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## CONGRESSIONAL RECORD — HOUSE

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## THE GOVERNMENT LABORATORIES

It is also safe to predict that a searching examination of what already is known as the "government laboratory problem" is in the offing. Within the AEC itself the issue is how many and what kind of laboratories it should operate. Without being specific, I think the answer will be "less," not "more." Also within the AEC is the broader issue of the logic or illogic of its budgetary and management responsibility for large and expensive basic research programs which are loosely atomic related but might more appropriately come within the province of some agency more fundamentally oriented toward basic science only. I have in mind here the high energy accelerators as well as the possibility of revising and enlarging the charter of something like the National Science Foundation to encompass their operation, or rescoping the AEC as the government's R. & D. Agency as well as atom custodian.

Laboratories operated by the Defense Department and many other government agencies are part of this total picture as well as the nongovernmental laboratories and universities with which extensive research contracts are maintained. Because of the "in-house" laboratory problem is government-wide and because it is pressing, I think the AEC and the JCAE well might take an initiative in solving it in order both to set a government-wide example and to prevent AEC, if it fails to take early action, from being swept into some generalized scheme of reform which may not particularly fit its needs.

## AEC PERIPHERAL ACTIVITIES

Somewhat akin to the laboratory problem, because it does involve research as well as development, is the issue of how much AEC should continue to promote peacetime civilian nuclear applications in such fields as medicine, biology, food preservation and similar activities. Those who sternly predict that once government gets into any kind of business "it never gets out" must be amazed to see how swiftly and voluntarily AEC relinquishes its isotope production activities the moment private operators can supply the market. The activities from which the AEC might recede I am talking about at this particular moment, however, fall into a different category than isotopes.

In medicine, biology and like areas we do not find a large involvement of private enterprise. The traditional responsibility has been one of government at some level, universities, research foundations and so forth. So the question really is, should the AEC be financing and managing the efforts because they are nuclear related, or should the AEC be urging those who traditionally have operated in an area to assume its nuclear related aspects as quickly as possible? I favor the second alternative.

In food processing and other applications of ionizing radiation by private industry the question boils down to the rate of progress you want to make as a matter of national policy. Perhaps we have tended to overestimate the economic and prestige rewards from moving here at forced draft rather than at a pace determined and financed by industry itself.

By way of contrast, space nuclear power has just one customer, the government, so private enterprise in this area is limited to the prime and subcontractor role. The questions government has not satisfactorily answered respecting it are simply what do we want to put in space and when. Space auxiliary nuclear power is another matter. The rapid penetration of industry into the ocean environment which makes similar power demands, brings government and industry back into partnership on this one.

## RAW MATERIALS

Having just taken you quickly from outer space to under the oceans, I'd now like to take you to inner space for a moment—into

the uranium mines from which the nuclear industry gets its basic raw material. These have been much in the headlines recently and the Joint Committee still is in the midst of extensive hearings on the uranium miner lung cancer problem. In the 1950's the national interest dictated discovery and production of vast quantities of uranium ore. The AEC dutifully and very successfully established a program of prizes and incentives which accomplished the objective. It has done a reasonably good job since of withdrawal in favor of private industry as the prime force sponsoring additional exploration and production. However, from the recent request of the Colorado Springs Operations Office for money to spend on large scale geological surveys, ore beneficiation research and the like, I gather that the spirit of bureaucratic empire building is not entirely dead within the AEC. Resurgent activity in the mining and milling industry leads me to believe, however, that it will be able to supply the new surge of yellow-cake demand even if Colorado Springs does not get all the money it asked for.

In its past efforts to spur uranium production the Commission logically and wisely refrained from attempting to nationalize the mining industry or regulate the mines. That was recognized as an area of state jurisdiction and responsibility. On that basis it was left to the states. Yet the Joint Committee and the Commission because they did so, have been subjected to the severe criticism that they have been neglectful in the matter of radon daughter induced lung cancer amongst the uranium miners. As pitiful a these cases are, it seems to me that we adopted a national philosophy of weaving the emerging nuclear industry into our existing political, economic and social fabric as normally as possible and therefore, that Labor Secretary Willard Wirtz's hasty move to put the government into the mines by way of Wash-Healey Act regulation is not wise.

