

of floating fiat currencies with the stroke of a pen, President Nixon touched off a worldwide inflation that lasted through the '70s and early '80s.

Yet America recovered to preside over the demise of world communism, and overcame the rising inflation and unemployment of "stagflation" to enjoy an unparalleled 18-year economic expansion. Today, the U.S. is at the pinnacle of its power and enjoying its greatest prosperity ever.

Were Messrs. Reagan and Friedman wrong? I don't think so. If the U.S. has so far come out on top in this experiment, it is only because other countries' economies have suffered even more from floating currencies.

Once the U.S. government ceased redeeming gold at \$35 an ounce, its price quadrupled on world markets to \$140 to reflect the dollar's diminished value. By breaking the gold link, the Nixon economic team forced the unwanted liquidity pouring out of the Fed—which had thus far built up in the Eurodollar market and the portfolios of foreign central banks—to remain inside the U.S. economy where it would manifest itself in price inflation. Robert Mundell was the first to predict, in January 1972, there would soon be a dramatic rise in the price of oil, with general inflation to follow.

Where the rest of the economics profession blamed the Arab oil-producing states for quadrupling the oil price in 1973, Mr. Mundell and those supply-siders who followed his intellectual lead knew that gold's quadrupling had led the way. Tax rates rose through "bracket creep," capital formation stopped in its tracks, and it soon took two workers to produce the same income that one had brought home before the experiment. The stagflation that had its roots in leaving the gold standard was compounded when Congress and three different presidents tried to fight it with wage and price controls and high marginal tax rates.

But discretionary monetary policy is Janus-faced, and instead of too much liquidity in the world economy we now have too little. Deflation began in 1996 when the Fed tightened monetary policy to combat some inflation it had created attempting to offset the economic drag of the Clinton tax hikes. A rising dollar then caused the dollar pegs of emerging economies to snap, set off the Asian, Brazilian and Russian economic meltdowns, and caused the price of oil and other commodities to collapse. Oil producers took a two-year holiday from drilling, which in turn created an oil shortage and drove energy prices sky high.

Now, the energy-price hikes are working their way through the economy and are misconstrued by the Fed as inflation. Once again, central bank errors in the discretionary management of floating fiat currencies have put the entire world economy at risk.

The Fed has cut interest rates 275 basis points since the start of the year, but the price of gold is still down to about \$272 from \$385 in 1996, having fallen \$5 yesterday alone on the Fed's announcement that it was lowering the fed funds rate another 25 basis points. Commodity prices are near their lowest levels in 15 years, and the foreign-exchange value of the dollar has risen against all major currencies since the Fed began its interest rate-easing cycle.

Without a gold standard, the Fed has no means of determining how much liquidity markets demand, and all it does by targeting interest rates is guess how much liquidity to inject or withdraw to counteract mistakes it made earlier. The Fed may be on its way to mimicking the mistakes the Bank of Japan made when it lowered interest rates to zero, all the while prolonging and deepening Japan's monetary deflation.

This is no way to manage a currency. It's obvious that we have accumulated a long series of small deflationary errors by the Fed that are dragging down the U.S. economy and helping depress world commerce. It's time to restore a golden anchor to the dollar before our luck runs out and we suffer a real economic calamity.

The Fed may yet get lucky with its rate cuts, although the Bank of Japan never did. The only certain way to end this deflation is to have the Fed stop targeting interest rates and begin targeting gold directly—not by "fixing" the price of gold by administrative fiat as some people mistakenly characterize it, but rather by calibrating the level of liquidity in the economy, over which the Fed has exclusive and precise control, to keep the market price of gold stable within a narrow band closer to \$325 than \$275.

There is nothing mysterious about how gold could be used as a reference point or how a new monetary standard for a new millennium would work. It would simply mean the Fed would stop guessing how much liquidity is good for the economy and allow the market to make that decision for it. With the dollar defined in terms of gold and with American citizens free to buy and sell gold at will, the Fed would forget about raising or lowering interest rates and simply add liquidity (buy bonds) when the price of gold tries to fall and subtract liquidity (sell bonds) when it tries to rise. Markets would determine interest rates.

The paper dollar would once again be as good as gold—no more, no less. There would be no need for the U.S. government to maintain a large stock of gold or to redeem gold and dollars on demand since people would be free to do so on their own in the marketplace. As long as the Fed calibrated its infusions and withdrawals of liquidity by the market price of gold, the world would be free of monetary inflations and deflations caused by the whims and errors of central bank governors, as was the case for more than 200 years when the private Bank of England managed the pound sterling in exactly that way.

