

million by 21 countries, bringing the total amount of outstanding drawings on December 31, 1965, to over \$4.3 billion.

Under the Fund's General Arrangements to Borrow, ten major industrial countries have agreed to lend their currencies to the Fund up to specified limits totalling the equivalent of \$6 billion in order to augment the Fund's holdings of convertible currencies should the need arise. Canada's commitments under these arrangements amount to the equivalent of \$200 million. In 1965, these arrangements were activated for a second time in connection with the drawing of \$1,400 million by Britain. The amount borrowed from Canada on this occasion was \$35 million. The undrawn balance under these arrangements on December 31, 1965, was \$5,070 million. In October 1965, the Executive Board of the Fund extended the General Arrangements to Borrow for a further four-year period.

In the World Bank Group, the Bank itself operates primarily by making loans, in cases where private capital is not available on reasonable terms, to finance productive investments in its member countries. It also provides a wide variety of technical assistance, ranging from full-scale economic surveys of the development potential of member countries to regional investigations and advice on particular projects. The International Development Association promotes economic development by providing financial assistance to member countries on terms which are more flexible and bear less heavily on their balance of payments than do conventional loans to which the Bank is limited. While the terms of IDA lending are more lenient than those of the Bank, IDA uses the same high standards of project planning and execution when considering a credit operation. Its resources are primarily provided by contributions from the more highly industrialized countries. By making funds available on more lenient terms (50-year maturities and interest free), IDA permits the World Bank Group to make a greater contribution to meeting the requirements of a growing number of less-developed countries, whose need for, and ability to make use of, outside capital is greater than their ability to service conventional loans. Associated with IDA lending is the broad range of technical services which the World Bank Group has at its disposal. Finally, the International Finance Corporation (IFC) is an investment institution designed to supplement the activities of the Bank by encouraging the growth of productive private enterprise, particularly in developing countries.

Although there was a sharp decline in new credits extended by IDA, from \$418 million in 1964 to \$196 million in 1965, and a slight drop in investment by IFC, from \$25 million to \$22 million in 1965, loans by the Bank totalled \$1,167 million, the highest level reported for any one year and