

Contents

<i>List of Figures</i>	<i>page</i> xiii
<i>List of Tables</i>	xvii
<i>Acknowledgements</i>	xix
Introduction	1
1 Sterling's Post-War Role and Lessons from the 1947 Convertibility Crisis	5
The Sterling Balances Problem	7
Different Sterling Areas	8
The Convertibility Crisis of 1947	10
Consequences of the Crisis	15
2 The 1949 Devaluation: Readjusting the Post-War Parities	18
The Politics of the Devaluation	19
Causes of the Devaluation	22
The Balance of Payments Problem	24
International Repercussions	29
3 The Reopening of the London Foreign Exchange Market: Sterling's Window on the World	35
Negotiations	36
The Reopening	38
Alternative Markets	43
4 The Bank on the Market	46
Foreign Exchange Interventions	47
Cooperation with the Fed	54
Strategies and Tactics	56

	Intervention Performance	59
	The Exchange Equalisation Account	66
5	The Reopening of the London Gold Market in 1954: Sealing the Fate of Sterling and the International System	73
	Burgeoning Competition	76
	The Gold Market Reopening	78
	Behind Closed Doors	83
	Bank of England Operations	86
6	1958 Convertibility and Its Consequences	92
	What Is Convertibility?	93
	The Politics of Convertibility in Europe	94
	An End to Parallel Markets	95
7	The Gold Pool	99
	Cooperation with the Fed	101
	The Politics of the Gold Pool Creation	107
	How the Gold Pool Worked	109
	The Creation of the Gold Pool and the Global Price of Gold	111
8	Cooperation and the Fed Swap Network	115
	The Bank of England's Use of Swaps	116
	Short-Term Swaps?	121
	An Arsenal of Credit	123
9	The 1964–1967 Currency Crisis	127
	The 1964 Crisis	128
	The Gold Crisis	136
	Sterling and Gold	144
10	The 1967 Devaluation and the Fall of the Gold Pool	148
	A British Trigger to an International Crisis	149
	The French or Sterling?	151
	The Run-Up to the Devaluation	157
	The Run on Gold	160
11	The Consequences of the Devaluation: Ongoing Crisis and Window Dressing at the Bank of England	166
	Not a Real Solution	166
	Disclosure of Reserves	170
	Window Dressing	174
	Secrets among Friends	177

<i>Contents</i>		xi
12	Britain, Nixon and the End of Bretton Woods	180
	The Nixon Shift	181
	The Nixon Shock	183
	Stabilisation at Last	187
13	The 1976 IMF Crisis	190
	Was the IMF Crisis ‘Natural’ or ‘Manmade’?	191
	Unfounded Rumours	194
	Rate Cut and Further Fall	197
	The Cat Is Out of the Bag	200
14	Britain’s Last Currency Crisis	204
	A European Crisis	205
	An Unexpected and Brutal Shock	207
	Black Wednesday	213
	What If?	218
	More Luck across the Channel	220
	Conclusion	224
	<i>Data Availability</i>	227
	<i>References</i>	229
	<i>Index</i>	239