CHAPTER 2

What's Been Missing from Conventional Histories of Bretton Woods?

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This chapter questions three common views about the Bretton Woods Conference: first, that it was a kind of "Big Bang" event in which policymakers with creative visions seized a distinct historical moment to redesign the global financial system *de novo*; second, that the Bretton Woods negotiations were primarily just an Anglo-American affair; thirdly, that the negotiations largely ignored the kinds of international development issues that became a major focus of debate in global economic governance later in the postwar period. It argues that each of these views misses an important part of the history of the Bretton Woods negotiations that deserves more attention. First, Bretton Woods was a product not just of the agency of innovative policymakers in unique circumstances but also of incremental institutional changes dating back some years before the negotiations began. Second, rather than being just an Anglo-American process, the Bretton Woods negotiations were characterized by procedural multilateralism in which policymakers from many other countries could—and did—bring important perspectives to the discussions. Finally,

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far from ignoring international development, the architects of Bretton Woods pioneered many of the core ideas on that topic that subsequently came to greater prominence. I conclude that each of these revisionist perspectives matters not just for historians but also for contemporary policy debates.

Bretton Woods' Incremental Origins

The 1944 Bretton Woods Conference has come to symbolize how global financial governance can be reformed dramatically and decisively by skilled policymakers in favorable historical circumstances. But to what extent was Bretton Woods really this kind of "Big Bang" event? There is no question that key individuals such as John Maynard Keynes and Harry Dexter White brought creative and ambitious ideas to the negotiating table and that their vision and agency contributed much to the success of the Bretton Woods Conference. They also benefited from some distinctive political circumstances, such as the wartime alliance and America's enormous power to shape global outcomes at that moment. But it is important to recognize that the Bretton Woods agreements were also a product of a longer and more incremental process of institutional change that preceded the negotiations.

I am not the first to make this point. A number of analysts have noted how the Bretton Woods agreements built on the 1936 Tripartite Accord between the Britain, France, and the USA that established the precedent of an international agreement endorsing adjustable exchange rate pegs. In my view, however, much more important were a less-studied set of institutional innovations developed during the late 1930s in the inter-American context. These are often noted briefly in passing by historians of Bretton Woods, but their significance in shaping the content of Bretton Woods is usually not fully identified.[1]

These institutional innovations were products of the Roosevelt administration's Good Neighbor policy toward the Latin American region. The Good Neighbor policy had initially emphasized that the USA would not intervene in the region militarily, but its meaning expanded in the late 1930s to include a more active idea of supporting Latin American economic development with financial assistance. One goal was to combat the growing economic and political influence of Nazi Germany in the region. Another was to secure US investments, US export markets, and access to resources by supporting friendly governments and accommodating their growing development goals. The values of Roosevelt's New Deal also played a role in encouraging this assistance, particularly its commitment to addressing poverty and raising living standards through public sector action.

The first key institutional innovation in this context was the extension after 1936 of a number of short-term US bilateral lines of credit to Latin American governments to assist them with efforts to stabilize currencies and cover balance of payments fluctuations. Those loans came from the Treasury-controlled Exchange Stabilization Fund (ESF), an institution that had been initially created in 1934 to help stabilize the US currency's value. Within the US Treasury, Harry Dexter White had been the architect of the policy of transforming the ESF's purpose to extend loans to Latin America.[2] According to his assistant Edward Bernstein, White drew directly on this experience when developing his first plans in early 1942 for the International Monetary Fund (IMF, which he called initially a "Stabilization Fund"). White's proposed Fund simply multilateralized the ESF's currency stabilization loans.[3] Others have noted how the IMF's first loans after its establishment in 1946 were also directly modeled on the ESF's earlier loans to Mexico.[4]

White's plans for the International Bank for Reconstruction and Development (IBRD) were also deeply shaped by the experience of a different set of US bilateral loans after 1938 to support specific economic development projects in Latin American countries. These longer term loans set an important precedent for the IBRD's mandate to provide public long-term development loans. As in the case of the currency stabilization loans, US officials used an institution that had been created for another purpose, the Export-Import Bank created in 1934 to supply loans to support US exporters. Within the US government, White was once again among the strongest proponents of US public loans in the late 1930s to promote what he called "the long-run economic development" of the region.[5] He was particularly keen to support Latin American industrialization and public works projects which he argued were needed to raise Latin American productivity and living standards.

