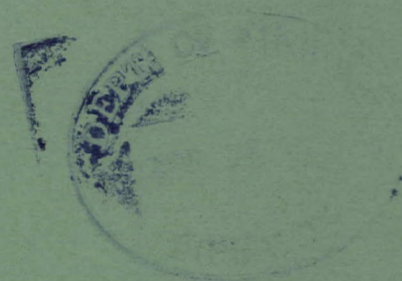




Department of Finance
Ministère des Finances



REPORT ON OPERATIONS

under

THE BRETTON WOODS AGREEMENTS ACT

and

INTERNATIONAL DEVELOPMENT ASSOCIATION ACT

CALENDAR YEAR 1969

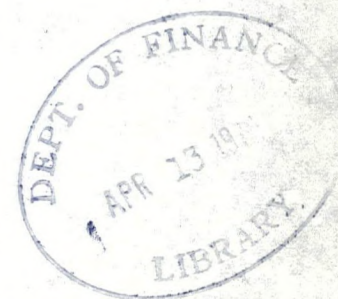
International Monetary Fund
World Bank
International Development Association
International Finance Corporation

Hon. E.J. BENSON
Minister of Finance



TABLE OF CONTENTS

Introductory Note	ii
A. INTERNATIONAL MONETARY FUND	1
Publications of the International Monetary Fund	4
Tables:	
Table I Purchases and Repurchases of Currencies from the Fund	6
Table II Stand-By Arrangements	7
B. THE WORLD BANK GROUP	8
General Review	11
Canada and the World Bank Group	13
Tables:	
Table I 1969 IBRD Loans and IDA Credits by Area and by Purpose	15
Table II 1946/47 to 1969/70 IBRD Loans and IDA Credits by Fiscal Year, by Area, and by Purpose	16
Table III Summary of IFC Operations by Fiscal Year and by Purpose	17
Table IV Disbursements by IBRD and IDA Borrowers for Goods and Services in Canada to December 31, 1969 by Year and by Purpose	18



INTRODUCTORY NOTE

This report reviews the operations during the year 1969 of the Bretton Woods' Institutions: the International Monetary Fund (IMF) and the World Bank Group, which consists of the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), and the International Finance Corporation (IFC).

The IMF (the "Fund") and the IBRD (the "Bank") were established at the Bretton Woods' Conference in 1944 and Canadian participation in these Institutions was authorized under the Bretton Woods' Agreements Act of 1945. The IFC was founded in 1956 as an affiliate of the IBRD by means of separate articles of agreement to which Canada is a party, and Canadian participation in the International Development Association was authorized under the International Development Association Act, 1960.

These institutions are closely linked. Membership in the Fund is a pre-requisite for membership in the Bank and membership in the Bank a pre-requisite for membership in the IDA and the IFC. The IMF concerns itself with promoting international financial stability and cooperation and, thus, with exchange matters and the operation of the balance of payments system. The IBRD, on the other hand, focuses its attention on economic development, particularly development financing; the IDA and the IFC provide specialized financing services not offered by the IBRD. Cooperation between these organizations is facilitated by the fact that their headquarters are located in the same office complex in Washington, D.C.

As specialized agencies of the United Nations, the Fund and Bank report annually to the Economic and Social Council (ECOSOC), and the President of the Bank and the Managing Director of the Fund are members of the Inter-Agency Consultative Board of the UNDP and of the U.N. Administrative Committee on Coordination.

Both the Fund and the World Bank Group use the U.S. dollar as their basic unit of account. Dollar figures throughout the report are, therefore, expressed in terms of U.S. currency unless otherwise indicated.

INTERNATIONAL MONETARY FUND

1. General Background

The activities of the International Monetary Fund are directed towards facilitating the expansion and balanced growth of world trade as a means of raising standards of living and of fostering economic development. Its membership subscribes to a system of agreed exchange rates and to the eventual elimination of exchange restrictions. It has assets of \$23 billion, available for short-to-medium term lending to member countries with temporary balance of payments difficulties. Finally, it constitutes a centre for international cooperation and a source of counsel and technical assistance to its members.

Fund members anticipating a requirement for financial assistance from the Fund have either one of two alternatives open to them. First of all, they can arrange for the purchase of other members' currencies from the Fund in exchange for their own currencies, with the transaction in its entirety becoming effective immediately. Alternately they may arrange for a "standby arrangement" with the Fund, which guarantees the member country concerned access, in case of need and for a specific period, to Fund resources up to a specified limit. In either case, currencies obtained by the Fund from member countries drawing other members' currencies must be repurchased by these member countries, using gold or convertible currencies, within a period not exceeding five years from the date of the drawing.

