I should like now to specify the areas where I agree with the Report, and the areas in which I believe the Report leaves questions open which bear significantly on the propriety of agreement or disagreement with its proposals.

I concur that the agreement enabling the creation of SDR's should be ratified by the end of this year. Dangers are involved in procrastination. Clearly, more than 39 percent of the 80 percent of the required votes in the IMF should have been obtained by now. I trust the forthcoming annual meeting of the IMF will be utilized for that purpose.

As one who called for the same improvement in the international monetary system on February 28 of this year (discontinuance of intervention in the London gold market) which was agreed to on March 17 by the seven nations who participated in the London gold pool, I also concur that all IMF member countries should abide by that agreement.

No monetary system can survive if, as a result of gold speculation, we come to another gold crisis and witness renewed "private" attacks on the dollar and the pound sterling. France, a key member of the Group of Ten has not specifically agreed to the March 17 Washington agreement since it withdrew sometime earlier from the London gold pool. I sincerely hope that France, acting in a statesmanlike manner—as it does even now—when it comes to essentials involving the Western community of nations, will formally endorse the March 17 agreement and will persuade other nations by her example to do likewise. The strengthening of the system must take precedence over any conflict, real or imagined, between France and the United States or other continental nations.

There are several important questions flowing from the proposals in this Report that are left open and which must be faced sooner or later. For example, recommendation 2 calls for gold deposits with the IMF to protect monetary authorities from declines in the value of their existing gold reserves. The Report states that these deposits should be voluntary but leaves open the question as to whether or not they are irrevocable. If they are revocable, a question arises as to how significant an advance such a deposit facility would represent. If they are irrevocable, there is the problem of loss of national control over such gold deposits and whether the permanent general acceptability of the new reserve units issued by the IMF in exchange for this gold would actually justify a loss in national control.

It is also not clear to me whether the pooling, or earmarking, of official dollar and sterling balances in exchange for IMF reserve assets is to be mandatory or voluntary.

With respect to recommendation 4, which would lead to wider fluctuations in exchange rates than at present (the articles of agreement of the IMF now limit variations to 1 percent), the important point to be emphasized is that unless such action is accompanied by a commitment by IMF countries to abstain from interference with international movements of capital and goods by the imposition of quantitative controls, the proposal is practically meaningless. This is so, because if the United States, for example, continued to experience persistent balance of payments difficulties and the dollar's value declines in terms of other currencies, the success of the "wider fluctua-