

Congress, but do it, and then see what happens next.

It's a curious thing. If he did that under the articles of agreement of the Fund, what would his position be, as the U. S. governor of the Fund? He would not be maintaining the par value of the dollar. He would not be maintaining the dollar between the one percent either side of par value. But there is a curious provision in the articles of agreement, put in to suit the United States. It says that a country which freely buys and sells gold need not maintain the buying and selling rates of its currency within the one percent range. The U. S. wrote a letter at once in 1946 and said, "We invoke that article."

Therefore, we have thrown on to the other countries the obligation to maintain the buying and selling rates for the dollar at parity in their markets. We don't do anything about it except to buy and sell gold. Once we stop freely selling gold we will then be obliged under the articles to maintain the dollar within the parity limits of one percent. If we didn't do that then we would be violating our obligations under the articles.

Is that all clear?

QUESTION: Dr. Southard, could you please discuss the Fund's success or lack of success in its international discipline in Latin American countries?

DR. SOUTHARD: How much time have I got? This is a very good question. It's one that we live with and try to answer all the time.