SENATE

MONDAY, AUGUST 13, 1962

(Legislative day of Friday, August 10, 1962)

The Senate met at 10 o'clock a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore [Mr. METCALF].

The Chaplain, Rev. Frederick Brown Harris, D.D., offered the following prayer:

Our Father, God, for the glory of the earth, in the haunting beauty of which we walk for the dawn of the new day, for the stars in the night sky, for the gifts of love and of friendship, for sacred and sunny memories, and for every radiant hope which inspires us on our pilgrim way, we lift our morning paean of grateful praise.

In Thy presence our arrogance is rebuked and our pride of opinion is mocked as we confess that left to ourselves we but grope in the darkness, and that our sight is dim, our knowledge is partial, and our judgments fallible.

As we face the tangled problems of a free system where the people rule, make us honest and honorable enough to bear the vision of the truth, wherever it may lead, and to be done with all pretense. In spite of suspicions, animosities, disappointments, disillusionments, and of hopes deferred which plague the councils of men, gird our hearts to seek peace and pursue it, that the sadly sundered family of Thy children may at last be bound by golden cords of understanding and fellowship around the feet of the one God.

We ask it in the Name above every name. Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Saturday, August 11, 1962, was dispensed with.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate the unfinished business.

The question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE].

LIMITATION OF DEBATE DURING MORNING HOUR

On request of Mr. MANSFIELD, and by unanimous consent, it was ordered that there be a morning hour, with statements limited to 3 minutes.

ORDER FOR ADJOURNMENT UNTIL NOON TOMORROW

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its session tonight, it adjourn to meet at 12 o'clock midday tomorrow.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I have asked for a reconvening hour of 12 tomorrow, rather than earlier, in the hope that the Judiciary Committee, and particularly its subcommittees, will move ahead and, I hope, will complete its work on the drug bill and on the highly controversial nomination of Mr. Thurgood Marshall.

Mr. KEATING. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. KEATING. I am delighted that the Senator from Montana has made this statement regarding the nomination of Judge Marshall. The hearing on it has been set for Thursday. However, I feel sure that can be changed. I compliment the majority leader on his efforts to expedite the taking of action on the nomination, and I hope his efforts will be exerted where they will count the most.

Mr. MANSFIELD. I wish to say that it is the hope of the leadership that the hearings on the nomination of Judge Marshall will be concluded, so the nomination can be brought to the floor of the Senate for consideration during executive session. If that cannot be done tomorrow, which I had hoped would be possible, then the leadership will endeavor, within its capacities, but without making any promise whatever, to see whether it can be done Wednesday or Thursday.

EXECUTIVE COMMUNICATIONS, ETC.

The ACTING PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON TITLE I AGREEMENTS UNDER AGRICULTURAL TRADE DEVELOPMENT AND ASSISTANCE ACT OF 1954

A letter from the Administrator, Foreign Agricultural Service, Department of Agriculture, transmitting, pursuant to law, a report on title I agreements under the Agricultural Trade Development and Assistance Act of 1954 (with accompanying papers); to the Committee on Agriculture and Forestry.

REPORT ON MEDICAL STOCKPILE OF CIVIL DEFENSE EMERGENCY SUPPLIES AND EQUIPMENT

A letter from the Secretary of Health, Education, and Welfare, reporting, pursuant to law, on the medical stockpile of civil defense emergency supplies and equipment, for the quarter ended June 30, 1962; to the Committee on Armed Services.

AMENDMENTS OF MISSING PERSONS ACT TO COVER CERTAIN PERSONS DETAINED IN FOREIGN COUNTRIES AGAINST THEIR WILL

A letter from the Secretary of the Air Force, transmitting a draft of proposed legislation to further amend the Missing Persons Act to cover certain persons detained in foreign countries against their will, and for other purposes (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF TITLE 10, UNITED STATES CODE, RELATING TO PARTICIPATION BY MEMBERS OF THE ARMED FORCES IN INTERNATIONAL SPORTS ACTIVITIES

A letter from the General Counsel of the Department of Defense, Washington, D.C., transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for participation by members of the Armed Forces in international sports activities (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF SECTIONS 220, 221, AND 233 OF NATIONAL HOUSING ACT

A letter from the Administrator, Housing and Home Finance Agency, Washington, D.C., transmitting a draft of proposed legislation to amend sections 220, 221, and 233 of the National Housing Act (with accompanying papers); to the Committee on Banking and Currency.

SOCIAL SECURITY ACT TECHNICAL AMENDMENTS OF 1962

A letter from the Assistant Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to amend the Social Security Act to authorize certain expenditures now authorized in annual appropriations and to facilitate certain administrative improvements, and for other purposes (with an accompanying paper); to the Committee on Finance.

