

Q. Would the witness say that the exchange restrictions and high tariffs and all the other restrictions of trade were a cause of the depression or a result?—A. I think you could say they were both.

Q. Primarily the causes are the same?—A. It would be very hard to draw a comparison there. A depression is a cumulative thing which feeds on itself and develops, intensifies many factors which contribute to it.

Q. Would a person be safe in assuming that countries adopted these trade restrictions to ward off the effect of the depression in the United States?—A. In some cases that is quite true.

Q. For example, in what case would you say it was not true? Can you recall offhand a case in which it was not true?—A. I would not say that the trade restrictions which the United States itself adopted under the Smoot-Hawley tariff just before the depression began were adopted in order to ward off the depression.

Q. Would you say they contributed to the depression?—A. I would think so.

Q. Would you say the first step in the onset in the depression was to withdraw the foreign loans by the United States, the cessation of foreign loans?—A. It is pretty hard to state a problem like that, that depressions have a first step and a second step. What you have generally is a number of converging influences all tending in the same direction. The cessation of lending by the United States was one of the influences.

Q. The reason I mention that is, I wonder if Mr. Mackintosh had read what Mr. Graham Towers told the banking and commerce committee last summer, that the cause of the depression was the cessation of foreign lending by the United States?—A. That seems a somewhat unqualified statement for Mr. Towers to make. I would like to read the rest of his testimony in which that statement was made.

Q. You will find it exactly as I have given it to you. It is a very thought-provoking question I think, is it not, Mr. Mackintosh?—A. I have not read the plot.

Q. If that was the cause of the depression then I wonder if there would be very much that Bretton Woods could do about it had Bretton Woods been in?—A. Except that there is provided here a source of credit, both short-term and long-term that is not dependent on the movement of markets.

Q. But not the amount of credit that was available either directly or indirectly to the greatest possible extent, available through the facilities of Bretton Woods; was not that volume of credit completely negligible in amount when one talks about the use of it as a means of advancing foreign loans, loans to foreign countries, to enable those countries to buy American commodities?—A. I am sorry I did not get your question clear. Do you mean that loans which the United States itself might advance would be very much larger than any loans which could be advanced by these institutions?

Q. Would the Bretton Woods facilities, both the bank and the fund, if the United States had chosen to use them to the limit, have been sufficient either in amount or duration to have staved off the time when the United States would have to cease making foreign loans? If I might make a statement here it would make it much more clear. If I might make this statement; that the United States for a whole decade during the 1920's undertook to solve its internal problems by making advances, loans, to foreign countries to buy United States goods, and as long as that process went on they had good prosperity; and as soon as they decided that they could not go on with that any longer, that there was a limit to this lending of money, that they could not take payment of interest because they did not want to take the goods in; as soon as that came on their troubles began. Isn't that a fact that during the '20s there was a large amount of foreign lending by the United States to enable foreign countries to buy United States goods?—A. Yes, there was a great deal of lending. The bulk