

Senator LAMBERT: Just to refresh our memories, perhaps you could give a bit of a background sketch of the way this has functioned from the start, because we should understand that this is not a philanthropic institution entirely; the Bank makes loans of money, and we get a report of the Bank every year, like we do from our own banks, and these loans are made with a great deal of scrutiny and with the idea of being reproductive. I think if we knew something of the character of the International Bank and the Monetary Fund from the beginning it would be very useful to us.

Senator REID: In your reply to Senator Lambert, you might add to your answer the question as to where China stands. I am speaking of Formosa. I would like to know who is paying their shot. Their trade does not amount to very much, and I should like to know something about that.

Mr. PLUMPTRE: On the question, first, of Canada's representation: Each of the two institutions has a Board of Governors which meets once a year, and a Board of Directors which meets frequently, and indeed is, formally speaking, in continuing session; it can meet at any time. Canada's representation on the two Boards of Governors has been from the beginning the Minister of Finance of the day. He has had alternates, and his alternate on the Fund has normally been the Governor of the Bank of Canada, and his alternate on the Bank has normally been a senior official of the Department of Finance. As executive director representing Canada, that is, on the directorates of both institutions, we have been represented since the beginning by Mr. Louis Rasminsky, who is now a Deputy Governor of the Bank of Canada. I am sorry he is not here today—it so happens that he is in Washington attending meetings of these very institutions. He moves back and forth between Ottawa and Washington to carry on Canada's day to day representations. In addition, he has an alternate executive director who has normally been drawn from the Department of Finance and who is resident in Washington. The present alternate director is Mr. C. L. Read, of the Department of Finance.

Senator LAMBERT: Who is the President of the Bank now?

Mr. PLUMPTRE: The President of the Bank is Mr. Eugene Black.

Senator REID: Can you tell me, Mr. Plumptre, why is China having her amount increased, why is Germany doing the same, and is the United States keeping up its own end?

Mr. PLUMPTRE: Mr. Senator, when the Bretton Woods Agreements were reached in 1944 it was anticipated that China would be one of the great powers of the world, and provision was made for the five countries with the largest subscriptions to these two institutions to nominate a director. China was represented at Bretton Woods by Chiang Kai-Shek's government; actually, the representative was a brother-in-law of Mr. Chiang Kai-Shek. And so she became one of the five countries with the largest subscriptions, therefore entitling her to appoint an executive director.

China has not had to, nor have any of us had to, put up a substantial sum of money year by year. There was an initial subscription back in 1945, which was paid from funds then available to the Chinese government, and since that time there has not been a necessity for current subscriptions.

I understand that in connection with the new changes in subscriptions to the two institutions, the Chinese will no longer be among the first five, because others are increasing their subscriptions more than China. I believe, though I cannot be sure of this because the necessary actions by governments have not yet been taken, that China will no longer, stay by the annual meeting of this year, be in a position to nominate a director.