

addition to these drawings, the Fund granted "stand-by arrangements" to 26 countries amounting to the equivalent of \$576 million. These arrangements are designed to give these countries the assurance that they may draw on the Fund's resources up to a specified limit during a specified period if the need should arise.

The twenty-first annual meeting of the Board of Governors of the Fund was held in Washington, D.C., from September 26 to 30, 1966. The principal topic of the meeting, as in 1964 and 1965, was international liquidity. This problem, which has arisen in recent years, originates in the first place in a recognition of the fact that the growth in the stock of gold has not been, and is not expected to be, adequate to meet the needs of the international monetary system for reserves. In the second place, it is felt that, although the official needs for reserves beyond those served by gold have been met in the main by increases in official holdings of reserve currencies, especially U.S. dollars, it is now unlikely, for a variety of reasons, that appreciable further increases in reserves will occur in this way. Accordingly, an attempt is being made to provide, as the need arises, a supplementary reserve asset—that is to say, an asset that supplements the reserve currencies and gold in official reserves and in transactions among monetary authorities. The task of devising a generally-acceptable form and procedure for the creation and use of such a supplementary reserve asset has been a crucially important part of the work of the Fund during 1966. There have also been discussions on the subject among the ten main industrial member countries of the Fund, including Canada and Switzerland.

The Canadian Governor on the Board of the Fund, the Honourable Mitchell Sharp, Minister of Finance, stated that Canada was prepared to join in a determined and co-operative approach to this problem. He welcomed the continuing intensive work by both the Fund and the Group of Ten, and also welcomed the proposals for informal meetings between the Fund's Executive Directors and the Group of Ten Deputies. The first of these joint meetings was held in Washington in November 1966.

In the World Bank Group, the *International Bank for Reconstruction and Development* operates primarily by making long-term loans to finance productive investment for capital projects, mostly in developing countries, in cases where private capital is not available on reasonable terms. 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 Bank obtains its funds for lending operations from the capital subscriptions of members. One per cent of each subscription is payable in