

Coping with Globalisation: France at the OECD WP3 and the Reform of the International Monetary System (1961-1979)

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Abstract (532words)

France is commonly supposed to have played a peculiar role in the history of the international monetary system since the beginning of the 1960s until the present time. « White Knight », at best, or « watchdog », at worst (Bordo, Simard and White, 1999; Quennouëlle 2002), its constant attempt to reform the international monetary system is generally seen, by focusing on the colourful personality of De Gaulle, as the mere expression of its imperialism or at least the indefectible nationalism of the “grande nation” (De Lattre, 1966).

This view is probably not completely wrong. Our paper, however, aims to revisit it, by questioning, on one hand, the variable positions held at the OECD WP3 by the two representatives of France, namely the treasury and the Bank of France. To what extent did they express the official position of the French government? Did the Central Bank always stay on the same line with the Treasury? Or did it take part to the emerging epistemic community of central bankers, especially at the European scale (Galeazzi, 2012, Feiertag and Clavert 2011)? On the other hand, we will not only consider the French policy at the WP3 but also its economic evolutions. Did the successive designs proposed by France for the international monetary system fit with the evolution of its own international economic situation, as regards the evolution of its balance of payments as well the international status of its currency?

This contribution is structured around three key moments. The prime, over from the creation of the OECD to the publication of the WP3 report's on adjustment mechanisms within the Bretton Woods system in 1966. The aim is to highlight the convergences and divergences between France and other member states on the reform of the international monetary system (IMS). In addition, the 1966 report was the only published report of the WP3, at least until the 90s. It put out the selected reflection lines of the group and their proximity to the French "thought", especially on the payments adjustment issue. From 1967 to 1971, France has only one obsession: its gold reserves. This section wants to stress the implications of the French attitude in the end of Bretton Woods. It focuses on the problems raised by the politicization of the debate on the international liquidity issue; but also on the relationship between the gold, the dollar and the Sterling Pound crisis of 1967. The last time presented the French position in the debates surrounding the introduction of floating exchange rates. Campaigner for the System Restoration and ended by resigned to the impossibility of maintaining international fixed exchange rates. It especially underlines the increasing gap between France and other European countries which gradually isolate the French proposals in international negotiations between 1971 and 1979.

Our purpose is to demonstrate that from the first dollar crisis in 1960-61 to the emergence of the EMS in 1978-79, the French international monetary policy could be interpreted as an answer to the increasing challenge of the globalisation of currency markets.

This paper will be mainly laid on primary sources, as the archives of the WP3 itself but also as the archives of Bank of France and of the Ministry of Finance.