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Folger Criticizes Treasury on Bretton Woods

IBA Head Hits "Take It or Leave It" Presentation to Congress

(Special to Journal of Commerce)

BOSTON, March 27.—J. Clifford Folger, president of the Investment Bankers Association of America, today criticized what he termed the "take it or leave it" basis on which the Bretton Woods monetary proposals are being presented to Congress.

A marriage of American dollars

to the energies and business of other countries, he told a meeting of the New England Group of the IBA here, was proposed at Bretton Woods.

Mindful of Dowry

"Those countries," he added, "would be less than human if they were unaware of the American dowry which would go with the union."

Pointing out that all the other countries are waiting to see what the United States does, the Washington investment banker declared that there "is reason to believe that they will consider a plan approved by Congress just as carefully as a tentative plan suggested at the conference."

Bankers, Mr. Folger insisted, are not trying to "sabotage" Bretton Woods, since they realize that isolationism in banking, as in other things, is a thing of the past.

Bankers feel, he pointed out, that conditions under which loans are to be made by the International Bank would be such as to encourage constructive spending abroad. Moreover, they believe that failure to participate in such an international bank would, on balance, retard international co-operation.

Fearful of Fund

It is from the Monetary Fund, the IBA president said, that bankers "shy away." The fund, he added,

"embraces a clearing house system whereby in reality this country extends more or less automatic overdraft privileges to countries throughout the world."

This "open end credit" makes bankers and business men shudder, he stated.

Action on the Bretton Woods proposals, Mr. Folger insisted, should be based on deliberate analysis of "this exceedingly important commitment," which, in reality, "is an appropriation measure involving billions of dollars of taxpayers' money."

"The Bretton Woods Bank," he concluded, "stands up under analysis."

"The fund, with its automatic credit, does not."

Burgess Non-Committal

W. Randolph Burgess, president of the American Bankers Association, refused last night to hazard a guess as to whether the Treasury proposals on Bretton Woods or the ABA counter-proposals would be approved by Congress.

He had just returned from Washington, where he has spent most of the last five weeks, testifying on Bretton Woods and other proposals before Congress.

Speaking of the Bretton Woods hearings before the House Banking and Currency Committee, the ABA head said that he thought the "discussions have illuminated the situation a great deal," since "there has been a genuine search for a real solution."