Even more striking was the fact that White became deeply involved in a highly innovative initiative to create a multilateral financial institution—called the Inter-American Bank (IAB)—in the US—Latin American context in 1939–1940. Although the IAB was never created (because US Congress refused to endorse it), a detailed convention and bylaws for the institution were developed by US policymakers—led by White—in negotiation with Latin American officials between the late 1939 and

April 1940. The IAB was designed to offer both short-term stabilization finance for balance of payments support and long-term development loans. In other words, it placed the pioneering lending activities of the ESF and Export–Import Bank in a novel multilateral institutional context, and foreshadowed directly the lending roles of the IBRD and IMF while combining them in one institution.

Equally innovative was the fact that the IAB was also to be owned and controlled by member governments. The feature generated much criticism from many US central bankers and private bankers who preferred to build a governance structure that was not directly accountable to governments in keeping with that of the only existing multilateral financial institution at the time, the Bank for International Settlements. But White and his boss US Treasury Secretary Henry Morgenthau insisted on this innovation, seeing it as part of the broader New Deal effort to asset greater public control over money and finance. The intergovernmental design of the IAB then provided the model for the Bretton Woods institutions. The IAB's decision-making rules also anticipated those of the Bretton Woods institutions: its board was to use a weighted voting scheme with super-majority voting rules that guaranteed the USA a veto over important decisions. In internal discussions, US officials also raised the idea of a possible constituency system for representation within the IAB, an idea later incorporated into the IMF and IBRD.[6] In his 1975 history of the World Bank, Robert Oliver was thus surely right when he described the IAB was a kind of "first draft of subsequent plans for a Stabilization Fund and a World Bank."[7] The point is confirmed by the comments of US officials themselves who were involved in the Bretton Woods negotiations. In the detailed discussions of the postwar plans in 1943–1944 in advance of the Bretton Woods Conference, both US and Latin American policymakers also referred explicitly back to the IAB text.[8]

Rather than being drafted de novo, the US designs for the IMF and IBRD—designs that heavily shaped the final outcome—thus emerged from incremental institutional innovations that were layered one on top of one another.[9] The innovative lending programs of the ESF and Export–Import Bank were centered in institutions that had been initially created for other purposes during the early New Deal. The IAB proposal then built directly on those programs, but located them within a novel framework of intergovernmental multilateralism. The design of the IMF and IBRD drew on both the bilateral lending programs and the IAB model while also introducing new elements, including a worldwide focus and membership obligations relating to issues such as exchange rates and currency convertibility (the IAB did not include such obligations). Each stage of this incremental process of institutional innovation generated new ideas and templates for further reform as well as important experience with international financial cooperation for the officials involved.

Bretton Woods' Procedural Multilateralism

In addition to neglecting this institutional prehistory, many histories of Bretton Woods focus too exclusively on the Anglo-American relationship. The view that Bretton Woods was a product of primarily just an Anglo-American negotiation was established early on with the title and analysis of Richard Gardner's *Sterling-Dollar Diplomacy* published originally in 1956.[10] It has been reinforced in much subsequent work, including most recently by Benn Steil's *The Battle of Bretton Woods* which focuses very heavily on the US and UK role. Steil not only downplays the contribution of other countries but also their capacity to make a contribution: "other than the United States, United Kingdom, and Canada, few delegations came equipped to make intellectual contributions to the architecture of the fund or the bank."[11]

The first reason to avoid an overly narrow Anglo-American focus is the fact that the initial US designs for Bretton Woods built directly on institutional innovations arising from US-Latin American relations in the late 1930s/early 1940s. Latin American officials made important contributions in that context, particularly to the IAB's design. It is also worth remembering that White first discussed his postwar plans with Latin American governments—not Britain—at an inter-American Conference in January 1942. At that meeting, he secured the passage of a resolution calling on Latin American governments to attend a "special conference" to be held "for the purpose of considering the establishment of an international stabilization fund."[12] This was the first official commitment made by any government to attending what would become the Bretton Woods Conference and it took place in an inter-American context rather than the Anglo-American one.

