

Well, I have talked at times an hour on a lecture of this sort on the role of the IMF. It's not an easy subject to deal with very quickly. The Fund is an international institution, answerable to 102 governments, but with the larger governments by a weighted voting basis having the largest voice.

Our assets belong to us in the Fund legally. The Fund articles of agreement constitute, in the laws of the member countries, part of what we would call in this country the law of the land. They are as binding as a treaty. In our case they are an act of Congress, not a treaty, authorizing the U. S. adherence to the articles of agreement, and U. S. courts have repeatedly ruled that the provisions of the articles of agreement are enforceable in the courts of the United States. This is, of course, one of the strengths of the International Monetary Fund. It's an institution that has power given to it by its articles of agreement.

It is also an institution with a lot of money. There's nothing like a lot of money to give you power, as most of you either know or have been told. The Fund has, broadly, a two-fold mission. First, we administer what I call a code of fair practice in the field of international finance, which is written into the articles of agreement. The countries are supposed to have a convertible currency based on a par value, free of restrictions, and they are not supposed to change their par value and therefore their exchange rates unless they have a legitimate reason for doing so, that is to say unless they've got a fundamental disequilibrium which needs to be corrected.