

Contents

List of Figures	page xii	
List of Tables	xiv	
Preface		
Acknowledgments		
List of Abbreviations	xxii	
Introduction		
Monetary Policy and Credit Policy	2	
A Policy without Interest Rates	4	
For a Common History of Credit Policy and Central Banking	6	
An Institutionalist Approach to Credit Policy	8	
A New Perspective on the Postwar Economy	12	
Domestic Credit Policy and the International Monetary System	16	
Chronology, Sources and Archives	18	
Terminology	22	
Outline and Main Arguments	23	
PART I INSTITUTIONALIZING CREDIT		
Introduction to Part I: Chronology and Methodology	30	
I The Different Stages of Credit Policy	30	
II Institutional Analyses of Central Banking	32	
Institutions, Law and Power	33	
Strategies of Actors and Dissenting Views	34	
Three Key Aspects of the Institutionalizing Process	35	
Law, Social Norms and Institutional Change	37	



viii Contents

1	French Credit Policies before 1945	40
	I The "Socialization of Credit" before the War and the	
	Popular Front	40
	II The Banking Laws of 1941 and the Vichy Turning-Point	44
2	The Nationalization of Credit from 1945 to the Late 1950s	47
2		
	I The Legal Institution of Credit	47
	The Credit Nationalization Law	47
	The National Credit Council: A <i>Paritaire</i> Vision of Credit	49
	The National Credit Council and Medium-Term	
	Mobilizable Credit: A Monetary Vision of Credit	53
	II Credit As a Public Good, or the Institution's "Collective"	
	Dimension	56
	The Emergence of Consensus?	56
	Continuity between Vichy and Postwar Credit Policy	58
	Adjustments and Complementarities: The Emergence of	
	Credit Selectivity and the Fight against Inflation	63
	III Controlling Credit and Inflation	69
	Control and Selectivity	69
	The Banque de France Doctrine	73
	Was the Banque de France Keynesian? French	
	Perspectives on the Radcliffe Report	76
	The Goals of Monetary Policy	80
	Quantitative Controls versus Interest Rates	82
3	Development Then Gradual Deinstitutionalization: The 1960s	
	and 1970s	86
	I The Central Bank Changes But Not Its Legal Framework	88
	The 1966–1967 Reforms: Liberalizing the Banking and	
	Financial System without Abandoning Selectivity	89
	The Ambiguity of the New Statutes of 1973	92
	The End of a System	95
	II Rising Opposition and the Gradual Disappearance of	
	Shared Beliefs	96
	Refusing to Change and Reaffirming Principles against	
	Critics: 1958–1964	96
	The Marjolin-Sadrin-Wormser Report	100
	From Selectivity to Heterogeneity	107



	Contents	ix
	III From Attempts at Liberalization to Loss of Control	
	Over Inflation	113
	The Successes of Quantitative Credit Controls	114
	Toward a More "Neutral" Policy: Minimum Reserves	115
	The Money Market Debate and the End of Rediscount Ceilings	117
	The Hybrid Return of Credit Ceilings (encadrement du credit)	121
	What Were the Primary Stakes of These Deep	
	Institutional Changes?	123
	Money Supply Targets and the Monetary Theory of Inflation	125
Cor	nclusion to Part I	131
	PART II MANAGING CREDIT	
4	Monetary Policy without Interest Rates: Domestic Macroeconomic	105
	Effects and International Issues of Credit Controls	137
	I Instruments and Operating Procedures of the	
	Banque de France	140
	Main Instruments Used by the Central Bank	142
	The Problem of Measuring the Monetary Policy Stance	148
	II Definition of Restrictive Episodes of Monetary Policy	150
	Six Restrictive Episodes	151
	Restrictive Monetary Policy and the Economy:	
	A Graphical View	159
	III Econometric Estimations of Restrictive Policies	162
	Identification and Specification	163
	Estimations and Results	165
	Further Discussions about 1957	171
	Comparisons with Other Measures of Monetary Policy	173
	IV The International Dimension	177
	Balance of Payments and Inflation	177
	Credit Controls As a Way to Escape the Trilemma	178
	V Conclusion	182
5	Blurred Lines: The Two Faces of Banque de France Loans	
	to the Treasury, 1948–1973	184
	I The Basics of the System: Banque de France's Financing	
	of the French Government before 1948	186
	Advances to the Treasury with Parliamentary Approval	186
	The Troubles of the Interwar	187
	II The Hidden Part of Treasury Financing, 1948–1973	189



x Contents

	Description of the System	189
	Amounts Involved	193
	End of the System: The 1973 Law and the Path Toward Transparency	197
	III The Political Economy of Official and Unofficial Loans to	197
	the Treasury	199
	Political and Economic Limits on Monetary Financing	1//
	of the Public Debt (1952–1958)	199
	Why Did Some Loans to the Treasury Remain Unofficial?	203
	The Turn Toward Marketable Public Debt	206
	IV Conclusion: Non-Marketable Public Debt and the Circuit	206
6	Financing the Postwar Golden Age: The Banque de France,	
	"Investment Credit" and Capital Allocation	210
	I The Birth of "Investment Credit" (crédit d'investissement)	215
	II The State-Led Financial System and the Role of the	
	Central Bank	219
	Loans from the Treasury	223
	Loans from Public and Semi-Public Institutions	223
	Rediscounting by the Central Bank	224
	Exemptions	225
	Compulsory Guidelines by the National Credit Council	226
	III Credit Statistics and the Undefined Borders of	
	State Intervention	227
	Credit Statistics	227
	Corporate Tax Statistics	228
	Additional Remarks on the Statistics by Sector	230
	IV Investment Credit and Capital Accumulation	231
	V Reallocation of Capital Across Sectors	235
	Capital to Revenue Ratios and Convergence	237
	Discussion on Revenue and Value Added	240
	VI Conclusion	244
7	The Rise and Fall of National Credit Policies: Implications for	
	the History of European Varieties of Capitalism and Monetary	2.45
	Integration	247
	I The Internationalization of Credit Policies	249
	Credit Policies in the History of Central Banking	249
	US Perspectives on European Credit Policies	250
	II Similarities and Differences between Countries	256



Contents	xi
Legal and Political Responsibilities	256
Banking Supervision and Relationships with the	
Banking System	259
Instruments of Monetary Policy and Credit Controls	261
Credit Policy and Economic Planning	263
III Explaining the Differences	266
Organization of the State, Structure of the Financial	
System and Ideology	266
The Consciousness of Otherness: A Bundesbank	
Perspective on the Banque de France	268
IV The Faltering End of Credit Policy	270
V What Is the Link with European Monetary Integration?	273
From Werner to Delors: The Disappearance of Credit Policy	274
The Silence of the Committee of Governors on Credit Policies	276
VI Conclusion	282
Conclusion	283
The Historical and Political Consequences of the End of	
Credit Policy	284
Directions for Future Research	288
The Return of the Repressed: The Transformation of Central	
Banks since 2008	291
Bibliography	297
Index	323