Bureau of Engraving and Printing, retrieved from: https://www.moneyfactory.gov/images/Currency_notes_508.pdf
“...The gold standard is a system whereby the value of a country’s currency is tied to a fixed amount of gold. The gold standard has operated differently at different times and in different countries and has been suspended during times of crisis. The gold standard is no longer used to determine the value of currency. Instead, nations’ currencies rise and fall in relation to each other, depending on a variety of factors.

Under the gold standard, currency was “backed” by gold reserves. In the past, such reserves represented only a percentage of the total amount of currency in circulation. Additionally, when a gold standard is in operation, currency can be exchanged for gold, although individual governments determine the specific provisions for redemption.

Beginning in 1933, legislation prohibited the redemption of currency for gold in the United States. By regulating public holding of and dealing in gold, the Government was able to control the supply and price of the precious metal. After the upheavals of the Great Depression and World War II, international monetary agreements called for a new system of fixed currency rates tied to the U.S. dollar, the value of which was tied to gold. Under this system, dollars could be redeemed for gold by foreign governments as part of
international trade operations. It was not until 1971 that the United States stopped the redemption of dollars for gold altogether, thereby completely abandoning the gold standard.”

gold tranche position in International Monetary Fund (pp. 86)
(banking) Represents the amount that a member country can draw in foreign currencies virtually automatically from the International Monetary fund if such borrowings are needed to finance a balance-of-payments deficit. (U.S.) In the case of the U.S., the gold tranche itself is determined by the U.S. quota paid in gold minus the holdings of dollars by the fund in excess of the dollar portion of the U.S. quota. Transactions of the fund in a member country’s currency are transactions in monetary reserves. When the fund sells dollars to other countries to enable them to finance their international payments, the net position of the United States in the fund is improved. An improvement in the net position in the gold tranche is similar to an increase in the reserve assets of the United States. On the other hand, when the United States buys other currencies from the fund, or when other countries use dollars to meet obligations to the fund, the net position of the United States in the fund is reduced.

goods (pp. 86)
(law) (a) Merchandise, supplies, raw materials, and completed products. (b) All things that are movable and are designated as sold to a particular buyer. (c) Durable goods are ones that last a relatively long time and that are not dissipated or depleted when used generally, such as machinery and tools. (d) Consumer goods are ones that are purchased primarily for the buyer’s personal, family, or household use. (e) Hard goods are consumer durable goods, such as appliances. (f) Soft goods are consumer goods that are not durable, such as clothing.

hard money (currency) (pp. 89)
(general) (a) Currency of a nation having stability in the country and abroad. Refers to currency that is accepted internationally and freely convertible. (b) Coins, in contrast with paper currency, or soft money. (finance) Describes a situation in which interest rates are high and loans are difficult to arrange. synonymous with dear money.

inflation (pp. 95)
(economics) Loss of purchasing power of money, caused by growth of the amount of money in circulation which, if the supply of goods stays the same or only increases at a slower rate, leads to an increase in prices.

International Monetary Fund (IMF) (pp. 101)
(banking/finance/foreign exchange) An international financial institution proposed at the 1944 Bretton Woods Conference and established in 1946 that seeks to stabilize the international monetary system as a sound basis for the orderly expansion of international trade. Specifically, among other things, the Fund monitors exchange rate policies of member countries, lends them foreign exchange resources to support their adjustment
policies when they experience balance of payments difficulties, and provides them financial assistance through a special “compensatory financing facility” when they experience temporary shortfalls in commodity export earnings. Membership in the fund is a prerequisite to membership in the International Bank for Reconstruction and Development. Contact: International Monetary Fund; 700 19th Street NW; Washington, DC 20431 USA; Tel: [1] (202) 6237000; Fax: [1] (202) 623-4661; E-mail: publicaffairs@imf.org; Web: www.imf.org. See Bretton-Woods Agreement; International Bank for Reconstruction and Development; World Bank Group.

