

Bretton Woods Agreements Act

million and her subscription to the international bank is being increased from \$330 million to \$1,050 million. Her subscription to the international bank is being more than trebled at her request and with the approval of the governors of the bank.

Similarly, Japan has obtained permission to make a substantial increase. The increase in her subscription to the international monetary fund is from \$250 million to \$500 million and her subscription to the international bank is being increased from \$250 million to \$666 million. I could give other figures. The countries which are taking increases in subscriptions in excess of the general percentage are Argentina, Brazil, Canada, Ceylon, Cuba, Denmark, the Federal Republic of Germany, Ghana, Iran, Israel, Japan, Mexico, Norway, Saudi Arabia, Thailand, Turkey and Venezuela. In the case of Canada we have proposed and received permission to subscribe for \$100 million in excess of the basic increase of subscriptions in the case of each of the institutions. It was regarded on the part of Canada, and now with the concurrence of the governors of both institutions, that this is a reasonable increase having regard to the growing importance of Canada in the economy of the world.

The next question on the part of the hon. member for Welland was this: Would Canada share in the profits of the bank? The answer, of course, is yes; if the profits should be distributed, Canada would, of course, receive her appropriate *pro rata* share.

The next observation by the hon. member for Welland was that Canada is holding in the exchange reserve fund too much in United States dollars and not enough in gold. Mr. Chairman, there has not been any great change in this respect now for some time. It is also worth observing that the portion of the fund that is held in United States obligations is not entirely held in United States dollars. We hold part of that fund in United States treasury bills which can be quickly turned into United States dollars if the need should ever arise, and on which we can earn some interest whereas our gold holdings, of course, are not productive of any interest return.

The hon. member held out the prospect of an increase in the price of gold. I may say that we have been talking to the United States administration about this matter for the last two years and we have not yet found any indication that there is any such intention on the part of the United States administration.

Mr. Benidickson: At New Delhi what did the United States representative say on this point?

Mr. Fleming (Eglinton): Nothing was said in the open meeting at New Delhi on that subject.

The next question I was asked was about the basis of our subscription to the international finance corporation. I think the hon. member for Welland will find, if he reads *Hansard*, that in my remarks I dealt with that subject rather fully. Canada has subscribed for 3,600 shares of the capital stock of international finance corporation. That is out of a total of 93,277 shares at September 1, 1958. In other words, Canada holds 3.86 per cent of the total subscribed capital stock of this corporation. He asked about the balance sheet. I have before me the balance sheet for the fiscal year ended June 30, 1958. I will give the figures. The total income to the corporation was \$3,507,721. Expenses were \$1,149,445. Net income, accordingly, was \$2,358,276. The net income in the previous fiscal year was \$1,675,382. It is worth noting that most of the income to date is from investment of unused capital in United States government obligations owing to the fact that investments in projects are very recent.

I think that hon. members will find the answers to most of the other questions that they have asked in the remarks I made and in the tables which have been made a part of *Hansard*.

I now come to the point that was raised by the hon. member for Burnaby-Coquitlam. He raised questions as to the authority for Canada to subscribe for stock in the international finance corporation. If the hon. member will examine the remarks I made, when they are recorded in *Hansard*, I think he will see that there can be no doubt whatever as to the regularity of the step taken in this respect. In the form of an estimate in two successive fiscal years parliament authorized the purchase by the government of 3,600 shares of the capital stock of the international finance corporation. That subscription, of course, required parliamentary sanction. If the hon. member will look at my remarks he will see there that I dealt with the difference between the situation when an act of parliament was required to permit Canada to become a party to the Bretton Woods agreements and accordingly a member of the international bank and the international monetary fund, and the changed situation with respect to Canada's joining the international finance corporation.

Finally, Mr. Chairman, as to the international development association concerning