Total assets of the Fund on December 31, 1969, were in excess of \$23 billion, offset in part by loans from member countries of \$971 million, all but \$250 million representing loans owing to participants under the General Arrangements to Borrow. There remained in excess of \$5 billion available to the IMF under the GAB. Fund holdings of member currencies on that date amounted to almost \$19 billion and gold holdings to almost \$3½ billion. Currency holdings included Canadian currency equivalent to \$357 million, representing 48% of the current Canadian quota of \$740 million.

During the year 1969 a total of 41 members obtained support from the Fund. Total drawings by member countries during the year amounted to \$2,844 million and, at year end, \$849 million remained available but not yet drawn under existing standby arrangements. Details as to individual transactions are provided in the attached tables.

2. 1969 Highlights

During 1969 amendments to the Articles of Agreement were formally approved establishing the machinery for the creation of Special Drawing Rights in the Fund. These amendments provide,

among others, for the creation of a General Account in the IMF to carry out henceforth the traditional operations of the Fund, and of a Special Account for the creation and transfer between the participating members of the new fiduciary reserve asset.

Subsequently, at the 1969 Annual Meeting in Washington, D.C., in September, the Board of Governors approved a proposal by the Managing Director, concurred in by the Executive Board, that this machinery be activated and that a total of \$9.5 billion of SDRs be created during an initial three-year period, from January 1, 1970, to December 31, 1972. Of this amount \$3.5 billion of SDRs would be allocated to 104 participating member countries (out of a total membership of 115) on January 1, 1970, and another \$3 billion on January 1st of each of the two succeeding years. Under this proposal Canada would be allocated newly created SDRs equivalent to \$124.3 million on January 1, 1970, and corresponding amounts on the first day of each of the next two years.

The Articles of Agreement provide that quotas be reviewed every five years. During 1969 the most recent quinquennial quota review was completed and, as a result, the Executive Board, on December 30, 1969, submitted to the Board of Governors proposals to increase the total of members' quotas from the then existing \$21.3 billion level to about the \$28.9 billion level. The individual quota increases envisaged would not take effect prior to October 30, 1970. Under these proposals Canada's quota will increase from the present \$740 million to the \$1,100 million level and will remain the 6th largest quota in the organization. This increase in the Canadian quota will require the payment to the Fund by Canada of \$90 million in gold and \$270 million in Canadian currency in the form of non-interest bearing, non-negotiable notes.

There were a number of changes in countries' exchange rate parities during 1969. The most important of these occurred on August 10, when the French authorities announced a devaluation in the parity value of the French franc, and on October 26, when the German authorities announced a revaluation of the German mark. As a result of these changes the value of the French franc in terms of U.S. currency fell to \$.18 from \$.202, and the value of the German mark rose to \$.273 from \$.25.

During the closing days of 1969, the IMF made public an exchange of letters between the U.S. and South African authorities which outlined the terms of an agreement concerning disposal of South Africa's new gold production, removing an element of uncertainty which had had a destabilizing effect on world gold markets during most of 1968 and 1969. This agreement provided that South Africa would sell newly mined gold in the free market in sufficient quantities to enable it to balance its international payments, unless the free market price fell below the official level of \$35 an ounce, in which

case South Africa could sell its newly mined gold to the IMF. Furthermore, to the extent that the proceeds from the sale of newly mined gold fell short of South Africa's overall balance of payments needs, the remainder could be financed by the sale of gold from South Africa's official reserves to the IMF. This agreement was negotiated by the U.S. and South Africa, and adopted as an IMF decision.

Also, during 1969, the Bretton Woods' institutions considered further means whereby they could contribute toward a solution of the problems facing primary producing countries because of fluctuations in export prices and earnings. As a result the Executive Directors of the Fund during the year adopted a decision establishing a new facility to assist in financing contributions to buffer stock arrangements when members, having a balance of payments need, participate in such arrangements under commodity agreements that meet appropriate criteria. Under this decision, countries may borrow from the Fund up to 50% of their quotas for the purpose of financing buffer stocks, provided that the combined borrowings by any member country under this facility and under the compensatory financing facility do not exceed 75% of that Member's quota.

3. IMF Relations With Canada

In August, 1969, Mr. Louis Rasminsky was appointed Governor for Canada in the IMF, replacing the Minister of Finance, the Honourable E.J. Benson. Mr. Alan B. Hockin, Assistant Deputy Minister of Finance, replaced Mr. Rasminsky as Canada's Alternate Governor.

