

Hon. Mr. BURCHILL: We have heard now from several delegations here that private investment in these countries was undesirable, it was not very "beckoning"; they prefer to invest at home. So that, I take it, governments would have to do what you suggest. Is that right?

Hon. Mr. EULER: Absolutely.

Hon. Mr. BURCHILL: The governments would have to say, "We owe this Banking Alliance \$500 million". The United States would owe them three or four times as much; and so on. All that would have to be on a government level, would it not?

Mr. WISMER: Yes.

Hon. Mr. BURCHILL: So that it is really another World Bank? That is really what it is, is it not?

The CHAIRMAN: The Canadian exporter would be paid with Canadian money.

Hon. Mr. EULER: But, how to cover it altogether?

Hon. Mr. HORNER: You would have very great difficulty.

The CHAIRMAN: It is all the balance of payments. That is the underlying idea. The country would have to pay the Canadian exporter, and, of what they had as a surplus from exports and imports, a certain amount would have to be put behind this independent bank.

Hon. Mr. BURCHILL: I think trading would go on just as it does now, but the government figures would show just what the surplus was that that country had. That is the amount that would be put in this Fund.

Mr. WISMER: I think it is important to remember that at the moment our banks and the United States banks are not looking very favourably at some countries which have been ravaged by war and have great difficulty in rebuilding their plants, and of necessity have a lot of restrictions on everything, with the idea of getting back from poverty. They have a lot of resources of skills and "know-how", and even natural resources.

Hon. Mr. HORNER: As regards at least two of the important countries that were ravaged by war, all they need now is markets for their goods. They are entirely on their feet, and capable of greater production than before the war. I am afraid there would have to be a great deal more stability throughout the world, or we would fare the same as we did with the \$12,000,000 worth of ships that went to China if we attempted anything like that.

Hon. Mr. BURCHILL: I think the witness is to be commended very much for his suggestion. It is about the only suggestion that we have had. But I am just worried as to how it would work out.

Mr. WISMER: After all, all we can do is to give you the idea. It is your job to work it out.

Hon. Mr. HORNER: If it is a case of loaning money, the countries which lent and received it would have to be in agreement that it should be used for the development of some industry which was basic to the borrowing country, and therefore economically sound. I sometimes fear that in view of the world situation things are becoming unbalanced. We forget that Canada is basically agricultural, and that the world needs food. We could increase enormously our food production, but perhaps we are becoming very much overbuilt in industry. Large cities are extending and spreading out on to good farm land. Unless we can maintain our present base we may have cause to regret some of the developments, and it may be that more people will have to be moved on to the land.