The provision that it is the Managing Director and his staff who shall take the initiative in determining when to activate the plan is very much in our favor.

Can I say something off the record?

Senator SYMINGTON. It is pretty hard to have it off the record today. I promise I won't tell anybody.

Chairman REUSS. This will be off the record.

(Discussion off the record.)

Chairman REUSS. This is on the record.

Sir ROY HARROD. May I have one countercomment?

I do not feel that my old friend Mr. Bernstein's review of what happened at the beginning of the IMF is really germane. There was no activation date in the Articles of Agreement of the IMF, true.

But the point was, at that time, once they met at Bretton Woods and had gotten together, everybody wanted to have it. I mean there was no question of people having agreed to it. The Russians agreed but then they walked out and did not want it. Everybody agreed, so it did not matter putting in an activation date or not. It did not matter. Everyone knew when they had these discussions and preliminaries and everything fixed it was going forward.

That is entirely different from the present situation where we know quite well there are some people who do not want it to be activated, they might want to have it in the background.

I do not see that the Managing Director of the Fund is going to judge whether the reserves of the world are adequate. There is no reference in the plan to the staff. The Managing Director, if he is satisfied that the conditions referred to have been met, will conduct consultations to ascertain there is broad support among the participants. It is clearly the Managing Director, who is going to feel he can trigger this thing off once he has got this consensus. That is the point. I do not think the staff is going to play much part. Finally, as regards the French, it is quite true, I remenber very well over a year ago, they said, "We don't want to, we won't agree to, a contingency plan, because it is dangerous to have a plan in existence."

They might want to activate it, and I would say simply the French felt they could not stand their——

Senator SYMINGTON. You will have to excuse us. There is that vote coming up.

Sir ROY HARROD. I am sorry.

Senator SYMINGTON. I wanted to listen.

Chairman REUSS. Let me do a little devil's advocating against your stirring "no ratification without activation."

Mr. BERNSTEIN. He is a good phrasemaker, isn't he?

Chairman REUSS. Although why a Britisher at this particular time in our history needs to come over here and urge us to adopt patriotic slogans I do not know, but anyway you are very welcome.

I think what we are doing here is weighing political risks, and I do not find any fundamental difference in the testimony of Mr. Bernstein and Sir Roy on the general expectable benefits of the new SDR agreement.

The question is largely a tactical one for the U.S. Government or the U.S. Congress.

If either the U.S. governmental representatives at the post-Rio meetings, or the U.S. Congress in looking at the proposed ratification,