#### NOTHING SIMPLER

The good news is that this could all be done easily, if President Bush and Treasury Secretary Paul O'Neill could work out an accord with Alan Greenspan. That accomplished, I believe Britain would soon follow to make the pound as good as gold and avoid having to adopt a sinking euro.

There is nothing simpler than a gold standard, as Alexander Hamilton pointed out when he persuaded the first Congress to adopt one. Just as President Nixon took us off with an executive order, President Bush can put us back on with the stroke of a pen. It would be politically popular, as ordinary people benefit most. At Camp David in 1971, as President Nixon signed the papers, he is reported to have said: "I don't know why I'm doing this. William Jennings Bryan ran against gold three times and he lost three times."

#### NAZI WAR CRIMINALS RESOLUTION

Mr. CORZINE. Madam President, last week I introduced a resolution that addresses the United States' use of Nazi war criminals after World War II. The resolution acknowledges the role of the United States in harboring Nazi fugitives, commends the Nazi War Criminal Interagency Working Group for serving the public interest by disclosing information about the Nazis,

and calls on other governments to release information pertaining to the assistance these governments provided to Nazis in the postwar period.

On July 14, 1934, the Reichstag declared the Nazi Party the only legitimate political party in Germany. In one fell swoop, political dissent in Germany was quashed and a tragic series of events was set into motion—a series of events that led to the genocide of six million Jews and five million Gypsies, Poles, Jehovah's Witnesses, political dissidents, physically and mentally disabled people, and homosexuals. After World War II, the international community attempted to come to terms with what, by any measure, was a horrific episode in world history.

In October 1945, a tribunal was convened in Nuremberg, Germany, to exact justice against the most nefarious Nazi War Criminals, people who knowingly and methodically orchestrated the murder of countless innocent people. Some infamous Nazi war criminals were tried and convicted elsewhere, including the infamous Adolph Eichmann, who was found guilty by an Israeli court. Still, many of the perpetrators—war criminals who heeded the call of the Nazi juggernaut—escaped justice. Some of those who evaded capture did so with the help of various world governments, including the United States.

It is natural to ask why the United States would help known Nazi war criminals avoid punishment. The United States had just spent four years fighting the Nazis at the cost of thousands of young, courageous American soldiers. We had just liberated the Nazi death camps, witnessing firsthand the carnage and degradation exacted by the Nazis on Jews and others. Despite it all, the United States felt compelled to hide the very Nazis they had defeated and grant them refuge in the United States and abroad.

The sad fact is that although we had just finished fighting a war of enormous proportions, we were entering another war—a cold war that would last for some 50 years. In fighting this war, the United States enlisted Nazi fugitives to spy on the Soviet Union.

The extent to which the United States used Nazi war criminals for intelligence purposes in the postwar years is still being studied. In January 1999, the President charged the Nazi War Criminal Records Interagency Working Group with the difficult task of locating, identifying, cataloguing, and recommending for declassification thousands of formerly classified documents pertaining to the United States' association with Nazi war criminals. In addition to an interim report completed October 1999, in late April 2001, the IWG announced the release of CIA name files referring to specific Nazi War Criminals. While there is still work to be done, one thing is clear from these documents: the United States knowingly utilized Nazi war criminals for intelligence purposes and,

in some cases, helped them escape justice.

The American people deserve a full accounting of the decisions that led to the acceptance of Nazi war criminals as employees of the United States government. It also is important that the United States work with other countries to expedite the release of information regarding the use of Nazi war criminals as intelligence operatives. We need to learn more about the Holocaust and its aftermath. The international community must learn the lessons of history, so that never again will we face this type of evil.

#### SMITHSONIAN BOARD OF REGENTS

Mr. COCHRAN. Madam President, last week I introduced two resolutions appointing citizen regents of the Board of Regents of the Smithsonian Institution. It is an honor to serve on the Board of Regents as one of the three United States Senators privileged to do so. My fellow Regents, Senators FRIST and LEAHY join me as cosponsors of both resolutions.

At its May 7, 2001 meeting, the Board of Regents voted to nominate Ms. Anne d'Harnoncourt for a second term and Mr. Roger W. Sant to fill the vacancy caused by the resignation of the Honorable Howard H. Baker, Jr.

