

French Monetary Policy and the Bretton Woods System: Criticisms, Proposals and Conflicts

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Abstract:

From 1944 to De Gaulle's vociferous speech against the dollar, France was the Western European country that criticized the functioning of the Bretton Woods system in the most open and continuous way. Why did French officials oppose the system? Was the French position similar and consistent over time? Criticisms were driven both by a genuine opinion about the economic malfunctionings of the international system and by the refusal to accept the decline of French monetary power and France's role as an international lender. Yet most of these criticisms were opportunistic. The position towards the Bretton Woods system was strongly influenced by the evolution of French domestic policy and diplomatic power. Despite continuity in criticisms, French politicians did not propose a clear alternative to the system

In the literature and memoirs covering the Bretton Woods system, France is mostly – if not only – mentioned for two reasons.² First, French policy is remembered for the vociferous and somewhat dramatic struggle of its delegates at the Bretton Woods conference who aimed at conquering a seat on the IMF board and increasing France's quotas. Second, the French position is often embodied by the equally vociferous and dramatic speech of Charles de Gaulle in February 1965. The French President accused the US of exploiting the international monetary system as a means for their own objectives, asked for a massive conversion of dollars against gold in order to put pressure on US policy, and stated that a return to the gold standard would be necessary to abolish US privileges.

Among Western countries, France was the one that criticized the functioning of the Bretton Woods system in the most open and continuous way. In addition to the 1944 and 1965 examples, it is worth mentioning that France was ineligible to use IMF resources between 1948 and 1954 because of the country's determination to keep an independent exchange rate policy. Furthermore, France was the only G10 country to leave the gold pool in 1967 – a few months before the end of the arrangement – because of strong disagreements with US policy, particularly the allocation of foreign reserves across Western countries. However, dissent and frequent criticisms did not come without proposals for reforming the international monetary system, since France also wanted its

voice to be heard rather than merely making a dramatic exit. From 1961 through 1965, before De Gaulle's hostile speech, French policymakers and economists made important proposals, and some of them notably influenced the creation of both the Gold Pool and the International Monetary Fund's Special Drawing Rights³.

This brief chronology raises at least two key questions: why did France oppose the system? Was the French position similar and consistent over time? I argue that despite continuity in French criticisms towards the Bretton Woods system, a clear well-prepared blueprint for an alternative was never presented by French politicians. The criticisms were driven both by a genuine opinion about the economic malfunctionings of the international system and by the refusal to accept the decline of French monetary power and France's role as an international lender and reserve country. Yet most of these criticisms were opportunistic. The position of France towards the Bretton Woods system was thus strongly influenced by the evolution of French domestic policy and diplomatic power. In the early 1950s, France neglected IMF recommendations and Bretton Woods agreements because the country had stabilized its balance of payments, and the agreements between European nations were deemed sufficient to stabilize monetary relationships. In the early 1960s, France had again stabilized its balance of payments and its economy was performing well, whereas the US and UK balance of payments deficits started to raise issues about the viability of the system. It gave France the opportunity to make reform proposals, mostly based on its own experience of monetary policy, in order to give less weight to the US.

France at the Bretton Woods Conference

The French delegation did not come to the Bretton Woods conference with a detailed plan.⁴ It is not surprising that the French delegates were neither well prepared nor given an important role at the conference. The conference took place only a month after the constitution of the Provisional Government of the French Republic (PGFR) by the French Committee of National Liberation (FCNL) in Algiers. The PGFR was not yet officially recognized by the US government and President Roosevelt had always been reluctant to give power to De Gaulle, the new head of the French government. That recognition came months later, when on October 19, 1944, Secretary Hull wrote to the American representative to the FCNL that Roosevelt had decided to recognize the PGFR as the de facto authority established in Paris under the leadership of General de Gaulle. On October 23, the PGFR was officially recognized simultaneously by the UK, the US and the USSR. Thus, at Bretton Woods the French delegation was only given limited international recognition.⁵ Moreover, the political situation of the French colonial empire was as complicated as the one of the French government in mid-1944. The African colonies had mostly rallied behind the FCNL, Syria

and Lebanon were recognized as independent by the allies, while Indochina remained under Vichy rule. Whereas the economic weight of the British colonies and dominions gave negotiating power to the United Kingdom at the Bretton Woods conference, the French delegation could not set up a postwar monetary plan for colonies whose political situation remained uncertain.

