

of export shortfalls of primary goods, and the financing of buffer stocks aimed at stabilizing prices of certain primary products. In addition in 1974 the Fund established two new arrangements: the Extended Fund Facility under which the Fund may grant special assistance to member countries to help finance their balance of payment deficits resulting from the implementation of medium-term programs to improve their economies; and an Oil Facility to assist member countries in financing deficits arising from increases in the costs of imports of petroleum products. Unlike its normal operations the Oil Facility is financed from loans made to the Fund by countries in surplus, particularly oil-producing countries, and not from the Fund's own resources. In 1974 the Fund borrowed an amount equivalent to nearly 3 billion units in Special Drawing Rights (SDRs), including a loan from Canada of \$300 million. This facility was extended in 1975.

In addition to the facilities of the General Account, Fund members participating in the Special Drawing Account have been able to use, since January 1970, Special Drawing Rights in transactions with the Fund or with other participants as a means of either obtaining other members' currencies or redeeming their own. There were no new allocations of SDRs in 1974 and the total amount has remained at SDR9.3 billion since January 1, 1972, the date of the last allocation. At the present time the SDR is defined as being equal in value to a fixed basket of 16 currencies one of which is the Canadian dollar.

Total assets of the 126-member Fund at the end of 1974 were SDR31 billion. About SDR5.5 billion in additional funds remain available to the Fund under the General Arrangements to Borrow. Fund gold holdings amounted to SDR5.4 billion and other holdings totalled SDR25.6 billion. Total currency and SDR purchases by member countries amounted in 1974 to the equivalent of approximately SDR4.1 billion, the highest figure ever recorded during a calendar year while total repurchases amounted to SDR606 million. The equivalent of approximately SDR2.4 billion was drawn through the Fund's regular facilities. Drawings under the Oil Facility amounted to SDR1.716 billion and the Fund approved stand-by arrangements in a total amount of SDR1.39 billion. The equivalent of SDR107.5 million was obtained under the compensatory financing facility and there was only one drawing of SDR8.8 million under the buffer stock financing facility.

Canada's participation in the International Monetary Fund is authorized under the Bretton Woods Agreement Act of 1945. Our present quota and subscription is SDR1,100 million of which 25% was paid in gold and 75% in Canadian dollars. Fund holdings of Canadian dollars as of April 30, 1975 amounted to the equivalent of SDR796.9 million or 72.5% of our quota and the reserve position of Canada in the Fund amounted to SDR497.4 million of which SDR194.3 million represented loans by Canada to the Oil Facility.

The World Bank Group consisting of the International Bank for Reconstruction and Development (IBRD) or World Bank, the International Finance Corporation and the International Development Association, is by far the largest of the multilateral aid-giving institutions.

The International Bank for Reconstruction and Development (World Bank), like the International Monetary Fund, originated in the Bretton Woods Conference of 1944. Its early loans were made to assist in the postwar reconstruction of Europe but it has played an increasingly important role in providing financial assistance and economic advice to the less-developed countries. It has become the world's largest multilateral source of development finance. By December 31, 1974 the Bank had made loans totalling US\$24,500 million to 94 of its 125 member countries in Central and South Africa, the Caribbean, Oceania, Asia, Africa and Southern Europe.

The resources available to the Bank for use in its lending operations are: that portion of its subscribed capital which is paid in by governments and freely usable (roughly US\$3,082 million); its retained income from operations (US\$1,900 million); and the funds it is able to raise by the sale of bonds to central banks and government agencies and on private capital markets. By selling bonds and loans from its portfolio to other investors, the World Bank augments its capital. As at December 31, 1974, the Bank had outstanding borrowings of US\$10,863 million in various currencies. The World Bank's policy is to keep its lending rates as low as possible while maintaining its ability to borrow. The current lending rate is 8.5%. Maturity periods on loans are usually from 15 to 30 years. In 1974, the Bank's lending level was of the order of US\$3,590.5 million.