At the Bretton Woods Conference itself, the delegations included not just representatives of the USA and UK but also those of 42 other governments. Some of these other delegations were very small, involving just one or two officials. But others were much more substantial, including many Latin American delegations such as those of Brazil (13), Cuba

(10), Chile (9), Peru (8), and Mexico (7). China's delegation was even larger at 33 people, which made it the second largest delegation to the conference after that of the USA (45) and more than twice the size of the British delegation (15).[13]

The minutes of the Bretton Woods meeting make clear that many of the delegates from the "42 other" governments made important contributions to the discussion.[14] Their influence was bolstered by the fact that the USA was keen to see the Bretton Woods agreements ratified by as many countries as possible. Each delegation had also an equal vote at the conference with majorities deciding the outcome. Because 19 of the 44 delegations came from Latin America, British officials worried privately that "Latin America is almost sufficient to settle any issue in a way the United States wishes."[15] Although many issues were settled without votes, the British were right to be concerned. The Latin American delegates worked cohesively at the meeting and often in close cooperation with the US, and they were quite willing to remind other delegates that they represented "practically one-half of the nations here assembled."[16]

Officials from other governments also had significant formal roles at the conference. For example, Mexico's financial minister, Eduardo Suárez, chaired one of the three "Technical Commissions" around which the negotiations were organized.[17] The important Atlantic City Conference in June 1944—at which much core text for Bretton Woods was hammered out—involved sixteen countries and once again delegates from countries other than the USA and UK were far from passive observers of the proceedings. Chaired by White, that meeting also had four deputy chairs who included not just Keynes but also officials from China, the USSR, and Mexico.

Before these meetings, many of the "42 other" governments represented at Bretton Woods had also already commented extensively on the initial Anglo-American plans. For example, in the spring of 1943, the USA had invited 43 governments to send delegates to discuss White's initial plans in Washington. Eighteen of these countries sent representatives to a three-day multilateral consultation session that the USA hosted in June 1943 at which wide-ranging discussions took place. White and other US officials also met bilaterally with many of these and other countries' officials around this time, and the minutes of these meetings in the US archives make clear that these discussions were often quite substantial. Governments that could not send representatives to Washington also submitted written comments.

White and other US policymakers saw their efforts to solicit input from many countries as critically important to the overall vision of Bretton Woods. In the words of John and Richard Toye, they were strongly committed to "*procedural* multilateralism" in which all the United and Associated Nations would have an opportunity to contribute to the design of the postwar international financial order.[18] This commitment partly stemmed from a dissatisfaction felt by many New Dealers with the old order of international finance. As Adolf Berle noted privately after the three-day multilateral consultation in June 1943, "the significance of the meeting was not what it said, but that it was the first more or less democratic procedure for dealing with this sort of thing."[19] Morgenthau also highlighted the broader rationale in a high-profile article in early 1945 that critiqued supporters of the "key currency" approach to postwar stabilization (which advocated the extension of a bilateral loan to Britain to restore sterling's convertibility as an alternative to the establishment of the Bretton Woods institutions). As he put it,

> I doubt that the 42 other United and Associated Nations, who have been fighting and working with us during the war, would take kindly to what might be regarded as dictatorship of the world's finances by two countries.…The fact is that the problems considered at Bretton Woods are international problems, common to all countries, that can be dealt with only through broad international cooperation.[20]

It is worth noting that Keynes had a much more skeptical view of procedural multilateralism. He had initially suggested that the postwar international financial order be established simply through bilateral negotiations between the USA and UK, which would be the joint founders of his proposed International Clearing Union (ICU), with other countries subsequently brought in as members after the rules had been established. As he put it, "This approach has the great advantage that the United States and the United Kingdom (the latter in consultation with the other members of the British Commonwealth) could settle the charter and the main details of the new body without being subjected to the delays and confused counsels of an international conference.… I conceive of the management and the effective voting power as being permanently Anglo-American."[21]

White, however, dismissed Keynes' suggestion, arguing it would create the impression of an Anglo-American "gang-up".[22] Indeed, White appears to have been particularly committed to the idea of inclusive procedural multilateralism. From his first stage of planning in early 1942, he had proposed that the postwar international financial rules be established by a multilateral conference involving the wide group of United and Associated Nations. As early as the spring of 1942, he had developed incredibly detailed plans for the conference with draft invitations, agendas (even those of some subcommittees), and even examples of speeches that various officials (including foreign officials) might give.[23]

