

Mr. PLUMPTRE: Yes, sir, that is always the case. The Bank has its own experts, and it is always accustomed to employ consulting engineers of the most expert character familiar with the particular countries where loans are being made or being considered.

Senator LAMBERT: They actually supervise the undertaking?

Mr. PLUMPTRE: Yes; they supervise work—progress payments, and so on.

The CHAIRMAN: In regard to section 2, and considering the fact that our present contribution is being made in gold, is it necessary for the Governor in Council to borrow now for the purposes of this bill?

Mr. PLUMPTRE: No, sir; there will be no immediate borrowing requirements. As I have said, the only actual payments immediately to be made are those in gold.

The CHAIRMAN: But I notice that section 2, which is a re-enactment of section 6 of the original bill, authorizes the Governor in Council to borrow.

Mr. PLUMPTRE: That is right, sir, under various eventualities. One of those eventualities is that the World Bank will come and tell us that they want to use this new \$9 million we are putting up in non-interest bearing notes, to get real money to spend in Canada for loan projects. That might be the situation in which they might be. The Government would need to obtain funds; and they are empowered under this section to obtain those funds. Again, in the eventuality that the Bank ran into losses very heavily and the guarantees were called upon, the Government would need to find the money, and this section makes provision for it.

Senator BEAUBIEN: Would they have power under this bill, if money was needed, to take it out of the Consolidated Revenue Fund or to make new borrowings?

Mr. PLUMPTRE: I think the answer is both, sir, they could take it out of the fund or borrow it.

Senator REID: Would you care to comment on the statement that has been made to the effect that if the United States Government decided to raise the price of gold it would involve bond issues and short term securities in Canada?

Mr. PLUMPTRE: I do not think it relates to the act that is under consideration now, sir. I rather hesitate to comment on it. I do not think it has relevance to the present act, sir.

The CHAIRMAN: I have one question to ask. In regard to the \$1 million of gold we are now subscribing to the capital of the Bank, is that a subscription to capital for which we get capital stock?

Mr. PLUMPTRE: Yes, sir.

The CHAIRMAN: What is the nature of the security issued by the Bank to the subscriber?

Mr. PLUMPTRE: I am embarrassed to say I don't know, sir; but I will find out.

Senator REID: Can you explain why Canada's increase is higher than the general increase?

Mr. PLUMPTRE: Well, really I cannot do more than repeat or elaborate upon what I have said before. Canada's economic development has been more rapid than most countries and far more rapid than many countries in the past decade. At Bretton Woods the quotas and subscriptions were assigned to all the various countries who were considering membership, and Canada was put down for certain amounts. These quotas or subscriptions were broadly speaking based upon a number of economic measures, which included national income, trade, gold reserves, and so forth, and two or three other economic measures.