international assistance, since these conditions would be debated among countries more familiar with each other's problems and realistic policy alternatives.

Finally, it would minimize creditors' objections to the present distribution of voting power in the IMF, which rewards with an equal number of votes the prospective borrowing rights and prospective lending commitments of members. Each group would retain full control over the use of the funds contributed to its own regional monetary institution, thus making more acceptable its minority voice on the smaller contributions assigned to the IMF.

Advantage might be taken of the adoption of the SDR system to help initiate such regional monetary cooperation by allowing members to pool for this purpose the SDR's allotted to them, as suggested by the Latin American countries before, and at, the Rio Conference.

IV. Other IMF Amendments

Finally, I feel we should examine with an open mind the proposals which some countries—particularly the EEC—will present for other amendments in IMF rules and policies.

Some of them may be both innocuous and reasonable, even if sometimes irritating to us. This would be true, for instance, of expected suggestions for a more logical definition of par values. It is very curious that the French themselves now insist on making changes in par value more difficult by subjecting them to the 85-percent rule.

We should also examine sympathetically the request for the application of uniform rules regarding the maintenance of gold value on SDR's and on other IMF assets and liabilities, and for fairer arbitration rules in the event of conflicting views between the Fund and a member concerning the interpretation of the Articles of Agreement.

The EEC claim for a veto power on major issues, if and when it succeeds in harmonizing the votes of its members, is by no means unreasonable. We enjoy, if I may use that word, such a veto power ourselves, even though we are now net borrowers of the Fund, while the EEC countries contribute—as of last August—more than 60 percent of the Fund's loans and investments, and must be expected—should be expected—to finance even a larger proportion of the total in future months and years.

The same purpose, however, could be achieved, in different ways.

The first way to do it is by raising from 80 to 85 percent the qualified majority defined by the present Articles of Agreement. That was the solution suggested at Rio.

A second solution would be to distribute an adequate portion of the total voting power pro rata of members' net claims, that is, lending to the Fund.

A third solution, and the one which I would undoubtedly prefer, would be to raise to 20 percent the combined quotas of EEC members. But all three would achieve, in fact, the same objective.

While agreeing—for the sake of reaching agreement without undue delays—with the first of these techniques, if it is insisted upon, I hope that future negotiations should explore more fully the other two as providing better solutions to a real problem. The last—and least objectionable one—an increase of the EEC combined quotas to 20 percent—could, in fact, be easily implemented by incorporating