His regulation, according to testimony, is impractical and unenforceable. Instrumentation does not exist by which the required .3 working level radon concentrations can be monitored. Already the regulation has had to be amended to cure defects in the definition of the .3 level and to avoid closing down all our mines.

## STANDARDS AND SPECIFICATIONS

I believe the basic fault in this instance, if it can be pinpointed at all, is a lack of proper standards to guide the states in establishing their safety regulations.

In 1959 the Joint Committee attempted to create machinery to provide such safety guides for exposure to radiation. It gave statutory recognition to the Federal Radiation Council to assure their orderly, comprehensive and scientifically sound treatment. The Council was set up to permit inputs from all the executive agencies having talents and responsibilities in the field—AEC, HEW, Labor and others.

The first major radiation problem the Joint Committee recognized and handed FRC in 1961 was the development of protection action guides covering radioactive fallout. At the time, you will recall, atmospheric weapons tests were creating hot spots. In this case we got the FRC to come through, but it wasn't easy.

We had to call hearings in both 1962 and 1963 to keep things moving. We also wrote a lot of letters and finally got the protection guides in 1964.

As soon as these were out FRC work was directed toward radiation exposure of uranium miners. I have no doubt that its staff worked hard to come up with the needed guides, but it was obvious the progress was too slow. Again, the Joint Committee jumped in to move things along. As soon as we scheduled hearings, the next meeting of the Council was moved up to complete action on the

guides beforehand. This was fine. But then things blew apart. FRC met on May 4th and there was a split decision. The object was to get together again and make one. But, somebody lost the script. The Secretary of Labor overreacted, bolted and put out his proposed regulation. This pre-empted FRC action and, even more seriously, the proposed order by Labor was garbled in a number of technical aspects.

In summary the way we laid things out when we passed the statute setting up the FRC broke down and something has to be done about it. What should be done? Abolish FRC and reorganize the executive to handle these problems? Strengthen the FRC to take care of this job? Or what?

I don't have the answers—only the questions. But I do know, as you know, that not only safety in the mines, but safety throughout the nuclear industry as well as public safety depends on getting them. And further, that the entire matter of standards and specifications in the broad sense is critical to the growth and development of the nuclear power industry. They are needed by the purchasers of reactors. They are needed by the manufacturers and by their suppliers. They are needed in order to avoid a breakdown of the licensing and regulation process in the face of the avalanche of new nuclear power plant orders.

Milton Shaw deserves great credit for zeroing in on this particular problem and working with all concerned to come up with some of the answers.

## ADVANCED CONVERTERS AND BREEDERS

Mention of Shaw's name, of course, brings up the bitter issue of the best way to go about developing breeder reactors—a program in which private enterprise and government enterprise find themselves in ambiguous, uneasy, but necessary partnership. Milt wants to go the component development route. Industry wants a comprehensive approach, on the theory its objective is not building components, but whole reactors. When listening to Shaw I find myself favoring his approach and when listening to industry I favor its approach. I like to feel that this is not because I am wishy-washy but because I believe that the magnitude of the job—and the resources both government and industry eventually will devote to it—will permit both approaches.

Nor do I wish, by this emphasis on the breeders, to imply any belief that advance converters are in danger of disappearing from the mix of nuclear power systems this nation and the world eventually will end up with. It long has been the custom of a few key members of the Joint Committee to meet informally with both government and industry representatives to exchange views on specific major problems. We have listened individually to lots of discussion, estimates and speculation from burner, advance converter and breeder proponents. We have heard lots about sodium, steam, gas and other coolants. I think the time is reasonably close when we should bring them all together at a formal hearing and get a better fix on when and in what proportion these various types of reactors can be expected to capture their markets.

## CONTROLLED THERMONUCLEAR REACTORS

I believe, in evaluating these markets, we cannot neglect the very real possibility that controlled thermonuclear reactors may be in the picture, too. The Joint Committee actively supports the program and regularly endorses an ever increasing budget. Progress in understanding and suppressing plasma instabilities is excellent. It would be reckless to expect a quick breakthrough in CTR. But it would be even more reckless to expect none at all. When it comes I am certain industry will move swiftly to exploit it.

