

the burden of carrying debtor countries, no matter what the nature or what the cause of the debtorship is.

In its crudest form this controversy, as it is seen by the conservative, central banker, let's say, in Western Europe, amounts to saying, "Shall the well behaved creditor countries have to carry the badly behaved debtor countries year after year?" The answer that they would have to give this question, of course, is no. The answer that some other people would give would be yes, in varying degrees, although even the most enthusiastic reformer in this field will agree that no system can be expected to carry badly behaved countries that are in a debtor position, that is to say are in a situation of chronic disequilibrium in definitely.

But, what one does to equip the International Monetary System to deal with bad boys in this field, bad countries, and what powers of discipline it can be given, the powers of authority to say yes to a good debtor country and no to a bad debtor country, make one of the most difficult problems in the evolution that we are now going through with and I think we will be going through with in the next 10, 15, or 20 years.

So much for the disequilibrium as it merges as a central element in world finance. Let me turn very briefly to to the world payment situation as it exists currently or at least at it looks at the end of 1962. This is an extremely broad and quick glimpse of this complicated payment situation, but on that basis I would put it about as follows:

In terms of goods, services, and private transfers the United States