

## The financial agencies

There are four financial organizations in the United Nations system with Specialized Agency status. The senior organization is the *International Monetary Fund*. The other three, the *International Bank for Reconstruction and Development* and its affiliates the *International Development Association* and the *International Finance Corporation*, constitute the *World Bank Group*. Membership in the IMF is a prerequisite for membership in the World Bank Group organizations.

Most members of the United Nations, including Canada, participate actively in these Agencies. The main reason why some UN members do not belong is that the IMF requires certain reporting procedures concerning various elements of the balance-of-payments, as well as the gold and foreign-exchange, positions of its members. The furnishing of such information has proved unacceptable to some UN members that have centrally-planned economies. Accordingly, such countries have not joined the IMF, and hence are not members of the World Bank Group. As of December 31, 1977 effective loans made by the World Bank Group totalled \$30 billion (U.S.).

The work of the International Monetary Fund since its inception has been directed to facilitating the expansion and growth of world trade and payments as a means of raising world standards of living and fostering economic development. Among other things, the Fund is intended to promote and insure stability and order with respect to exchange-rates, as well as to establish mechanisms for

balance-of-payments assistance that will enable member countries to correct temporary imbalances with a minimum of disturbance to the international monetary system and their economic development programs. Accordingly, its assets are available for providing short- and medium-term financing to both developed and developing member countries faced with temporary balance-of-payments difficulties. Given disturbances in exchange markets in recent years, the floating of most major currencies and increased divergence of payments positions between countries, the Fund has placed increasing emphasis on its role as a centre for international co-operation and consultation. The Fund also constitutes an important source of economic advice and technical assistance to developing countries. As of March 31, 1978, the total of all members' subscriptions (quotas) in the general account amounted to the equivalent of over 29 billion special drawing rights. Canada's quota amounted to SDR 1.36 billion, of which 25 per cent was paid in gold. Canada has a net creditor position of approximately SDR 427.4 million. This figure included an amount of SDR 111.6 million lent to the IMF in 1978 for the financing of the Fund's special oil facility.

The IBRD, with its two affiliates, is empowered to extend loans and credits to all member countries, especially those in the Third World, for projects that bank studies have indicated will