

principals' pulling the strings of the central banks in these countries? Adolph is of course free to decide what to include, and one can of course never cover all angles. However, we cannot neglect the fact that the simplification of the 'story' through generalization affects the power of the conclusions and the policy recommendations that are so important to the author. National and historical characteristics must be considered even for today's policy makers.

To sum up, Adolph has written a very interesting and topical book with a strong message for policy makers as well as academics with an interest in central bank policy-making and what drives this process. Hopefully, Adolph will make use of his unique database over the careers of central bankers in many coming research projects, of which some will take historical and national specifics more explicitly into account. A relevant expansion of his central banker database would be academic background, which ought to have strong explanatory powers both in terms of socialization and career ambitions as well as regarding policy preferences and beliefs about what a central bank is for and what it should do. The historical perspective is important to consider here as well, since central bankers with a PhD in economics, for example, were in a minority in the late 1940s.

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Emmanuel Mourlon-Druol, A Europe Made of Money: The Emergence of the European Monetary System (Ithaca, NY: Cornell University Press, 2012, viii + 359 pp., ISBN 978-0-8014-5083-9)

European monetary integration has been at the heart of a broad spectrum of academic literature. This book, based on extensive archival research, delves into the making of the European Monetary System, focusing on the period from May 1974 to March 1979. It is based on Emmanuel Mourlon-Druol's doctoral dissertation at the European University Institute in Florence.

Mourlon-Druol's objective is 'to place the EMS negotiations in the wider context of the 1970s, and particularly to conduct a detailed study of the post-Werner, pre-EMS attempts to further European monetary cooperation' (p. 14). Mourlon-Druol takes spring 1974 as a starting point. In his view, it was a political watershed, with the almost simultaneous coming to power of Wilson in Britain, Giscard d'Estaing

in France, and Schmidt in Germany. Moreover, it marked a new economic era, after the breakdown of the Bretton Woods system and the first oil shock. On the European level, the Werner Plan was abandoned and the European Council was created, something which significantly changed the EEC decision-making process. The book ends with the launch of the EMS in March 1979.

The book is divided into eight chapters, following chronological order: '1945–1974: European monetary cooperation: background and debates'; 'May 1974 – May 1975: shifting away from the Werner approach'; 'June 1975 – June 1976: EMU off the agenda?'; 'July 1976 – June 1977: economic rapprochement, monetary standstill'; 'July 1977 – March 1978: conflicting options'; 'Late March – mid-July 1978: a semi-secret negotiation'; 'Mid-July – late September 1978: chasing the ghosts of failed negotiations'; 'October 1978 – March 1979: a false start'.

Mourlon-Druol emphasises two long-term processes in the monetary and economic negotiations leading up to the founding of the EMS in 1979. The first is a 'transnational learning process involving a powerful, networked European monetary elite that shaped a habit of cooperation among technocrats' (cover). The second stresses the importance of the European Council, which held regular meetings between Heads of State or Government from 1974 onwards, 'giving European Economic Community legitimacy to monetary initiatives that had previously involved semi-secret and bilateral negotiations' (cover). I agree very much that these were two very important processes. However, Mourlon-Druol is sometimes a little bit caricatural in the claims he makes: 'In contrast to the conventional accounts of the EMS negotiations, *which focus solely on the year 1978*, I have presented a different way of understanding the creation of the EMS by highlighting longer-term processes' (p. 262, our italics). Moreover, these processes, at least in an embryonic form, were also important before 1974, something which does not come very well to the fore in this book. An example is the 1969 Hague Summit, which put EMU officially on the European Community agenda.

A major strength of this work is the archival work for the period 1974–9. Mourlon-Druol carried out research in 18 archives in six different countries, including Britain, France, Germany, Ireland and Italy, and the archives of the European Commission and European Central Bank. In my view, it is a pity that Benelux archives are missing from the list. This is clearly evident in the discussion of the Duisenberg plan, where Mourlon-Druol does not really discuss the issue of why there was such an important divergence between the Dutch and German positions (something exceptional in the history of European monetary integration).

Unfortunately, Mourlon-Druol's grasp of the period preceding 1974 is much weaker. For instance, when analysing Schmidt's March 1978 EMS proposals, he writes: 'The suggestion to give a greater role to the EUA (European Unit of Account) admittedly was not new. The most original aspect of Schmidt's proposal was in fact the pooling of reserves. It quite strikingly recalls the various plans for EMU sketched out in 1957–1961 by Monnet, Uri, Marjolin, and Triffin, and, in particular, the idea of a Fonds européen de réserves' (p. 165). I am, firstly, somewhat

surprised to read that the ‘most original aspect’, ‘strikingly recalls the various plans for EMU sketched out in 1957–1961’. Moreover, the idea of a European Reserve Fund also figured in the Hague Summit communiqué and was an important topic in the Werner Committee’s discussions in 1970.

There are quite a few inaccuracies in the book. For instance, Karl-Otto Pöhl is described as ‘the German finance minister’ (p. 56), while he was his deputy, the state secretary. Mourlon-Druol also describes the free movement of capital as ‘one of the four freedoms, along with the free movement of persons, goods, and services, provided for in the Treaty of Rome’ (p. 21). However, in the Rome Treaty, the free movement of capital was only foreseen ‘to the extent necessary for the proper functioning of the common market’ (Article 67.1). I’m also somewhat surprised by the concluding sentence of the book: ‘In the mid-to late 1970s, as before, and up to the present day, the difficulties lay in fundamentally inconsistent economic and monetary policies, and the crux of the problem rests on how to render them consistent. And this undoubtedly constitutes the central challenge to making the EMS a durable attempt at a European bloc’ (p. 282). While consistency of policy is certainly a fundamental challenge, one might get the impression from this sentence that there is no single monetary policy in the euro area.

This book is well written and well structured, even if it is often quite repetitive. It is also a pity that there are no charts or tables to give a better picture of the economic and monetary situation during the period. On the whole, the strength of this book lies in the author’s archival research. Notwithstanding several weaknesses, it contributes to our understanding of the process of European monetary integration in the second half of the 1970s.

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*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, 480 pp., \$29.95/£19.95, ISBN 978-0691-14909-7)*

The conference of Bretton Woods, held in the summer of 1944 with the goal of redesigning the world monetary order, represents one of the most ambitious and exciting moments in financial history. Economic theory and diplomacy came together to shape a system that functioned at world level until the 1970s. In his book, Benn Steil provides a vivid account of this conference as well as its premises and reverberations, proposing new anecdotal evidence and insights as well as historical interpretations.

The saga of Bretton Woods cannot be disentangled from the two main characters that dominated it: the head of the US delegation, Harry Dexter White, and his British counterpart, John Maynard Keynes. Steil starts his account by providing detailed