White's commitment to inclusive procedural multilateralism no doubt partly reflected his desire to dilute British influence. Governments in Latin America, in particular, were more likely to support US goals than British ones, not least because of the history of inter-American financial cooperation in which White had been deeply involved. But White also made a strong case that rich and powerful countries needed to listen to the views of others for self-interested economic reasons. As he put it in an early draft of the Fund, "rich and powerful countries can for long periods safely and easily ignore the interests of poorer or weaker neighbors or competitors, but by doing so they only imperil the future and reduce the potential of their own level of prosperity."[24] More generally, White held the view that "all the brains were not concentrated in two great powers and that many of the smaller countries might have an important contribution to a discussion of the type."[25]

Once they understood the US commitment to procedural multilateralism, the British quickly recognized the need to lobby Latin American governments. After Keynes' ICU plan had been published in the spring of 1943, the British government sent a copy to all Latin American officials traveling to the US consultations in Washington and some British officials also traveled across Latin America to promote Keynes' ideas.[26] The British government also attempted to cultivate the support of other countries from early on in the process. Even before Keynes' plan was published, they held consultations involving the British Dominions (Canada, Australia, New Zealand, and South Africa) and the Government of India (still a colony at this time). In February 1943, Keynes also provided a sneak preview of his plan—and received feedback—at a meeting including officials from not just from the Dominions and the Great Powers (the USA, China and the USSR) but also European countries such as Belgium, Czechoslovakia, France, Greece, Luxembourg, the Netherlands, Norway, Poland, and Yugoslavia.[27] British consultations with these

European countries, the Dominions and India continued throughout the lead-up to the Bretton Woods Conference.

Many of the "42 other" governments took up these many opportunities they had both before and during the Bretton Woods Conference to provide input into the design of the postwar international financial order. In addition to commenting on the US and British ideas, some governments even presented fully fledged alternative plans to those of Keynes and White in 1943. J.K. Horsefield's documentary volume reproduces the plans of Canada and France, but there were others.[28] The Norwegian government presented US officials in 1943 with a full draft convention for a proposed "International Exchange Union" and "International Clearing Institute".[29] The Chinese government also prepared detailed plans for a "United and Associated Nations Fund for Monetary Rehabilitation and Stabilization" which it sent initially to the USA in mid-1943 and then to Britain and the USSR in mid-October.[30]

There was also interest in preparing an alternative plan in India. When the British-run Government of India first held consultations with the Indian public on the Keynes and White plans in January 1944, some Indians pointedly asked government officials "why there was no Indian plan ready and why India was simply asked to consider what other countries had put forward."[31] Although no such plan was prepared, the Government of India—already in a very fragile political situation vis-à-vis Indian national opinion at that time—went out of its way at this time to solicit Indian views, including by circulating copies of the April 1944 Anglo-American Joint Statement to provincial governments and chambers of commerce across the India and inviting comment. The Indian delegation to Bretton Woods was also carefully crafted to include Indians as half of its members, including representatives with strong nationalist views who took a lead role in presenting India's views at the conference.[32]

In short, the Bretton Woods negotiations were much more than just an Anglo-American affair. Policymakers from many other countries were actively engaged in the discussions and they brought distinct and thoughtful perspectives to the table. How influential the "other 42" were on the final outcome is certainly a subject for debate. But policymakers from many of these countries were not simply passive observers of a US–UK negotiation, and their perspectives and contributions deserve more attention from historians.

