

wishes us to continue to assume them, the obligations that are set out in the instrument. Those obligations you are familiar with. I read them over yesterday. The most important, from the point of view that I believe you have in mind, is the obligation to consult with the fund regarding changes in exchange rates. The other main obligations are obligations regarding conduct of our exchange business and they are two in number. The first is, not to place restrictions on payments for current account; in other words, not to import goods into Canada and tell the exporter that he cannot be paid, that his funds are frozen here. That would be contrary to our undertakings under this agreement. The other is to establish the convertibility into foreign exchange of Canadian dollars earned by foreigners. I think that those are the only important obligations that are assumed. Canada would be free to withdraw from the fund at any time.

Q. If you considered it any restriction on our sovereignty it would be rather a minor one.—A. Well —

Mr. MARIER: It just does not exist.

The WITNESS: Well, I do not think that there is any. I would say, Mr. Bracken, that there is no restriction on our sovereignty. I would say that what this is is an exercise of sovereignty, the exercise of sovereignty in joining or becoming a member of an international organization for purposes that we regard as being in the Canadian interest.

By Hon Mr. Bracken:

Q. Technically we give to another body some part of our sovereignty, but we give it in the expectation that we are going to get back more than we give.—
A. Well —

Q. But even what we give you do not regard as any measure of infringement of our sovereignty?—A. I do not see in what particular respect we part with any of our sovereignty at all. If we enter a commercial treaty with a foreign country under which we undertake to bind certain tariff rates for a specified period of time, I suppose one could say that that is a derogation of sovereignty because it then lies outside the sovereign power of the Canadian parliament to change those rates. If it is in that sense that you suggest that there is some derogation of sovereignty here, I suppose that it could be argued that there is something analogous in the fund. But I would not myself consider that an alienation or derogation of sovereignty in the ordinary sense.

Q. Mr. Rasminsky, what I wanted was your opinion as to whether our sovereignty is being infringed upon, and if so whether it is only to a very minor extent. Now you have answered that. You have answered it technically, but you have answered it in the way I wanted you to. Let me ask this. I am trying to see what our contribution to this might be in money or infringement of sovereignty or what have you. Then I want to see what the advantages may be. What is the maximum money loss that might accrue to Canada if this thing did not go well?—A. Under the international monetary fund we put in \$300,000,000, of which \$75,000,000 is in the form of gold and \$225,000,000 in the form of Canadian dollars. The assets of the fund can never lose their present gold value. There are provisions in the fund under which, if any exchange depreciates, that member is required to make good the depreciation of the exchange rate in order to maintain the gold value of the fund's assets. If the fund were a complete failure, it would then go into liquidation, and it would have to liquidate the holdings. Let us take the most extreme assumption, and assume that before going into liquidation the fund had lost all its gold, had parted with all its gold and had nothing but national currencies. The fund would have to liquidate the holdings of the currencies of the various members. There are detailed schedules which are set out in the annex to the Act indicating what is to happen in the case