DECLASSIFICATION OF AUDIT REPORT OF GENERAL SERVICES ADMINISTRATION

A letter from the Comptroller General of the United States, reporting, for the information of the Senate, that the secret report by that Office on the audit of certain contracts with Kaiser Aluminum & Chemical Corp., dated July 6, 1961, was declassified on June 26, 1962, by the Office of Emergency Planning; to the Committee on Government Operations.

REPORT ON CLAIMS PAID UNDER MILITARY PERSONNEL CLAIMS ACT

A letter from the Secretary of the Air Force, transmitting, pursuant to law, a report on claims paid under the Military Personnel Claims Act, during the fiscal year 1962 (with an accompanying report); to the Committee on the Judiciary.

REPORT ON TORT CLAIMS PAID BY DEPARTMENT OF THE AIR FORCE

A letter from the Secretary of the Air Force, transmitting, pursuant to law, a report on tort claims paid by that Department, during the fiscal year 1962 (with an accompanying report); to the Committee on the Judiciary.

HEALTH, EDUCATION, AND WELFARE INSTITUTIONS TECHNICAL AMENDMENTS OF 1962

A letter from the Assistant Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to authorize certain expenditures and activities now authorized in annual appropriations for Howard University, Gallaudet College, and St. Elizabeths Hospital, to facilitate certain other administrative or personnel improvements at such institutions, and for other purposes (with an accompanying paper); to the Committee on Labor and Public Welfare.

RESOLUTIONS OF SENATE OF COMMONWEALTH OF MASSACHUSETTS

The ACTING PRESIDENT pro tempore laid before the Senate resolutions of the Commonwealth of Massachusetts,

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

which were referred to the Committee on Commerce, as follows:

RESOLUTION URGING FEDERAL AUTHORITIES TO REQUIRE NORTHEAST AIRLINES TO CONTINUE ITS SCHEDULED FLIGHT SERVICES IN AND OUT OF THE MUNICIPAL AIRPORT OF THE CITY OF LAWRENCE

Whereas the Northeast Airlines has submitted a petition to the Civil Aeronautics Board requesting permission to terminate certain scheduled flights in and out of Richard F. Condon Airport in North Andover, the municipal airport of the city of Lawrence, thereby terminating service for the Lawrence area; and

Whereas hundreds of thousands of dollars of city, State, and Federal funds have been expended in recent years in the enlargement and improvement of said airport, and the Federal Aviation Agency has approved recent expenditures for the development of the airport; and

Whereas the record of airline passengers served from 1952 to 1958 justifies a longer trial period of service by the Northeast Airlines, which company has not fairly tried to promote business in the Lawrence area, particularly in promoting air mail and air freight, nor tried to evaluate the potential of air passenger business in the Lawrence area, notwithstanding the fact that over $2 million has been invested in new facilities at the Lawrence airport during the years 1958–61 on the basis of the resumption of services at said airport by the Northeast Airlines; and

Whereas the suspension of service requested by Northeast Airlines was tentatively allowed by order of the Civil Aeronautics Board, which order was later withdrawn, at which time the Civil Aeronautics Board stated that Northeast Airlines should resume its original schedule of service out of and into the Lawrence airport until the entire matter of Northeast Airlines service in the New England area, including Lawrence, be reviewed at a region airport meeting to be held in August of the current year; and

Whereas it is not in the public interest to allow Northeast Airlines to discontinue flight service at the Lawrence airport, no other substitute service being available: Therefore, be it

Resolved, That the Senate of Massachusetts respectfully urges the Congress of the United States and the Civil Aeronautics Board to take such action as may protect the interests of the people of the Lawrence area, and to require Northeast Airlines to continue its services at the Lawrence airport; and be it further

Resolved, That the secretary of the Commonwealth transmit forthwith copies of these resolutions to the President of the United States, to the presiding officer of each branch of the Congress, to each Member of the Congress from the Commonwealth, and to each member of the Civil Aeronautics Board.

Adopted by the Senate, July 26, 1962.

THOMAS A. CHADWICK,
Clerk.

Attest:

KEVIN H. WHITE,
Secretary of the Commonwealth.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "MILITARY COLD WAR EDUCATION AND SPEECH REVIEW POLICIES" AND REPORT THEREON—REPORT OF A COMMITTEE

Mr. STENNIS. Mr. President, for the Committee on Armed Services of the Senate I report an original concurrent resolution authorizing the printing of additional copies of hearings entitled "Military Cold War Education and Speech Review Policies" and the report thereon.

