

the reduction of barriers preventing unrestricted payments for current transactions. In respect of a number of countries, the Fund during its consultations concluded that the position was such that a further relaxation of exchange restrictions would be feasible. In other cases the Fund urged the reduction of multiple currency practices and discriminatory currency arrangements.

Other Consultations with Member Governments

The International Monetary Fund has continued to consult with certain member countries on the subject of retention quotas and similar practices under which exporters are allowed to retain part of their foreign exchange earnings or obtain special import rights when surrendering such earnings. A number of countries have taken measures to eliminate these practices and in general they present a less acute problem than in earlier periods.

During the year, initial par values were agreed with the Fund for the currencies of Burma, the Hashemite Kingdom of Jordan, and Haiti. Changes in par values were made with the agreement of the Fund by Chile, Paraguay, and Mexico. In June 1953, Czechoslovakia changed the par value of its currency without consulting the Fund and without its concurrence, maintaining that under the provisions of Article IV, Section 5 (e), a member may do so if the change does not affect the international transactions of Fund members. This question was considered by the Fund's Executive Board which concluded that the change of par value did not come under this provision of the Articles of Agreement.

During the 12 months ending June 30, 1954, apart from changes effected during Article XIV consultations, Brazil, Chile, China, Colombia, Iceland, Iran, the Philippines, Thailand, and Yugoslavia have consulted the Fund about various modifications in their exchange systems. In June 1954, the Fund considered a Philippine proposal for the introduction of uniform gold production subsidies for three categories of mines. The arrangement proposed by the Philippines was considered not to be inconsistent with the objectives of the Fund's 1947 policy statement on gold subsidies.