

Mr. COLDWELL: Why is gold selected?

The CHAIRMAN: The latter point has already been pretty well covered, of course. As to the other point, if you would care to comment on that, Mr. Rasminsky, all right.

Mr. STEWART: Mr. Chairman, is it an indictment so much of Bretton Woods or is it an indictment of the stupidity of nations which insist on taking gold instead of goods? It is not an indictment of Bretton Woods.

Mr. HARKNESS: Mr. Chairman, would the members speak a little louder, please.

The CHAIRMAN: Would you please ask your question, Mr. Coldwell?

Mr. QUELCH: I will leave it at that.

Mr. COLDWELL: Mr. Quelch has stated his main objection to this.

The CHAIRMAN: A little louder please.

Mr. COLDWELL: Mr. Quelch has stated his main objection to this agreement, which is that a creditor nation is forced to accept gold where a debtor may have many goods with which to pay the debt. The creditor nation is not compelled, under this agreement, to take anything other than gold. If I might just conclude with that, I should like to have Mr. Rasminsky's comment. But it seems to me that the ground Mr. Quelch is taking—and that is something I should like to see—is that there should be an international organization which has the power to plan the exchange of goods in the world on a different basis, and it of course involves the whole question of the individual sovereignty of nations. If you are going to compel nations to do something, you must have a sovereign power to make the compulsion. We have not got that. I should like to hear him comment on that.

The CHAIRMAN: The question arises, is it reasonable to demand that nations should accept goods which they cannot use?

Mr. QUELCH: Quite, as long as you have individual sovereignty.

The CHAIRMAN: Take an absurd case. Suppose one little nation decided that it was going in for nylons. Mr. Quelch, developing your argument to the logical conclusion, you would make all nations accept 20 times as many nylons as the women could wear.

Mr. QUELCH: The other nations would have to accept nylons whether they wanted to or not—

Mr. BLACKMORE: Or cancel the debt.

The CHAIRMAN: Would you care to comment on that, Mr. Rasminsky?

The WITNESS: On which?

The CHAIRMAN: On this last point.

Mr. FRASER: Leave the nylons alone.

Mr. BRADDETTE: Leave them to the girls.

Mr. LOW: They will take care of them.

*By Mr. Coldwell:*

Q. This is an agreement among sovereign nations?—A. Yes.

Q. There is no impingement on the sovereignty of nations under this agreement?—A. I do not think so.

Q. Any more than there is under the United Nations Charter?—A. I do not think so.

Mr. COLDWELL: What power would there be to force them to take anything other than that which they wanted to take? And the nations are now willing to take gold but not anything else.