

December 31, 1956, stand-by credits had been arranged with 11 members in amounts totalling \$1,194,780,000. This amount had been reduced during the period by drawings and terminations in amounts totalling \$77,377,648.76, leaving outstanding credits still available of \$1,117,402,351.24.

During the period covered by this report, stand-by arrangements with Belgium and Peru continued in effect. The stand-by arrangement with Mexico expired on October 15, 1955 and no extension was requested. New stand-by arrangements were agreed with Bolivia, Chile, Cuba, France, Iran, Nicaragua and the United Kingdom. Nearly all of the transactions and stand-by arrangements during the last 18 months were in amounts exceeding 25 per cent of the members' quotas and, therefore, required the use of the waiver provision under Article V, Section 4, of the Fund Agreement.

On December 31, 1956, the Fund's holdings of member currencies (including non-negotiable, non-interest-bearing notes) totalled \$6,085,969,606.32, of which \$1,142,387,946.45 were in United States dollars. The Fund's total holdings of gold and convertible currencies amounted to \$3,375.3 million (U.S.), of which \$1,891,648,587.59 (U.S.) were in gold. The largest holding of convertible currencies other than United States dollars was in Canadian dollars equivalent to \$210 (U.S.) million.

The Fund's schedule of charges was reviewed at the end of 1956 and was extended without change until December 31, 1957.

Investment of Fund Assets

The Executive Board, observing that the Fund had had and might continue to have an excess of expenditure over income and that the greater part of the Fund's administrative expenses had been in United States dollars, decided in January 1956 that an amount of the Fund's gold sufficient to realize approximately but not more than \$200 (U.S.) million should be sold to the United States and the proceeds invested and reinvested in short-term United States Treasury bills to provide additional income to the Fund.

Article XIV Consultations

Since 1952, the Fund has consulted annually with members continuing to maintain restrictions under the postwar transitional arrangements provided for in Article XIV of the Agreement. These consultations are held primarily to ascertain whether the balance of payments position and prospects of these countries is such as to justify the continued maintenance of exchange restrictions. The consultations also provide opportunities for discussion of the economic and financial problems which have given rise to restrictive and discriminatory practices (including bilateral arrangements), and of the possibilities for the elimination or reduction of these practices. Of the 60 members of the Fund, 49 have an obligation to consult under Article XIV. The Fund is continuing its endeavors to help in the elimination of restrictions, and much of its effort has been spent on advice and assistance to members who are trying to advance toward the re-establishment of a multilateral system of payments.