Mr. President, the concurrent resolution represents what is believed by the committee to be a fair estimate of the additional copies which will be needed of the report, as well as of the hearings. These are the hearings which were conducted by the Preparedness Investigating Subcommittee with reference to the use of military personnel in the conduct of the cold war, having to do with the so-called clearances of speeches, censorship, and so forth. Due to the great volume of testimony taken at the hearings, considerable time will be required in reviewing same; but the committee expects to file a complete report before the end of this session.

As I say, this represents a fair estimate by the committee of the needed requirements. I assume that the concurrent resolution will be referred to the Committee on Rules and Administration.

The ACTING PRESIDENT pro tempore. Under the rule, the concurrent resolution will be received and referred to the Committee on Rules and Administration.

The concurrent resolution (S. Con. Res. 87) was referred to the Committee on Rules and Administration, as follows:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on Armed Services not to exceed six thousand additional copies of all parts of the hearings entitled "Military Cold War Education and Speech Review Policies," held by the Special Preparedness Subcommittee during the current session, and not to exceed six thousand additional copies of the report thereon to be made to the Senate by that committee.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BIBLE (by request):

S. 3636. A bill to amend the act of February 9, 1907, entitled "An act to define the term 'registered nurse' and to provide for the registration of nurses in the District of Columbia," as amended, with respect to the minimum age limitation for registration;

S. 3637. A bill to authorize the Commissioners of the District of Columbia to sell a right-of-way across a portion of the District Training School grounds at Laurel, Md., and for other purposes;

S. 3638. A bill to authorize certain expenses in the government of the District of Columbia, and for other purposes; and

S. 3639. A bill to amend the District of Columbia Practical Nurses' Licensing Act, and for other purposes; to the Committee on the District of Columbia.

By Mr. BEALL:

S. 3640. A bill authorizing the Secretary of the Interior to erect a monument at Fort Cumberland, Allegany County, Md., in honor of George Washington; to the Committee on Rules and Administration.

By Mr. RUSSELL (for himself and Mr. TALMADGE):

S. 3641. A bill to amend the Textile Fiber Products Identification Act; to the Committee on Commerce.

CONCURRENT RESOLUTION

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "MILITARY COLD WAR EDUCATION AND SPEECH REVIEW POLICIES" AND THE REPORT THEREON

Mr. STENNIS, from the Committee on Armed Services, reported an original concurrent resolution (S. Con. Res. 87) authorizing the printing of additional copies of the hearings entitled "Military Cold War Education and Speech Review Policies" and the report thereon, which was referred to the Committee on Rules and Administration.

(See the above concurrent resolution printed in full when reported by Mr. STENNIS, which appears under a separate heading.)

RECOMMENDATION FOR COMPULSORY SCHOOL ATTENDANCE TO AGE 17 OR HIGH-SCHOOL GRADUATION

Mr. PROXMIRE. Mr. President, I submit a resolution stating it as the sense of the Senate that compulsory school attendance be extended to the 17th birthday or to high-school graduation, whichever comes first, as a means of combating serious unemployment among young people.

I believe that, as a national goal, States and communities should be encouraged to provide useful education and training opportunities for young people until their 18th birthday.

Unemployment among our Nation's teenagers is staggering, and is steadily getting worse. It is double or triple the rate among other groups in our population.

Right now, over 1 million young people aged 14 to 19 are in the labor force, but are out of work. If present trends continue, by 1970 the number will be 1.5 million. As they are now so they will be then: the largest single age group of unemployed workers in America.

The right kind of increased education is a key to reducing unemployment. It is the best way to develop the competence and skills that our young people need in order to fill the myriad of skilled jobs stemming from our rapid technological progress.

Our high school dropout rate has reached fantastic proportions: 2½ million out of the 10.8 million students in high schools will drop out before graduation. That is nearly one in four.

What is more, the least competent students, who need training and education most, are the ones who drop out first.

Of the national total of 6 percent unemployment in June 1962, a full 2.9 percent—nearly half—was composed of young people aged 24 and under; and 2 percent, or one-third, were in the 14 to 19 age group.

The training demands of available jobs are rising sharply, and at an increasing rate. Professional and technical occupations will increase 40 percent in the 1960's; clerical and sales jobs

will increase 28 percent. For all such positions a high school diploma is a minimum requirement.

In his authoritative study of American youth, entitled "Slums and Suburbs," Dr. James Bryant Conant observed that enormous numbers of young people in cities are out of work and out of school, once they turn 16. These youth behave in ways that may have serious social consequences.

When we recognize that only 4 out of every 100 jobs available today do not require education, the staggering dimension of this problem becomes apparent.