## PLOWSHARE

Since some of you probably think I am pretty far out on the fringes talking about

Controlled fusion and since my time is about exhausted, to conclude I will just switch to another area many believe is on the fringes but I do not. It is Plowshare. Recently EG&G's Herb Grier, wearing his hat as President of CER Geonuclear Corporation, explained why his company, Continental Oil and Reynolds Electric are pouring substantial sums not only into the Gasbuggy Project to liberate natural gas locked in hard shale, but to set themselves up in the general nuclear rock crushing business on a permanent basis.

Where else, asks Grier can you buy TNT for 30¢ a ton? And, how else can you stuff kilotons of it underground through an eight-inch hole?

Considering the locked up reserves of natural gas alone, Grier estimates that in five to ten years there will be 1,000 shots a year and a total of 30,000 shots is needed in the United States alone. This is a lot of business. I hope the enterprises amongst you will not let CER get it all.

But that is only one area of Plowshare application. Its techniques should be applicable to oil as well as natural gas recovery. As of this week the AEC has a team in Pennsylvania looking into the use of Plowshare to create vast underground storage cavities for natural gas imported into that state from elsewhere.

Our old friend Norman Hilberry of Argonne Laboratory went to Arizona to retire but instead he is developing a scheme to use Plowshare to solve that state's critical water shortage. He would use underground nuclear explosives to develop giant catch basins to retain the State's rainfall, 98% of which is otherwise lost to evaporation.

Then there is the intriguing idea Plowshare heat sinks. Where there is a potential thermal pollution from a new power plant, before its construction a Plowshare underground cavity could be blasted which would "cool down" while the plant is built. Then the excess btus from cooling might be dumped in the cavity as an alternative to thermal pollution or dissipation from towers. Some people think the heat sink idea might even be practical for systems of central heating in winter and cooling in summer for entire cities. I close with these far-out thoughts mostly to underscore my estimate that our atomic industry today really is still in the Model T era and that great opportunities and great rewards lie ahead for anyone with enterprise.

#### SATO SHOULD LIFT EMBARGO ON TEST RIFLES TO UNITED STATES

(Mr. FINDLEY (at the request of Mr. RUPPE) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FINDLEY. Mr. Speaker, while the Prime Minister of Japan, Eisaku Sato, is here in Washington, seeking major concessions from the United States, I believe it is timely to draw to the attention of Congress and the public an important concession of vital interest to U.S. security that the Government of Japan has refused to grant this country.

Since last April, the Sato government has declined to approve an export permit to allow the shipment to this country of 75 American-designed AR-18 rifles, produced under license in Japan, which the U.S. Air Force wishes to test.

As my colleagues may recall, it was the Air Force in 1962 that led the way in the testing and adoption of the M-16 rifle, when the Army was still fighting procurement of that weapon.

Now, the Air Force wants to buy test quantities of the newer AR-18 rifle, which is similar to the M-16—but lacks some of its more troublesome features for three reasons: First, because of the Air Force's long-established policy of seeking the best possible weaponry for its personnel; second, because the Air Force has been unable to get the quantities of M-16 it wants as quickly as it would like; and third, because of the problems that our forces have encountered with the M-16.

Prime Minister Sato is now conferring with President Johnson and other key American officials seeking several concessions of vital interest to Japan, namely, the return to Japanese control of the strategic island of Okinawa, as well as the Ryukyus, which the United States have held since World War II. Indeed, so important is the Okinawan question that it has been publicly suggested that the Sato government may fall if the Prime Minister fails to negotiate return of the island to Japan.

Therefore, as a member of the Foreign Relations Committee, I believe it is in bad grace and bad faith for Mr. Sato—the head of a friendly nation—to seek such concessions from this country, when his own Ministry of International Trade and Industry—MITI—will not even approve the export to this country of 75 AR-18 rifles for test purposes.

And it could further be suggested that blocking this AR-18 shipment, valued at about \$10,000, is in particularly poor grace when it is recalled that earlier this month, the United States turned over to the Japanese Government the "technical package" on America's Nike Zeus and Nike Hercules rockets, worth millions of dollars, so that Japanese manufacturers could produce these weapons for defense of the Japanese homeland.