Limited diplomatic recognition caused a complete neglect of French political power by the US. In Harry Dexter White's initial plan for an international stability fund, prepared in 1943 (before the creation of the FCNL), there was no room for France. In his memoirs White's advisor Raymond Mikesell wrote: "I was surprised that White did not mention France, which was usually regarded as being third in economic importance among the Allied powers. He said he did not care where France ranked, and its ranking did not need to be an objective in the exercise." Only the US, UK, USSR and China (President Roosevelt's 'big four') were given power and important quotas in White's original scheme. As Mikesell recalled, the deliberate neglect of France raised some issues for the calculation of the quotas: "This left me with a serious problem, for I found no way to reduce the French quota to an amount that was less than the Chinese quota. To do this, I would have had to assign to France a national income that was less than half of the United Kingdom, yet the available information indicated that French national income with colonies was at least two-thirds that of the United Kingdom with colonies. In addition, French foreign trade was much larger than China's".⁶

The French delegation did not know the formula for calculating the quotas, but they immediately felt sidelined when they discovered the plan. In order to understand how upset the French delegation could have been, it is necessary to recall the importance of France in international monetary relations in the previous decades. The Banque de France had arguably been the second pillar of the gold standard system before 1914 (some historians even argue that it was the hegemon of the international monetary system),⁷ and served several times as the lender of last resort for the United Kingdom (1891), Russia (1901) or the US (1907). Even after World War One, while the monetary power of the United States was rising, France was a key player in the Genoa conference of 1922 and, more important, was a founding member of the Tripartite agreement with the US and the UK in 1936 (later joined by Belgium, Netherlands and Switzerland) that managed to stabilize exchange rates and to end the currency war of the early 1930s that had followed British exit from the gold standard in September 1931⁸. Participating nations agreed to sell each other gold in the seller's currency at a price agreed in advance, which implied that devaluations could be negotiated and anticipated by the members of the agreements. Accumulating a huge gold stock, the Bank of France was a key player during the 1930s and its operations influenced directly the world monetary order. The Bretton Woods conference was thus the first international monetary conference where France did not play a key role. It obviously caused negative reactions among French politicians who realized how severe and drastic the decline of their monetary and diplomatic power actually was.

The memoirs and archives of the conference show that the head of the French delegation, Pierre Mendès-France, was deeply upset about this. He raised his voice in order to obtain a higher quota and a seat on the IMF board. In his letters to De Gaulle, Mendès-France explained that he threatened to leave the conference and to withdraw French agreement⁹. Both Morgenthau and Mikesell state in their memoirs how Mendès-France finally managed to convince the US treasury secretary to allow him a private meeting on this point.¹⁰ The Bretton Woods transcripts also reveal the long interventions of Mendès-France during the meeting of the committee on quota determination on July 18.¹¹ France after all kept its place within the six most important monetary powers, but it was no longer a leader in international monetary relations. France had nothing to propose, instead seeking only to secure its position and limit its decline. The Bretton Woods transcripts show that the French delegation had other recriminations. The main one was to obtain a discount on interest rates for countries that had been invaded by enemies during the war, a position also supported by the USSR.¹²