One way to tackle the problem is to state a clear national goal of raising the school-leaving age to 17. This is what my resolution recommends.

I ask unanimous consent that the text of the resolution be printed at this point in the RECORD, and also that there be printed in the RECORD a very excellent article published on August 11 in the magazine Business Week, entitled "Only High School Grads Need Apply." The article shows the great need for such action by the State authorities.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The resolution (S. Res. 376), submitted by Mr. PROXMIRE, was referred to the Committee on Labor and Public Welfare, was ordered to be printed in the RECORD, as follows:

Whereas education and training enable young people to develop useful skills and talents; and

Whereas young people with limited education have difficulty finding and keeping satisfactory employment; and

Whereas there exists a seriously high level of unemployment among our Nation's young people, especially those with low educational attainment; and

Whereas a large percentage of all the unemployed in our Nation are young people; and

Whereas the several States and communities of our Nation have full responsibility and authority over education policies and standards: Now, therefore, be it

Resolved, That it is the sense of the Senate (1) that it should be a national goal that all States have compulsory school attendance laws requiring school attendance until the seventeenth birthday or completion of the twelfth grade if prior to such birthday, and (2) that all States and communities should be encouraged to provide adequate education and training opportunities for young people while in such required attendance.

The article submitted by Mr. PROXMIRE is as follows:

ONLY HIGH SCHOOL GRADS NEED APPLY

"Until recently, all we asked of a job applicant was that he be able to sign his name and find his way to the time clock. Now he's got to have a high school diploma."

The speaker, a southern California electronics manufacturer, could serve as spokesman for much of American industry. The high school diploma—once the mark of the better-educated worker and often his passport to a white-collar job—has become the minimum requirement for many basic industrial jobs.

This is the word from Missouri utility executives, Washington paper mill officials, Pennsylvania steelmen, Texas oilmen, Massachusetts electrical equipment manufacturers.

TREND IS UP

A Business Week survey of major industrial centers finds the trend toward higher educational requirements for factory jobs strongest in the west coast aerospace industry (where a high school graduate taking night school math courses may start work as a mailboy), weakest in the Southeast's textile and woodworking industries.

In some areas such as Chicago, automation has produced a split trend in companies as diverse as Bell & Howell and United Biscuit Co. These employers require less than a high school education for the routinized machine operations, more for trouble-shooting jobs.

Overall, the trend is up—and rising fast. Although some aircraft companies required it 20 years ago, most of the formal requirements for a high school diploma went into effect during the past 5 years, some within the past 2. So did many of the high-school-level aptitude tests often substituted for a diploma requirement, especially in northern cities with heavy southern migration. And many companies that favor the graduate informally expect to formalize the requirement soon.

The same signs are apparent in apprenticeship programs. Nearly all require a high school diploma, and many require the ability to do college-level work.

LOW IMPORTANCE

Where educational requirements remain of minor importance, the whole issue is apt to be academic. A West Virginia supplier for the steel industry hasn't changed its grade school level requirement for years; it does all its hiring from a layoff list, relic of a 1960 cutback. A New York-based metal fabricator with plants across the country still ignores educational requirements—but it hires only seasonal workers.

The pattern indicates that the educationally undemanding companies are often stable or shrinking companies, with few job openings. Growing companies make growing educational demands. Even in companies where the lack of a diploma is not a bar to employment, personnel men agree it is a bar to advancement.

INEVITABLE TREND

Considered simply as a fact of economic life, the trend toward higher educational requirements has the inevitability of Tuesday following Monday.

First of all, galloping technology has made jobs different and harder.

In the huge Lockheed Aircraft Corp. plant in Burbank, Calif., a curious personnel manager recently tried to find an occupation that had remained unchanged since World War II. He tracked down only a janitor's job and a handful of assembly line chores. Rosie the riveter has long since been replaced by Andrew the assembler, who must know riveting, drilling, countersinking, and a mixed batch of other techniques.

At Humble Oil & Refining Co. in Houston, crews formerly turned hand valves under a supervisor's eye. Now the same unit is run by a remote control operator who visualizes what's going on by checking his dials and log sheets.

In industry after industry, jobs requiring some degree of judgment and flexibility have replaced the old one-operation tasks and the old continuous runs. Materials are costlier, tolerances closer, product lines more varied. Technician-level jobs multiply like fruit flies as production line jobs decrease. This is especially true in research and development industries that do the most hiring.

COMPANIES PLAN AHEAD

Moreover, even when filling simple jobs, most companies consciously look ahead 5, 10, or 15 years. The Detroit industrial concerns that specify a high school diploma for a sweeper don't expect the man they hire to be a sweeper forever.