Officially, the Japanese Government has given no explanation as to why the shipment of 75 AR-18 rifles is being held up. But unofficially, Japanese officials have made clear that they fear release of the rifles to the U.S. Air Force might prove embarrassing to the Sato government.

The Japanese Constitution forbids its Government to give direct aid to any foreign nation which is a combatant in an armed conflict. And the United States, of course, is deeply engaged in Vietnam.

So strong is the antiwar and anti-American feeling among the politically powerful left-wing extremists in Japan that the Sato government apparently fears this shipment of rifles, if released, might provoke some kind of a domestic incident.

But the facts of the situation mitigate against that possibility. For these guns are to be shipped to Lackland Air Force Base, for stateside testing, not to Vietnam. Here is the history of the situation:

The AR-18 rifle was designed and is owned by the Armalite Corp., of Costa Mesa, Calif. This is the same firm that developed the AR-15 rifle, which has been adopted by the U.S. military as the M-16. While Armalite sold manufacturing rights for the M-16 to Colt Industries, licensing it as world's sole manufacturer, it has retained rights to the

newer AR-18, which is also a light, fast-firing .223-caliber weapon.

That rifle is now being produced for Armalite, under license, by the firm of Howa, in Nagoya, Japan. It is from Armalite-Howa that the Air Force has contracted to buy 75 AR-18s.

And it is the export of those rifles to the United States which the Japanese have refused to approve since last April, despite efforts by the Air Force and the U.S. Department of State.

Air Force interest in the AR-18 was sufficient, at the outset of its discussions with Armalite, that the service sought to buy 150 of the weapons. Seventy-five of the rifles were to go for the tests at Lackland, and 75 were to be flown to Vietnam, for trial under combat conditions.

But the U.S. State Department, fully appreciating the difficulties faced by the Japanese Government, ordered the Vietnam part of the order canceled. So there can be no doubt of their intended test-use solely in this country.

Mr. Speaker, there is apparent in this Congress a rising protectionist sentiment on matters of world trade. It is a trend of which I personally do not approve. And it is a trend that alarms many of the friendly nations with which we trade—particularly Japan, which sells considerable steel on the U.S. market.

It is my opinion that an incident like this one, involving an adverse action by the Japanese Government on this small quantity of AR-18 rifles, can only further stir the ire of many Members of Congress, and enhance the possibility that some kind of retaliatory action available to Congress—such as the voting of steel import quotas—may result.

Mr. Speaker, I do not see how Mr. Sato can seek concessions from this country, such as the return of Okinawa and the manufacturing data on the Nike missiles, while withholding approval for the shipment of 75 rifles to the United States.

As a Member of Congress with a long record of active interest in obtaining top-quality weapons for American fighting men, I do not see how the Japanese action in this situation can be described as anything but deplorable.

Mr. Sato wishes American concessions, and wishes to retain the good will of Members of Congress. I believe he should release the AR-18 rifle shipment.

(Mr. KEITH (at the request of Mr. RUPPE) was granted permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

[Mr. KEITH'S remarks will appear hereafter in the Appendix.]

#### THE ORBITAL BOMBARDMENT SYSTEM

The SPEAKER pro tempore (Mr. EDMONDSON). Under previous order of the House, the gentleman from California [Mr. LIPSCOMB] is recognized for 15 minutes.

Mr. LIPSCOMB. Mr. Speaker, Secretary of Defense McNamara lifted the veil

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of secrecy and silence on the status of a far-reaching threat to our national security when he disclosed November 3, 1967, that the Soviets have been testing a system capable of placing in orbit and detonating on command a nuclear bomb—the orbital bombardment system—which could become operational in 1968.

A capability in the hands of the Soviet Union to bombard this Nation from orbiting missiles is a matter of grave concern, for it is a weapons system of awesome significance.

It cannot be otherwise, for it means that weapons of mass destruction can be orbiting the earth and the impact point of their warheads cannot be determined until they are about 3 minutes from the target.

In spite of efforts of the Secretary of Defense and other spokesmen to downgrade the importance of the orbiting bomb, there is widespread apprehension about the potential of this weapon. For example, the Chairman of the Joint Chiefs of Staff said on November 8, 1967, the weapon "could grow to be a threat of considerable proportions."

