

capital subscriptions in the form of local currencies which can be used by the Bank for lending only with the consent of the member governments; and (3) the proceeds of borrowing operations. The United States has been the most important source of funds for the Bank up to the present time.

During 1951 and the first half of 1952, six new bond issues were floated by the Bank. On February 28, 1951, the Bank offered in the United States a new issue of \$50 million, 3 per cent bonds due in 1976. This issue was well received by investors. In May 1951, the Bank offered £5 million of 3½ per cent Loan Stock due 1966/71 on the London market. This issue was successfully distributed to institutional investors in the United Kingdom. On July 3, 1951, the Bank offered publicly for the first time some bonds in Switzerland. Two previous issues had already been placed privately with institutional investors in that country. The issue consisted of \$50 million 3½ per cent Swiss franc bonds due in 1963. This issue was offered at par and was substantially oversubscribed. On September 12, 1951, an issue of \$100 million, 3¼ per cent 30-year bonds was offered by the Bank in the United States. The first issue of International Bank bonds in Canada was made on February 5, 1952, when an amount of \$15 million, 4 per cent Canadian dollar bonds due in 1962, was offered to the public through 170 Canadian dealers and chartered banks. This offer was successful, with institutional purchasers taking some 50 per cent of the issue. On May 15, 1952, the Bank offered an issue of \$50 million, 3⅜ per cent bonds due in 1975, to United States investors through a syndicate managed jointly by Morgan Stanley & Company and the First Boston Corporation. This issue was oversubscribed.

In May 1952, Canada released \$(Can.)41 million — the balance of the 18 per cent capital subscription, \$17.5 million having been previously released — to the Bank for use in the Bank's lending programme. With this release, Canada made available the whole (\$58.5 million) of its original Canadian dollar subscription to the Bank's capital. On becoming a member of the Bank, Canada subscribed to 3,250 capital shares valued at \$(U.S.)325 million; at that time Canada paid in 2 per cent \$(U.S.)6.5 million) of its subscription in United States dollars or gold and 18 per cent \$(U.S.)58.5 million) in Canadian dollars. Next to the United States, Canada has put the largest amount of capital at the disposal of the Bank for loans.

Sweden and Burma became members of the Bank during the period under review, increasing the number of member countries to 51. Sweden subscribed to 1,000 capital shares of stock valued at \$100 million; Burma subscribed to 150 capital shares of stock valued at \$15 million. The subscribed capital of the Bank presently stands at \$8,453.5 million.

## The International Monetary Fund

In the post-war design for orderly inter-governmental economic relations, the International Monetary Fund was established to serve two main purposes. First, it was to be a trustee holding custody of a relatively large supply of foreign exchange which could be used