

Mr. BLACKMORE: May I ask the witness this, I do not wish to take up too much time, but if we have no assurance that such measures as this will be taken then we can doubt the advisability of accepting the Bretton Woods proposal as an answer to the question; is that not a fact?

The WITNESS: I can see no reason —

Mr. BLACKMORE: May I ask this question, one more; I think the witness has done superbly here; he pointed out that if a depression such as we had in 1929 and 1930 were to set in no Bretton Woods arrangement or not any other kind of an arrangement could stop it; that is a mighty important statement.

The WITNESS: I don't think I made that statement, Mr. Blackmore.

Mr. BLACKMORE: Would you correct it if I got the wrong impression?

Mr. IRVINE: He did not make that statement.

The WITNESS: I do not know what statement of mine you are referring to, so I do not know what type of correction to make.

Mr. BLACKMORE: Suppose if you restate it; supposing Bretton Woods were accepted by all the nations and a depression such as we had in the United States came on and for the same reason, which it might; first, through the cessation of foreign lending by the United States; and, second, by an upward revision of the re-discount rate, which under Bretton Woods could happen; and then loss of the security market; could Bretton Woods do anything about that at all?

The WITNESS: I would answer that question in this way; I would say first that if Bretton Woods and the general line of development of which Bretton Woods is but one example, if Bretton Woods is adopted and this general line of development takes place, that there is less likelihood of a serious depression of that sort coming on in the United States or any other country.

Mr. BLACKMORE: Now, why?

The WITNESS: And, if I may complete the answer—

Mr. BLACKMORE: Certainly.

The WITNESS: And secondly, I would say that even in the event of a serious depression, an organization like Bretton Woods can contribute something, not very much perhaps, but it can contribute something to alleviate a depression.

Mr. BLACKMORE: What I would like to know from the witness, Mr. Chairman, is how and to what extent.

Mr. IRVINE: That has already been answered.

The CHAIRMAN: Yes. And now, Mr. Blackmore, I do not want to be unfair to you, but I am afraid I will have to rule that that question has already been answered; and I would suggest that you would study again what the witness has already said and I think you will find the witness has gone as far and as frankly as he can in answering your question. I think it is already answered.

Mr. BLACKMORE: Now, Mr. Chairman, in all frankness and sincerity, I want to tell you that it has not been touched.

Mr. FRASER: The witness gave me an answer to this question, but I must say, Mr. Chairman, that I am not satisfied with the answer; do you mind if I bring it up again?

The CHAIRMAN: Certainly.

Mr. FRASER: It is in regard to this article V, (a):—

(a) A member may repurchase from the fund and the fund shall sell for gold any part of the fund's holdings of its currency in excess of its quota.

Now, twenty-five per cent to be paid in gold and 75 per cent in currency. I believe I am right in that. But supposing the currency in excess of 75 per cent