

*By Mr. Fraser:*

Q. The gold reserves of the bank will eventually be built up to some extent?—A. So long as—the chairman has given me the answer to this: these provisions operate only to the extent that the fund's holdings of a member's currency exceed 75 per cent of the quota of the member, so that the maximum to which the gold reserves of the fund could be built up from the operation of these provisions is 25 per cent of the fund.

The CHAIRMAN: It could never exceed 25 per cent on the present set-up.

The WITNESS: Quite right, so far as the operation of the repurchase provisions is concerned.

*By Mr. Quelch:*

Q. If all nations balanced their trade at the start nobody would be using the fund?—A. If all nations balanced all of their international payments nobody would be using the fund, that is right.

*By Mr. Bradette:*

Q. No doubt this conference had the highest motives and they must have had in their minds that the condition will never recur which happened before the war. I believe that the war was caused by economic rather than political reasons; we had the "have" and the "have-nots"; and I am highly impressed with subsection (ii) of article I on page 18 of the report:

(ii) To facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy.

Now, under that conference would it be possible at the moment or later on when it is accepted to have a kind of pooling of the raw materials of the world? At the present time this would be signed only by the "haves" and the "have-nots" would be practically out of it. When I say that, we all realize that if Japan's attitude was one of aggrandizement because it was short of raw materials and Germany wanted to have a place in the sun because she didn't have access to the raw materials of the world. The same thing applied to other nations, but I shall not name them now. This will be leading to a pooling of the raw materials of the world in a stabilized or even at a standardized price, because otherwise we would follow the same route as we did in the past, all that is included in the conference will be to shatter the peace again; because I say it is the access to the raw materials of the world that a nation like Great Britain is fighting so strongly for at the present time. Will she be any better off when this in full function and the recommendations will be given their full strength, "to facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income and to the development of the productive resources of all members as primary objectives of economic policy"? Those are high ideals indeed, and if they are partly accomplished Bretton Woods would be fully warranted to be accepted by every nation of the world. My question is, will it be conducive to the pooling of raw materials of the world? Was machinery to that end discussed at the Bretton Woods conference? Was there that possibility?—A. I will, if I may, merely answer that question and not comment on the interpretation that the honourable member has given to the causes of the war. The question is whether any attention was given to the question of access to raw materials at Bretton Woods. Bretton Woods, of course was a monetary and financial conference.