

Bretton Woods Act, under the silver standard, under the bimetallic standard and under the paper currency standard. The question of the responsibility of creditor countries to facilitate debtors who wish to make repayment to them has nothing whatever to do, as I see it, with the gold standard. One might even argue that under the gold standard, by being willing to buy gold creditor countries are facilitating the repayment of debt, because they do not impose any tariffs on gold and they stand willing to buy gold at a fixed price. That is the only connection that I see between these two things.

Q. Is it not true under this Act that the only commodity in the world to-day that a debtor nation can force a creditor nation to accept payment is in gold?—

A. That is—

Q. Then I would certainly say that this is a form of the gold standard.—

A. But you say that you have no objection to that. You said before that you would not criticize the provision of the plan which requires that creditor countries should buy gold from the fund. You said that as long as creditor countries are willing to buy the gold at \$35 worth of goods in exchange that was all right with you.

Q. No, no; it is one thing to say that if a nation is willing to do it, it is another thing to compel a nation. Let us say that the other nations actually want our gold and they place a value on our gold of \$35 an ounce; that they say we want your gold and we will give you \$35 an ounce for it. That is one thing. But to say to a nation, you must pay us in gold; that is a totally different thing. That is the position in which you are placing the debtor nations when they cannot pay in any other way.—A. No. I am saying to the debtor nation, you can pay us in gold if you have any gold. It seems to me that now you are criticizing this on the ground that it is not fair to the creditor nation. Whether it wants to or not it is obliged by this to buy gold at a fixed price.

Q. But our creditor nations, such as the United States for instance, have always been glad to buy gold in order to help the unemployment problem. The point is that the debtor nation is not able to sell its goods and does not want to go further into debt and can only meet its obligations if it has gold. I do not think it is any argument for you to say that it has already borrowed. Just because a nation has already borrowed is no reason why it should go on borrowing; I would say that that is all the more reason why it should stop borrowing. Therefore, the nation which finds itself in a position where it has an unfavourable balance of trade but has plenty of goods although it cannot get the creditor nation to accept them, then unless they want to plunge still further into debt they have to find gold with which to meet their obligations because gold is the only commodity in the world that other nations are compelled to take. That certainly puts gold in a preferred position over every other commodity in the world.—A. In the sense that gold is recognized as a method of meeting international balances.

Q. And to that extent it is a gold standard.—A. If you want to call it that, if you want to call that a gold standard I have no objection to you so calling it.

Q. And that is stating that one commodity shall be accepted by all nations in payment of balances, whether they want to or not they have to accept gold.—

A. I must say that I regard that as a feature of the gold standard which, as I say, is in Canada's interest and that of the other gold-producing countries, many of which are found within the British commonwealth of nations; but certainly not as a feature of the gold standard which has given rise to the criticism of the gold standard. The criticism of the gold standard which is heard in the United Kingdom is most decidedly on another principle, it is most decidedly not on the basis of the acceptability of gold as a method of meeting international commitments. You yourself said earlier this morning that if the nations were willing to accept gold from us at \$35 an ounce, or to give us \$35 worth of goods for it, you had no objection.