Two things give them this long-range view. One is the sweeper's union contract, which guarantees him a crack at a better job if it opens up and penalizes his employer for firing him and hiring someone else if job requirements change. The second is the firm expectation, based on the experience of the past decade, that job needs will indeed change.

Anecdotes abound of aircraft workers hired for their woodworking ability who now work with metals, of plumbers who had to learn blueprint reading to lay pipes in concrete-slab, lift-wall buildings, of switches from blue-collar to white-collar skills.

There are also horror stories of companies or workers who failed to make the switch. One company employing 69 electricians—each equipped specifically to install conduit or to pull wire or to work on switchboxes—had to contract out fairly elementary electrical work on consoles because no one could do it.

NARROW SKILLS OBSOLETE

Such narrowly skilled workers are often products of World War II's crash training. Once laid off, they find it almost impossible to get jobs. In today's terms, they are not skilled at all.

Says a Wisconsin employment service official: "Occupations used to have a kind of character. If a man had a trade, he was trained for life. That isn't true any more. In effect, everybody's moving up the ladder all the time. Workers must either acquire new skills or master new machines. And they can't do it if they lack basic learning abilities."

To the personnel man, the high school diploma is an indication that the worker possesses these abilities. It also gives him hope that he can be promoted to supervisor someday.

Not all companies go along with this policy. A vocal minority feels that hiring overqualified workers for low-level jobs insures nothing but a high turnover rate.

MINORITY VIEW

"There is such a thing as job satisfaction," says a Dallas manufacturer of heavy equipment. "If you take a high school graduate with ambition, he is not content to move machinery."

The dissenters—strongest in such mature Midwestern industrial centers as Cleveland and Chicago—believe that the high school diploma has become a fetish, that attitude and ability are still the most important qualifications for most factory jobs, and that formal education is no guide to either.

In practice, however, this group is likely to favor the high school graduate over the dropout, because "the dropout is a quitter." They agree with the experts that nowadays youngsters tend to quit high school for psychological rather than economic reasons.

"A dropout usually is a kid who has been in difficulty in his home environment or at school. We just don't have time to cope with his problems," says a St. Louis personnel director.

BUYER'S LABOR MARKET

Another reason why companies hold out for a diploma is that, with unemployment at 5.3 percent, they can afford to. It's a buyers' market. And the number of young people finishing high school has jumped from an estimated crop of 1.2 million in 1950 to almost 1.9 million this year. In a labor market where high school graduates are plentiful why settle for less?

"Manpower demand has a greater effect on educational requirements that change in job content," says the director of Michigan's employment security commission.

If the labor market should tighten up, auto manufacturers would undoubtedly discover that non-high-school graduates could

be trained for even technologically advanced jobs, he theorizes.

As a matter of fact, few auto makers formally require diplomas now—but find that most of the men they hire have them. This raises another point: whether the new educational requirements don't simply reflect the higher educational level of the population as a whole.

WORSE FOR JOBHUNTERS

So far, the jobhunter without a diploma has been handicapped more than the jobholder without a diploma. A company that upgrades a job rarely expects the incumbent to fulfill the new requirements. In most cases, companies report, he stays on the job if he can do it, gets retraining if it's necessary and he's up to it, or is moved to another job, if at all possible, if he falls short. But most companies demand that new employees be qualified from the start.

A substantial amount of retraining is available in some companies that seek to upgrade their work force. Such companies pay workers' tuition for job-connected courses, set up in-plant training, cooperate with local school systems, and use other methods. Over the years, much of the present skilled work force has achieved the equivalent of advanced technical school training in this way.

But if the incumbent can't benefit from retraining and the company feels it can't absorb any more displaced employees, he's out of luck.

EARLY RETIREMENT

Some companies deal with this problem—often with union support—by offering the worker financial inducements to retire early. This creates other problems, a Texas labor analyst points out.

"They are turning loose people with 10 earning years left to them, before they are eligible for social security, with little chance of finding other jobs in industry," he says.

These people swell the ranks of the hardcore unemployed, a group with heavy representation among the "uneducated" at both ends of the age scale: young high school dropouts and older nongraduates, mainly unskilled and semiskilled workers who were educated before the high school diploma became commonplace. A sad role awaits them, according to economist William Haber of the University of Michigan.

