

velopment purposes where private capital is not available on reasonable terms, through the stimulation of private international investment and through the provision of technical assistance. The loans of the International Bank are made from its own capital resources and from the proceeds of its borrowings in the financial markets of the world.

The Fund provides machinery for international consultation and collaboration on monetary, payments and exchange problems. Among its purposes are the promotion of exchange stability, the elimination of exchange restrictions, the establishment of a multilateral system of current payments, and the expansion and balanced growth of international trade. Under certain conditions member countries may draw on the resources of the Fund to assist in dealing appropriately with temporary balance of payments difficulties and for other purposes consistent with the Fund's Articles of Agreement, including support for the introduction or maintenance of convertibility.

Membership in the Bank and Fund

As of December 31, 1955, 58 countries were members of the International Bank and International Monetary Fund. During the preceding 18 months, the membership of both institutions was increased by the admission of Israel, Afghanistan and Korea. Czechoslovakia ceased to be a member of both the Bank and Fund on December 31, 1954.

With the admission of Israel, Afghanistan and Korea and the withdrawal of Czechoslovakia, the subscribed capital of the International Bank stood on September 30, 1955, at \$9,050 million and the total quotas of the Fund at \$8,750 million.

Canadian Representation in the Bank and Fund

On July 22, 1954 the Honourable Walter E. Harris, Minister of Finance, became Canadian Governor of both the Bank and the Fund in succession to the Honourable D. C. Abbott. Mr. G. F. Towers continued as Alternate Governor of the Fund until his retirement from the Bank of Canada, when he was replaced as Alternate Governor of the Fund by Mr. J. E. Coyne. Mr. A. F. W. Plumptre continued as the Canadian Alternate Governor of the Bank. Mr. Louis Rasminsky continued to be Executive Director for Canada of the Bank and the Fund, with Mr. J. H. Warren as his Alternate for both institutions.

Financial Activities and Resources of the Bank

In the 12-month period ending June 30, 1955, 20 loans for development purposes were made in 14 countries, totalling the equivalent of \$410 million, as compared with \$324 million equivalent in the previous year. The Bank's lending in the year 1954-55 was greater than in any previous year of its operation. From its inception to mid-1955, the Bank had made loans in the aggregate of \$2,274 million (after deducting cancellations and refunding), of which \$1,680 million had been disbursed.

The desire of private investors to acquire portions of the Bank's loans was an outstanding feature of the year's activities. Increasingly, the Bank has been able to sell the obligations of its borrowers, and without its guarantee. Private banks have to a growing extent been participating in the Bank's loans when they are made. Such participation has taken the form of purchases of early loan maturities. Recently, insurance companies have begun to purchase loan maturities running up to ten years. A new development during the year was