

Bretton Woods Aims Attacked

Protesting the group's advocacy of the Bretton Woods monetary proposals, which he said would encourage "wildcatting" and breed "discord and ill will" between nations, Dr. Matthew Page Andrews yesterday resigned as a member of the executive committee of the Associated Organizations for International Co-operation.

Dr. Andrews was the English Speaking Union's representative in the organization, formed here several months ago for the purpose of supporting the Dumbarton Oaks proposals as a first step toward international co-operation.

"I could not remain on the executive committee of this organization," he said, "now that it has decided to champion the Bretton Woods program as well as the Dumbarton Oaks proposals."

Admitting the possible merits of the proposed international bank, Dr. Andrews called attention to "certain definite dangers which he saw in the bank's companionate structure for lending—the monetary fund.

"This fund was originally called a 'stabilization fund,' he said, "but its scope has been widened and it now appears that the control, or lack of control, of the fund involves a procedure without precedent in the experience of solvent or stable nations."

May Give I.O.U.'s, He Says

Nations may establish their "shares" in the fund through simple I.O.U.'s, if lacking gold or currency, he pointed out, and a number of the nations included already have defaulted on their obligations to other nations, while the credit of others is so low that their obligations are of heavy discount."

"Loans regarded as dubious by private agencies would or could become loans on an equal footing with those made to nations having good credit standings," according to Dr. Andrews, "and there is little or no protection for the fund against political shifts and debt repudiations."

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The investigation of proposed loans according to recognized business practice is not provided for, if not actually inhibited, he

continued, pointing out that nations proposing to borrow from the fund will not be subject to due inquiry as to past or current solvency or ability to pay.

Dr. Andrews said the United States would be the largest contributor to the fund, putting up about one third of the money, but would have but a minority vote in its control.

'Wildcatting' Seen

"The initial drafts upon this country may well be followed by further demands," he said, "and, due to political pressures, more and more dollars will be sought, despite the fact that the United States Treasury will be facing a debt of several hundred thousand million dollars."

"The fund faces the likelihood that all countries demanding quotas as rights," he continued, "and it is inevitable that so loose a lending agency will encourage 'wildcatting' by unstable governments to present a parallel, on a world-wide scale, to the wildcat banks under the less-loose system of the 1830's."

May Produce Discord

Instead of becoming a stabilizer for international co-operation, Dr. Andrews asserted, the bank-fund combination may produce discord and ill will between solvent creditors and insolvent debtors.

"International discord would ultimately develop," he said, "from any precipitate upbuilding of foreign industrializations, followed by domestic opposition from labor and industry against 'cheap goods,' 'pauper labor' and competition with 'teeming millions' having vastly lower 'living levels.'"

"Thus," he added, "any immediate gains in exports and in freer exchange would be followed by rivalries leading to new restrictions."

Refers To "Desperate Debts"

Concluding his recital of the "potential dangers" in the Bretton Woods proposals, Dr. Andrews made a reference to "desperate" debts, a Seventeenth Century Maryland term applied to uncollectable amounts.

"It would seem to me," he said, "that even the alleged desperation of the current world economy does not justify creating desperate debtors or creating debts foreseen as 'desperate.'"