

Mr. LAWRENCE. However, the synchronization of movement of the defense goods is undertaken by a system of internal priorities in the Department of Defense. They are not necessarily mandatory over the shipper. But they are followed by the shipper. They have certain code names for important shipments of materials, and so forth, but priorities per se are not utilized in the transportation service area.

Mr. GALIFIANAKIS. Do you feel any need for regulation in this respect?

Mr. BERTSCH. Not at the present time. We have not had any difficulties except during the various strikes that have occurred in the transportation industry, and even then the difficulties were overcome by voluntary action on the part of the operating shippers and the persuasion of the Government.

Mr. GALIFIANAKIS. Then the matter of transportation of the priority commodities is really not in your jurisdiction?

Mr. DANIEL. We do have—the President does have authority to control such matters as you have mentioned. And you will recall that during my opening statement I pointed out during the rail strike we did make a list of priority items that must continue to move. So we do have the authority under this act, the President does, to handle the situations you are speaking about.

Mr. GALIFIANAKIS. That is an Executive prerogative?

Mr. DANIEL. Yes, sir.

Chairman PATMAN. Mr. Wolff?

Mr. WOLFF. Thank you, Mr. Chairman.

First, I want to say as a new member of this committee, and having been considered somewhat a lone wolf in many of my endeavors, I am very happy to see so distinguished a member of the Lone Star State before me as the first witness.

Mr. DANIEL. Thank you, sir.

Mr. WOLFF. Governor, I wonder if you could tell us if the new policy on gold has had any affect upon any stockpiling that we might be considering of gold?

Mr. LAWRENCE. We don't have any gold in the stockpile. We have made studies as to whether we would need it. The study indicates that at the present time we don't need any gold in the stockpile.

Mr. DANIEL. This is a continuing study, however, and I want to underline those words "at the present time" that Mr. Lawrence used in his answer.

Mr. WOLFF. Having just come off the Space Committee, and having some knowledge of the utilization of gold in space production, I understand there will be an increasing need for gold in defense production and I believe that this is an area that demands further study.

Mr. LAWRENCE. This is quite true. The spray plating that they are doing, particularly on space and aircraft parts and instruments is increasing in use and that is why we say currently we don't need gold but we may need it eventually if the trend continues.

Mr. DANIEL. He is talking about the need for it in the stockpile. There are many strategic materials that we do not have stockpiled, and that is because of the fact that the difference between our estimated requirements and what we are able to have supplied to us does not leave a deficit.