For the information of the Senate, I ask unanimous consent that the curriculum vitae of Ms. d'Harnoncourt and the biographical sketch of Mr. Sant be printed in the RECORD, following my remarks.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

#### CURRICULUM VITAE OF ANNE D'HARNONCOURT (MRS. JOSEPH J. RISHEL)

Born September 7, 1943, Washington, DC.

*Present Position:* The George D. Widener Director and Chief Executive Officer Philadelphia Museum of Art.

*Education:* The Brearley School, New York City, 1949-1961.

Radcliffe College, Cambridge, MA, 1960-1965: Majored in History and Literature of Europe and England since 1740, with additional course work in the history of architecture. B.A. thesis on comparative aspects of the poetry of Shelley and Holderlin. B.A. magna cum laude, June 1965.

Courtauld Institute of Art, London University, 1965-1967: First year course: Seminar in European art since 1830. Second year: specialized research on the period 1900-1915 in Italy, France and Germany, M.A. thesis on moral subject matter in mid-19th century British painting, with emphasis on the Pre-Raphaelites. M.A. with distinction, June 1967.

*Honors:* Elected to Phi Beta Kappa in 1964; Captain Jonathan Fay Prize, Radcliffe College, 1965; Chevalier dans l'Ordre des Arts et des Lettres, Republic of France, 1995; Philadelphia Award, 1997.

#### *Museum Experience:*

1966-1967—Tate Gallery, London. Six months of work as part of Courtauld M.A. thesis, preparing full catalogue entries on 30 Pre-Raphaelite paintings and drawings in the Tate collection.

1967-1969—Philadelphia Museum of Art, Curatorial Assistant, Department of Painting and Sculpture.

1969-1971—The Art Institute of Chicago, Assistant Curator of Twentieth-Century Art.

1972-1982—Philadelphia Museum of Art, Curator of Twentieth-Century Art.

1982-1996—Philadelphia Museum of Art, The George D. Widener Director.

1997—Philadelphia Museum of Art, The George D. Widener Director and Chief Executive Officer.

#### BIOGRAPHICAL SUMMARY

*Curator of Twentieth-Century Art.* For a decade between 1972 and 1982, Miss d'Harnoncourt served as Curator of 20th Century Art at the Philadelphia Museum of Art. A specialist in the art of Marcel Duchamp, she co-organized a major retrospective exhibition in 1973-74, which originated in Philadelphia and traveled to The Museum of Modern Art, New York and The Art Institute of Chicago. Other exhibitions organized or co-organized by Miss d'Harnoncourt include Futurism and the International Avant-Garde (1980), Violet Oakley (1979), Eight Artists (1978) and John Cage: Score & Prints (1982). During her tenure as curator, she reinstalled the permanent galleries in the wing of the Museum devoted to 20th-century art, creating rooms specifically dedicated to the work of Duchamp and the sculpture of Brancusi. During her curatorship the Museum made the commitment to building a substantial contemporary collection, acquiring works by Ellsworth Kelly, Dan Flavin, Brice Marden, Agnes Martin, Claes Oldenburg, Katherine Anne Porter, Dorothea Rockburne, James Rosenquist, and Frank Stella, among others.

*Director:* Projects undertaken by the Museum during Miss d'Harnoncourt's directorship to date include a sequence of major exhibitions originated by Museum curators, such as: Sir Edwin Landseer (1982), The Pennsylvania Germans: A Celebration of Their Arts (1983), Masters of 17th-Century Dutch Genre Painting (1984), Federal Philadelphia (1987), Anselm Kiefer (1988), Workers: The Photographs of Sebastiano Salgado (1993), Japanese Design (1994) major retrospectives of Brancusi (1995) and Cézanne (1996), The Splendor of 18th-Century Rome (2000), Hon'ami Kōetsu (2000) and Van Gogh: Face to Face (2000). She encouraged a series of scholarly publications devoted to the permanent collections: British Paintings (1986), Oriental Carpets (1988), Northern European Paintings (1990), Paintings from Europe and the Americas: A Concise Catalogue (1994), a new Handbook (1995), and a Handbook to the Museum's textile collections (1998).

