Mr. BERNSTEIN. I do agree with your question. I just wanted to make it clear that it has always been true that the great powers exercised the real influence that decided what the policies would be. It is not the men at the BIS, they are very good friends of mine, but they have no more to say on these things than the staff of the IMF. They are listened to very carefully because they are very wise men, but their views aren't decisive in any sense.

There is a big shift of power, Senator. Inevitably power moves to those who have the resources that others are trying to borrow. When the dollar was virtually the only currency that was drawn from the International Monetary Fund, we exercised that power. In my opinion it was generally exercised in a reasonable way. But sometimes it was not. It is not easy to make people who are at the top of the financial world look objectively at these problems. Because they are at the top of the financial world they are apt to think their policies are exceptionally wise.

We may run into the same problem with the Common Market. It is inevitable that the Common Market countries should have more influence in the International Monetary Fund and more influence in the creation of the new reserve asset than they ever had before.

On the whole, this is not a bad thing. No system is going to work in which real resources have to be transferred from one country to another for a fiduciary asset unless the countries that are giving the real resources feel reasonably assured that the system is working well, and not against their longrun interests.

Even the International Monetary Fund as it stands today is a less effective instrument because the voting power of the Common Market countries is less than it should be to reflect their present strength in world affairs.

I want the Common Market countries to take more responsibility on international monetary matters. I don't believe, Senator, that this will lead to a veto or a stalemate. In fact I am sure it won't, and I had better explain why I think so. We have given the Common Market countries a veto power over the creation of the new reserve asset. Incidentally, Senator, since you have mentioned the CRU, I want to point out that the asset we have actually created is in every respect equal to the CRU. As a matter of fact, it is the CRU, in fact if not in words.

Senator SYMINGTON. Sort of a Dr. Jekyll and Mr. Hyde?

Mr. BERNSTEIN. Well, I think something like this must have happened, Senator. When they got around to trying to do what the French wanted to do, that is to create a kind of super reserve credit which isn't a reserve asset, they found it was impossible to differentiate it from ordinary reserve credit without making it a reserve asset. So the Group of Ten, including France, wound up making the special drawing rights a true reserve asset with some qualifications as to how much countries could use on an average over a period of time.

Chairman REUSS. We want to be sure it is not a picture of Dorian Gray. [Laughter.]

Senator SYMINGTON. As I get it, the CRU is an elderly SDR.

Mr. BERNSTEIN. But we elderly people ought to be very pleased with it. I am. I don't mind at all France's having the name it wants for the new reserve asset. And if anyone wants to classify special