

pany interests, and that are in the national welfare, and that are not in the private sector, that are appropriately the concern of Government. This has to do with public health, for example, for the space program activities which have no immediate relation to the private sector, and a number of other areas.

But in those areas where research is being conducted to satisfy a demand of the economy, and which can be and has been appropriately handled by the private sector, I feel that there should be no Federal research.

The CHAIRMAN. To be specific, what areas are we talking about with reference to the pending matter? I do not think there is any great quarrel about the fact that the Government should not necessarily parallel what private industry is doing. But the statement is "without further Government expenditures on research," and that would mean the whole area that we are talking about, would be cut off from Federal research funds. I question whether this is desirable?

Mr. JONES. Well, obviously—

The CHAIRMAN. In the nuclear field, for example, which was referred to this morning, Dr. Teller—years ago—wanted to move the Plowshare program into this field and apply it to oil shale. This is involved, of course, in connection with the work that the Atomic Energy Commission has undertaken in trying to improve various aspects of the peaceful nuclear explosive applications. You would not cut off this research would you?

Mr. JONES. Should this work move forward with research on the use of nuclear fission in *in situ* retorting obviously the AEC would be involved in this.

So, within the confines of that area AEC has to be involved; but the research work that would be attendant to follow up on it, in my opinion, would be appropriately conducted by private industry and not by the Government.

The CHAIRMAN. There again you get into the question of degree. It would have to be decided where to cut it off.

Mr. JONES. Yes. This does involve a matter of judgment.

I am really trying to speak to the principle that I cannot support the concept of government research in competition with private research to satisfy consumer needs that are appropriately a part of the private sector of the economy.

The CHAIRMAN. Senator Allott?

Senator ALLOTT. Yes.

On this research, Dr. Jones, I take it that you feel that any effort by Government to get involved in a broad general research program comparable to that which is carried on by numerous private companies, at the present time, would be an extravagance which the Government cannot afford.

Mr. JONES. I would certainly agree with that, Senator.

Senator ALLOTT. But also you recognize that if we get into the *in situ* retorting, certainly the government is going to have to be involved in it, at least until such time as the laws of this country are changed with respect to the use and production of atomic energy.

I would like to discuss with you for a few moments the question of the royalty situation and just exactly how you feel that the royalty