

tween domestic programs and projects abroad. And there undoubtedly are some in Government who would like to see Government reshape this allocation of resources to the detriment of private investment abroad and for the theoretical benefit of the domestic side. These tendencies, these signs, are not always crystal clear. But as we observe the Washington scene, as we read Government pronouncements, as we study the implications of the law and regulation affecting private investment abroad, we are obliged to assert that there is at least some evidence that the road along which we are now being led with reference to private direct investment is not only the wrong one but that our course is being fixed by considerations beyond balance of payments.

H. *Temporary or indefinite.*—In all candor, we have no confidence that Government has a determination to end this program of mandatory controls at the earliest possible date. As pointed out above, the record of Government with respect to such promises is poor. Moreover, as we have suggested, controls by their very nature seem to create an apparatus or bureaucracy which tends to perpetuate itself, and finally there is the built-in reluctance of Government to dismantle a program once it has been instituted. The judgments made here—which we believe to be widely shared in the business community, although not necessarily widely articulated—are underlined and strengthened by a conviction that there is no strong will to use this control program on a very short term basis, and to replace it at a very early date with something that makes more sense from a long-range standpoint. That something in the form of a long-range program does not appear to be on the horizon. We are not reassured by the exchanges between Ways and Means Committee members and administration witnesses on the issue of the temporary character of this program.

I. *Legal aspects.*—We are concerned as to the legal aspects of this program. At best it seems that the legal authority cited for the inauguration of this program without new legislation from the Congress is strained. It may be subject to challenge at least as to repatriation requirements. But let us take the more charitable view of the legal situation and assume that, by straining, the program can be justified on legal grounds and that furthermore there is realistically a natural reluctance on the part of business to try to assert contrary views on such a subject through lawsuits. Even if this is the case, we believe the administration should have accorded the Congress and the business community an opportunity to suggest alternatives to the mandatory program through public hearings or some other system of administrative procedure. In our judgment, whatever may be the answer to the legal question, to undertake a program of this type without hearings, without discussion of the issues, both from the Government and industry viewpoints, is unconscionable in terms of American institutions and American processes. We cannot overstate our deep concern with this aspect of the launching of this extraordinary system of controls on the part of the Federal Government.

J. *Administrative problems.*—Finally, no program, either in terms of conception or structure, particularly one involving con-