Sir ROY HARROD. Powers of the Fund, limiting their powers, by making certain things they can do now on their own initiative, dependent on an 85-percent majority. These may include altering the definition of "reserve positions," and so forth. They are said to be, on the whole, restrictive, but they have not been spelled out. Those are the two minor objections.

Now, the major one in my view is that, if there is going to be a long delay in getting this thing forward—I feel the French attitude has got to be taken seriously, if I may say so—our British experience with the French is that they do not usually go back on what they have said; they rather tend to stick to it.

If there is to be a long delay, it might be deemed desirable for like-minded countries who could constitute a big majority of the free market world, to get together and implement an interim scheme that was less than universal. It would be open ended, it would be free for everyone to join, it would be terminated as and when the universal scheme was "activated."

Well, now, if there is going to be delay for 2, 3, 5 years, a delay that, the mounting tensions in the international monetary system—which, unhappily, I am afraid will not have been relieved by the sterling devaluation—might create a rather urgent need to get going with some scheme.

You could have an interim scheme with which the vast majority would agree—and anybody else could come in as and when they wanted. We say this is the "interim" scheme, to go on with, until the big scheme is activated.

But, I think, if you ratified the big scheme, that would be very prejudicial to getting together and getting an interim scheme to work. That, I feel, is the big objection.

So, on this part, on these answers to the first question, I call up to mind an ancient slogan which the Americans used against the British, but I am glad to recall that some famous British people, like Chatham and Edmund Burke, cordially agreed with the Americans, "No taxation without representation," and I would give a similar slogan now to preserve the just liberty and freedom of action of this country, "No ratification without activation."

Mr. BERNSTEIN. Mr. Chairman, I am going to have to add a word to this. It may help to take a look at how these negotiations went.

At a very important stage in the neogitations for a new reserve asset, the French said they did not want to have any plan at all. The trouble with having a plan is that if you have it, you are bound to want to try it.

If you assemble a flying machine, an airplane, you are bound to try to see whether it will really go into the air.

I think the fear that activation will be unduly delayed is mistaken. I believe that to attempt to set a date now for activation of the plan would be an even bigger mistake.

The Articles of Agreement of the International Monetary Fund provided simply that when it is ratified the Fund will be organized. Thereafter, the exchange operations of the International Monetary Fund were to begin after the Executive Directors had agreed on the par values, and even then, of course, they could decide to lend or not to lend.