

**THE SENATE**  
**STANDING COMMITTEE ON EXTERNAL RELATIONS**

**EVIDENCE**

OTTAWA, Friday, June 19, 1959.

The Standing Committee on External Relations, to which was referred Bill C-52, to amend the Bretton Woods Agreement Act, met this day at 10.30 a.m.

Senator Gunnar S. Thorvaldson in the Chair.

The CHAIRMAN: Honourable senators, we now have a quorum.

May we have the usual motion that authority be granted for the printing of 800 copies in English and 200 copies in French of our proceedings on this bill?

—Moved by Hon. Senator Horner, seconded by Hon. Senator Aseltine, and carried.

We have present with us Mr. Rodney Grey, Chief of Economic Division I, Department of External Affairs; Mr. A. W. Plumptre, Assistant Deputy Minister of Finance; and Mr. E. Gallant, International Economic Relations, Department of Finance.

With your approval I will ask Mr. Grey to give us information which he thinks we should have with regard to this bill.

**MR. RODNEY GREY, Chief of Economic Division I, Department of External Affairs:**

Mr. Chairman, I read the record of your discussion, and I take it you want from me a few indications of the importance of the Bretton Woods twins to our international economic relations; more detailed questions as to how these institutions operate might be directed to my colleagues from the Department of Finance.

I don't think there can be any question, sir, that these two institutions are to be seen not only as financial mechanisms, but as very important instruments for carrying out the international economic policies of Canada and the western countries with which it is associated.

I think they were born out of a profound conviction that the arrangements in these fields in the 1930's had not worked successfully; and out of a profound conviction that we need more than *ad hoc* arrangements and casual conferences. We need definite institutions to serve particular purposes. The Fund and the Bank ought to be regarded as international mechanisms to achieve certain purposes that have been agreed by national governments.

May I comment on the Fund first? The Fund ought to be regarded, I think, as a mechanization for consultation for countries to work out international exchange arrangements. The articles of agreement of the Fund constitute a code of international conduct on exchange matters; the articles of