

Well, now, I would suppose there would be some constitutional procedure here by which Congress could make it plain that, as soon as it was reported that there was a consensus for activation, and a sum must be put in, too—a sum for the first 5 years—that Congress would ratify. I do not see that that leads to any delay.

Supposing it does not ratify it now? Mr. Schweitzer will get busy. Whether he can get consensus in the next year or the year after, we just do not know. But if it is understood that, as soon as the activation date and a satisfactory sum are put in, Congress will ratify, this should not take extra time. I assume hearings by this committee will develop further in the months ahead and will have been completed in good time.

Senator SYMINGTON. Excuse me, Sir Roy, how would you define a conclusion as to broad support?

Sir ROY HARROD. That is up to the managing director to discover. In the debate, the word "consensus" has been used. Broad support are the words in the document, but in discussions we said that all of these Group of Ten people really have all got to agree. Now, I do not see that my plan really would involve delay.

I am going to list three objections, as I see them, to immediate ratification without an activation date. Two are minor and one is major.

Of the two minor ones, one is that ratification in advance of activation date would raise the majority required for activation from 80 to 85 percent. That point has been made already here this morning.

What has to be inferred from that, I think, is very difficult to say—85 percent, of course, gives the Common Market a veto. Whether the Common Market will act together is very difficult to say. They did succeed in acting together in a rather remarkable way on the Kennedy Round of negotiations.

We cannot say. But they might take the line: "Well, in introducing a big change we are not going to agree on a proposal unless we have unanimity." Of course, they may not say that. That is a gamble.

But if there is no harm in delaying ratification, and if there is that danger in regard to the 85 percent hanging over you, why not do so?

If there is no harm in delaying ratification, and as, by ratifying you raise, you automatically raise from 80 to 85 percent the ratio required to agree to activation, why not delay ratification?

Secondly—this may come under your second question—but I just listed the point here. Some of the amendments to the existing articles are, as I have heard, going to be restrictive in character, restricting the powers that the IMF has under the existing articles. Amendments to the existing articles would come into effect at once, if there was ratification. So, you see, you would have the restrictive clauses right away after ratification, whereas the more liberal plan, the great plan, which is going to astonish the next generation, that great plan, is held up sine die. The restrictive clauses will come into force at once.

Chairman REUSS. What are the restrictive clauses?

Sir ROY HARROD. Well, I think they have not been spelled out. But the changes in the existing articles, which it is generally believed are going to go in a restrictive direction limiting the powers of the Fund itself in certain respects, altering definitions of—

Senator SYMINGTON. Limiting the powers of what? I did not catch the word.