Because the French government was still provisional and not in Paris at the time of the conference, there are very few documents kept from the French delegation at Bretton Woods. Apart from Mendès-France's letters to De Gaulle, other sources are the memoirs and books written after the conference by Christian Valensi and Robert Mosse.¹³ Mosse was a fine economist, already well known in France before the war, but he did not offer any alternative proposals to those of Keynes and White. Another member of the delegation, Jean de Largentaye, was the French translator of Keynes, and he wrote a report on the Bretton Woods conference for the French Ministry of Finance in August 1945. As with Mosse, Mendès-France, and the other members of the French delegation, he defended the Bretton Woods agreements and institutions, saying that it was an important step to achieve monetary stability. Yet in 1949, in a letter to Guindey, he would criticize US leadership as a betrayal of the original spirit of the conference¹⁴. According to De Largentaye, the Bretton Woods conference was a genuine attempt at international monetary cooperation but the "Anglo-American supremacy" was threatening this multilateralism approach. André Istel and Hervé Alphand, the two other members of the French delegation at Bretton Woods, had written a draft for the reform of the international monetary system in 1943, but this was not officially endorsed by the French provisional government and so it too was not presented as a proposal by the French delegation during the Bretton Woods conference.¹⁵ Jacques Rueff, who was already a renowned economist and that would become later a famous proponent of the return to the gold standard, had no influence on French positions at that time.¹⁶ In his report (written in 1945 to convince the French administration and parliament to ratify the agreement), Jean de Largentaye acknowledged that France was actually a beneficiary of the agreements because the country could borrow strong currencies, whereas the French franc was depreciating quickly and France was running a persisting current account deficit.

The Largentaye report also showed that he viewed the system as probably temporary and was not convinced that it would last. He presented forecasts on IMF lending for the subsequent five years that suggested that there was no guarantee the IMF would still exist after such a period. He also made clear that he was not completely sure whether the system would succeed in supporting postwar economic reconstruction.¹⁷ In 1946, Mendès-France shared Largentaye's view that, because of its deficit, France could only benefit from the agreements. Furthermore, ratifying the agreements was viewed in France in 1946 as a condition for receiving direct US subsidies.

France's Deliberate Withdrawal

The situation changed in 1948 when France implemented a new system of dual exchange rates that was not accepted by the IMF. This dual system would have allowed France to devalue against some currencies while maintaining parity against others; hence it would have broken the cross-rate principle. This system was declared as temporary, but because it was not recognized by the Fund, the IMF also refused to accept the official devaluation of the French franc in January 1948. France was declared ineligible for the Fund, even though the dual system had actually been abolished.

In her extensive study of this controversy¹⁸, Solenne Lepage has shown how the French position radicalized over time because French politicians wanted to show their independence from English and American diplomatic power. Lepage concludes that, although France justified its position on the basis of legal arguments, the decision to refuse the IMF's conditions was a deliberate move aimed at compensating for France's political weakness within the Bretton Woods institutions. During this episode – and especially in 1949 when France decided to stay ineligible despite Belgian proposals at the IMF to reintegrate France – French politicians and civil servants for the first time used an argument that they would use again very frequently in the 1960s – that France was defending the Bretton Woods system against Anglo-American willingness to use the international monetary system for their own policy objectives. Representatives of the French ministry of finance travelled to Washington to explain that the IMF had no right to state whether a devaluation or alteration of exchange rate arrangements were necessary, and they claimed that the IMF decision was only motivated by an insistence on defending the cross rate between the dollar and sterling. According to the ministry, France was not opposing the Bretton Woods system but was fighting Anglo-American abuses *in the name* of Bretton Woods.

The ineligibility continued until 1954, and France never asked to return during that period. Several factors explain why France stayed out of the IMF. Firstly, the Marshall Plan had propelled European reconstruction and France was less willing to accept US demands than in 1946. Secondly,

the European Union of Payments was implemented in 1950 (with strong US support) and provided France with all the short-term international liquidity it required. Thirdly, starting in 1949, France managed to control its inflation and current account deficit and so had avoided a major currency or inflation crisis.¹⁹ According to Lepage, the reasons for the end of French ineligibility in 1954 remain obscure. Nevertheless, it is likely that the report of the Randall Commission (January 1954) and the renewal of the discussions on convertibility pushed the IMF to forgive France and reinstate eligibility.²⁰


