The Fund has the power to approve or disapprove changes in par value, to approve or disapprove restrictions on payments, and the Fund has got enough power to have an impact, although this is an imperfect world and the exercise of power, as you know in your own military work, is not a perfect thing but a very imperfect thing.

Secondly, the Fund's other mission is to provide short-term assistance to its members, to assist them in dealing with temporary balance of payments difficulties. If we thought that a country had a chronic balance of payments disequilibrium which was not going to yield to sensible corrective action, we would not feel entitled under our policies to give it help. But again, as I said, you have two difficulties here. First, it is not easy to know when we are dealing with a chronic disequilibrium, and, second--and this is the hardest--it is not easy to know in advance whether a given set of corrective actions are going to work, or indeed--and this is even worse--whether there is going to be a serious effort in the event to carry out an agreed corrective program.

We can advance money to Brazil, let's say, on a program of action, and then find that in the event the Brazilian officials just don't carry it out. Well, they maybe try again. Again, in an international institution of this sort, we live in an imperfect world, and I'm afraid what we do is imperfect, partly because we are all part of that world.

The heart of the Fund's policies on the use of its resources gets at the question of unconditional-versus-conditional financial assistance. Indeed, this is the heart of the whole discussion of ways of improving