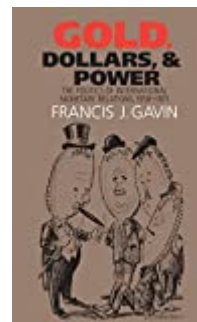


Francis J. Gavin. *Gold, Dollars, and Power: The Politics of International Monetary Relations, 1958-1971.* Chapel Hill: University of North Carolina Press, 2004. xiii + 263 pp. \$45.00 (cloth), ISBN 978-0-8078-2823-6.



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The Burden of Bretton Woods

Over the past few years, Francis J. Gavin has emerged as one of the more promising young scholars working in the field of American diplomatic history. His educational track was impressive, to say the least: a B.A. with honors in political science from the University of Chicago, an MSt. in modern European history from Oxford, and an M.A. and a Ph.D. from the University of Pennsylvania, where he worked with Marc Trachtenberg. After obtaining his doctorate, Gavin was a fellow at Harvard's Center for International Affairs, at the Kennedy School of Government at Harvard, and at the Miller Center of Public Affairs at the University of Virginia. Since 2000, Gavin has been on the faculty of the LBJ School of Public Affairs at the University of Texas at Austin. A look at his *curriculum vita* (available online) reveals a productive body of scholarship in the form of book reviews, articles, book chapters, and editorial assignments.

Gold, Dollars, and Power is Gavin's first monograph and it is a very solid piece of work. The subtitle slightly misleads in a couple of ways. The book's focus is limited to Europe. Moreover, the "politics" are largely international, not domestic. Gavin promises in his intro-

duction to address the "triangular relationship" between strategic, economic, and political objectives—that is, the American effort to simultaneously contain both the Soviet Union and Germany in Europe, avoid a global economic collapse like the one that occurred in the 1930s, and all the while maintain domestic Congressional and public for American immersion in Europe. He is very good on strategy and economics, but until late in the book, when the Vietnam War enters the picture, he pays only cursory attention to U.S. domestic politics. Surprisingly, in a book dealing with international monetary policy, there is scant mention of significant domestic players such as the American banking community.

Gavin's argument is straightforward. He contends that historians have misunderstood the Bretton Woods system in several important ways. First, contrary to conventional wisdom, he argues, the Bretton Woods regime was not very successful in stabilizing the international monetary system. The system required frequent bandages almost from its start in the 1940s until its collapse in the early 1970s. Second, Gavin disagrees with historians such as Diane Kunz and Benjamin J. Cohen, who

assert that Bretton Woods was an indispensable prop for American empire. He shows that as early as the Eisenhower administration, policymakers considered terminating Bretton Woods because they felt the system required too many American economic sacrifices. Third, though some historians (not nearly as many as Gavin would have us believe) have insisted that the Bretton Woods system helped smooth over political tensions between the United States and its allies, in actuality the Cold War partners bickered often over monetary policy and this squabbling spilled over into geopolitical disputes.

In trying to underscore the originality of his interpretation, Gavin exaggerates elements of the conventional wisdom. Most of us, I think, knew that Bretton Woods was not a well-oiled machine that operated flawlessly. Most of us who work in diplomatic and international history are cynical enough to understand that sovereign na-

tions, even those joined together in an anticommunist alliance, often pursued national interests that their partners perceived at odds with their own. But Gavin significantly contributes to our understanding by making clear how early in the history of the Bretton Woods system its flaws were apparent to American policymakers. In addition, he skillfully explicates how differences within the Atlantic community over international monetary policy contributed to intramural wrangling on issues such as the bankrolling of U.S. occupation troops in Western Europe.

Gavin is a fine writer who deftly handles the sometimes arcane elements of monetary policy. His research is multiarchival, draws on recently declassified documents in both the United States and Europe, and incorporates sources written in German and French. Clearly, we can expect more good things from Professor Gavin in the future.

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