

But if they were unable to do so, I would, I think, regretfully still suggest that we should not really "break the egg", because then we would have nothing.

After all, it is true that as of the moment they do contribute nearly two-thirds of the total lending power of the Fund. It is further true that the creation of SDR for some time to come is expected essentially to come 100 percent from them in terms of real resources, and if we break the egg we just get nothing.

If there is a way to have this agreement signed with the present 80-percent rule in the Fund, I would certainly prefer that, but if there is no way of getting it signed without going to 85, I would still prefer that to no agreement at all.

Chairman REUSS. How about you, Sir Roy, if confronted with that?

Sir ROY HARROD. I am sorry to bore you, sir, with my old point. I do not think that it is feasible to break the egg and unscramble the omelet or undo the package at this point. I think we have got to take it as a whole, and that is why I go back to my own point that I feel that what we could do is say we accept it as a whole, but that we are not going to ratify it until activation is guaranteed. Now, that is not altering the general package. It is merely saying that it is deferring it, and that the date of ratification by Congress is going to be the date when activation is agreed on.

Then, of course, you do not give them anything and you are not spoiling the package. They do not get the 85-percent majority rule until activation, and an activation date, is agreed to.

I would not mind trading a date in the rather distant future for a fixed date. It is the fixed date which seems more important to the question.

Mr. TRIFFIN. It is an empty threat, really, because those countries which are most reluctant to sign this agreement are not going to be frightened if we say we won't sign it until something else happens. I do not think it is a real weapon in the negotiation.

Sir ROY HARROD. Yes, it is a weapon. It is not a question of their being frightened. We do not want to "frighten" anyone.

Let us suppose, rather pessimistically, as things could turn out, that they will be willing to think the world is ripe for this in 5 years' time, and that in the next 4 years they won't think the world is ripe.

Well, the agreement would not be ratified according to my proposal. As soon as they think that the time is ripe for activation then the agreement will be ratified at once. There is no threat at all. It is simply saying we entirely agree, only we do not happen to think it is good constitutional procedure to sign the agreement, to ratify the agreement, without the date being put on it. You never normally sign an "agreement" before the date is there.

You do not sign to pay \$10,000 a year for a house when the date on which you enter it is unspecified.

Mr. TRIFFIN. Sir Roy, you create a bank before it can make its first loan.

Chairman REUSS. Would either of you gentlemen have any further comments or questions to put to each other?

Sir ROY HARROD. Thank you very much.

Mr. TRIFFIN. Thank you. We are tremendously grateful.

Chairman REUSS. Have you explained that chart?