**International Bank for Reconstruction and Development (The World Bank) (pp. 99)**
(banking) The International Bank for Reconstruction and Finance (IBRF) was proposed at Bretton Woods on July 1944, commencing operation in June 1946. Originally established to help countries reconstruct their economies after World War II. IBRD, commonly referred to as the World Bank, now assists developing member countries by lending to government agencies, or by guaranteeing private loans for such projects as agricultural modernization or infrastructural development. Contact: The World Bank; 1818 H Street NW; Washington, DC 20433 USA; Tel: [1] (202) 473-1000; Fax: [1] (202) 4776391; E-mail: pic@worldbank.org; Web: www.worldbank.org. See International Monetary Fund; World Bank; World Bank Group.

**legal tender (pp. 109)**
(banking/currency/law) Any money that is recognized as being lawful for use by a debtor to pay a creditor, who must accept same in the discharge of a debt unless the contract between the parties specifically states that another type of money is to be used.

**liquidity (pp. 112)**
(economics) (a) A company’s ability to meet its obligations at all times. (b) The availability of liquid funds in an economy. (c) The possibility of being able to carry out financial transactions without influencing the market.

**major U.S. dollar transforming event** – this term is NOT cited in any source within the References list, but rather an expression used by the author of this thesis (Dylann Ward).
  o A **major U.S. dollar transforming event (major currency transforming event)** is an event that fundamentally changes the current lawful meaning (meaning attached by individuals holding lawful positions within the U.S. government) into a different lawful meaning (e.g. President Franklin Delano Roosevelt’s Executive Order no. 6102 – see Appendix B).

**market (pp. 116)**
(economics) a) The interaction between supply and demand to determine the market price and corresponding quantity bought and sold. a) The determination of economic allocations by decentralized, voluntary interactions among those who wish to buy and sell, responding to freely determined market prices.
medium of exchange (pp. 117)
(economics) Any commodity (commonly money) which is widely accepted in payment for goods and services and in settlement of debts, and is accepted without reference to the standing of the person who offers it in payment.

purposive sampling – this definition is derived from (Neuman 2000:517)
“A type of nonrandom sample in which the researcher uses a wide range of methods to locate all possible cases of a highly specific and difficult to reach population.”

services (pp. 149)
(economics) Economic activities— such as transportation, banking, insurance, tourism, space launching telecommunications, advertising, entertainment, data processing, consulting and the licensing of intellectual property— that are usually of an intangible character and often consumed as they are produced. Service industries have become increasingly important since the 1920s. Services now account for more than two-thirds of the economic activity of the United States and about 25 percent of world trade.

symbolic interactionism
[Blumer’s (1969:2) three-pronged definition of symbolic interactionism]:
1. “… Human beings act toward things on the basis of the meanings which these things have for them.”
2. “The meaning of such things is derived from, or arises out of, the social interaction that one has with others and the society.”
3. “These meanings are handled in, and modified through, an interpretive process used by the person in dealing with the things he/she encounters.”

**** This is the end of the Key Terms list ****
This is a non-cut, non-circulated, paper sheet of U.S. dollar legal tender paper currency from the Bureau of Engraving and Printing currency collection series. This sheet was purchased from Carlsbad Village Coins, Carlsbad, California, 92008. Notice the phrase signifying these notes as lawful: THIS NOTE IS LEGAL TENDER FOR ALL DEBTS, PUBLIC AND PRIVATE.
This is a non-cut, non-circulated, paper sheet of U.S. dollar currency (reverse side) from the Bureau of Engraving and Printing currency collection series. This sheet was purchased from Carlsbad Village Coins, Carlsbad, California, 92008.
APPENDIX G
Symbols found on the U.S. dollar

Plate Position Letters and Numbers

The small capital letter and numeral appearing in the upper left corner, just below the denomination number on the bill, designate the position of the note on the 32-subject face plate from which it was printed.