During 1969 consultations under Article VIII of the Articles of Agreement between the IMF staff and the Canadian authorities did not take place. During the early part of 1969, however, a small group of IMF officials did pay a brief visit to Ottawa for the purpose of conducting unofficial discussions of a general nature with the Canadian authorities.

Details as to the use of Canadian currency in Fund transactions are provided in Table 1, attached. Of the total Canadian currency used by the IMF during 1969, a total of \$65.5 million represented the proceeds of loans by the Government of Canada to the IMF under the General Arrangements to Borrow. In addition, in December, 1969, Canada acquired from another Fund member \$30 million in notes previously issued to that member under the General Arrangements to Borrow.

On October 8, 1969, a dividend payment in the amount of \$187,841.36 was received by Canada from the IMF in respect of Canada's creditor position during the preceding year.

PUBLICATIONS OF THE INTERNATIONAL MONETARY FUND IN 1969

Annual Report of the Executive Directors for the Fiscal Year Ended April 30, 1969 (English, French, and Spanish editions; a condensed version in German)

Articles of Agreement of the International Monetary Fund (as amended effective July 28, 1969--English, French, and Spanish editions)

Balance of Payments Yearbook, Vol. 20, 1963-67 (issued in monthly loose-leaf installments and a bound volume). Vol. 21, 1964-68 (partially issued in monthly loose-leaf installments, to be completed in 1970)

By-Laws, Rules and Regulations, 27th Issue, February 14, 1969 (English); 28th Issue, October 20, 1969 (English, French and Spanish editions)

Direction of Trade (published jointly by the International Monetary Fund and the International Bank for Reconstruction and Development--monthly and an annual summary)

Finance and Development (a quarterly publication of the International Monetary Fund and the International Bank for Reconstruction and Development issued in English, French, and Spanish editions, with an annual Portuguese language edition issued in Brazil)

International Financial News Survey (weekly)

International Financial Statistics (monthly, issued in an English edition and in an English, French, and Spanish edition)

Pamphlets: No. 10 - Balance of Payments Concepts and Definitions (2nd edition, English, French, and Spanish)

No. 11 - Interpretation by the Fund (French and Spanish editions)

No. 12 - The Reform of the Fund (English edition)

No. 13 - Special Drawing Rights (English and Spanish editions)

The Problem of Stabilization of Prices of Primary Products: Part I, A Joint Staff Study, published jointly with the International Bank of Reconstruction and Development; Part II, Report of the Executive Directors, Scope for Action by the Fund (English, French, and Spanish editions)

A Report to the Board of Governors of the International Monetary Fund Containing the Managing Director's Proposal on the Allocation of Special Drawing Rights for the First Basic Period (English, French, and Spanish editions)

Schedule of Par Values, 47th Issue, June 30, 1969

Staff Papers, Vol. XVI, Nos. 1, 2, and 3

Summary Proceedings of the Annual Meeting, 1969

Surveys of African Economies: Vol. 1; Cameroon, Central African Republic, Chad, Congo (Brazzaville), and Gabon (French edition)

Vol. 2; Kenya, Tanzania, Uganda, and Somalia (English edition)

Twentieth Annual Report on Exchange Restrictions, 1969

For further information about these publications, contact

The Secretary,
International Monetary Fund,
19th & H Streets N.W.,
Washington, D.C., 20431,
U.S.A.