From Reform Proposals to a Political Clash²¹

In many ways, French criticisms in the late 1940s laid the basis for the more radical positions of the early 1960s. Four main reasons explain the return of French criticisms after 1959. Firstly, there was a new desire to show French independence from the IMF. French politicians had felt humiliated by IMF interventions and recommendations during the French inflation and balance of payments crisis of 1957-1958. In January 1958, the IMF conditioned its aid with the demand that strict credit controls be implemented in order to fight inflation. Although these controls turned out to be effective and the new French government of the Fifth Republic (established in October 1958) later carried out such a policy, this episode pushed French politicians into showing their independence as soon as the economic equilibrium was restored. This is similar to what happened in 1948-1949. Secondly, new people with new ideas and political views were involved. The new president, Charles de Gaulle, was eager to run an independent policy from the US and to show that France was still a *Grande Nation*. Moreover, he was advised by Jacques Rueff, an economist who strongly criticized the functioning of Bretton Woods as well as US inflationary pressure, and favored instead a return to the gold standard. Thirdly, there was a greater awareness of the design flaws in the Bretton Woods system. In the early 1960s, it was increasingly acknowledged among international policy circles that a US balance of payments deficit could threaten the functioning of the international monetary system. The Triffin dilemma highlighted the inherent flaws in the system: the use of a national currency (US dollar) as global reserve currency implies contradictions between its national and global monetary policy because an expansionary policy would damage the credibility of the currency.²² Furthermore, in 1960-1961, the price of gold increased sharply, which showed that a shortage of metallic reserves was a threat to stability. Lastly, there was the success of French monetary policy in the early 1960s. The 1958-1959 price stabilization had been a success, and in the following years French monetary policy managed to maintain low inflation and a stable balance of payments. In 1963-1965, as soon as prices started to increase, credit controls were implemented and stability was again achieved. Hence, in the early 1960s, while inflation was booming in the UK and

the German deutschmark had to be revalued, France became, for a few years, a model student among international central banks. It brought confidence and credibility to the French government and the central bank.

The event that triggered a long series of French proposals and criticisms of the Bretton Woods system was an abrupt increase in the price of gold in London. In October 1960 gold rose to 40\$ per ounce, whereas the official price fixed by the Bretton Woods agreements was 35\$. This was followed by UK and US foreign market interventions in order to push the market price back down to its official value. This US-UK intervention came a few days after a French proposal at the Bank for International Settlements (BIS) to coordinate central bank interventions on the gold market at the international level by means of a gentlemen's agreement, and to reactivate the 1936 Tripartite agreement. The Bank of England opposed the French proposals because it thought that the role of sterling as a reserve currency would be threatened by such coordinated intervention in the currency markets. The US Federal Reserve opposed any return to the Tripartite agreement as it would have opened the door to a potential devaluation of the dollar. According to the French central bank and ministry of finance, the decision of both the Federal Reserve and the Bank of England to intervene alone in order to stabilize the international gold market (and thus the gold/\$ equilibrium) was further evidence that the international monetary system was used by the United States and the United Kingdom for their own policy objectives.

A few months later, the French government and the governor of the Bank of France, Wilfrid Baumgartner, also attacked the US and the UK when the IMF decided to implement the General Arrangement to Borrow (GAB) which offered short term liquidity to countries in case of need.

 Baumgartner was convinced that the GAB was designed by the UK and the US in order to continue to run deficits and to obtain IMF support without conditions. He managed to gain support from the other European central banks and to push the IMF to ask the authorization of all members before using the GAB. Hence, the G10 was created for this reason: it was an informal group of ten countries which provided new resources for the IMF in order to implement the new short term lending scheme (GAB).

French distrust towards the UK, the US and the IMF increased again in September 1961 when the Federal Reserve proposed to coordinate at the international level the interventions on the London gold market through the Bank of England. Such a proposal was similar to the previous French proposal of 1960, except that a new role was now given to the Bank of England. France thus opposed the new proposal. The president of the BIS, Guillaume Guindeguy – who was himself French – finally convinced the Bank of France to accept the proposal. The Bank of France was ultimately convinced by two arguments. Firstly, Guindeguy proposed to coordinate the interventions at the BIS rather than at the IMF. Secondly, Guindeguy explained that such an arrangement for the coordination

of intervention would impose more discipline on the UK and that “the central banks which, like the Bank of France, behave correctly and rigorously, would benefit from the reinforcement of monetary discipline at the international level.”²³ Hence the gold pool was created at the BIS in order to coordinate interventions on the gold market.