Federal Reserve Bank Designation

The Federal Reserve Bank designation is repeated in the upper and lower right and left corners of the bill. The numbers and the letter indicate the Federal Reserve Bank the note is issued for, and are helpful in cases involving claims made by the public for redemption of burned or mutilated notes. The seal also bears the name of the issuing Federal Reserve Bank and the letter designating that Federal Reserve District.

Series Date

The series date on the face of each bill signifies the year the design of a particular note originated, or when a major revision was made to the note design. A minor revision in the design is indicated by the addition of a letter to the series year.

Serial Number

The serial numbers are two identical series of numbers, including a prefix and suffix letter, located in the upper right and lower left sections of the note. On some notes a “star” note may replace the suffix letters.

“Star” notes are substituted when a note is mutilated in the course of manufacture. To print another note with an identical serial number would be costly and time-consuming. A star note has an out-of-sequence serial number with a star as the final digit.

Treasury Seal

The Treasury Seal bears the date 1789, the year of the Department’s creation. The balance scales represent justice; the key, an emblem of official authority; and the chevron with 13 stars, the 13 original states. On Federal Reserve notes the seal is overprinted in green.

Plate Serial Numbers

The small digit or series of digits in the lower right corner of the face and back of the note indicates the serial number of the plate from which a note was printed. The letter preceding this number on the face is always the same as the place position letter in the upper left corner.

Great Seal

The Great Seal of the United States, adopted in 1782, is the only government seal in the world having two sides. The face depicts an American eagle, representing national sovereignty, which is beathed by our national shield. The eagle is holding in its right talon an olive branch of 13 leaves and 13 olives symbolizing peace. In the left talon are 13 arrows signifying the original colonies’ right to liberty. A ribbon held in the eagle’s breast is inscribed, “E Pluribus Unum,” or “One out of many,” in reference to the unity of the 13 colonies as one government. Over the eagle’s head is a grouping of 13 stars wreathed in clouds, again representing the original colonies.

The pyramid, on the reverse of the Great Seal, represents permanence and strength. Its unfinished condition indicates that the United States will always grow, build, and improve with a continuous evaluation of Truth. The thirteen layers of stone in the pyramid refer to the thirteen Original States and the individual rights of States. The separate stones represent local self-government.

The words “Annuit Coeptis” (thirteen letters) mean “God has favored our undertakings,” or “enterprise.” At the bottom are the words “Novus Ordo Seclorum,” meaning the “New Order of the Ages.” At the base of the pyramid is the Roman inscription of “1776,” the year our country was founded.

The “Eye of Providence” within a glory of light placed above the pyramid illustrates the spiritual above the material. It also represents education and freedom of knowledge.

This page is from the Bureau of Engraving and Printing currency collection series that was purchased from Carlsbad Village Coins, Carlsbad, California, 92008.
In the center of this image, is the Bureau of Engraving and Printing symbol/seal (as presented on all current U.S. dollar legal tender currency notes). Also, this image presents the U.S. dollar currency in the two (2) dollar denomination. These $2 notes are part of Dylann Ward’s personal collection, all acquired from circulation within a trade in the state of California, U.S. Exact trade in which these notes were acquired is unknown.
APPENDIX I

U.S. dollar (five-dollar denomination)
This is a ten (10) dollar denomination of the U.S. dollar legal tender currency, alongside a presentation of the modern symbols printed by the Bureau of Engraving and Printing. The flyer on the left was acquired from California Bank & Trust in Carlsbad, California 92008. The currency note on the right is part of Dylann Ward’s personal collection, retrieved from circulation.
This is a twenty (20) dollar denomination of the U.S. dollar currency, alongside a presentation of the modern symbols printed by the Bureau of Engraving and Printing. The flyer on the left was acquired from California Bank & Trust in Carlsbad, California 92008. The currency note on the right is part of Dylann Ward’s personal collection, retrieved from circulation.
This is a fifty (50) dollar denomination of the U.S. dollar currency, alongside a presentation of the modern symbols printed by the Bureau of Engraving and Printing. The flyer on the left was acquired from California Bank & Trust in Carlsbad, California 92008. The currency note on the right is part of Dylann Ward’s personal collection, retrieved from circulation.
APPENDIX M
U.S. dollar (100-dollar denomination)

$100 Note
Issued 2013 - Present
All U.S. currency remains legal tender, regardless of when it was issued.