TABLE I
PURCHASES AND REPURCHASES OF CURRENCIES FROM THE FUND

January 1 - December 31, 1969

<u>Member</u>	<u>Purchases</u>		<u>Repurchases</u>	
	<u>Total Amount</u>	<u>Canadian Currency Component</u>	<u>Total Amount</u>	<u>Canadian Currency Component</u>
(in millions of dollars)				
Afghanistan	13.00		8.20	
Belgium	116.50	(25.00)	32.90	(17.00)
Bolivia	11.00		8.00	
Burundi	3.50		0.20	
Ceylon	13.00		14.60	
Chile	29.00	(15.00)	51.00	
Colombia	33.20	(4.00)	39.60	
Costa Rica	-		11.80	
Cyprus	-		0.40	
Denmark	45.00		-	
Dominican Republic	14.00	(6.00)	8.00	
Ecuador	18.00		5.20	
El Salvador	12.20		15.00	
Finland	-		27.20	
France	500.80	(36.5)	-	
Germany	880.00	(60.0)	-	
Ghana	5.00		12.80	(2.50)
Guatemala	6.00		8.20	
Guinea	3.8		0.50	
Haiti	1.5		2.20	
Honduras	-		2.50	
Iceland	7.5		-	
India	-		148.00	(10.00)
Indonesia	65.8		17.60	
Israel	45.00		-	
Liberia	1.40		4.40	
Mali	2.50		4.00	
Mauritius	4.00		-	
Morocco	10.00		4.80	
New Zealand	-		20.60	
Nicaragua	14.00	(14.00)	15.00	
Nigeria	-		3.10	
Pakistan	35.00		14.90	
Panama	6.40		1.80	
Peru	30.00	(16.00)	5.40	
Rwanda	2.00		3.00	
Sierra Leone	-		1.50	
Somalia	-		0.90	
South Africa	66.20	(10.00)	50.00	
Spain	-		0.10	
Sudan	2.50		3.10	
Syria	9.50	(4.50)	9.40	
Trinidad & Tobago	-		1.00	
Tunisia	2.00		6.20	
Turkey	10.00	(5.00)	21.50	(2.00)
United Arab Rep.	-		24.00	(0.90)
United Kingdom	850.00	(97.50)	918.50	(10.00)
Uruguay	1.80		13.10	
Yugoslavia	-		37.80	

TABLE II

STAND-BY ARRANGEMENTS

(Through December, 1969, in millions of US Dollars)

Amounts Available Under Arrangements Currently in Effect

	<u>Date of Arrangement</u>	<u>Date Expiration</u>	<u>Amount</u>	<u>Drawn</u>	<u>Available</u>
Afghanistan	Oct 23, 1969	Oct 22, 1970	12.00	6.00	6.00
Bolivia	Jan 16, 1969	Jan 15, 1970	20.00	11.00	9.00
Brazil	Apr 29, 1969	Apr 28, 1970	50.00	-	50.00
Burma	Nov 24, 1969	Nov 23, 1970	12.00	-	12.00
Burundi	Apr 19, 1969	Apr 18, 1970	4.00	3.50	0.50
Ceylon	Aug 12, 1969	Aug 11, 1970	19.50	10.00	9.50
Chile	Apr 19, 1969	Apr 18, 1970	40.00	20.00	20.00
Colombia	Apr 19, 1969	Apr 18, 1970	33.20	27.00	6.20
Ecuador	Apr 7, 1969	Apr 6, 1970	18.00	18.00	-
El Salvador	July 15, 1969	July 14, 1970	17.00	6.00	11.00
France	Sept 19, 1969	Sept 18, 1970	985.00	500.00	485.00
Ghana	May 29, 1969	May 28, 1970	5.00	3.00	2.00
Guatemala	Aug 1, 1969	July 31, 1970	12.00	6.00	6.00
Guyana	Mar 29, 1969	Mar 28, 1970	4.00	-	4.00
Honduras	Feb 1, 1969	Jan 31, 1970	11.00	-	11.00
Indonesia	Apr 4, 1969	Apr 3, 1970	70.00	59.00	11.00
Liberia	June 1, 1969	May 31, 1970	2.00	-	2.00
Mali	Oct 23, 1969	Oct 22, 1970	3.00	1.50	1.50
Morocco	Dec 15, 1969	Dec 14, 1970	25.00	-	25.00
Nicaragua	May 26, 1969	May 25, 1970	15.00	14.00	1.00
Panama	Jan 16, 1969	Jan 15, 1970	3.20	2.20	1.00
Rwanda	Apr 28, 1969	Apr 27, 1970	2.00	2.00	-
Sierra Leone	Mar 28, 1969	Mar 27, 1970	2.50	-	2.50
Somalia	Jan 20, 1969	Jan 19, 1970	6.00	-	6.00
Turkey	July 1, 1969	June 30, 1970	27.00	10.00	17.00
United Kingdom	June 20, 1969	June 19, 1970	1,000.00	850.00	150.00

THE WORLD BANK GROUP

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (WORLD BANK)

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

(a) Purpose and Functions

The primary function of the World Bank and IDA is to extend loans and credits to member countries, mainly the developing countries, for projects which the Bank's studies have indicated will make an important contribution to the borrower's economic development. The two organizations differ essentially in the sources of their funds and the terms of their loans. The World Bank obtains most of its funds by borrowing in private capital markets and accordingly it must lend on similar terms. IDA relies on interest-free advances from Governments for the bulk of its resources and thus can make loans on much softer terms. Otherwise the IBRD & IDA have similar policies. The two organizations are served by the same staff.

To provide the general guidelines within which its financing activities are conducted, the Bank seeks to acquire a comprehensive picture of the position and prospects of borrowing countries' economies and their development requirements. This makes it possible to identify economic sectors and projects which should be given high priority, and to form judgments on questions relevant to a borrowing country's economic growth, economic policies and its eligibility for Bank or IDA financing.

