

Senator LAMBERT: I would like to raise a point or two in connection with the equating of loans from the Bank to other countries. Is there a special unit of measurement or currency that the Bank regards as its instrument for calculating these loans? At the time when the Bretton Woods agreement came into existence there was in the first place the use of the word "Unitas", and at the moment I cannot recall the English term that Lord Keynes had in mind.

Mr. PLUMPTRE: "Bancor", Mr. Grey reminds me.

Senator LAMBERT: I believe "Unitas" was the American contribution. Have those units of measurement taken any form at all in the workings of the Bank?

Mr. PLUMPTRE: No, sir. When we met at Bretton Woods I think it became clear that rather than set up some abstract unit of measurement it was perhaps as wise to use one that was familiar to everybody and in common use, and so the U.S. dollar became the unit of measurement. I should emphasize, however, that that in no sense gives the dollar any priority; it is used as a measuring yardstick. It is rather as if the French and the English met together and were discussing problems regarding distance and could not decide whether to use a mile or a kilometer, and somebody said, "Let us have some new abstract measurement of distance", and in the end they decided not to use the abstract measurement of distance but went to the one or the other which was familiar.

Senator REID: With the great progress that Germany has made, having great quantities of gold, and her currency standing very high, I am wondering if she is using the Bank very extensively or not?

Mr. PLUMPTRE: She is in good standing and has made all the required contributions. In addition, reflecting the position which you have mentioned, Mr. Black, the president of the Bank, has been able to arrange with the German Government for a special additional supply of funds for use by the Bank. In other words, it has raised some special loans from the German authorities for use in the Bank.

Senator REID: Is the position of Japan just as good?

Mr. PLUMPTRE: Oh, no, sir. While Japan has made a lot of progress in general in its trade and development and production, it is not in the same position as Germany in regard to its balance of international payments. Japan still has a trade and balance of payments deficit, and needs to get assistance from other countries, particularly from the United States and from the World Bank from which they have raised a number of loans. On the other hand, the Germans are running a very large trade surplus in their current international transactions, and therefore they have a balance to lend abroad; and as I have indicated they are making part of that balance available to and through the World Bank.

The CHAIRMAN: I wonder if I may ask this question, Mr. Plumptre: I notice that these sums are referred to as subscriptions and there is no distinction in amount as between the International Monetary Fund and the International Bank of Reconstruction and Development. My question is this: Is there a certain part of this Fund, subscription, which goes to either one of those organizations? The second part of my question is whether this subscription becomes capital stock or whether our ownership is in the form of debentures or bonds, or what kind of security do we hold from the Bank?

Mr. PLUMPTRE: May I for convenience speak about the increases which are now in front of us, rather than the total? One can do either, but for convenience may I speak about the increases? As far as the Fund is concerned what we will need to increase our subscription is the equivalent of \$250 million in U.S. dollars.