

### **Retention Quotas**

As the result of a resolution adopted at the Seventh Annual Meeting of the Board of Governors — held in Mexico City — the Executive Directors made a special study of dollar retention quotas and other similar practices in member countries. Under these practices exporters are allowed by the exchange control authorities to retain part of their foreign exchange proceeds, or rights to import certain commodities are granted to them. In the view of the Fund, member governments should, as soon as possible, remove these retention quotas and similar practices, particularly where they lead to abnormal shifts in trade which cause unnecessary damage to other countries. Consultations with each of the affected member governments have been started by the Fund.

### **Other Consultations with Member Governments**

In February, 1953, Brazil consulted the Fund regarding the establishment of a free exchange market for capital and so-called invisible transactions. After consulting the Fund, on April 9, 1953, Greece eliminated its multiple currency practices and adjusted the official exchange rate from 15,000 drachmas to 30,000 drachmas per U.S. dollar. Other changes to their exchange systems were submitted to the Fund by China (Taiwan), Costa Rica, Finland, Iceland, Paraguay, Philippines, and Thailand. On November 24, 1952, the Executive Directors approved a Canadian proposal to increase subsidies to gold producers for the year 1953. On January 30, 1953, an initial par value for the Deutsche mark of 4.20 marks per U.S. dollar was agreed by the Fund with the Federal Republic of Germany. On April 29, 1953, the Fund accepted an initial par value for Austria of 26 schillings per U.S. dollar; at the same time Austria discontinued its multiple currency practices. In May, the Fund accepted an initial par value for the Japanese yen of 360 yen per U.S. dollar, and concurred in a change in the par value in the Bolivian currency from 80 bolivianos to 190 bolivianos per U.S. dollar.

### **Membership of Fund and Bank**

The admission of Japan, the Federal Republic of Germany, and the Hashemite Kingdom of the Jordan, brought the membership in both the International Bank for Reconstruction and Development and the International Monetary Fund up to fifty-four countries during the twelve months ending June 30, 1953. Reflecting the enlarged membership, the number of Executive Directors in both institutions was increased by two at the Fourth Regular Election held at the Seventh Annual Meeting of the Board of Governors.

### **Canadian Representation on Fund and Bank**

Canadian representation in the Fund and Bank has remained unchanged. Mr. D. C. Abbott, Minister of Finance, continued to represent Canada on the Board of Governors of both the Fund and the Bank. Mr. G. F. Towers continued as Alternate Governor of the Fund, and Mr. J. J. Deutsch continued to serve as Alternate Governor of the Bank. Re-elected at the Seventh Annual Meeting, Mr. L. Rasminsky continued to be Executive Director for Canada of both the Bank and the Fund, while Mr. G. Neil Perry continued as Alternate Executive Director for both institutions.