are too many instances in even my lifetime in which grants have enabled countries to reach a position of strength, and then we had no possibility of reversal, of getting something back when it could be most useful to us.

Contrarywise, I think we should, therefore, recognize that in much of what is done, governmentally and nongovernmentally abroad, there will also certainly be defaults and losses, and that much of the foreign exchange that we talk about as being a potential asset in some of the less developed countries, arising out of the counterpart of Public Law 480 and so on, is virtually default money. (The conditions under which it could be used are so circumscribed.)

So that in tightening up our position, it is not only the defaults that have occurred but those that may occur, and the protection we ought to take against them that I feel are very important.

To go on as to whether we ought to impose some check now on foreign investment because of the risks involved, there I would agree with Professor Kindleberger. I think cautions have to be stated, and included in the cautions is one more of which our Canadian experience is the clearest illustration. We do have to respect as well as recognize the fact that other countries begin to wonder about their capacity to influence their own affairs when more than 50 percent of all manufacturing and extractive industry is owned outside, and it becomes a matter of statesmanship for the firm, as well as cost and risk, to take that into account.

Senator SYMINGTON. Thank you.

Representative REUSS. Thank you very much, gentlemen, for being so patient.

We will now stand adjourned until 10 o'clock tomorrow morning, when we will reconvene in this chamber.

(Whereupon at 4:30 o'clock p.m., the committee adjourned until Tuesday, February 21, 1967, at 10 a.m.)