

THE AMERICAN BANKERS ASSOCIATION ON BRETTON WOODS

There is only one basic disagreement between the ABA and the Bretton Woods proposals, although it has a number of aspects.

The core relates to the rights of borrowers.

The ABA position:

Holds that the borrower has no rights - not even conditional - but must meet the terms imposed by the lender when the loan is made.

The Bretton Woods agreements:

Are based on the proposition that a borrower has limited conditional rights which become actual when and as long as the borrower satisfies conditions specified in advance.

Are based on the principle of the limited line of credit.

The ABA position is based on the assumption that borrowers can't be trusted but will use credits whether they are needed or not, merely because they are available.

Hence, holds the Fund is too large and untimely.