

## IFC Postcards From the Past

### **Which world-renowned economist and which Nobel prize winner disagreed about creating an institution like IFC?**

One of the first debates about setting up a multilateral institution for private sector development took place at the Bretton Woods conference in New Hampshire in 1944. There, amid discussions that led to creation of the World Bank and International Monetary Fund, John Maynard Keynes -- preeminent economist, leader of the British delegation, and chairman of the World Bank committee -- opposed establishing a vehicle to lend to the private sector without taking government guarantees. The U.S. delegation favored the idea, but not unanimously—while the State Department, led by Cordell Hull, was in support, the U.S. Treasury, led by Henry Morgenthau, remained skeptical. Although Hull would be awarded the Nobel peace prize the following year for far-sighted leadership in helping create global institutions, more than a decade would pass before IFC would get the go-ahead. Ultimately, it took an unlikely coalition of World Bank staff, developing nations, the United Nations, U.S. businessmen, and the U.S. departments of State and Commerce to overcome the reservations of the U.S. Treasury, the Federal Reserve System, and the U.S. Export-Import Bank, among others.

If you have an idea for a “postcard from the past,” please email Celeste Diaz-Ferraro at [cdiazferraro@ifc.org](mailto:cdiazferraro@ifc.org).

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