

Q. I will say that again, certainly. But again I stress the fact that it is an entirely different thing for a nation to voluntarily say that it wants gold, and for a nation to be told that the only way in which you can pay your debt to us is in gold, we will not take any other form of payment. They are two entirely different things. Let me point out that the reason why the United States accumulated so much gold in the past was because they did not want goods, they demanded gold.—A. Well, Mr. Quelch, might I try to get a meeting of minds on this by putting this to you; would the debtor nations be any better off if the creditor nations refused to accept even gold?

Q. At least it would not put the gold-producing nations of the world in a position of definite preference over other nations.—A. I agree with you on that.

Q. That in the first instance I do not think is a very satisfactory way of trying to bring about equality and good-will among the nations of the world.—A. I agree with you, Mr. Quelch, that there is an unequal distribution of the resources of the world.

Q. But then would you say that the present price of gold is the real value of gold?—A. No, certainly not.

Q. The nations have given it a fictitious value.—A. Now, you are standing on different ground and—

Q. I still stick to my other ground as well.

Mr. DECHENE: Mr. Chairman, surely the honourable gentleman should have an opportunity of completing his answer. I think some of the rest of us are entitled to hear what he has to say.

The WITNESS: I find this is a most useful method of carrying on a discussion.

Mr. DECHENE: I think Mr. Quelch should let him finish up his argument. You have not finished it; we do not know what it is all about.

The CHAIRMAN: Yes, there are other members on the committee.

Mr. COLDWELL: Would Mr. Rasminsky just pursue that line of thought? I think it would be very interesting to the committee if he were to do so.

Mr. QUELCH: I said that Mr. Rasminsky was misconstruing my argument, that he is starting off with a wrong premise, and I thought it would be just as well to have him get off on the right foot.

Mr. COLDWELL: Well then, let us pursue his line of thought to a conclusion.

The CHAIRMAN: Yes, the rights should be reciprocal.

Mr. QUELCH: Yes, I would like him to pursue his line of thought; that is why I asked him to correct me when I gave my definition of gold. I will let it rest at that. My main complaint is that it gives gold a position where it is the only commodity in the world that a nation can force another nation to accept payment in. A nation may have an unfavourable balance of trade. It may have plenty of goods with which to meet its obligations, but unless it can obtain gold to pay that creditor nation, it is forced into debt. That is my main objection against this.

Mr. BRADETTE: I should like to ask Mr. Quelch what he will have in place of gold. Will he have cattle or sheep?

Mr. QUELCH: For what?

Mr. BRADETTE: To replace gold.

Mr. QUELCH: Goods. I would say that I would take the price index system as advocated by the London Chamber of Commerce.

Mr. COLDWELL: Mr. Quelch has stated his main objection, and I think it is one that is in the minds of many of us. I should like to ask Mr. Rasminsky to reply to that main objection, because it is a question which is in my mind as well as in the minds of many others in the committee.

Mr. JACKMAN: Hear, hear.