arrangements; (2) the introduction of a stand-by arrangement under which members could have recourse to the Fund's resources; (3) a study of retention quotas and similar devices arising from the experience of member governments particularly in Europe; (4) changes in the par values of currencies and in exchange systems.[1]

**Article XIV Consultations**

The Fund entered into its sixth year of operations on March 1, 1952. That date was of more than passing interest because, for the forty-four countries then maintaining exchange restrictions under the transitional period arrangements of Article XIV, it marked the beginning of required, annual consultations with the Fund. Much of the activity in the Fund during the period under review arose from these consultations. At issue was the central question: were the retained restrictions justifiable. The focal points of interest were: the balance-of-payments position and prospects of the member countries, and the extent to which discrimination was present in their exchange restrictions. The Fund did not consummate the Article XIV consultations with all of the affected governments during 1952; only in one instance, Belgium-Luxembourg, did the Fund conclude that a relaxation of restrictions was feasible and ask the members to reconsider the necessity for them.

**Use of the Fund's Resources**

Although exchange transactions with member governments remained at a modest level, the Fund continued its efforts to improve its procedure for accommodating member requirements. On October 1, 1952, the Executive Directors announced that the Fund would be prepared to consider requests for stand-by arrangements. Limited to periods of not more than six months — although they are renewable — the stand-by arrangements grant, in effect, an option to a member government to purchase limited amounts of other currencies from the Fund. In addition to the usual service charge payable in the event of an actual purchase of currencies from the Fund, a charge of 1/4 of 1 per cent was established for this stand-by service. Stand-by arrangements have been entered into with Belgium (U.S. $50 million) and Finland (U.S. $5 million). One June 26, 1953, pending a review of the Fund's schedule of charges on purchases of exchange, the Executive Directors decided that the lowered schedule — put into effect on December 1, 1951 — should be continued for an additional four months, until October 31, 1953.

Exchange transactions during the period aggregated U.S. $70.75 million; Turkey purchased U.S. $10 million for Turkish liras in July, 1952; Australia purchased U.S. $30 million for Australian pounds in August; Finland purchased U.S. $4.5 million in December, and — under its stand-by arrangements — another U.S. $2 million in January, and U.S. $3 million in May, 1953; Brazil purchased U.S. $18.75 million in March, 1953; Bolivia made a purchase of U.S. $2.5 million in May. During the Fund's fiscal year ending April 30, 1953, seven members repurchased amounts of their own currency — about U.S. $185 million — from the Fund for gold and dollars.

[1]See *Canada and the United Nations 1951-52*, pp. 98-101.