There is no quarrel with any attempts which may be made to allay public fears concerning this weapon. Obviously, we cannot allow this or any other development to have a weakening or immobilizing effect upon actions which may be required to do our best to safeguard our Nation's security and sovereignty.

But the apparent indifference of officials of the Defense Department as to the seriousness of the threat to us represented by the orbital bomb is a matter of deep concern.

This indifference, which is perhaps best described as an arbitrary refusal to see the orbital bombardment system and its potential for actual and psychological warfare for what it really is, has persisted over the years.

When Secretary McNamara appeared at the House Defense Appropriations Subcommittee hearings on February 20, 1964, he described the threat of attack from enemy satellites as "not an important threat for the immediate future."

Shortly after that, Dr. Harold Brown, then Director of Defense Research and Engineering and now Secretary of the Air Force, testifying before the House Defense Appropriations Subcommittee on March 11, 1964, said:

It is therefore clear that [orbital bombardment system] weapons are not very great threats to us in the near future, and that they are unlikely ever to be. Such weapons would be largely anti-population in nature and would not appear to alter Soviet military posture sufficiently to justify the several obvious difficulties involved in their deployment.

He further testified during those hearings that "we have not more than three or four people" studying the question of orbital bombardment, and "we are not doing any hardware work."

Dr. Brown came up with such reasons for this as:

It is not a very good idea. There now is a U.N. resolution which we subscribe to and the Soviets have subscribed to, not to put bombs in orbit.

And—

Apparently neither the Russians nor we believe it is a very important strategic weapon.

In the meantime, the Soviets have aggressively applied space to military purposes, and in the case of the orbital bombardment system they appear to be far ahead of the United States.

When President Johnson transmitted to the Congress the sixth annual report on the accomplishments of the Arms Control and Disarmament Agency on February 17, 1967, he said:

The United States has anticipated the future by putting all of Antarctica, and more recently outer space, off limits to weapons of mass destruction.

Ironically, at the very time the statement was made that we put outer space off limits to weapons of mass destruction, according to press reports the Soviets had already fired three of 11 space shots from a military ICBM launch complex, a series of shots Secretary McNamara reportedly referred to when he revealed there was evidence that the Soviet orbital weapon system conceivably could be operational in the near future.

The situation we are confronted with, therefore, is that soon the orbital bombardment system could be an accomplished fact as a major weapons system in the Soviet arsenal.

In spite of this, at his November 3, 1967, news conference Secretary McNamara clearly indicated a continued lack of concern over the Soviet orbital bombardment system.

Secretary McNamara revealed that we are still relying on a concept of something which he calls "deterrent" as a basic defense against this offensive weapon.

Many have at times felt that the development of U.S. defense forces—particularly the strategic forces—under the stewardship of Secretary McNamara has been intentionally constrained, and that this seems to be bringing us into a position of parity with the Soviets.

In the application of space to military purposes there should exist no doubt that what the Soviets seek is superiority, not parity.

The development of an orbital bombardment system gives added evidence that the Soviet objective is to achieve strategic nuclear supremacy over the United States.

By attaining strategic nuclear superiority, the Soviets could: Complicate the problem we have in targeting and directing our strategic forces against the Soviet Union, reduce U.S. confidence in our ability to penetrate Soviet defenses and our ability to destroy Soviet targets, and achieve an exploitable capability permitting them freedom to pursue their aims without resorting to general nuclear war.

It is the military capabilities which the Soviets now possess or control which helps permit the Soviets a freedom to pursue their aims in North Vietnam and elsewhere without resorting to general nuclear war.

If one were to utilize a term often used by the Secretary of Defense, one could say that the Soviets have a deterrent.

It is that Soviet deterrent which apparently deters this administration from successfully countering against the Soviet economic, political, and military support activity which the Soviets sustain against us in North Vietnam.

Furthermore, there is every reason to believe the Soviet leaders could, with an orbital bombardment system, be in a position to even more freely pursue their aims.

Officials in our Department of Defense and others in high positions seem to place extraordinary faith and reliance on mere words on paper as the means to deter the Soviet orbital bombardment system.