The debates of 1960-1961 surrounding the creation of the GAB and the gold pool shaped the new French position. According to the French government and the central bank – who had implemented strict credit controls and fiscal austerity in France in 1958 – the United States and Britain were using international institutions and central bank cooperation in order to obtain cheap liquidity and avoid reducing their deficits. As such, the UK and the US were threatening both international monetary stability and cooperation. France, who viewed itself as the new “model student”, thought that in the spirit of Bretton Woods its duty was to defend international cooperation against Anglo-American arrogance. This was also an obvious attempt to strengthen the power of France at the international level. In 1961, at the G10 and at the BIS (because of the gold pool), France had found two new arenas to defend its positions.

Between 1961 and 1965 there was a sharp radicalization of the French position. Three main reasons explain such a radicalization. Firstly, the US and UK deficits were increasing while France had achieved a remarkable stability both in prices and on its current account (and was accumulating foreign reserves). There was a consensus among the G10 countries that the British government must implement new measures in order to fight domestic inflation. Furthermore, France implemented credit controls again in September 1963 in order to combat mild inflation, and then tried to convince the G10 that the British government should either implement similar measures or reduce domestic wages drastically. Secondly, France made a new proposal to solve international liquidity problems that was turned down by the United States and the IMF. The French proposal of collective reserve units was an answer to the shortage of gold. Central banks would benefit from additional reserves whose amount would be decided by international cooperation but would be proportionally linked to the amount of gold held by each country. This would not involve the IMF but be limited to a small number of countries with sound economic policies. The failure of this proposal was interpreted in France as more evidence that the US and the UK would block any reform that may threaten their privileges to run deficits without costs or international constraints. In December 1964 France refused to participate in ongoing discussions on a new scheme for international reserves at the BIS and the G10. Thirdly, France was now convinced that the gold pool was not working as a constraint on US and UK policies. Several notes from the archives of the Bank of France and BIS show that top French civil servants were convinced that the Bank of England – which was still conducting the gold pool operations for the other central banks – was directly obeying the Federal Reserve rather than the consortium of central banks at the BIS. They also criticized the organization

of the gold pool, which gave a higher share of gold to the US. US gold reserves were decreasing and their balance of payments deficit was increasing, yet the US was still receiving the same share of gold through the gold pool. Once again, French proposals to reform the gold pool shares did not succeed.

The radicalization started a few weeks after France decided to leave the negotiating table concerning the reforms of international reserves. On January 8 1965, the Bank of France started to systematically convert its surplus of dollars in gold. This put a huge pressure on the gold-dollar parity and thus on US policy. The governor of the Bank of France officially justified his policy on the need to maintain a fixed proportion of gold in the reserves of the central bank, but it was obvious that such an action was basically an attack on the dollar's value. A month later, on February 4, in a press conference that would immediately become famous, De Gaulle provided justifications for these operations. He said that the Bretton Woods system inherently favored American interests since the US could borrow in dollars that the Federal Reserve itself created. The conversion of dollars into gold by central banks was thus necessary to avoid the unlimited increase of the US deficit and thus a crisis of the international monetary system. De Gaulle pushed his attack on US hegemony further by adding that he would favor a system with a metallic anchor that would not advantage any country. That was effectively a call to return to the gold standard.

France maintained its participation in the gold pool until the summer of 1967. The price of gold was rising again and the US asked its allies to increase substantially their participation in the pool to compensate. After several increases in member quotas, France finally opposed the US requests and stopped participating. The gold pool subsequently collapsed few months later in March 1968. Thereafter, political troubles, a serious exchange rate crisis, and a devaluation in 1969 prevented France from returning to the forefront of international financial diplomacy before the end of the Bretton Woods system in 1971.