They—rather than any racial or religious category—are "the real minority group of tomorrow," he says.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM — AMENDMENTS

Mr. KEFAUVER (for himself and Senators NEUBERGER, MORSE, GRUENING, BARTLETT, LONG of Louisiana, and BURDICK) submitted amendments, intended to be proposed by them jointly to the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. LAUSCHE. Mr. President, I submit two amendments to the pending bill, H.R. 11040, and ask that the reading of the amendments be dispensed with, that they be printed in the RECORD, and that they also be printed and ordered to lie on the table.

The ACTING PRESIDENT pro tempore. Without objection, the reading of the amendments will be dispensed with, and the amendments will be received, printed, printed in the RECORD, and will lie on the table.

The amendments are as follows:

On page 36, line 10, strike out the word "business" and insert after the word "entities" the phrase, "or international bodies."

On page 38, line 4, strike out all of section 402 through line 14 and insert in lieu thereof the following: "The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entry shall be subject to the approval of the Department of State."

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Excerpts from address prepared by him for delivery over Wisconsin's radio stations, weekend of August 11–12, 1962, dealing with legislative problems.

PRESIDENT KENNEDY'S VISIT TO MAINE

Mrs. SMITH of Maine. Mr. President, the President of the United States gave the people of Maine a great thrill in his visit to our State this past weekend. We hope that he enjoyed his stay and that he will return many times. I wrote him today expressing these sentiments and assuring him that my house at West Cundy Point in Casco Bay was available to him and Mrs. Kennedy at any time.

I regret very much that I could not attend this afternoon the dedication of an international bridge between Lubec, Maine, and Campobello, New Brunswick, Canada, named after another Democratic President who spent his summers in that area, Franklin D. Roosevelt. It was my honor and privilege to be the author of the legislation that made the U.S. effort in this international project possible.

I would like to have carried through on my participation on getting the legislative authorization for this international bridge through to the final satisfaction of being present to see with my own eyes the actual realization of the goal of my bill.

However, as I anticipated we have just had a rollcall vote and my official duty to legislate and to be present voting came ahead of the personal pleasure of attending the dedication ceremonies on the matter on which I have repeatedly introduced legislation and repeatedly gotten the Congress to enact.

Had the dedication ceremonies been on Saturday or Sunday I could have had the pleasure of attending just as I was able to be present for all rollcall votes Friday and still get to Maine in time, thanks to the Navy, to welcome President Kennedy in person.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. CURTIS. Mr. President, the bill, H.R. 11040, to establish a commercial communications satellite system must be enacted soon, or the Senate of the United States will suffer a loss of prestige that will be damaging to our Republic.

This measure has passed the House of Representatives. It has been studied and favorably reported and recommended by the Committee on Aeronautical and Space Sciences, by the Committee on Interstate and Foreign Commerce, by the Committee on Foreign Relations, and by the Democratic policy committee.

The bill has the active support of 85 percent of the Senators. The question before us is, Shall a minority of 15 percent deprive our country of the benefits of this legislation? In my opinion the 85 percent must avail themselves of the Rules of the Senate, to bring about prompt passage of this measure. If not, we shall fail to meet our responsibilities.

Rule 22 of the Senate Rules provides that upon the affirmative votes of two-thirds of the Senators present and voting, debate may be brought to an end. I shall vote to invoke cloture in connection with this bill. I shall do this because this measure, in my opinion, involves the security of our country.

We are in a race with the Soviets in the field of intercontinental and space satellite communications. The advances which will result from this undertaking will make a contribution to our defense and to our intercontinental and space communications. In the contest for the minds of men throughout the world, the achievements of American private enterprise in this field are a vastly important national asset. To delay would mean to aid and give comfort to our adversaries.

If we do not invoke cloture when our national security is involved, how can we defend the Rules of the Senate? If two-thirds of the Senators do not avail themselves of the existing cloture rule when the security of our Nation is at stake, how can we resist a change in the rules which would permit a measure to be brought to a vote by the affirmative votes of less than two-thirds of the Senators present and voting? If legislation important to our military and ideological contest with communism, and which has received the thorough study of four committees, cannot be supported by the votes of two-thirds of the Senators, to assure its passage, how could we hereafter defend the two-thirds vote?

As for me, there is no other choice: We must invoke cloture.

IMPORTANCE OF THE JOINT ECONOMIC COMMITTEE

Mr. PROXMIRE. Mr. President, there appears today in the New York Times an editorial which is very encouraging to those of us who serve on the Joint Economic Committee. The editorial indicates that this committee is right now playing a very useful role for those of us concerned with the economic problems confronting the country.

I ask unanimous consent that the editorial be printed at this point in the RECORD.

