

certainly contemplated in the discussions which have taken place at London in the executive committee and the preparatory commission of the United Nations Organization that the fund and the bank shall be specialized agencies to be brought into relationship with the United Nations Organization along with the Food and Agriculture Organization and the International Labour Organization and some others.

By Mr. Coldwell:

Q. Under the social and economic council.—A. Under the social and economic council.

Q. I wanted to bring that out.—A. Yes.

The CHAIRMAN: I might say, gentlemen, that it is highly inconvenient for Dr. Mackintosh to spend much time with this committee; and if it is possible that you could exhaust your questions so far as he is concerned to-night, we should very much appreciate it.

By Mr. Hazen:

Q. In this agreement Canada contributes six and a half million dollars in gold to the bank and under the other agreement Canada contributes \$75,000,000 to the fund. Where does this gold come from? Does it come from the reserves in the Bank of Canada?—A. At the present time the great bulk of the monetary gold reserves are held in the Minister of Finance Special Exchange Fund Account which is administered by the Foreign Exchange Control Board. They are held in what is referred to as "The Exchange Fund".

The CHAIRMAN: Section 5 of the bill will give you your answer to that, Mr. Hazen.

By Mr. Hazen:

Q. How much gold is there in that exchange fund at the present time?—A. I am not authorized to disclose that.

The CHAIRMAN: Section 5 of the bill, Mr. Hazen, will indicate where the money is to come from.

By Mr. Hazen:

Q. What method will be used to transfer the Canadian currency to the bank and also to the other fund, the International Monetary Fund? What is the procedure? How do you transfer that money, or that currency?—A. It will be for the government to decide at the time what procedure will be used. The government will be under an obligation to pay to the fund, let us say, \$225,000,000 and \$75,000,000 worth of gold. The government will obtain the gold by taking the gold out of the exchange fund. There are certain transactions connected with that which are in the nature of washout transactions. The government would actually purchase the gold from the exchange fund account, and the exchange fund account would use the Canadian dollars received from the government to repay the advance which has previously been made by the government to the exchange fund account to enable the exchange fund to acquire the gold. The simple way of looking at it is that the government takes the gold out of the exchange fund account. The government then has to pay \$225,000,000 Canadian dollars or the Canadian dollar equivalent of \$225,000,000 U.S. to the fund. It is authorized under this measure to borrow money. The question of whether it should borrow from the Bank of Canada or whether it should borrow from the market is a question that would be decided in the light of the general conditions prevailing at the time.