By giving continuous attention to the economic situation of developing member countries the Bank also seeks to help such countries make more effective use of all resources at their disposal, both domestic and foreign. It does so by providing assistance in formulating development policies, establishing development organizations, drawing up investment programmes for specific sectors and regions, identifying and preparing projects for financing, and encouraging the co-ordination of development assistance from bilateral and multilateral agencies.

In respect of coordination, the Bank has taken the lead in establishing "consortia" and "consultative groups" for 14 recipient countries and by participating in four additional aid groups and consortia. Twenty-two aid-giving nations have been associated with one or more of these aid-coordinating activities.

The Bank also maintains close working relationships with other international organizations concerned with development assistance, particularly the United Nations, the United Nations Development Programme (UNDP), the UN's specialized agencies, the regional development banks and the Organization for Economic Cooperation and Development. For example, the Bank and the United Nations exchange information and coordinate technical assistance and other development activities through a high level liaison committee while the Bank Group has acted as executing agency for a number of pre-investment studies financed by the UNDP.

(b) Resources

The Bank's funds have come primarily from three sources:

- (i) Paid-in capital: Of authorized capital of \$24 billion at the end of 1969, about \$23 billion had been subscribed and \$2.3 billion of this amount, or 10%, had been paid-in. Of the paid-in portion, about \$1.9 billion was freely usable in the Bank's operations. An increase in subscribed capital of \$2.2 billion, corresponding to the proposed increase in Fund quotas, has been recommended by the Executive Directors to the Board of Governors. The paid-in portion of this amount would be \$222 million, of which Canada's share would be approximately \$15 million.
- (ii) Borrowing: As of December 31, 1969, the Bank had borrowed a total of \$8.1 billion since the commencement of operations, of which \$4.3 billion was outstanding.
- (iii) Net Income from Operations: As of December 31, 1969, retained earnings available for operations amounted to approximately \$1 billion. Net income in 1969 was \$189 million, compared to \$169 million in 1968.

IDA's loanable resources have been derived largely from budgetary allocations from its member governments, principally the developed country or Part I members. Total usable resources made available or committed to IDA from the beginning of its operations to the end of 1969 were approximately \$3.2 billion, of which \$2.7 billion had been provided by Part I countries. The balance was derived from transfers by the World Bank (\$385 million) of a portion of its net earnings to IDA, subscriptions by developing country members (\$44 million), IDA's own net income (\$34 million) and a loan from Switzerland (\$12 million).

(c) Loans and Credits

By December 31, 1969, the Bank had lent a total of \$13.4 billion to 88 of its 112 members. The Bank's loans are long term (15 to 30 years) and carry conventional rates of interest. The rate was increased in July, 1969, from 6.5% to 7%.

By December 31, 1969, IDA had extended total credits of \$2.3 billion to 51 of its member countries. IDA's loans are interest free (though there is a service charge of 3/4 of 1%) and for a 50-year term with 10 years' grace. In the main they are confined to countries where per capita incomes are exceptionally low and which cannot meet all of their external capital requirements on conventional terms.

INTERNATIONAL FINANCE CORPORATION

The IFC supplements the activities of the Bank and IDA by making and encouraging investments on commercial terms in productive private enterprises in developing member countries. With the addition of two countries during 1969, it now has 92 members. Its resources have been derived largely from paid-in capital subscribed by member governments, which rose to \$106.6 million in 1969, and from borrowings from the World Bank of \$200 million.

IFC made additional commitments during 1969 of \$88.2 million, bringing the total of gross commitments since inception of operations to \$377.4 million in 40 countries. (Net commitments, after deduction of cancellations and terminations, were \$354.8 million.) Of gross commitments approximately \$158 million have been in Latin America (38%), \$125 million in Asia and the Middle East (33%), \$69 million in Africa (21%) and \$25 million in Europe and Australasia (8%).

THE WORLD BANK GROUP IN 1969 - GENERAL REVIEW

The Commission on International Development

In August, 1968, Mr. Robert S. McNamara, President of the World Bank Group, announced the establishment of "The Commission on International Development" (the Pearson Commission) to be headed by the Rt. Hon. Lester B. Pearson. The Commission was charged with the task of examining the problems and progress experienced in the field of international aid and development over the past 20 years and to make recommendations on policies and methods to help promote economic growth in the developing world in the years to come.

