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Folger Urges Monetary Fund Plan Rejection

But I.B.A. Head Advocates Adoption of Proposal for International Bank

Special to the Herald Tribune

BOSTON, March 27.—John Clifford Folger, president of the Investment Bankers Association, urged deliberate analysis of the Bretton Woods program here tonight, and advocated adoption of the proposal for the international bank, but rejection of the monetary fund. In an address before the New England Group of the association he criticized the "take-it-or-leave-it" basis on which the Bretton Woods proposals are being presented to Congress.

Long and bitter experience has taught business men that the time to look at a financial commitment is before and not after it is made, Mr. Folger said, for "to act in haste and repent at leisure applies to credit as well as to marriage."

Commitments Limited

The \$10,000,000,000 bank, he declared, reflects the type of prudence and management which appeals to business men. Billions of dollars of our credit would be turned over to the institution, but our failure to participate would retard international co-operation, the investment banking spokesman said. Commitments would be limited to wealth-producing projects and, since there is to be no open-end obligation, each country would know about what total losses would be.

Under the proposed fund, however, the United States would extend more or less automatic overdraft privileges to countries throughout the world, Mr. Folger continued. He said that credit, under the plan, becomes automatic and pro rata for the first time in history outside of a completely socialistic system, and this "makes banker and businessmen shudder."

Careful Inquiry Asked

He urged careful inquiry by Congress into the question whether two more foreign lending projects should be added to lend-lease and the Export-Import Bank. A start should be made with the bank, he said, and stabilization of currencies can be entrusted to that institution.

Bankers are not trying to "sabotage" Bretton Woods, he insisted, even though the proposals call for a marriage of American dollars to the energies and business of other countries.

Those countries would be less than human if they were unaware of the American dowry which would go with the union and for this reason, he suggested, a changed plan approved by Congress would be considered just as carefully by other signatories as the tentative plan of the conference.