

THE WITNESS: I think the fact they were able to agree on a document of this sort with provisions that are as complicated and technical as these does indicate that there was a general determination to avoid at least the error that the minister referred to in closing his statement of too little and too late this time. There was no thought on the part of anyone that this was the new world that had been created at Bretton Woods, and that we now would have a new heaven and a new earth. No one thought that in the slightest degree. What was felt was that this was the way that progress had to be made, that you had to deal with the various problems as best you could and satisfy yourself that if you were not getting to your final goal in the first step at least you were moving in the right direction. So I would say in reply to your question that the answer is yes, that I do think that the fact that it was possible to get agreement on this document with all its imperfections is a sign that there has been some change in the spirit and approach to these problems.

MR. DECHENE: Thank you. It is an advancement and a betterment.

*By Mr. Bradette:*

Q. It is not very likely that a debtor nation with a big surplus of exportable goods could be in default with this agreement? I do not see how they could be if they have a lot of exportable goods?—A. I am afraid I did not follow your question. Did you refer to a debtor nation or a creditor nation?

Q. We are dealing with things that have not happened yet, things that will happen in the future, but I say, it is highly improbable that a debtor country could find itself in default with this agreement if they have a lot of exportable goods in their possession because there is always some demand for exportable goods in the world.

MR. QUELCH: How is he going to pay for them?

MR. BRADETTE: The creditor nation must find a way to buy them.

THE WITNESS: I am afraid there is a good deal in recent economic history to justify some apprehension that debtor nations might not be able to dispose on the world market of their exportable surpluses at prices that their producers would find remunerative. I am afraid there is no guarantee in the existence of exportable goods that general conditions will be such, or that the policies of the creditor countries will be such, that the debtors can, in fact, export at remunerative prices.

MR. COLDWELL: I sensed that Mr. Quelch was going to ask you what the present position of Russia is in regard to this agreement.

MR. QUELCH: I mentioned that at first Russia would not participate. She sat in at the London conference and sat in at the Washington conference and then finally came in.

THE WITNESS: Why do you say she would not participate?.

*By Mr. Quelch:*

Q. I understood she just sat in first of all. At least, the newspapers carried the report that she just sat in listening but not actually participating at the London conference.

THE CHAIRMAN: Your question is what is Russia's present position in regard to Bretton Woods?

MR. QUELCH: Yes, and what brought about the change in attitude on the part of Russia.