

necessary for the effective discharge of the Fund's duties and failure to consult satisfactorily with the Fund about the retention of its payments restrictions. By action of the Board of Governors, Czechoslovakia was suspended from the Bank as of December 31, 1953, because of failure to pay the balance of its capital subscription.

Canadian Representation in the Bank and the Fund

Throughout the period, as in previous years, the Minister of Finance, Mr. D. C. Abbott, represented Canada on the Board of Governors of both the Fund and the Bank. Mr. G. F. Towers continued as Alternate Governor of the Fund, while in April 1954, Mr. A. F. W. Plumptre was appointed Canadian Alternate Governor of the Bank in succession to Mr. J. J. Deutsch. Mr. Louis Rasminsky, who was re-elected at the Seventh Annual Meeting in 1952, continued as Executive Director for Canada of both the Bank and the Fund. In May 1954, Mr. G. Neil Perry was succeeded by Mr. J. H. Warren as Canadian Alternate Executive Director for both institutions.

International Bank Loans

With the admission of Haiti and Indonesia, the subscribed capital of the International Bank for Reconstruction and Development rose to \$9,148,500,000 (U.S.). In the 12-month period ending June 30, 1954, loans for development purposes were made to 16 member countries totalling the equivalent of about \$324 million, which is the highest level of Bank lending since the 1947-48 period when substantial reconstruction loans were made to European countries. In the previous 12 months there had been ten loans amounting to \$178,633,464 (U.S.). Since its inception to mid-1954, the Bank has made loans in the aggregate of \$1,874,000,000 (U.S.) after deducting \$40 million of cancellations and refunding, of which \$1,406,000,000 had been disbursed.

During the past year, the Bank's funds available for lending were increased by the 2 per cent or United States dollar portion of the capital subscriptions of new members, by the proceeds of substantial new bond issues in the United States, Switzerland and Canada, by the repayment of outstanding loans, and by further releases of the 18 per cent local currency portion of the capital subscriptions of a number of member countries.

Financial Activities and Resources of the Bank

Since April 1, 1953, Belgium, Denmark, France, Germany, Italy, Luxembourg, the Netherlands, Norway, South Africa and Sweden have agreed, subject to certain restrictions, to the release for lending purposes of amounts totalling the equivalent of \$225 million from their 18 per cent local currency subscriptions to the Bank's capital. So far, Canada and the United States are the only member countries which have made the whole of their 18 per cent subscriptions freely available to the Bank for lending and re-lending.

During the period July 1, 1953 to June 30, 1954, five bond issues were floated by the International Bank: two in the United States, two in Switzerland and one in Canada. In September 1953 an issue of \$75 million, 3 per cent, 3-year United States dollar bonds was