



## MAN IN THE NEWS

# GREEK BANK CHIEF WITH PLAN FOR WORLD MONETARY ORDER

From Our Athens Correspondent

Professor Xenophon Zolotas, Governor of the Bank of Greece, stated yesterday that Greece had acquired drawing rights of up to \$75m (about £26,785,000) after an agreement with the International Monetary Fund which establishes an initial par value for the drachma at 30 drachmas to one United States dollar. The agreement, which comes only eight years after the 50 per cent devaluation of the Greek currency, guarantees the international liquidity of Greece. Present Greek gold and dollar reserves amount to \$2,500m (about £820m).

Professor Zolotas said: "The establishment of an initial par value for the drachma has been made possible by the remarkable advances of the Greek economy and the consistent pursuit of sound monetary and fiscal policies in recent years. These policies have secured general price stability and contributed to a steady improvement in the balance of payments. The enhanced international liquidity of Greece guarantees an additional reason for increased confidence in the drachma. A recent proposal by Professor Zolotas to restore order in the international monetary system has evoked such favourable reactions both in London and Washington that he confidently expects it to be adopted."

### CHECK ON SPECULATION

The Zolotas proposal calls for the pooling of a portion of all national reserves under the International Monetary Fund, which would thus be adequately endowed to stabilize exchange rates, to deter speculative capital movements and, above all, to stabilize the pressures to which key currencies, such as the dollar and the pound, are periodically exposed.

Professor Zolotas has won an excellent reputation in world financial circles in a decade from the narrow nationalistic mentality. This wide-ranging outlook thus will have provided his election as one of the "four big men" who elaborated plans for the new Organization for Economic Co-operation and Development in January last year.

Professor Zolotas, an economist, belongs to the so-called school of "real world economic problems" has been attacked from his staunch support of the interests of Greece, which he has also represented in the International Monetary Fund since its establishment in 1946; the

United Nations General Assembly, 1946, and the Economic Commission for Europe.

Once he arrived and delighted a meeting of the I.M.F. and the World Bank by addressing their "symposium of the Post-war Monetary Problems and the Formation of Europe" in English with the "eloquent" Greek tongue.

Professor Zolotas, at the age of 47, soon took back on 11 years' active participation in Greek public affairs. The only son of a peasant boy instead of wealthy, he acquired his basic education in mathematics and law in Athens, Paris and Leipzig. He became professor of economics at National University at the age of 26, and three years later, in 1931, he was appointed to Athens University.

During the war, while Greece was under enemy occupation, he was one of a group of ambitious young leaders who studied and planned his country's economic and political future. Although the group never had a chance to put these plans into practice after the war, their discussions inspired a new political outlook. Zolotas became such member of the group that he reached a position of authority in Greece. Two of them were Mr. Karamanlis, the present Prime Minister, and Mr. Fatsos, his closest adviser. A third member of the group, Mr. Marinos, has been a most successful Economic Minister.

### ATHENS ACADEMICIAN

A short time before the liberation of Greece, Professor Zolotas, warned of his responsibilities. But the country was not the Greek Government could. It was clear that he was made titular Governor of the Bank of Greece—title because the bank was in enemy hands. In 1945 he served briefly as Minister Economic Co-ordination of the caretaker cabinet which succeeded the general election. A far more honorable and lasting title was his election as member of the Athens Academy that same year.

In February, 1947, the Parliament Government appointed him Governor of the Bank of Greece, a post which he has held ever since. In this capacity, he bears a heavy share of the responsibility of keeping the Greek economy in good health and, therefore, is an excellent economic adviser to the Government. He is, however, quite independent and he has more than once reversed the policy in public.

He is an acknowledged and alert as he is much respected. This brilliant energy is shared even with the calm magnificence of his appearance. He is the second floor of the Bank of Greece in Athens. Much of the monetary system is attached to his favorite library—the one he bought about a year ago. It contains 10,000 volumes, and is said to be a good knowledge of economics. His personal library of 1,700 volumes is regarded as one of the best in Greece, and some of his clearest research reveal that he is an economist.

