

cal possibility in the very near future. I would nevertheless like to see more automatic drawing on the Fund. The drawing rights should be variable and quite automatic ultimately to the limits of the quotas of the participants in the Fund.

Once more I suggest it should become accepted practice that all countries use these drawing rights fairly automatically to deal with the normal swings in their balance-of-payments rather than simply turning to them to deal with critical situations such as Britain's last year.

Representative REUSS. Thank you.

Chairman PATMAN. Senator Sparkman?

Senator SPARKMAN. Mr. Chairman, my question will be rather brief. First I would like to join with you and the others in expressing appreciation to these gentlemen for the very fine papers they have given us.

I take it from something that the chairman has said that none of the witnesses who have been before us until today has expressed this idea of gold certificates as advanced here this morning.

I think it will be most interesting to have comment from the Secretary of the Treasury regarding them.

Mr. Lolli, in your paper you brought out a very interesting point, and that was that we should aim not at increasing output, but at disposing of a naturally increasing output. You suggested that the Government's action should be directed toward the disposal of the output of invested capital. I quote from your article—

this can be done by financing better housing, better roads, better schools, better public transport, better health services—

and so forth. The question that came into my mind when you made that proposal was: Are we able to expand much further into those fields? We are building housing at the present time, for instance, at quite a high level—not our record high level, but almost up to that. In the case of public health expenditures, I think the recent appropriations have been most generous.

There is something that could be done in the field of better transport. A great many of us feel there could be a great program carried out in the field of schools. But do you believe that there is much room, actually, for us to expand those programs safely and quickly?

Mr. LOLLI. Senator, as you mentioned, the last item, schooling, I want you to know that I don't know much about the United States. But from what I hear, there is a terrific shortage of school space in the United States. So, in some areas schools have to create two or three shifts because there is not enough space for children to go to school. An investment in education is the best possible investment in the future of the United States, just as an example.

I know that housing is going on at a considerably high level. So, probably not much more could be done, except possibly, in rebuilding cities or parts of them where that is needed.

Senator SPARKMAN. The same thing is true of highway construction.

Mr. LOLLI. I am not expert in that. Anyway, in some types of public works something could be done, I imagine, to absorb this output which is not immediately utilized by the private section of the economy.