By Hon. Mr. Bracken:

Q. There is one other question. I think perhaps you have answered it, and only a general answer can be given. I understand that there is considerable inflation to-day in a good many parts of the world, and it is even suggested there may develop a considerable amount of inflation in the United States. Once the nations get together and undertake the proposals under the Bretton Woods agreement, as I have my question here it is, "Can the agreement prevent inflation from spreading and increasing?" I think perhaps I should change that. Can the agreement lessen to any considerable degree the extent of inflation? —A. I think that is really much the same question as I answered broadly speaking in the negative before when I said I thought that the policies pursued by the major countries would be the main determinants of what their price levels would be. Bretton Woods can contribute something to attenuating the degree of inflation. This does not purport to be a definition of inflation, but the general sense of what inflation means is that there is a superabundance of purchasing power in relation to the volume of goods available, that there is too much money and not enough goods, and consequently the price per unit of goods is bound to go up. The way Bretton Woods can help relieve that situation is by introducing additional goods from outside into countries which are experiencing inflation. Obviously one of the crying needs of the European and Far Eastern countries whose currencies are greatly inflated in value is imports from abroad, and to the extent that Bretton Woods helps that now, or enables other countries under similar conditions to obtain imports from abroad, it does help. Perhaps it helps in a more important way than I thought at first when I listened to your question. Perhaps it does help to control to some extent that type of inflation.

By Mr. Blackmore:

Q. Would the imports need to be in the form of gifts? If they had to be paid for by exports they would have very little effect?—A. The imports, Mr. Blackmore, obtained through using the facilities of the fund or the bank are in a sense obtained on credit. Now, since they are obtained on credit there is no immediate counterpart in the form of export of goods and consequently from the point of view of the country which is experiencing inflation it does not make any difference at all, from the point of view of its effect on the inflationary situation, whether the goods are obtained as a gift or on credit; the important thing is that additional goods are introduced from abroad.

Q. That would be from abroad.—A. I was referring to the inflationary period.

By Mr. Coldwell:

Q. I was going to suggest, Mr. Rasminsky, that you prepare a table for the record, giving us the number of votes that each nation will be entitled to cast in relation to this fund. It is a mathematical matter.—A. Mr. Chairman, I thought that that question might be asked and I have such a table which shows it in terms of percentage. Would that give you what you want?

Q. Yes, that would be all right.—A. It gives for the fund and for the bank the percentage contribution of each member to the resources and the percentage of voting power cast by each member.

Q. Are the total number of votes to be cast given there?—A. No.

Q. Does it show how many votes the percentage represents?

The CHAIRMAN: That total number of votes would fluctuate if members increased their quotas and so on. I think the percentages would be of more use.

The WITNESS: I have the total number of votes.