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

HEARINGS ON THE ECONOMY

The country's need for full information about the state of the economy is being met from many directions. President Kennedy will take to television and radio tonight to give his estimate of our economic condition. Congress' Joint Economic Committee also is off to a good start in its public hearings on the same subject. Chairman Walter W. Heller, of the President's Council of Economic Advisers, and several private economists have presented their diagnoses in an atmosphere relatively free of political bickering.

There is a good deal of merit in the decision to conduct these hearings provided they remain reasonably objective. The committee last studied the situation after publication of the President's Economic Report early this year, and since the performance of the economy has not measured up to expectations, a reappraisal appears in order.

If the hearings degenerate into a political tug of war, then their usefulness will be limited. The public has already been subject to a multitude of conflicting and partisan opinions on the state of the economy and what should be done about it. This has confused rather than clarified the issues.

Politics, of course, cannot be entirely avoided in any discussion of the economy. But the Joint Economic Committee, which has no legislative jurisdiction or powers, is making a real contribution by concentrating on objective analysis. This should be helpful to the public, the administration, and Congress itself.

WASTE IN THE SPACE PROGRAM

Mr. PROXMIRE. Mr. President, yesterday there was published in the New York Times a most important article written by James Reston, the head of the New York Times Washington bureau. In the article he set forth the assertions of former President Eisenhower, the former president of the American Association for the Advancement of Science, and the former head of our National Bureau of Standards that our space program may be spending at a wasteful pace.

I ask unanimous consent that the article be printed at this point in the RECORD.

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

FIERY RUN, VA.: SOMETHING TO MUSE ABOUT ON A SUMMER'S DAY

(By James Reston)

FIERY RUN, VA., August 11.—There is a growing uneasiness among many thoughtful people in the country these days about the cost of our military and space programs.

The issue is not whether the Nation should defend the free world and explore outer space but whether the military aid programs to other countries, the propaganda aspects of the space program and the military budget itself can be modified to do the job with considerably less money—the savings to be used in other ways.

Former President Eisenhower, for example, was saying this week that the space budget, averaging between $3 and $5 billion a year, was well beyond its scientific requirements. His chief scientific adviser in the White House, Professor Kistiakowsky, of Harvard, calls the space program a "technological spectacular," more concerned with national prestige than scientific progress.

Warren Weaver, former president of the American Association for the Advancement of Science, puts the cost of the man-on-the-moon project at $30 billion and adds: "I believe that most scientists consider the proposed expenditure quite unjustified on the grounds of scientific considerations, and also consider the frantic pace of the program to be wasteful."

Dr. E. U. Condon, professor of physics at Washington University in St. Louis and former director of the National Bureau of Standards, said this week in Colorado that the unmanned flights to the moon were valuable for astrophysics but quite inexpensive compared to the cost of trying to send a man there and bringing him back alive. This latter part of the program he defined as a kind of "lunar Olympic game."

THOSE MILITARY AID PROGRAMS

Meanwhile, the most serious doubts are being expressed by many of the President's own advisers about the cost and value of military aid to many countries. One high official said privately this week that he believed over $1 billion a year could be cut from our overseas military expenditures without changing the balance of power, and much more if our European military programs were put on a fair partnership basis with our European allies.

The question then is one of balance when the administration is worried about a prospective $10 billion deficit, high unemployment and a constructive tax policy.

Every time somebody raises this question he is asked whether he wants to let the Communists win the cold war, but that is not the issue. The issue is whether, at a time when the nuclear powers of the world have stockpiled the equivalent of 10 tons of TNT for every man, woman, and child on earth, it is necessary to go on spending nearly $50 billion a year to deter the Communists.

Are they deterred from making war by our will or by the difference between, say, $40 billion and $50 billion in the military burget? Is the thing in balance, or could some of this money not be spent in another way that would strengthen our society even more?

Dr. Weaver, for example, in the Saturday Review, speculates on what might be done with the $30 billion going into the man-in-the-moon project over the next 10 years. With this money, he points out, we could give a 10-percent raise in salary for 10 years to every teacher in the United States ($9.8 billion); give $10 million each to 200 of the best small colleges in the Nation ($2 billion); finance 7-year fellowships at $4,000 a year for 50,000 new scientists and engineers ($1.4 billion); contribute $200 million each to create 10 new medical schools ($2 billion); build and largely endow complete universities for all 53 of the nations which have been added to the United Nations since it was founded ($13.2 billion); create three more permanent Rockefeller Foundations ($1.5 billion). He observes that we would still have $100 million left over to educate the people on the changes in the modern world.

Maybe this dramatizes and oversimplifies the point, but it's something to think about on a summer's day when presumably families are thinking about the allocation of the family budget. The easiest thing in Washington is to get money for military and scientific machines, and the strongest thing in Washington is the momentum of programs already established—even after they are obsolete.

