as soon as an activation date was put in would remain; it would remain. This would not be a "walkout."

Of course, there are certain other proposals by Americans which would involve a very great departure. I was thinking simply of an interim scheme for mutual support by a more limited group of countries, and that would not be "walking out" at all. It would be merely going on with something, while the willingness of Congress to ratify the universal scheme would still be on the table, as soon as anybody wanted to get it going.

Chairman REUSS. I wonder if you have fully addressed yourself to the "devil's advocate" argument I was making that if Congress said: "No, we are not ratifying, we are turning down the Rio agreement, because there is no activation date or amount in it," could not France or another country say: "Well, now, here we have gone along this far and we were ready to ratify it and go ahead in good faith under it, but Congress said to the Rio agreement, 'No' "?

Wouldn't, therefore, the U.S. interests be adequately protected if Congress, through the Joint Economic Committee, in the very near future, and through the U.S. executive branch, made it clear at this stage that in ratifying it was expecting good-faith early activation, and that the failure of such good-faith early activation would be the signal for the United States to explore and implement whatever alternatives existed?

I wonder, in short, if you couldn't get most of the prudential values out of your position without exposing the United States to the charge of bad faith and backing out.

Mr. BERNSTEIN. As well as giving other countries a second chance to say, "Well, no, let's not have it at all."

Chairman REUSS. That is what I am saying. We are getting down to quite fine points, but I suppose that is the point of this hearing.

Sir ROY HARROD. I think, if it were made absolutely plain that the United States was not "backing out," but that it was perfectly simple and reasonable that it was not going to sign a blank check—you wait before you sign to see what figure is put in—and if you perfectly plainly announced that that was the U.S. attitude, it would not create a bad impression. As to whether the French would be able to do something consequent upon this to save their face, if I may say so, I think it is a psychological mistake in regard to the French. They do not care whether they save their face or not. They rather like to do things the other way around because it magnifies them, it makes them more important.

I do not think it is French psychology to take the excuse of the United States delaying ratification, saying, "Oh, well, we ourselves are no longer interested."

Chairman REUSS. Mr. Bernstein, let me raise, because it has not really been answered, Sir Roy's self-styled minor point that we, the United States, really would lose something if we sat still for the revision of the regular IMF rules, particularly with respect to the voting majority on quota increases, and as part of a package, and then it turned out that the SDR package was later frustrated. We would then have really lost something.

This brings us, I think, to question No. 2, which is what about the proposition of these Common Market countries that there should be