

The Bretton Woods Institutions

The International Monetary Fund (the Fund) and the International Bank for Reconstruction and Development (the Bank) were established following the Bretton Woods Conference in 1945, and commenced operations in 1946. The International Finance Corporation (IFC) and the International Development Association (IDA) are both affiliates of the Bank, and were established in 1956 and 1960 respectively. At the end of December 1966, the total membership of the Fund and the Bank was 105 countries (82 were members of IFC and 96 were members of IDA).

Canada was a founding member of the Fund and the Bank, and a Canadian has always been elected to the Executive Boards of both institutions. The Canadian Executive Director of the Fund and Bank also represents the interests of Guyana, Ireland and Jamaica. Canada has been a member of both the IFC and IDA since their inception.

The 1964 issue of *Canada and the United Nations* outlined in some detail the history, structure and purposes of the Bretton Woods Institutions. This issue highlights some of their activities during 1966.

The *International Monetary Fund* provides short-term financial assistance to member countries to help them deal with temporary balance-of-payments difficulties and to assist them in achieving conditions which enable them to maintain fixed exchange rates. The financial resources of the Fund consist of the capital subscriptions of its members. These "quotas" are payable partly in bullion and partly in the member country's own currency. Following recent quota increases under the Fourth Quinquennial Review, the Fund's resources at the end of 1966 totalled the equivalent of over \$21 billion, on which \$3.7 billion was in gold. In addition to the general increase in members' quotas, Canada, with certain other countries, was assigned a special increase, the combined effect of which was to raise the quota in the Fund quite substantially, from the previous level of \$550 million to \$740 million. The Fund is able to supplement its resources by borrowing up to \$6 billion in the currencies of the ten main trading countries. Canada is committed to lend the Fund up to \$200 million under these arrangements. Thus far the Fund has had to borrow \$930 million of this reserve, including \$50 million from Canada, in order to provide financial assistance to Britain in 1964 and 1965. No borrowings were undertaken in 1966.

From the beginning of the Fund's operations to the end of 1966, 63 member countries had obtained financial assistance from the Fund equivalent to almost \$13 billion. During the year 1966, member countries experiencing balance-of-payments difficulties drew a total of \$1.4 billion, compared to drawings of \$2.4 billion in 1965 and \$2.0 billion in 1964. In