

United States Gold Standard

United States Gold Standard - FDR takes United States off gold standard. In 1934, the government price of gold was increased to \$35 per ounce, effectively increasing the gold on the Federal Reserve's balance sheets by 69 percent. This increase in assets allowed the Federal Reserve to further inflate the money supply. Thus the United States moved to a gold standard, making both gold and silver the legal-tender coinage of the United States, and guaranteed the dollar as convertible to 1.5 g (23.22 grains) of gold. The gold standard was suspended twice during World War I, once fully and then for foreign exchange. The Gold Standard Act established gold as the only metal for redeeming paper currency. It set the value of gold at \$20.67 an ounce. It set the value of gold at \$20.67 an ounce. By the mid-1800s, most countries wanted to standardize transactions in the booming world trade market. Officially, the United States began not with a gold standard, but with a bimetallic standard in which both gold and silver were used to define the monetary unit. The first coinage act, 3 based on