Throughout the story of the Soviet success and our failure to develop an orbital bombardment system there is a consistent theme of reliance on "agreement" or "resolution" or "understanding" or "arrangement" with the Soviets regarding weapons in space.

Assurances along these lines have been repeatedly advanced over the years and were again repeated in Secretary McNamara's recitation on November 3 that one of the reasons the Soviets were not likely to use the orbital missile as a weapon is that—

It's a violation of an agreement they've entered into.

This was, of course, a reference to the Treaty on Outer Space. One of the major provisions of the treaty is designed to bar the orbiting or stationing of nuclear or other weapons of mass destruction in outer space. In this regard, many are puzzled and dismayed over Secretary McNamara's apparent eagerness to absolve the Soviets of any violations of the Space Treaty.

The Los Angeles Times, as one example, in a November 7, 1967, editorial entitled "Soviets Bend Space Treaty," asserted:

But it is nothing short of incredible that the Johnson Administration seems unwilling to challenge Russian actions as a violation of the U.N. treaty banning nuclear weapons from outer space.

Certainly the American people are unlikely to be satisfied with McNamara's explanation of why Soviet development and testing of the new weapons system does not violate the treaty, which the Russians signed only last January.

Secretary McNamara's announcement of the Soviet orbital bombardment system culminates a case history of an administration failure which we certainly cannot permit to be repeated.

The psychological or physical harm which may be inflicted upon the world by the Soviet's possession of the orbital bombing system may be of great significance. It could in fact determine our Nation's future.

Greater progress is needed to develop our own capability to counteract Soviet strategic weapons systems. Certainly we are faced with the necessity of developing a system to defend against orbiting bombardment missiles.

Our Nation and the world would be better off, too, if we challenged the Soviets on this weapon as a violation of the space treaty.

But mere words alone will not adequately shield the Nation.

Hard work and hardware are required to deal with weapons of mass destruction in space.

#### EVALUATION OF U.S. FOREIGN AID POLICY

The SPEAKER pro tempore. Under previous order of the House, the gentleman from New York [Mr. HALPERN] is recognized for 10 minutes.

Mr. HALPERN. Mr. Speaker, before we begin debate on the foreign assistance and related agencies appropriations bill of 1968, I should like to offer for the consideration of our colleagues an evaluation of our overall approach to foreign assistance as embodied in the Foreign Aid Authorization Act, accepted last week by this body.

U.S. foreign aid policy has, of late, been subject to much criticism. But criticism is easy. The harder task is developing a realistic approach to U.S. foreign aid and defining the reasons for U.S. expenditures. My examination of our recently passed foreign aid conference report, excluding provisions for military and supportive assistance, convinced me that our approach to foreign aid is basically sound.

The United States has a crucial interest in the direction of development of the rest of the world. She cannot expect countries to follow similar paths of modernization. But she can affect the directions and rate of change. To keep peace during this time of turmoil and to help make other nations' interests compatible with her own are reason enough to continue foreign aid.

The foreign aid bill of 1968 recognizes that the problems developing nations face today are qualitatively different from those of both this Nation at inception and post-World War II Europe. Many countries have yet to achieve a sense of their own nationhood. The developing nations' insistence on immediate modernization, on a total changing of society without first developing the necessary technology, education, funds, and other equipment have led to bottlenecks and violence.

How do these conditions affect U.S. aid policies? No Marshall plan can solve the problems of underdeveloped nations. Modernization can only be achieved by a long-term process and the foreign aid bill of 1968 recognizes this. The U.S. approach must be a pragmatic and flexible one. She must constantly reexamine her policies and results of these policies and change them to fit the needs of individual countries now receiving aid. She must realize that she can expect no assurance that economic growth will lead to social and political changes desirable to herself and yet that she cannot stop her efforts. Finally, she must be willing to experiment and make mistakes.

S. 1872 is a step in the right direction. In his foreign aid message of 1967, President Johnson called self-help "the lifeblood of economic development." This bill recognizes that this country and other donors can supply only a small fraction of the resources needed for

modernization; the initiative and much of the human and physical resources must be provided by the recipient country. Sections of the bill place further emphasis on the principle of self-help. It combines 20 years of experience by setting the criteria to judge the efforts of recipient countries to improve themselves.