Bretton Woods' International Development Focus

The scholarly neglect of both Bretton Woods' incremental origins and its procedural multilateralism has contributed to one further oversight: most histories of Bretton Woods ignore its pioneering role in addressing international development issues. Indeed, analysts often go out of their way to actively deny this role, suggesting that the Bretton Woods architects showed little interest in international development. Historians of the World Bank have even downplayed the significance of the development mandate of the International Bank for Reconstruction *and Development*, arguing that development "played a bit role at Bretton Woods" and that "the distinction between developed and less developed and between north and south—the special problems of the 'third world'—had scarcely swum into the ken of postwar planners."[33]

These perspectives are difficult to reconcile with the historical evidence. As noted above, White had already emerged in the late 1930s as one of the strongest supporters of US financial assistance to Latin America for development purposes both in the forms of short-term balance of payments support and long-term project loans. In 1939–1940, he had drafted the stillborn IAB whose core mandate was to support Latin American economic development. At this time, White was also deeply involved in other development-oriented initiatives, including a high-profile financial advisory mission to Cuba in 1941–1942 that recommended a complete overhaul of its monetary and financial system (including the creation of a new central bank that would take active responsibility for "fostering economic development").[34] Throughout all these activities, White and other US officials displayed great interest in the distinct economic problems faced by Latin American countries as a result of their relative poverty and dependence on commodity exporting.[35]

Since White's first drafts of the Bretton Woods institutions built directly on this Latin American experience (and were even presented first to a Latin American audience), it is hardly surprising that they included provisions explicitly aimed at supporting the development of poorer countries.[36] One was the design of the IBRD whose mandate to mobilize long-term development lending was emphasized strongly by White and other US policymakers throughout the Bretton Woods negotiations (despite what some have suggested). Building on the experience with ESF loans of the late 1930s, US officials also stressed that the IMF's short-term lending for balance of payment purposes would be particularly useful for poorer countries whose dependence on commodity exports left them vulnerable to unexpected seasonal fluctuations and price swings. In justifying his support for capital controls, White also called special attention to the fact that they could be used to curtail capital from poorer countries (a phenomenon whose importance had been highlighted to White in his Cuban mission). In addition, White initially empowered both the Fund and Bank to facilitate international debt restructuring, reflecting his frustrations with the unwillingness of US private creditors to accept settlements of defaulted Latin American debt from the Great Depression. White's plans of early 1942 also included a proposal for the IBRD to support international commodity price stabilization and he expressed strong support for the use of infant industry tariffs in poorer countries.

Taken together, these provisions outlined a highly innovative vision for international policy coordination that was supportive of the economic development of poorer countries. Never before had a multilateral framework of this kind been put forward at the global level by a leading policymaker in this way. The framework emerged directly from experiments in the regional inter-American context and White now proposed to extend them worldwide. Interestingly, White's ideas foreshadowed in a remarkable way many core issues that arose in the international policy debates on international development that heated up in the 1960s and 1970s: long-term development lending, short-term compensatory balance of payment finance, the regulation of capital flows, debt restructuring, special trade treatment, and commodity price stabilization.[37]

Some of White's proposals were subsequently dropped from US plans, such as his proposals for debt restructuring (which other US policymakers opposed for various reasons) and the trade issues relating to infant industry protection and commodity price stabilization (which were to be discussed in other international forums). But the core US commitment to international development remained and was widely shared among US policymakers at the time, including Roosevelt himself. In his famous "four freedoms" speech of January 1941, Roosevelt promised that "freedom from want" for people "everywhere in the world" would be a core goal for the postwar world order. Building on the New Deal's promised of greater economic security to Americans, he saw the boosting of standards of living in poorer regions of the world as a crucial foundation for postwar international peace and prosperity.[38]

Both White and Morgenthau made explicit reference to this broad aspiration when presenting White's early Bretton Woods plans to Roosevelt, describing them as a "New Deal in international economics" whose goals included that of supplying "the huge volume of capital that will be needed abroad for relief, reconstruction and economic development essential for the attainment of world prosperity and higher standards of living."[39] At the Bretton Woods Conference two years later, Morgenthau also emphasized in his welcoming speech the need to establish "a satisfactory standard of living for all the people of all the countries on this earth." He made the case as follows: "Prosperity, like peace, is indivisible. We cannot afford to have it scattered here or there among the fortunate or to enjoy it at the expense of others. Poverty, wherever it exists, is menacing to us all and undermines the well-being of each of us."[40] Writing in *Foreign Affairs* in early 1945, Morgenthau also stressed that the Bretton Woods framework was designed to meet not just developed countries' needs but also less developed countries' objectives of raising levels of industrialization and standards of living:

