

**Georg Schild.** *Bretton Woods and Dumbarton Oaks: American Economic and Political Postwar Planning in the Summer of 1944.* New York: St. Martin's Press, 1995. xiii + 254 pp. \$45.00, cloth, ISBN 978-0-312-12216-4.



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Georg Schild offers a succinct portrayal of Washington's wartime planning for the post-World War II world. Distilled to less than two hundred pages, his account examines both the preparations leading to the Bretton Woods and Dumbarton Oaks conferences and the conferences themselves. The effort is impressive. Anyone looking for an introduction to either conference or to U.S. political or economic planning would do well to start with this work.

Schild's basic arguments are not particularly new. He contends that U.S. policymakers, drawing on the turbulent political and economic events of the interwar period, concluded that they had to plan ahead if they were to forestall another Thirty Years' Crisis. More specifically, there was a consensus that peace had to rest on two pillars: economic prosperity and political stability. Thus, even before the United States formally entered the war, the State Department started working on plans to establish an international security organization that would combat future political and military threats to world peace. Simultaneously, the Treasury Department crafted an international

monetary mechanism designed to engender relatively free trade and, consequently, global prosperity. Echoing revisionist historians, Schild adds that U.S. economic planning was also driven by the widespread perception that the United States would need to increase its exports after the war in order to prevent an economic downturn at home.

Though Schild's basic arguments may not be fresh, his overall approach is; and therein lies the chief value of his work. In the conclusion, he states that "this study has demonstrated that American diplomacy during World War II has to be seen in its entirety and cannot be reduced to individual analyses of economic or political postwar planning" as orthodox and revisionist historians have done previously (p. 188). His work does demonstrate this, and he is right. Even before the United States became a belligerent, its policymakers were convinced that they had to develop a structure for postwar peace and prosperity in order to satisfy U.S. strategic and economic interests. Neither the political nor the economic pillar of this edifice can be ignored if one hopes to gain

a comprehensive understanding of what kind of world Washington sought after the war.

Where Schild falters is in exploring the character of the world the United States hoped to create. He argues, for instance, that Treasury Secretary Henry Morgenthau and his assistant Harry Dexter White wanted to make the dollar "the dominant currency in the world" (p. 99), which of course would anchor America's overall economic preponderance. On the security front, he contends that Franklin Roosevelt, who played a greater role in security planning than in economic planning, wanted to base a new collective security organization solidly on a foundation of Great Power condominium, the Four Policemen.

Washington's plans, as formulated, seemed to call for Great Power hegemony in the security sphere and U.S. hegemony in the economic sphere. This hardly sounds like the liberal democratic internationalism that Tony Smith argues drove U.S. wartime planning (see Tony Smith, *America's Mission* [Princeton University Press, 1994]). Was the United States simply trying to formalize the type of international system that emerged from the Congress of Vienna? Or was it attempting to establish a paternalistic imperium in which it, knowing what would benefit all the world's nations, sought to act as the tide lifting all boats? Frustratingly, Schild does not explore these questions.

Schild claims that FDR abandoned his Four Policemen concept in the face of domestic political demands and unease over Soviet inaction during the Warsaw Uprising. As a result, he accepted Secretary of State Cordell Hull's position on the issue of circumscribing the ability of the Great Powers to dictate international relations from a Star Chamber-like Security Council (pp. 153-56).

With respect to domestic politics, Schild asserts that FDR's change in attitude regarding the Four Policemen stemmed from Republican presidential nominee Thomas Dewey's August 1944 public charge that the Dumbarton Oaks confer-

ence was planning to "subject the nations of the world, great and small, permanently to the coercive power of the four nations holding the conference." This, Dewey continued, reeked of the "rank-est form of imperialism" (p. 154). Roosevelt backed away from the Four Policemen idea in order to deny Dewey ammunition for the upcoming general election (p. 161).

Similarly, Schild contends that Morgenthau and White rejected the Keynes Plan and undercapitalized the International Monetary Fund (IMF) because of fears that a reluctant Congress and public might bridle at the cost of a higher American quota (p. 131). As a result, it took more than a decade after the war ended for the IMF to become truly operational.

Schild correctly highlights the importance of domestic politics in postwar planning on both the economic and security fronts. This conclusion suggests that America's internal political structure had a profoundly limiting impact on Washington's ability to do what it desired—namely, to build a peaceful and prosperous world supported by an oligarchic great power security apparatus and U.S. economic hegemony. It raises the issue of whether the United States was constitutionally unable to play the roles of world policeman and global banker adequately. Again, Schild does not examine this issue.

I do not mean to sound over-negative. My criticisms are akin to those of a choc-aholic who is upset because M&M bags are not bigger than they are. Schild offers an excellent overview of postwar planning and of the Bretton Woods and Dumbarton Oaks conferences.

Schild makes his case. Historians have to view American postwar planning during the war in its entirety. They must recognize its economic and security components. By implication, they must also keep these two aspects in mind when they consider the emergence of the Cold War and its impact on U.S. policy. This suggests to me that we can no longer rest comfortably in the commonly held

post-revisionist conclusion that security considerations were always uppermost in the thinking of U.S. policymakers and that economic considerations were always secondary (see Melvyn Leffler, *A Preponderance of Power* [Stanford University Press, 1992]). We have to ask the following: How and why was economic policy subordinated to security policy? Did the process by which this happened have any effect on subsequent American foreign policy during the Cold War?

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