Key Security Features

3-D Security Ribbon
Tilt the note back and forth while focusing on the blue ribbon. You will see the bells change to 100s as they move. When you tilt the note back and forth, the bells and 100s move side to side. If you tilt it side to side, they move up and down. The ribbon is woven into the paper, not printed on it.

Bell in the Inkwell
Tilt the note to see the color-shifting bell in the copper inkwell change from copper to green, an effect which makes the bell seem to appear and disappear within the inkwell.

Watermark
Hold the note to light and look for a faint image of Benjamin Franklin in the blank space to the right of the portrait. The image is visible from both sides of the note.

Color-Shifting Ink
Tilt the note to see the numeral 100 in the lower right corner of the front of the note shift from copper to green.

Security Thread
Hold the note to light to see an embedded thread running vertically to the left of the portrait. The thread is imprinted with the letters US and the numeral 100 an alternating pattern and is visible from both sides of the note. The thread glows pink when illuminated by ultraviolet light.

Additional Design and Security Features

Federal Reserve System Seal
A black seal to the left of the portrait represents the entire Federal Reserve System. A letter and number beneath the seal are unique to the issuing Federal Reserve Bank.

Microprinting
Look carefully (magnification may be necessary) to see the small printed text THE UNITED STATES OF AMERICA on Benjamin Franklin's jacket collar. USA 100 around the blank space containing the portrait watermark. ONE HUNDRED DOLLARS printed on the green quilt, and small 250 s on the note borders.

Raised Printing
More familiar up and down Benjamin Franklin's shoulder on the left side of the note. It should feel rough to the touch, a result of the enhanced printing process used to create the image. Additional raised printing can be felt throughout the $100 note, and gives genuine Federal Reserve notes their distinctive texture.

Paper
Federal Reserve note paper is one-fourth linen and three-fourths cotton, and contains red and blue security fibers.

Portrait and Vignette
The $100 note features a portrait of Benjamin Franklin on the front of the note and a vignette of Independence Hall on the back of the note.

Symbols of Freedom
Phrases from the Declaration of Independence and the seal the Founding Fathers used to sign the historic document are found to the right of the portrait.

Gold 100
A large gold numeral 100 on the back of the note helps those with visual impairments distinguish the denomination.

Treasury Seal
A green seal to the right of the portrait represents the U.S. Department of the Treasury.

Serial Numbers
A unique combination of eleven numbers and letters appears twice on the front of the note.

Series Year
The design includes series years 2009 and 2009A.

For more information about U.S. currency visit www.uscurrency.gov

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APPENDIX N
Convertible Currency (U.S. dollars)

Gold Certificate (series 1928)

This note was convertible currency (convertible to gold). This meant that, during this point in history (1928), prior to the second currency transforming event chosen for this thesis project, the meanings attached to currency were such that a person could walk into a bank, hand the clerk one of these currency notes, and receive (redeem) gold coins in return. Notice the phrase signifying this currency’s relationship to gold. Phrase starting at the top of this twenty-dollar note: **THIS CERTIFIES THAT THERE HAS BEEN DEPOSITED IN THE TREASURY OF THE UNITED STATES OF AMERICA TWENTY DOLLARS IN GOLD COIN PAYABLE TO THE BEARER ON DEMAND.** *This currency note is part of Dylann Ward’s personal currency collection. The 20-dollar note was purchased from: Twin Cities Gold & Silver, St. Louis Park, Minnesota 55416.*