> Unless some framework which will make the desires of both sets of countries mutually compatible is established, economic and monetary conflicts between the less and more developed countries will almost certainly ensue. Nothing would be more menacing to world security than to have the less developed countries, comprising more than half the population of the world, ranged in economic battle against the less populous but industrially more advanced nations of the west. The Bretton Woods approach is based on the realization that it is to the economic and political advantage of countries such as India and China, and also of countries such as England and the United States, that the industrialization and betterment of living conditions in the former be achieved with the aid and encouragement of the latter.[41]

From the US perspective, the Bretton Woods framework would support development not just through the IBRD's and IMF's lending. US officials also saw the Bretton Woods provisions allowing adjustable exchange rates and capital controls as useful in strengthening the capacity of poorer country governments to promote economic development within their countries. Echoing the advice White had given to Cuba in 1941–1942, US officials in the Federal Reserve and Treasury even provided detailed development-oriented advice around the time of Bretton Woods to governments that attended the conference, such as Paraguay, the Philippines, Guatemala, and Ethiopia. Specifically, these countries were advised to undertake domestic monetary reforms that were designed to strengthen the capacity of public authorities to pursue development goals. This advice was embraced, resulting in national reforms that included not just provisions for exchange rate adjustments and capital controls but also new central banks and national currencies. At the same time that Bretton Woods established a new multilateral framework supportive of development strategies, these reforms strengthened the domestic institutional capacity of countries to carry out those strategies.[42]

Policymakers from many poorer parts of the world also saw the Bretton Woods negotiations as an opportunity to build a new kind of international financial order that was supportive of their development goals. Latin American delegates lobbied successfully at the conference for a strengthening of the IBRD's development mandate, arguing "development must prevail if we are to sustain and increase real income everywhere."[43] They also backed the inclusion of a statement in the IMF's charter allowing it to override normal limits on its lending to accommodate "periodic or exceptional circumstances", a provision that was seen as useful for commodity exporting countries that faced larger fluctuations in their balance of payments challenges. Many Latin American officials were also keen to protect their right to adjust exchange rates and use capital controls, and some also called—less successfully—for greater attention to be paid to the trade issues White had initially raised such as international commodity price stabilization and infant industry protection.[44]

Chinese officials also strongly supported the international development goals of Bretton Woods. One of the motivations for preparing a distinct Chinese plan in 1943 was in fact the Chinese ministry of finance's view that neither Keynes' ICU nor White's Stabilization Fund gave "sufficient consideration to the development of industrially weak nations" (the US plans for the IBRD had not yet been released publicly at this time). Among other things, the Chinese plan emphasized the need for more attention to be devoted to the provision of longer term international development loans. In making this case, Chinese officials drew inspiration from Sun Yat-sen, who had proposed (unsuccessfully) to the Paris Peace Conference of 1919 the creation of an "International Development Organization" that could mobilize international long-term lending to support China's development.[45] At the 1944 conference, the head of China's delegation, H.H. Kung (who was also Sun's brother-in-law), made a point of reminding the other delegates of Sun's proposal and noting that his teaching "constituted the basis of China's national policy."[46] When the Bretton Woods Conference endorsed the creation of the IBRD, some analysts applauded how it followed "the lines laid down by the Father of the Chinese Republic."[47]

Indian delegates were also strong advocates for international development during the Bretton Woods negotiations. In commenting on the Keynes and White plans in November 1943, India's central bank (whose governor was an Indian, Chintaman Deshmukh) argued that the Bretton Woods plans had to include "the making of conscious efforts to raise the standard of living" in poor countries such as India. As Deshmukh (who played a key role on the Indian delegation at Bretton Woods) later put it in the spring of 1944, "no international economic cooperation worth the name will succeed and lay the foundation for international peace and prosperity unless the retarded development of important units like India and China receive special recognition and treatment."[48] Although Indian delegates did not get all they wanted at Bretton Woods (such as a more explicit development mandate for the Fund), Deshmukh still applauded the final outcome of the conference, telling an audience in India after the conference that "we all now apparently subscribe to the belief that poverty and plenty are infectious, in the international as well as in the national field, and that we cannot hope to keep our own side of the garden pretty if our neighbour's is full of weeds."[49]

The goal of constructing a "development-friendly" international financial framework was also shared by delegates from other poorer regions of the world, including Eastern Europe. It had support among policymakers in other richer countries too, such as Britain, Canada, Australia, and the Netherlands. Keynes himself included provisions for international development lending in his initial plans and he backed the IBRD's development lending role at Bretton Woods (although his interest in international development certainly did not match that of leading US policymakers and delegates from poorer parts of the world).[50] Given the breadth of the support for international development among governments participating in the Bretton Woods negotiations, this feature of the Bretton Woods framework deserves more attention.

