

We in Canada have examined carefully the various features of the United States proposal. We are satisfied that funds, beyond the amounts which the Bank can be expected to provide, and on terms less onerous than those which the Bank must, in its nature, charge, should be made available to the less-developed countries for economic development.

Mr. Fleming concluded his remarks by emphasizing that the opinions which would be expressed at the time that the articles of agreement for the Association were formulated would have a bearing on the attitude of members when making their final decision regarding the Association, and I quote, "each country remains free to consider the report of the Executive Directors and to decide, in the light of all the circumstances, whether or not to become a member of the new Association."

The Second Committee has for many years discussed the setting up of a capital development fund, the Special United Nations Fund for Economic Development. The basic problem of creating a multilateral source of capital for development, of a size sufficient to make a worth-while contribution to the many needs, was in the minds of all who took part in the Washington discussions on IDA. These same preoccupations are the ones which have stimulated the SUNFED discussions over the years.

Capital Assistance

My Delegation, although subscribing to the principles of a UN capital development fund, has in the past cautioned against the establishment of SUNFED in the prevailing circumstances. The major potential contributors were, and still seem to be, unwilling to support the early establishment of SUNFED. They have argued that the demands of defence preclude the release of large sums for development. In recent months we have seen the beginning of a more promising political climate in the world. We can only hope that this will lead to a workable agreement on disarmament and genuine peace. We have, however, been disappointed in this in the past. Certainly, the question is not an easy one and could well take much more time before it is resolved. It seems to me that, whatever the disarmament prospects are at this time, something must be done to increase the available amount of capital assistance. Canada is therefore examining the proposals for IDA with particular sympathy, although we have expressed certain reservations concerning the arrangements as viewed by some. IDA would seem to have the approval of the major potential contributors, whether or not there is an early agreement on disarmament. IDA therefore offers concrete prospects at this time.

In these circumstances, Canada must reserve its position on any other new capital assistance organization until there has been sufficient experience with the operation of IDA to judge its effectiveness and determine whether any additional arrangements are needed.

Many delegations have expressed views on how the IDA might be set up and what methods and procedures might be used for the formulation of its programmes and policies. Arrangements have been made so that the Governors of the Bank would be kept informed on these discussions. To emphasize the importance of