‘Why floating rates are now in fashion’ from The Financial Times (10 May 1971)

Caption: On 10 May 1971, the British daily economic and financial newspaper The Financial Times comments on Germany’s decision to let its national currency fluctuate and expresses concern at the consequences of a worsening of the international monetary crisis.

Archives familiales Pierre Werner, Luxembourg.

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URL: http://www.cvce.eu/obj/why_floating_rates_are_now_in_fashion_from_the_financial_times_10_may_1971-en-e3014101-4024-4862-b859-4f34c911b98f.html

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LEADING participant in the recent and much-discussed EMU gatherings remarked to me last year that it would take another major crisis to bring about a reform in the world exchange rate system. Nevertheless, some times known as ‘Bretton Woods’ after the conference which inaugurated it in 1944—has always contained within it the seeds of its own destruction. The system is based on exchange rates that are normally fixed, but can change in the last resort if a country faces an intractable deficit of surplus in its overseas payments.

Could not endure

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