

To solve these problems for the two countries it is necessary to mobilize certain funds; the Bank has acted not only as a go-between between the two governments, but the Bank's good offices have been used to promote a settlement. This is a matter still under discussion.

Senator HORNER: What about the difficulty concerning fishing rights off the waters of Iceland?

Mr. GREY: I do not think this is a matter in which the Bank has intervened.

The CHAIRMAN: No, I do not think so.

Senator REID: I understand there is a feeling that Canada may well be blamed for what might be regarded as a political situation between India and Pakistan. I am told that there is great danger of Canada becoming so involved.

Mr. GREY: I might suggest, sir, that the very value of the Bank's operations in this department is simply that because it is a neutral international organization of which both India and Pakistan are very prominent members, it can make recommendations to the Governments of India and Pakistan, which I think would be quite unacceptable coming from a delegate of another government. Because it is an international neutral institution, which is profoundly respected because of the competence of its officials, it is able to intervene in this matter—which is a very contentious matter—in a way which would be impossible for, say, representatives of individual governments. I think this is probably the most current example of the way in which the International Bank can intervene. At the same time, it is giving much direct assistance by way of loans to projects in India and Pakistan, and they are among the countries that are most assisted. Because the Bank has established a reputation in those countries, it is able to intervene in this complicated matter.

Senator LAMBERT: Mr. Chairman, may I suggest to the witness that I do not think there is any need to justify the existence of the International Bank in this committee at this time, because the undertaking of the whole venture after the war by it in respect to worldwide reconstruction met with the complete endorsement of Canada, and also led to representation on the board, I think, by Canada. I am wondering just what the status is now of our representation there. What sort of representation have we on the board of the International Bank and the Monetary Fund? I believe Mr. Rasminsky, of the Bank of Canada, acts in the capacity of representing the interests of Canada?

Mr. GREY: That is correct, sir. I think questions about the mechanism of these two institutions might be directed to Mr. Plumptre, because he has been more directly associated with it. Our representation has always been drawn from the Department of Finance or the Bank of Canada.

Senator HORNER: Our representation is from whom?

Mr. GREY: From the Bank of Canada or from the Department of Finance.

The CHAIRMAN: I am going to suggest that when Mr. Plumptre speaks questions be directed to him instead of Mr. Grey. Is there something further, Mr. Grey?

Mr. GREY: No.

Senator HORNER: Perhaps we could know the total cost to Canada up to the present time since the agreement was entered into?

The CHAIRMAN: I think perhaps what you mean is Canada's contribution in capital.

Would you care to come forward, Mr. Plumptre, and address the committee?

A. F. W. PLUMPTRE (*Assistant Deputy Minister of Finance*): Mr. Chairman, would you like me to speak first to the question of representation raised by Senator Lambert?