

*Bretton Woods Agreements Act*

funds or other funds. I do notice, in connection with this fund, that other members of the commonwealth borrow from it, particularly Australia. I do not know what percentage has to be paid; I have read through most of the booklets and they do not say how much. However, I did see one reference suggesting that they were paying between 5 per cent and 5½ per cent. The question arises: could Canada borrow from this fund for her developments in the northland? According to some of these reports which I read, a number of those countries abroad are underprivileged because they have to pay high interest rates. If that is the case, we are an underprivileged country because we certainly have to pay high interest rates. I understand that some of these countries, as of last year, were getting money as cheaply as 5½ per cent, and I doubt whether we could borrow much money to develop our great north country at that rate here in Canada.

One can always argue in favour of supporting such a fund as this, but it seems to me to be an anomaly inasmuch as we are guaranteeing loans to other countries at rates of interest lower than those at which we ourselves could borrow, either at home or abroad.

I should like to ask the minister one or two questions. First, how does Canada subscribe to the international finance corporation? The minister told us today we have so many shares in it, but I should like to know what proportion this is of the total number of shares held and how this corporation is doing financially. Second, in connection with these two funds, I should like to ask the minister whether the reserves are held in gold or in United States currency, and how much of these funds are put up wholly in Canadian currency.

**Mr. Regier:** It is a number of months now since the Prime Minister announced the intention of the government with regard to the question now before the committee, and the members of our group were very pleased indeed that the Prime Minister in this instance and also in a number of other instances involving arrangements of this kind is supplying a little leadership along lines we have advocated over a number of years.

As hon. members will recall, we have from time to time advocated that we carry out the recommendation of the United Nations that the more privileged nations of the world should be prepared to spend up to 1 per cent of their annual gross national product for the purpose of assisting the "have not" nations in order that they may arrive at a state of industrial and other development which will enable them to look after themselves. We have noticed that since the

Prime Minister and the Minister of Finance have held office they have raised the contribution made by this government under the Colombo plan. I believe they have also raised the contribution of the government to the various agencies operating under the auspices of the United Nations. They are now asking the agreement of this committee to amendments to the Bretton Woods Agreements Act whereby we shall in a fairly large measure take another move in the direction of supplying aid to areas of the world which have not been as blessed as we have.

We certainly intend to support the amendments for which the minister is asking. At the same time, we are pleased to note that the international finance corporation is not a part of the Bretton Woods agreements, and that endorsement of the amendment of this legislation does not automatically put our group on record as having endorsed either the intent or the activities of the international finance corporation. I think the minister made that point very clear, namely that he has only used the occasion of his report on the Bretton Woods Agreements Act to supply a report on the international finance corporation.

With regard to the latter, we find it difficult to understand exactly how the international finance corporation was first established. I listened with some care to the explanation the minister gave us half an hour ago, but I hope he may find an opportunity to deal with this question in somewhat more detail. Canada belongs to this organization. Canada is a shareholder in it, yet the only legislation which we have—if it is legislation at all—is an item in the estimates. This matter of legislating by way of inserting an item in the estimates has been the subject of considerable controversy in this house on a number of occasions and I should like to recall to the minister that on January 6, 1955 the hon. member for Algoma East, now Leader of the Opposition, had this to say as reported in *Hansard* on page 546 when speaking on the North Atlantic treaty. He was replying to the then hon. member for Saskatoon.

The hon. member for Saskatoon must know what this practice is, namely that the government takes the responsibility for signing an agreement, then brings that agreement to parliament for approval before ratification. Ratification is not given—this is now constitutional practice—without such approval.

It seems to us that this parliament has never been asked to ratify this agreement signed by our government to become a member of the international finance corporation. I am only making this point now because this may be the only opportunity we shall have to raise this matter. How can the government have made the expenditure of money in