Conclusion

The French position towards the Bretton Woods system from 1944 to 1965 was always conflicting. France did not oppose the Bretton Woods system, but wanted to achieve a greater role within it. There was no French alternative plan at the Bretton Woods conference, and De Gaulle's proposal for returning to the gold standard in 1965 was a provocation that came after five years of deterioration of relationships between France on the one hand and the UK, the US and the IMF on the other. It is difficult to find a theoretical or economic consistency behind the French position during this period, but it is certain that the system was deemed imperfect and that its long-term viability was not taken for granted by French politicians or economists. The main aim of the French position was to attempt to rebalance political power within the Bretton Woods system, which meant increasing its own role

and confronting both American hegemony and closed Anglo-American agreements. Hence, French criticisms and reform proposals increased at times when French domestic political and economic problems had decreased. It allowed French politicians to argue that the system was threatened by irresponsible US and UK behavior and policies. However, other G10 countries were not convinced that French policies could be a model, and France thus remained isolated on the international scene even though the Triffin dilemma and the issues of the US deficit were widely recognized as major problems. The French positions and the reactions of other countries remind us that the Bretton Woods system was much more of a political agreement than a well-designed economic system of cooperation.

¹ The views expressed herein are those of the author and do not represent the opinion of the Bank of France and the Eurosystem.

² See Raymond F. Mikesell, "The Bretton Woods Debates: A Memoir », *Essays in International Finance*, No. 192, Princeton University, 1994 ; Benn Steil, *The battle of Bretton Woods: John Maynard Keynes, Harry Dexter White, and the making of a new world order*, Princeton: Princeton University Press, 2013 ; Harold James, *International Monetary Cooperation Since Bretton Woods*, Washington DC: Oxford University Press & IMF, 1996 ; Gianni Toniolo, *Central Bank Cooperation at the Bank of International Settlements, 1930-1973*, New York: Cambridge University Press, 2005 ; Francis J. Gavin, *Gold, Dollars, and Power: The Politics of International Monetary Relations, 1958-1971*, Chapel Hill: University of North Carolina Press, 2004.

³ Éric Monnet, "Une coopération à la française. La France, le dollar et le système de Bretton Woods, 1960-1965." *Histoire@ Politique*, n°1, (2013) : 83-100.

⁴ As this section will make clear, there is very little information on the French delegation at Bretton Woods. The literature on the relationships between France and the IMF in the early years after World War II highlights the numerous conflicts between France and the IMF starting 1948 but is silent on the French delegation and positions at the Bretton Woods summit in 1944. These studies were written however before the transcripts were made available. See, Solenne Lepage "Chronique d'un malentendu: la Direction des Finances Extérieures et le Fonds Monétaire International, 1944 - 1958." *La France Et Les Institutions De Bretton Woods 1944-1994* , Paris : CHEFF, 1998, 35-67 ; Bossuat. Gérard, 1992. *La France, l'aide américaine et la construction européenne, 1944-1954*, 2 volumes, Paris: CHEFF, 1992 and, more recently Kazuhiko Yago "The IMF and France (1944-1960): A "Cooperative Game" in the Bretton Woods System" in *History of the IMF: Organization, Policy, and Market*, ed. Kazuhiko Yago, Yoshio Asai, Masanao Itoh, Tokyo: Springer, 2015, 147-164. Kazuhiko Yago used new archival evidence to explain how the US government changed its mind about French quota in 1946.

⁵ On June 3, 1943, the French Committee of National Liberation (FCNL) was established in Algiers under the leadership of co-Presidents Charles de Gaulle and Henri Giraud. On August 24, 1943, the U.S. Government sent a letter that "recognizes the French Committee of National Liberation as administering those territories which acknowledge its authority." The message, however, did "not constitute recognition of a government of France or of the French Empire by the Government of the United States," but rather signified "recognition of the French Committee of National Liberation as functioning within specific limitations during the war," after which "the people of France... will proceed in due course to select their own government and their own officials to administer it."

⁶ Mikesell, 22-23.

⁷ Giulio M. Gallarotti "Hegemons of a lesser God: the Bank of France and monetary leadership under the classical gold standard." *Review of International Political Economy* 12.4, (2005): 624-646

⁸ The Genoa Conference was held in Genoa, Italy in 1922 from 10 April to 19 May. The main

purpose of the conference was to consider new relationship between European capitalist economies and the new Russian Bolshevik regime. The Financial Commission of the Genoa conference played a major role in redefining the rules of the international monetary system (which was later named the “Gold exchange standard”) and setting objectives for restoring gold convertibility in European capitalist economies. Prior conferences on the topic in Brussels (1920) and Cannes (1922) had not reached an agreement. Contrary to pre-war gold standard, the Gold Exchange standard allowed central banks to hold foreign currencies as foreign reserves. Furthermore, only the US dollar and the English sterling were officially reserve currencies; in other countries, citizens would not receive gold coins of the realm in exchange for their notes at the central bank.