Between 1992 and 1995, in a massive building project undertaken to reinstall all of the Museum's European collections, over 90 galleries were renovated and relit, while thousands of works of art were examined, conserved and placed in fresh contexts. During her tenure as director, appointments to the professional staff include senior curators of Prints, Drawings and Photographs and European Decorative Arts, curators of Indian Art, Prints and Twentieth-Century Art, as well as a Senior Curator of Education, a new Librarian and conservators in the fields of decorative arts, furniture, painting and works on paper. Most recently, following her assumption of additional responsibilities in 1997 upon the retirement of Robert Montgomery Scott as President of the Museum, Miss d'Harnoncourt and the newly appointed Chief Operating Officer led the institution through a long-range planning process with a view to celebrating the Museum's 125th anniversary in the year 2001 with a number of new initiatives.

In the year 2000, the Museum acquired a landmark building across the street and embarked upon a comprehensive masterplan for its use and the additional steps necessary to

meet the Museum's 25-year requirements for new or renovated space. Twenty galleries for modern and contemporary art were renovated and reopened in the fall of 2000. A capital campaign with a goal of \$200 million was formally launched in December 2000, and \$100 million was raised by March of 2001.

*Institutional Boards (Current):* Regent of the Smithsonian Institution, Washington, D.C.; Visiting Committee, J. Paul Getty Museum, Malibu, CA; Academic Trustee for the School of Historical Studies, Institute for Advanced Study, Princeton, NJ; Board of Directors, The Henry Luce Foundation, Inc., New York, NY; Board of Trustees, Fairmount Park Art Association of Philadelphia, Philadelphia, PA; Board of Overseers, Graduate School of Fine Arts, University of Pennsylvania, Philadelphia, PA; Board of Trustees, Fairmount Park Art Association of Philadelphia, Philadelphia, PA; Board of Overseers, Graduate School of Fine Arts, University of Pennsylvania, Philadelphia, PA; Board of Directors, The Georgia O'Keeffe Foundation, Abiquiu, NM.

*Memberships (Current):* Trustee, Association of Art Museum Directors; Advisory Committee, The Fabric Workshop, Philadelphia, PA; Member, American Philosophical Society, Philadelphia, PA; Advisory Board, Foundation for French Museums Inc.; Fellow of the American Academy of Arts and Sciences, Cambridge, MA.

*Institutional Memberships (Past):* Museum Panel, National Endowment for the Arts, 1976-78; Visual Arts Panel, National Endowment for the Arts, 1978-80; Board of Trustees, Hirshhorn Museum and Sculpture Garden, Washington, D.C., 1974-86; Museum Program Overview Panel, National Endowment for the Arts, 1986-87; Indo/U.S. Subcommission on Education and Culture, 1983-87; National Endowment for the Arts, Indemnity Panel, 1985-88; Harvard University Art Museums Visiting Committee, 1983-88; Board of Advisors, Center for Advanced Study in the Visual Arts (CASVA), National Gallery of Art, 1987-89; Pennsylvania Council on the Arts, 1992-99.

#### *Exhibitions Organized:*

Marcel Duchamp. The Philadelphia Museum of Art, The Museum of Modern Art, The Art Institute of Chicago, 1973-74. (Collaboration with Kynaston McShine, The Museum of Modern Art).

Philadelphia: Three Centuries of American Art. Philadelphia Museum of Art, 1976. (One of several collaborators under the direction of Darrel Sewell. Curator of American Art, Philadelphia Museum of Art).

Eight Artists. Philadelphia Museum of Art, 1978.

Violet Oakley. Philadelphia Museum of Art, 1979. (Collaboration with Ann Percy, Philadelphia Museum of Art).

Futurism and the International Avant-Garde. Philadelphia Museum of Art, 1980.

John Cage: Scores and Prints. Whitney Museum of American Art, Albright-Knox Museum, Philadelphia Museum of Art, 1982. (Collaboration with Patterson Sims, Whitney Museum).

#### *Publications:*

"Etant Donnés . . . Reflections on a New Work by Marcel Duchamp." Philadelphia Museum of Art Bulletin (double issue April/June and July/September 1969). Co-author with Walter Hopps.

Introduction to exhibition catalogue for Marcel Duchamp, 1973. Chronology and catalogue entries prepared jointly with Kynaston McShine of The Museum of Modern Art.

"A. E. Gallatin and the Arensbergs: Pioneer Collectors of 20th-Century Art," Apollo, July 1974 (special issue devoted to Philadelphia Museum of Art collections).

132 biographies and catalogue entries in "Philadelphia: Three Centuries of American Art", 1976.