Conclusion

What has been missing from conventional histories of Bretton Woods? In this paper, I have focused on three key aspects of Bretton Woods that have received less attention than I think they deserve: its incremental origins, its procedural multilateralism, and its international development focus. There are no doubt other features of the history of the Bretton Woods negotiations that also need more scrutiny. But let me conclude by suggesting that the neglect of these three may be particularly unfortunate at the current moment.

To begin with, the popularity of the "Big Bang" view of the origins of Bretton Woods encourages unrealistic expectations for contemporary international financial reform initiatives. When contemporary analysts and policymakers call for a "new Bretton Woods", they are usually lamenting the slow pace of reform. But it is important to recognize that even Bretton Woods was a product partly of rather incremental reforms that layered upon each other in ways that took some time to unfold. One lesson of the Bretton Woods experience is that reformers need to have patience in recognizing that significant change in international financial governance takes time and requires detailed incremental work. The slow nature of post-2008 global financial reforms provides much—unfortunately, a little too much[51]—evidence of this point.

Second, an excessive focus on the role of the bilateral Anglo-American relationship in creating Bretton Woods undervalues the contributions made, and perspectives offered, by policymakers from other countries, many of whom are considered "emerging powers" today. It is important to recall that governments from "emerging powers" such as China, India, Brazil, and Mexico were not just present at the creation but actively involved in the establishment of Bretton Woods. Overlooking their role and that of other countries also downplays the core multilateral features of Bretton Woods that not just were built into its formal design but also represented part of its negotiation. These features are particularly significance today as power continues to diffuse in the contemporary global financial system.

Finally, the neglect of the international development content of Bretton Woods has prevented analysts and policymakers from recognizing how the architects of the postwar order sought to reconcile liberal multilateralism with the state-led development goals of many poorer country governments. This goal was marginalized by US policymakers very soon after the end of World War II for reasons I have described elsewhere.[52] As Morgenthau predicted in 1945, that result set the stage for the North–South conflicts of the 1960s and 1970s when Southern governments demanded a more development friendly international economic order. Many similar demands are being made by emerging powers and other developing countries once again today. They are often presented—and perceived in the North—as a critique of the Bretton Woods system. Instead, they should be seen as efforts to resurrect the original Bretton Woods vision.

Notes

1. In my view, the most perceptive analyses on this point in past scholarship have been Robert Oliver, *International Economic Co-operation and the World Bank* (London Macmillan, 1975), Michael Bordo and Anna Schwartz, *From the Exchange Stabilization Fund to the International Monetary Fund*. NBER Working Paper 100 (Cambridge: National Bureau of Economic Research, 2001), James Boughton, "New Light on Harry Dexter White," *Journal of the History of Economic Thought*, 26 no. 2 (2004): 179–195. The following paragraphs draw from Eric Helleiner, *Forgotten Foundations of Bretton Woods* (Ithaca: Cornell University Press, 2014), Chaps. 1–4, that explores this theme in depth.
2. See especially Boughton.
3. Stanley Black, A Levite Among Priests: *Edward M.Bernstein and the Origins of the Bretton Woods System* (Boulder: Westview, 1991), 35; Helleiner, *Forgotten*, 110fn51.
4. Boughton, 189–190; Joseph Gold, "Mexico and the Development of the Practice of the International Monetary Fund," *World Development*, 16 no. 10 (1998): 1127–1142.
5. Quoted in Helleiner, *Forgotten*, 57.
6. Ibid., 72.
7. Oliver, 99.
8. Helleiner, *Forgotten*, 77, 162, 167.
9. I draw the concept of layering from historical institutionalism.
10. Richard Gardner, *Sterling Dollar Diplomacy in Current Perspective* (New York: Columbia University Press, 1980[1956]).
11. Benn Steil, *The Battle of Bretton Woods* (Princeton: Princeton University Press, 2013), 229.
12. Helleiner, *Forgotten*, 107.

