

The Corporation seeks to fulfill its purpose of promoting the growth of productive private enterprise by investing its own funds in association with private capital where this is not available in sufficient quantity and on reasonable terms; by acting as a clearing-house in bringing together investment opportunities and private capital, whether foreign or domestic; and by helping to enlist managerial skill and experience where these are not readily available for a project. IFC investments, unlike those of the World Bank, do not carry government guarantees.

During 1959 the Corporation made fifteen commitments for \$9.8 million in nine countries. The total amount committed through December 1959 by the Corporation was \$21.4 million net of cancellations and expirations. In addition, in two investments, outside participations were arranged for \$5.7 million. Net income, including earnings on temporary investments of subscribed capital in U.S. government securities was \$1.9 million.

The International Development Association

At its fourteenth annual meeting in September 1959 the Board of Governors of the International Bank adopted a resolution requesting the Executive Directors of the Bank to formulate articles of agreement for an International Development Association for submission to member Governments. This resolution was submitted by the United States, which had made an informal suggestion concerning the formation of such an association at the thirteenth annual meeting in New Delhi in 1958.

At the end of January 1960 the Articles of Agreement of the I.D.A. as drawn up by the Executive Directors of the I.B.R.D. were submitted to the member governments for approval. The Agreement will enter into force after September 15, 1960 when it has been signed on behalf of governments whose subscriptions comprise not less than 65 per cent of the total.

The purposes of the I.D.A. are to promote economic development, increase productivity and thus raise the standards of living in the less developed areas of the world. This is to be accomplished largely through providing finance on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans. The I.D.A. could make loans for long periods, at low interest rates and could accept repayment of interest and principal in local currencies.

The Articles of Agreement provide for an initial capitalization of \$1 billion to be paid up over a period of five years. Of this amount \$787 million will consist of gold or convertible currencies made up of \$320 million from the U.S. \$443 million from sixteen other industrial nations (including \$37.83 million from Canada) and \$24 million from the other 51 member countries (being the equivalent to 10 per cent of their total subscriptions); the remaining \$213 million is payable in local currencies. Provisions have been made for a review of the adequacy of the Association's resources every five years. The structure of subscriptions and voting rights of the I.D.A. are to be along the lines of the World Bank, to which the Association is affiliated. The Governors and Executive Directors of the I.B.R.D. are *ex-officio* Governors and Executive Directors of the I.D.A.

Universal Postal Union

The Universal Postal Union (UPU), one of the oldest and largest of the Specialized Agencies, was founded in Berne in 1874. With the admission of the Republic of Guinea in 1959 it reached a membership of 100. Canada has been a member since 1878. The principal aim of the UPU is to improve postal services throughout the world and to promote international collaboration.