

Notes for Introduction of Dr. J. J. Folak at Annual Meeting
of Canadian Life Officers' Association,
Seignior Club, May 23, 1963

I am sure that everyone in this room, and no one more than the guest speaker, deeply regrets the sad event that has brought Mr. Folak to address this meeting instead of Per Jacobsson. I had encouraged Jacobsson to accept the invitation of the Life Officers and had looked forward very much to introducing him today and taking him to Ottawa afterwards. Unhappily, he died of a heart attack in London two weeks ago.

In Per Jacobsson the world has lost one of its outstanding leaders and many of us have lost a good and warm friend. Per Jacobsson combined in his person many outstanding qualities, more than one would look for in one man. He was a thoughtful economist, one of that extraordinary group of Swedes who managed to put basic economic truths into plain and practical language which could be understood by everyman. Who knows how much of the remarkable economic progress of Sweden is due to the economic literacy which this group of people helped to spread in that country? Besides being an economist who was skilled in the handling of abstract ideas, Jacobsson was a practical man, in touch with affairs, with a keen sense of what was possible and what was desirable without being possible. And above all, Per Jacobsson was a warm affectionate human being, who loved life and people, who savoured and enjoyed to the full every contact he had with life -- whether it was a conversation or a meal or one of the

witty and illuminating phrases or stories that were constantly tumbling from his lips.

His real life work began at the Bank for International Settlements in Basle, where he became economic adviser in 1930 after leaving the Economic and Financial Section of the Secretariat of the League of Nations in Geneva. In Basle he was the father confessor of the central bankers of Europe, the recipient of confidences and the dispenser of wise advice. No one -- European or not -- who visited the B. I. S. while Fer Jacobsson was there would dream of going away without spending an hour with him, and no one left him without taking away some fresh insight into the problems that were on his mind.

If his life work began at the B. I. S. , it reached its culmination in his services as Managing Director of the International Monetary Fund. Under his leadership the Fund moved to the centre of the world stage of international finance and became a truly important and influential institution. He brought to this job qualities of leadership which even surpassed what was expected of him by those who knew him best. Jacobsson combined a life-long conviction of the paramount importance of sound money in the process of economic expansion and growth with thoroughly constructive attitudes, with a desire to do more than be aware of the past, but to build on it, to experiment, where necessary to improvise.

He pushed forward in the Fund during the past few years several new lines of development whose full significance has not yet even begun to emerge -- the scheme of special resources to compensate for disturbing short-term capital movements from the important industrial countries, the use of the Fund to make up to some extent for fluctuations of the foreign exchange earnings of primary producing countries, the development of closer working relations between the Fund and the underdeveloped countries.

I hope that I may be forgiven if I say a word about my own personal relations with Per Jacobsson. I knew him well for over thirty years. He had just left the Secretariat of the League of Nations when I went there in 1930. I saw him, to my great pleasure and advantage, as often as I could in the intervening years and was really closely associated with him after he became Managing Director of the Fund in 1956. I have indicated to you my admiration for the way he did this job. I think that what surprised me most during these years was that Jacobsson -- a man of 63 when he took the job on -- grew and developed in it.

I shall certainly never forget how helpful Jacobsson was to me, and to all of us in Canada, when our exchange crisis of 1962 came to a head. Per Jacobsson was the first person to whom I turned when it became clear that we were going to need massive international support.

I told him that we were in trouble and that it was going to require an impressive show of outside support, running into four figures, to help get the thing right. A lesser man might have hesitated, might have referred to things we should have done differently, might have said he would do what he could but I must remember there were difficulties. Not Jacobsson. He asked me two questions and two questions only -- he asked "how much do you want from the Fund?", and "when do you want it?". And in other ways, which are more difficult to speak of, Jacobsson was a source of great comfort and courage at a time when it was most needed.

I am sure that my own experience with this great man was shared by many others. He wrote his own epitaph, and a very fitting one it is, last September when, referring to Gene Black's departure as President of the World Bank, he quoted, with a slight variation, from Othello: "He has done the State some service, and they know it". Per Jacobsson has done the nations of the Free World some service, and they know it.

The Life Officers are, I know, most grateful to Mr. Folak for agreeing, at very short notice, to speak today. The subject of his address is that which was selected by Mr. Jacobsson: "Basic Requirements of the International Monetary Structure", but the address is Mr. Folak's own.

Mr. Folak has the most excellent credentials to speak on this subject. He is a Netherlander by birth who was educated at Amsterdam University and served on the economic staff of the League of Nations as an expert on business cycles at the same time as I was there, during the 1930's. Mr. Folak was economic adviser of the Netherlands Economic Mission in Washington, then on the staff of UNRRA, and since 1947 has been on the staff of the International Monetary Fund where he is now head of the Research Department. He is the author of numerous learned papers on economic subjects and was of course one of Mr. Jacobson's closest collaborators. I am sure that what he has to say about international monetary co-operation will be well worth listening to.