13. These numbers come from Kurt Schuler and Andrew Rosenberg, eds., *The Bretton Woods Transcripts.* (New York: Center for Financial Stability, 2012), Appendix A.
14. Schuler and Rosenberg, US State Department, *Proceedings and Documents of the United Nations Monetary and Financial Conference, Bretton Woods, New Hampshire, July 1–22, 1944.* (Washington: US Government Printing Office, 1948).
15. Quoted in Helleiner, *Forgotten*, 159.
16. Luis Machado from Cuba quoted in Helleiner, *Forgotten*, 160.
17. Keynes and White chaired the two focused on the IBRD and IMF respectively, while Suárez's commission focused on "other means of international financial cooperation" (which was the least important of the three).
18. John Toye and Richard Toye, *The UN and Global Political Economy* (Bloomington: Indiana University Press, 2004), 18. "Associated" nations referred to countries that had broken diplomatic relations with the Axis powers but not joined the United Nations.
19. Quoted in Helleiner, *Forgotten*, 130–131.
20. Henry Morgenthau, "Bretton Woods and International Cooperation," *Foreign Affairs* 23 no. 1 (1945), 192.
21. John Maynard Keynes, *The Collected Writings of John Maynard Keynes: Volume 25.* Edited by Donald Moggridge (London: Macmillan, 1980), 54–55.
22. Quote from Helleiner, *Forgotten*, 106.
23. Ibid., 105–106.
24. Quoted from White's January 1942 plan in Helleiner, *Forgotten*, 103.
25. Canadian official W.C. Clark summarizing White's comments in April 1943 to him; Robert Wardhaugh *Behind the Scenes: The Life and Work of William Clifford Clark* (Toronto: University of Toronto Press, 2010), 242.
26. Helleiner, *Forgotten*, 158.
27. For one account of the meeting, see "Meeting of Finance Ministers, 26th February, 1943" National Archives of Canada, Record Group 19, v. 3981, M-1-7-1.
28. J. Keith Horsefield, *The International Monetary Fund 1945–1965: Twenty years of International Monetary Cooperation—Volume 1* (Washington: IMF, 1969).
29. This can be found in the Harry Dexter White Papers at Princeton University Library in Box 8, Folder 2.
30. Helleiner, *Forgotten*, 186–200.
31. Jamnadas M. Mehta quoted in Eric Helleiner, "India and the Neglected Development Dimensions of Bretton Woods" *Economic and Political Weekly*, 50(29) (July 18, 2015), 34.

32. Helleiner, *Forgotten*, 245–256.
33. Quotes from Devesh Kapur, John Lewis and Richard Webb, *The World Bank: Its First Half Century* (Washington: Brookings, 1997), 68; Edward Mason and Robert Asher, *The World Bank Since Bretton Woods* (Washington: Brookings, 1973), 4.
34. Quote from White's 1942 "American Technical Mission to Cuba" report, quoted in Helleiner, *Forgotten*, 87. For White's activities in Latin America, see Ibid., Chaps. 1–3.
35. See Ibid., Chaps. 1–5.
36. The following draws from Ibid, Chap. 4.
37. Ibid., conclusion.
38. Ibid., Chap. 4.
39. Quoted in Ibid., 121, 109.
40. US State Department, 82, 81.
41. Morgenthau, 190.
42. Helleiner, *Forgotten*, 133–155, 172–183, 200–207, 227–233.
43. Mexico's Victor Urquidi quoted in Ibid., 164.
44. Ibid., chap. 6.
45. Ibid., 186–200.
46. US State Department, 1156.
47. Austin Grey quoted in Helleiner, *Forgotten*, 198
48. Quotes in Ibid., 251.
49. Quoted in Ibid., 254.
50. Ibid., Chaps. 8–9.
51. Eric Helleiner, *The Status Quo Crisis: Global Financial Governance After the 2008 Meltdown* (New York: Oxford University Press, 2014).
52. Helleiner, *Forgotten*, conclusion.

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