The Commission's Report, entitled "Partners in Development", was published in October, 1969. It outlines a broad strategy and makes a series of recommendations with a view to achieving more effective and coordinated economic assistance to the developing world. A number of the Commission's recommendations relate directly to the work of the World Bank Group. The Executive Directors are to review these recommendations and their conclusions will be reported to the Board of Governors.

The Commodity Problem

In 1967, the Boards of Governors of the IBRD and IMF requested the staffs and Executive Directors of the two organizations to study the problem of stabilization of prices of primary commodities at a remunerative level, including ways in which the Fund and the Bank might contribute to solutions. Following extensive study and discussion, the Executive Directors transmitted their reports on this matter to the Governors in 1969. The Bank report announced the adoption of a number of important decisions envisaging increased activity on the part of the World Bank Group in helping countries to diversify their production, strengthen the competitiveness of primary products in world trade, and participate more effectively in international commodity arrangements aimed at stabilizing world prices.

Loans, Credits and Investments

Total loans, credits and investments made by the World Bank Group in 1969 and in the three preceding years are as follows:

	(in millions of US dollars)			
	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>
World Bank	801 (a)	592	1,094	1,225 (c)
IDA	478	68	256 (b)	463
IFC	<u>54</u>	<u>38</u>	<u>48</u>	<u>88</u>
	1,333	698	1,398	1,776

Table I annexed to this Report lists World Bank and IDA loans and credits in 1969 according to geographical area and purpose, while Table II is a historical summary of loans and credits by year, geographical area and purpose. IFC investments and commitments by year and by purpose since the commencement of operations are listed in Table III.

World Bank Borrowings

Although even tighter conditions developed in world capital markets during 1969, the Bank sold nearly \$745 million in eleven bond note issues, (compared to \$1,237 million in 1968). There were seven short term issues, i.e., five years or less, totalling \$567 million. Of these issues, five in an amount of approximately \$200 million, were sold in Germany and two, totalling \$368 million, were taken up by central banks and other governmental accounts in a large number of countries, and by international agencies. Longer term issues, of which there were four, totalled \$178 million and were all marketed in Germany. After deducting issues which matured in 1969, the net increase in the Bank's funded debt as a result of new borrowings was about \$500 million, compared to \$600 million in 1968.

IDA Replenishment

An Agreement among IDA's 18 developed members concerning the Second Replenishment of IDA's resources came into effect on July 23, 1969, or approximately one year later than originally scheduled. The Agreement will provide IDA with approximately

-
- (a) Exclusive of \$100 million loan to IFC.
 - (b) Includes \$125 million credit presented to IDA Executive Board in 1968 but formally approved in February, 1969.
 - (c) Exclusive of \$100 million loan to IFC.

\$1,200 million in additional funds, of which Canada's share is \$75 million (Can. \$81 million). It is expected that all these funds will have been committed by June 30, 1971. Accordingly, at the initiative of Mr. McNamara, discussions have started among developed member countries on arrangements for a Third Replenishment.

CANADA AND THE WORLD BANK GROUP

Board of Governors

In August, 1969 Mr. Maurice F. Strong, President of the Canadian International Development Agency, replaced Mr. Alan B. Hockin, Assistant Deputy Minister of Finance, as Canada's Alternate Governor of the Bank. The Honourable Edgar J. Benson, Minister of Finance, continued as Canada's Governor.

Funds Subscribed or Contributed

Canada's subscription to the World Bank's capital amounts to \$792 million (Can. \$856 million), or 3.43% of the total. Like other members, Canada has paid in only one-tenth of its subscription, so that its actual contribution to the Bank's lendable capital is \$79.2 million (Can. \$85.6 million). The remaining nine-tenths of all subscriptions constitute a guarantee of the Bank's obligations.

Since IDA's inception in 1960, Canada has contributed or pledged to the Association \$154 million (Can. \$167 million), including the recent contribution to the Second Replenishment of \$75 million (Can. \$81 million).

Canada's subscription to IFC amounts to \$3.6 million (Can. \$3.89 million) of IFC's paid-in capital of \$106.6 million.

World Bank Borrowings in Canada

Over the years, the Bank has offered seven bond issues in the Canadian market totalling \$125 million (Can. \$135 million) of which approximately \$73 million (Can. \$79 million) is still outstanding. The Bank has also placed in Canada some of the two-year dollar bond issues which it has been offering for a number of years to central banks and other governmental agencies. Two such issues were offered in 1969 (at interest rates of 6.75% and 8% respectively) and Canada purchased \$12.5 million of each.

