discussed, and to my own mind this seems about the best way of doing it, subject, of course, to the quotas being revised from time to time.

Mr. TRIFFIN. To give more to the Europeans in that case.

Sir ROY HARROD. Yes, to give more to the Europeans.

But you seem to have proposed quite a different method of distributing the SDR's. There were five points.

Now, one of the points was that some might be distributed to IDA. Well, we have agreed upon that, and that one understands.

But I do not understand how equity is satisfied, for instance, if these new units are allotted to support domestic stabilization programs. How can you use some of the annual increment of SDR's to support domestic stabilization programs from the equitable point of view?

The great thing then would be for a country to have a very upset system, and it would then get some money to stabilize itself, to finance its stabilization program, so that it would get a disproportionate share of the SDR's in that year. But how is it equitable that such countries should get a disproportionately large share of SDR's as compared with countries whose monetary systems have not got upset? It seems difficult.

Mr. TRIFFIN. Yes.

From the equity point of view, of course, the solutions which I prefer are those which use the SDR's for agreed international purposes and, particularly, for assistance to development through the IBRD, the IDA, and so on.

What I meant by the monetary stabilization is nothing different from what the Fund is already doing, and it means *agreed* monetary stabilization programs which the Fund members are ready to support.

After all, SDR's really are a commitment of prospective surplus countries to lend to the Fund, that is what it means.

Sir ROY HARROD. I would draw a distinction there. Is that true? I mean, of course, the Fund allows drawings to support domestic stabilization programs, but those are *repayable*.

Mr. TRIFFIN. Yes.

Sir ROY HARROD. I mean that the repayment obligation involves that there is no lack of equity. It may be there are quite a small group of countries that get drawing rights for stabilization programs. But then they have to repay that.

There is no lack of equity there, because, if some countries never have disorders in their monetary systems, and never get any drawing for the purpose, the other countries which do get such drawings will have to pay. But these SDR's are more like gifts, and to give a larger quantity of them to people who have gotten into a financial upset, seems inequitable somehow.

Mr. TRIFFIN. But, Sir Roy, when I make this proposal I would not apply necessarily to that particular piece of the proposal the technique which is used now in the Rio agreement for a completely different purpose.

Very obviously, the financing of monetary stabilization programs which have been agreed to with the Fund would continue to have to be repaid. That portion of SDR financing would be reconstituted, if you like.

Sir ROY HARROD. Yes.