

Mr. TRIFFIN. This would meet the equity argument that you have mentioned. To me this is just another way of financing very much-needed Fund operations at times.

Sir Roy HARROD. Don't you feel it is rather desirable to draw the line between the old-type drawings which are credits, which are repayable, which are according to the need of each country, and the new type drawing which is basically not repayable and is distributed, around the world, on an equitable basis?

Mr. TRIFFIN. What I suggest is that a growing portion of future SDR's would not be allotted as a free gift to any specific country or countries, but would be used instead to purchase bonds of the IBRD, debentures of the IDA, et cetera, I would hope further that, like the famed British "consols," these obligations would not involve any fixed repayment obligation, but could be carried on indefinitely, subject only to regular interest payments.

Chairman REUSS. As a practical matter, Mr. Triffin, is not the proposal to use a fraction of new SDRs to somehow come to the aid of IDA?

Mr. TRIFFIN. A very good way to start.

Chairman REUSS. Isn't that far and away the best of the four or five you have assembled there in terms of world need?

Mr. TRIFFIN. I agree.

Chairman REUSS. And also, far out though it is, more politically realizable than to, say, use SDR's to pay a U.N. peacekeeping force or bailing out countries with domestic disequilibrium.

Mr. TRIFFIN. I mentioned the latter only as a very long-term and hypothetical possibility.

Chairman REUSS. So I think so long as Sir Roy agrees that the IDA solution is worth exploring, and since you agree that is the most meritorious on the list—

Mr. TRIFFIN. Yes.

Chairman REUSS (continuing). There really is a substantial area of practicable agreement between you two on that.

Mr. TRIFFIN. I quite agree that is the way to start certainly. That it is the best and most feasible way, I think, to start right now.

I hope that in the longer run we may then expand the idea further, but I think it is the best way to begin, and I would apply to whatever we discuss today the same disabused remarks which I apply to the mood of the negotiators in Rio in September 1967.

I think that the international monetary system will continue to evolve in the future, as it has in the past.

Sir Roy HARROD. The next point—and I apologize for these points—but there has been discussion this morning also about the equity of allowing the Common Market to have a veto power, and Mr. Triffin has argued that rather strongly this afternoon, and in a broad way, of course, one has great sympathy with the idea—if their trade and GNP are of sufficient magnitude, why should the United States be the only country to have a veto?

But yet I do think there is a difference which I cannot get away from because "the Six" are not really *one* country, and yet it has got this EEC which, in a certain sense, binds them together without really making them one country.

I do see a difference between the EEC and the United States.