Canadian investors have also purchased World Bank bonds sold in markets outside Canada. The amount of these purchases is not known but, of bonds sold in the United States, Canadian investors are believed to have held about \$110 million at December 31, 1969. In addition, several Canadian institutions have bought portions of loans from the Bank's portfolio, or have participated in Bank loans at the time they were made. Their holdings on this account were \$6.4 million as of December 31, 1969.

Canadian Goods and Services for Projects
Financed by the Bank and IDA

Total identifiable expenditures in Canada by World Bank and IDA borrowers to December 31, 1969, were \$247.3 million (Can. \$260.5 million). More than one-half of the 88 countries which had borrowed from the Bank, as well as 16 of 51 borrowers from IDA, had entered the Canadian market to buy equipment and services financed by Bank and IDA loans. Details of the expenditures made, by year and by industrial sector, are provided in Table IV.

Canadian Personnel

There were 121 Canadian nationals on the staff of the World Bank Group at the end of 1969; 37 were in professional positions, including two of the Bank's senior officers.

Canada's Contribution as a Member of Consortia and
Consultative Groups Organized by the Bank

Canada has been a member of the Consortia for Aid to India and Pakistan since their establishment in 1958 and 1960 respectively. As a member of the India Consortium, Canada had signed aid agreements to September 30, 1969, of \$390 million (Can. \$419 million), of a total of \$7.2 billion which the Consortium as a whole agreed to provide. In the Pakistan Consortium, Canada had signed agreements of \$225 million (Can. \$242 million) of the approximately \$3.5 billion in agreements signed by the Consortium.

In addition, Canada has been a member of Consultative Groups organized by the Bank to coordinate development assistance to Ceylon, Colombia, East Africa, Korea, Malaysia, Morocco, Nigeria, Peru, the Sudan, Thailand and Tunisia. It has also participated in World Bank-sponsored joint financing of projects in Mexico and Colombia by extending long-term export credits.

TABLE I

IBRD LOANS AND IDA CREDITS - 1969
(Millions of U.S. dollars)

<u>BY AREA</u>	<u>BANK</u>		<u>IDA</u>		<u>TOTAL</u>		<u>No.</u> <u>Countries</u>
	<u>Amount</u>	<u>No.</u> <u>Loans</u>	<u>Amount</u>	<u>No.</u> <u>Credits</u>	<u>Amount</u>	<u>No.</u>	
Africa	277.0	27	95.8	20	372.8	47	23
Asia	444.5	20	340.8	15	785.3	35	14
Europe	156.5	9	12.0	1	168.5	10	6
Western Hemisphere	347.2	17	14.6	3	361.8	20	12
	<u>1,225.2</u>	<u>73</u>	<u>463.2</u>	<u>39</u>	<u>1,688.4</u>	<u>112</u>	<u>55</u>
 <u>BY PURPOSE</u>							
Agriculture	358.5	20	83.5	11	442.0	31	
Transportation	288.0	17	144.1	11	432.1	28	
Industry	221.0	10	125.0	1	346.0	11	
Electric Power	243.1	13	22.4	2	265.5	15	
Telecommunication	49.5	4	46.0	4	95.5	8	
Education	39.3	5	33.2	4	72.5	9	
Water Supply	25.0	3	3.5	1	28.5	4	
Project Preparation and Technical Assistance	0.8	1	5.5	5	6.3	6	
	<u>1,225.2</u>	<u>73</u>	<u>463.2</u>	<u>39</u>	<u>1,688.4</u>	<u>112</u>	

TABLE II

IBRD LOANS AND IDA CREDITS - 1946/47 TO 1969/70
(Millions of U.S. dollars)

