

great possibilities that exist for them, even now, should they find it possible to interest private capital in the development of some branches of their economy. Incidentally I would like to interject at this point that too much emphasis has been made in some quarters of the dangers associated with private capital imports. So far as Canada is concerned experience shows that while we have attracted substantial amounts of private capital from abroad in the past, and still receive hundreds of millions of dollars every year for direct and indirect investment in our industries - we feel that our economic and political sovereignty is intact. We have not lost control of any of our sovereignty and our progress would not have been anything like so great without the help of imported capital. We hope that the under-developed countries themselves will continue to make every effort by sound internal fiscal policies, well-considered development programmes, equitable and effective tax systems, and efficient administration to attract external private capital to assist in the integrated and well-rounded development of their countries. The statements which have been made by many delegates in this Committee show a thorough understanding of the desirability of utilizing to the full the possibilities of the type of assistance, from which Canada itself, and other newly developing countries, have profited. Our own capital markets in Canada are freely available to all those foreign borrowers who can meet the normal commercial requirements of the investing public.

Nevertheless, the Canadian Government has long since recognized - as have other governments - that for a variety of reasons, some of which have been described in the course of the present debate, there are some countries where imports of capital from private or commercial sources must be supplemented by capital funds subscribed by governments which are able and willing to help in this way. It was because we believed this that the Canadian Government, during the war years, gave its vigorous support to those plans which culminated in the Bretton Woods Conference in 1943 and the establishment of the International Bank in 1946. Our faith in the International Bank as an effective instrument for the encouragement of economic development has been sustained by its record. It has done a good job, and in recognition of this fact, we were glad to make our entire capital subscription in the Bank - some sixty million dollars or so - available for lending in any country, if needs be in American dollars, and glad also to permit the Bank to obtain Canadian capital for the development of under-developed countries by the sale of its bonds in Canada, even during the days when our own foreign exchange resources were being conserved by government controls. I might perhaps add that this was in addition to grants and loans for post-war relief and reconstruction which by March 31, 1953, had totalled over two billion dollars.

Further than this, we have recognized that there are many countries of which the governments and business enterprises cannot as yet meet the ordinary commercial and competitive conditions applied in our own country or in other capital exporting economies, or indeed the requirements of the International Bank. Mindful of this unsatisfied need on the part of certain under-developed countries for other forms of capital assistance, and anxious to give what help we could, we have collaborated