In our case for example, Canada subscribed for capital shares in the Bank worth in all \$325 million. We pay in at the beginning only twenty per cent of this in cash -- the first two per cent in gold or its equivalent, which is 6½ million U.S. dollars that we paid last August -- and the remaining eighteen per cent in Canadian dollars in the Bank of Canada, most of which is already paid up, and the total of 58½ million dollars will all be paid up by the end of this month. The remaining 260 million dollars of Canada's capital subscription will only be paid when and if it is required to meet the obligations of the Bank to investors in its securities or those which it has guaranteed. If all goes well and there are no defaults on the Bank's loans -- or only relatively small ones -- it will not be necessary to pay up any of this remaining capital. If for one reason or another there are numerous or prolonged defaults on a substantial scale, then member countries may need to pay up something more to ensure that the Bank itself does not default on its obligations. In this way most of the Bank's capital is used as a guarantee fund to bear the risks of international loans.

The taxpayers of member countries -- including Canada -- bear the risks of the loans made by the Bank, on a fair basis of division, and in return they reap the substantial benefits of the improvements in trade, employment and economic conditions generally which is made possible by the loans provided by the Bank.

The Bank can make loans not only to member governments but also to government agencies, provinces, states or municipalities or private concerns in member countries, provided that member governments or their Central Banks guarantee the loan. Already the Bank has had applications, or notices of impending applications, for reconstruction loans totalling well over two billion dollars. The most important requests have been from France, Holland, Poland, Czechoslovakia and Denmark.

The two organizations that I have been discussing can contribute much to post-war trade and prosperity. But of themselves they are not enough to meet the problem. A broad attack on high tariffs, discriminatory trade practices and restrictive quotas is also needed.

Recognizing this fact, the Economic and Social Council of the United Nations passed a resolution in February, 1946, calling an International Conference on Trade and Employment. This resolution stated that the Council considered it essential that the cooperative economic measures already taken be supplemented by further international measures dealing directly with trade barriers and discriminations.

A preparatory Committee composed of the principal trading nations of the world was set up to prepare an annotated agenda for the Conference, including a draft Charter for an International Trade Organization.

The Preparatory Committee held its First Session in London last autumn. At this meeting, tentative agreement was reached on most of the provisions of a draft Charter for the projected International Trade Organization. However, a number of the most important clauses were carried over for further consideration at the Second Session which, as you know, is now meeting at Geneva.

At this meeting, eighteen member governments are undertaking detailed negotiations on rates of duty and margins of preference, as well as attempting to complete an agreed draft of an International Trade Organization Charter for presentation to a later conference of all the United Nations.

The actual tariff negotiations are being carried on bi-laterally between pairs of countries, but the resulting agreement will be multilateral in form and in legal effect. The first step was the exchange of preliminary lists of tariff concessions desired by each country from other countries. This was done in part before the Conference met. The second step was the exchange of schedules of opening offers by each country in response to the