BY FISCAL YEAR ^{1/}	IBRD LOANS			IDA CREDITS		
	No.	Amount	Disbursements	No.	Amount	Disbursements
Cumulative to 1959-60	265	5,180.6	3,921.2			
1960/61	27	609.9	398.5	4	101.0	
1961/62	29	882.3	485.4	18	134.1	12.2
1962/63	28	448.7	620.4	17	260.0	56.2
1963/64	37	809.9	558.9	18	283.2	124.1
1964/65	38	1,023.3	605.7	20	309.1	222.2
1965/66	37	839.2	668.4	12	284.1	266.9
1966/67	46	876.8	790.4	20	353.5	342.1
1967/68	44	846.9	772.0	18	106.6	318.8
1968/69	84	1,399.2	762.0	38	385.0	255.8
1969/to Dec. 31	22	514.3 ^{2/}	360.3	13	121.7	62.0
	<u>657</u>	<u>13,431.1</u>	<u>9,943.2</u>	<u>178</u>	<u>2,338.3</u>	<u>1,660.3</u>
 <u>BY AREA ^{3/}</u>						
Africa	117	1,873.0		73	433.6	
Europe	104	2,435.0		8	92.5	
Asia	196	4,297.1		77	1,633.8	
Australasia	11	515.4		-	-	
Western Hemisphere	228	3,794.4		20	132.1	
International Finance Corporation	1	200.0		-	-	
	<u>657</u>	<u>13,114.9</u>		<u>178</u>	<u>2,292.0</u>	
 <u>BY PURPOSE^{3/}</u>						
Reconstruction		496.8			-	
Electric Power		4,264.1			142.8	
Transportation		3,992.9			783.6	
Communication		193.4			120.8	
Agriculture		1,233.9			406.5	
Industry		1,974.3			46.1	
General Development and Program Loans		552.3			580.0	
Water Supply		108.8			37.6	
Education Projects		97.5			162.1	
Project Preparation		0.9			8.5	
Technical Assistance		-			4.0	
International Finance Corporation		200.0			-	
		<u>13,114.9</u>			<u>2,292.0</u>	

^{1/} Fiscal years are those of the World Bank Group (July 1 to June 30).

^{2/} A \$100 million Bank loan made to IFC in 1966 was consolidated into a single loan of \$200 million in December, 1969.

^{3/} The figures are rounded and are net of cancellations, refundings and terminations.

TABLE III

SUMMARY OF IFC OPERATIONS
(Millions U.S. \$)

<u>BY FISCAL YEAR</u>	<u>Operational Investments</u>	<u>Stand By and Underwriting Commitments</u>	<u>Total Commitments</u>	<u>No. Commitments</u>	<u>Disbursements</u>
1956-60 cumulative	45.0		45.0	37	22.7
1960-61	6.2		6.2	10	10.4
1961-62	18.4	2.9	21.3	10	11.9
1962-63	13.0	5.1	18.1	12	15.9
1963-64	18.2	2.6	20.8	18	15.6
1964-65	19.7	6.0	25.7	16	16.3
1965-66	26.8	8.5	35.3	21	21.8
1966-67	49.0	-	49.0	14	25.4
1967-68	41.4	9.0	50.4	16	33.1
1968-69	87.8	5.1	92.9	27	33.4
1969 to December 31/69	10.2	2.5	12.7	6	46.2
Gross Commitments, net of exchange adjustments	335.7	41.7	377.4	187	252.7
Cancellations and terminations	22.3	0.3	22.6		
Net Commitments	<u>313.4</u>	<u>41.4</u>	<u>354.8</u>		
<u>BY PURPOSE</u>					
<u>Development Finance Companies</u>					31.0
<u>Industry</u>					
<u>Manufacturing</u>					
Iron and Steel			54.6		
Fertilizer			53.6		
Cement and Other Construction Materials			45.6		
Paper and Paper Products			43.0		
Textiles and Fibres			25.1		
Food and Food Processing			24.2		
Machinery			17.4		
Chemical and Petrochemical Products			13.3		
Other Manufacturing			4.9		
			<u>281.7</u>		
<u>Non-Manufacturing</u>					
Mining			24.4		
Utilities and Printing and Publishing			23.5		
Tourism			16.8		
			<u>64.7</u>		
Gross Commitments					<u>377.4</u>

TABLE IV

DISBURSEMENTS BY IBRD AND IDA BORROWERS FOR GOODS AND SERVICES
IN CANADA TO DECEMBER 31, 1969
(In millions of U.S. dollars)

<u>BY YEAR</u>	<u>IBRD</u>	<u>IDA</u>	<u>TOTAL</u>
Cumulative to December 31, 1960	133.5	-	133.5
1961	8.2	-	8.2
1962	3.7	-	3.7
1963	5.6	7.4	13.0
1964	4.7	1.8	6.5
1965	5.4	2.7	8.1
1966	11.6	5.3	16.9
1967	13.2	14.7	27.9
1968	6.3	7.8	14.1
1969	4.4	11.0	15.4
Total	196.6	50.7	247.3

<u>BY PURPOSE</u>			
Electric Power	51.7	3.4	55.1
Transportation	70.6	11.7	82.3
Telecommunications	1.0	.5	1.5
Agriculture	2.2	1.0	3.2
Industry (manufacturing)	1.4	33.2	34.6
Development Finance Companies	1.8	-	1.8
Water Supply	.2	.2	.4
Education	.3	.1	.4
Multi-Purpose Loans	54.2	.6	54.8
Other	13.2	-	13.2
Total	196.6	50.7	247.3