Mr. BERNSTEIN. That is what I am saying. I have no objection to their looking at the U.S. balance of payments as much as they wish and if they have good advice I am glad to have them offer it to us.

Chairman REUSS. Let me then, before you go on to the other important point, ask you how should this govern the action of the U.S. authorities and later on the action of the U.S. Congress in view of the statement by the French Finance Minister at Rio in which he quite plainly said that unless there is marked improvement in the U.S. balance of payments, no activation. What should we do if we continue to be confronted by that? This may relate to the next part of the question.

Mr. BERNSTEIN. Yes.

I would say that the answer to that is the following: When the U.S. balance of payments is being financed by the considerable accumulation of dollars by other countries, which they hold as reserves, then there may be something in the argument that there is no need to create a new reserve asset to supplement the accumulation of dollars at such a time.

But as it is very unlikely that this would be the case, I would say that the behavior of the U.S. balance of payments is not a relevant and certainly not a decisive consideration in the activation of this plan, however important an improvement in the U.S. balance of payments is for many other purposes.

Senator SYMINGTON. Could I ask a question?

Chairman REUSS. Surely.

Senator SYMINGTON. Your position is clear, and I respect it. But based on the political operations along with the economic philosophy of General de Gaulle, it is also clear that he doesn't agree with you.

My question, therefore, is: How important do you think his disagreeing will be? I have noted the International Monetary Fund and its various proposals. I think it was called the CRU at that time; and also noted the SDR, or whatever is the new proposed currency. However, it seems to me that control of decision in this field is shifting from the IMF people to the BIS people; I get from various Government agencies, that future decision might be at least as much with the BIS as with the IMF.

With the premise De Gaulle doesn't agree, my question is: How important to our ultimate actions is his disagreement?

Mr. BERNSTEIN. Senator, I would like to qualify what you have said in this way: I don't believe that the International Monetary Fund as an institution can be thought of as having final authority to make important decisions in the guise of recommendations of its managing director and staff without the consent of the great financial powers. That has always been true.

Senator SYMINGTON. Let me rephrase my question then. There was a time when we controlled the situation.

Mr. BERNSTEIN. That is right.

Senator SYMINGTON. Because, in effect, we controlled the International Monetary Fund.

Mr. BERNSTEIN. In a sense.

Senator SYMINGTON. We don't control the situation anymore, as I see it, because we don't control the BIS, the Basle boys. With that premise, I wonder what you thought, based on what has happened in recent days, would be the influence of the French with respect to any decision.