⁹ Pierre Mendes-France, "Oeuvres complètes, tome 2." *Une politique de l'économie*, Paris : Gallimard, 1984, 44-49.

¹⁰ Mikesell, 37. Morhenthau diaries quoted in Steil, 233.

¹¹ Kurt Schuler and Andrew Rosenberg ed., *The Bretton Woods transcripts*, CFS, 2012, 4409-4729.

¹² *Ibid.*, CFS, 2012, 6813 et al. & 7145 et al.

¹³ Robert Mossé, *Le système monétaire de Bretton Woods et les grands problèmes de l'après-guerre*, Paris: Sirey, 1948 ; Christian Valensi, *Un témoin sur l'autre rive: Washington, 1943-1949*, Paris: CHEFF, 1994.

¹⁴ Quoted in Lepage, 48.

¹⁵ The Alphant-Istel plan, published in the *New York Times* on May 9 1943, was based on an extension of the 1936 Tripartite agreement and followed the proposals made by the Belgium Finance minister Paul Van Zeeland in 1938. There would be no international clearing or member contributions to an international monetary fund, but bilateral assistance that would help to maintain fixed exchange rate parities and which could be changed only with preliminary mutual agreements. See James, 43.

¹⁶ On Rueff's positions and later influence, see Christopher S. Chivvis, "Charles de Gaulle, Jacques Rueff and French International Monetary Policy under Bretton Woods." *Journal of Contemporary History* 41.4 2006: 701-720.

¹⁷ "Rapport de Jean de Largentaye sur la conference de Bretton Woods", *Etudes et Documents*, V, Paris : CHEFF, 1993, 559-584.

¹⁸ Solenne Lepage "Chronique D'un Malentendu: La Direction Des Finances Extérieures Et Le Fonds Monétaire International, 1944 - 1958.", in *La France Et Les Institutions De Bretton Woods 1944-1994* , Paris: CHEFF, 1998, 35-67.

¹⁹ Eric Monnet, "Monetary policy without interest rates. Evidence from France's Golden Age (1948-1973) using a narrative approach", *American Economic Journal: Macroeconomics*, October vol. 6(4), 2014: 137-69

²⁰ The U.S. President's Commission on Foreign Economic Policy (the Randall Commission) was established on August 7, 1953 by President Eisenhower. A strong recommendation of the Commission was to give priority to (gradual) restoration of convertibility of European states' currencies through concerted action. The US and the IMF committed to ease financing conditions in order to help European countries. As explained by Masayoshi Tsurumi, The Randall Committee's chapter on this issue of restoration of convertibility was actually based on a IMF staff paper, cf. Masayoshi Tsurumi, "Restoration of European Currency Convertibility and Securing International Liquidity: The IMF and Key Currencies" in *History of the IMF: Organization, Policy, and Market*, ed. Kazuhiko Yago, Yoshio Asai, Masanao Itoh, 2015, 125-144. The IMF annual report of 1954 (p.8 and 9) stated the importance of the recommendations of the Randall commission for the restoration of convertibility.

²¹ This section is mostly based on Monnet, *Une coopération...* The continuity of the French position from the 1920s to the 1960s as well as Rueff's views on the international monetary system are fully analysed in Michael D. Bordo, Dominique Simard and Eugene White, "France and the Bretton Woods International Monetary System: 1960-1968.", in, *International Monetary Systems in Historical Perspective*, Jaime Reis ed, London: Macmillan, 1995, 153-180.

²² Robert Triffin, *Gold and the dollar crisis: the future of convertibility*, New Haven: Yale University Press, 1960.

²³ Archives of the Bank of France (ABF), 1489200803/60, « Note. Confidentiel », octobre 1961.