This bill further recognizes the limitations of U.S. aid attempts. The United States cannot support the world. Thus, this Nation has selected 16 key target nations for her major aid ventures.

This bill further recognizes the limitations of U.S. efforts by selecting areas of priority. Although much of the underdeveloped world is still agrarian, many nations are still incapable of feeding their own populations. Thus, the bill continues the 1961 provisions to increase the technology, marketing techniques, and to make recommendations of the most advisable crops a country should produce. While efforts are being made in the field of long-term improvements in agriculture, Public Law 480 provides unforeseen emergency famine relief. Recognizing that the world population cannot be fed in the future if current growth rates continue, the United States has increased her program urging voluntary family planning. Modernization is impossible unless a country's population is healthy and skilled; thus, S. 1872 continues U.S. priorities in these two areas also.

S. 1872 is a sound law because it allows the necessary flexibility of policies for development of countries. It provides the guidelines for project-tied and developmental aid, aid with and without strings, and both grants and loans of funds.

Project aid enables the United States to direct a country's development. By allocating funds and technology for specific projects, the United States can provide the necessary impetus for projects such as the Indus Basin project which a country without aid might never attempt. The United States also has other means of directing a nation's development besides specific project aid. She can attach strings, as demands for monetary or political reform to her contributions. But no nation can delegate upon herself the responsibility of determining the course of another country's development, and this H.R. 12048 recognizes. Thus, the 1968 bill has supplemented project aid and aid with strings with development aid and "soft aid," allocations for which the recipient country can determine her own uses, free from strings. A combination of these types of aid gives the recipient freedom to plan her own development.

Current U.S. aid places further emphasis on loans rather than grants. Thus, a "pipeline" or revolving fund for future aid ventures is created. The merits of this policy are apparent. But, I believe that future efforts in this direction should be tempered because of the fear of fiscal difficulties it creates in the recipient countries. U.S. accumulation of foreign currency lowers the circulating currency in developing nations and creates the fear that some day U.S. stockpiles of foreign currency will be released, flooding the market and leading to economic upheaval in the country receiving aid.

I must repeat that the United States can expect no mirror image of her own paths of development in the developing nations today. Private enterprise and nonprofit organizations do have an important role in our foreign aid which part II of the current bill recognizes. But we should neither demand that a nation buy our own products nor demand free enterprise as the only principle upon which an economy can be built.

Rapid change often demands regulation by the government and more regulated ownership than free enterprise. The United States should continue to support the free enterprise system and her own corporations, but be willing to make sacrifices. More orderly control by the government is often more of an assurance for the conditions in which democracy can flourish than a disorderly, bottlenecked, free enterprise system in which frustration and violence can become more rampant.

These efforts mentioned are limited to about 16 countries. But technological aid under title II of the development assistance program benefits a total of 40 countries. The United States is thus helping to train people in the necessary skills needed for modernization, and makes her foreign aid program a broader one.

Foreign aid is not simply a bilateral venture by this Nation. Some of the more promising features of this bill are contained in the provisions for U.S. support of international organizations such as the World Bank and Inter-American Development Bank, groups of nations acting in consortia, and the agencies of the United Nations. These groups have the potential of providing more funds and aid free from the pressure of the demands of any one government. My recent trips to Latin America and Africa have convinced me that, although these groups are now limited in scope and effectiveness, they have the potential to play a large part in the efforts of developing nations.

Just as the donor is not always one country, the recipient of aid may be an entire region. Countries are political boundaries and are not economically viable. Many projects like the Indus Basin project and plans like the Colombo plan must deal with an entire region to be effective. They can benefit a great area as well.

Through its Foreign Assistance Authorization Act, Congress has played an important role in creating U.S. foreign policy. Congress has provided the broad outlines and necessary flexibility for our foreign aid. The effectiveness of this improved foreign aid bill now depends upon efficient administration and implementation of its provisions.

I support this bill as a good definition of the needs of developing countries and hope that Congress will continue to play a role in this field by examining the implementation of policies throughout the duration of S. 1872.

#### IS THE SECRETARY OF LABOR ABOVE THE LAW?

The SPEAKER pro tempore. Under previous order of the House, the gentle-