But this is precisely what President Kennedy promised to do when he ran for office; to question the obvious and review the past. It's still not a bad idea.

COMMERCIAL COMMUNICATIONS SATELLITE — PERSONAL STATEMENT

Mr. DOUGLAS. Mr. President, after mature consideration, I have decided to vote against the cloture motion which will be the order of business tomorrow.

We who advocate a change in rule XXII have always defended the right to free and full debate under the rules of the Senate, and the changes which I have proposed in the past, and which have been voted down, have provided for at least 3 to 4 weeks of full discussion under the rules before a majority of the Senate could limit the debate of other Senators to 1 hour.

While there has been full consideration of the satellite bill in committee, there has certainly not yet been such full consideration on the floor, and a number of Senators who have very valuable contributions to make have not been heard from, and will not be heard from, if the cloture motion is adopted.

I am told that a number of Senators have pledged to absent themselves tomorrow, and therefore, in effect, to vote for cloture. I hope that the country will see who the Senators are who thus absent themselves for A.T. & T.

Second, I think that those northern Senators and western Senators who have voted against cloture on civil rights matters in the past should consider very carefully before they vote for cloture on the satellite communications bill. I think the country will be watching their votes, too, to see whether they will vote against cloture when it serves to defeat civil rights, but will invoke cloture to help turn over space communications to a completely private corporation without adequate Government controls or compensation for public moneys expended.

Mr. President, I am a peace-loving man, but in a world of force people other than saints must defend themselves. The law-abiding citizens who rode into Dodge City in the old days, when the outlaws were not only armed to the teeth but in addition had the sheriff, the court of justice, and the newspaper on their side, did not enter unarmed. No, the lawabiders came in with sixshooters at their sides. While we may be peace-loving, I do not propose to strip the opponents of the bill of adequate sidearm protection as they battle for what they believe to be the people's interest.

Mr. DOUGLAS subsequently said: Mr. President, I ask unanimous consent that rollcalls published by the Democratic policy committee on three previous motions to invoke cloture in this Congress be printed in the RECORD at the conclusion of the remarks which I made previously when I had the floor in my own right.

There were 43 votes against cloture and only 37 votes for cloture when the issue was that of changing the rules of the Senate.

On the civil rights literacy test bill, 53 Senators voted against cloture and only 43 voted for cloture, on the first vote on that issue. Five days later the vote was 52 to 42 against cloture and against civil rights. It will be extremely

interesting to compare the votes against cloture on the satellite bill with those against cloture on civil rights and rules changes.

There being no objection, the rollcalls were ordered to be printed in the RECORD as follows:

CLOTURE RULE 22 (MANSFIELD-DIRKSEN CLOTURE PETITION)

Senate Resolution 4, a resolution to amend the cloture rule by providing for adoption by a three-fifths vote.

Vote on Mansfield-Dirksen (and 19 others) petition to bring to a close the debate on the motion to take up Senate Resolution 4, a resolution to amend the cloture rule by providing for adoption by a three-fifths vote of those present and voting. (Cloture petition filed Sept. 16, 1961.) Two-thirds affirmative vote required.

YEAS (37)

Democrats (26, or 58 percent): Anderson, Bartlett, Carroll, Clark, Dodd, Douglas, Engle, Hart, Humphrey, Jackson, Lausche, Long of Hawaii, Magnuson, Mansfield, McCarthy, McNamara, Morse, Muskie, Pastore, Pell, Proxmire, Randolph, Smith of Massachusetts, Symington, Williams of New Jersey, Young of Ohio.

Republicans (11, or 42 percent): Beall, Case of New Jersey, Cooper, Dirksen, Fong, Javits, Keating, Kuchel, Saltonstall, Smith of Maine, Wiley.

NAYS (43)

Democrats (28, or 52 percent): Bible, Byrd of Virginia, Byrd of West Virginia, Cannon, Church, Eastland, Ellender, Ervin, Fulbright, Hayden, Hill, Holland, Johnston, Jordan, Kefauver, Kerr, Long of Louisiana, McClellan, McGee, Monroney, Robertson, Russell, Smathers, Sparkman, Stennis, Talmadge, Thurmond, Yarborough.

Republicans (15, or 58 percent): Bennett, Boggs, Butler, Capehart, Carlson, Case of South Dakota, Dworshak, Hickenlooper, Hruska, Miller, Mundt, Prouty, Tower, Williams of Delaware, Young of North Dakota.

NOT VOTING (20)

Democrats (10): Burdick, PF ** [1]; Chavez, PA [3]; Gore, PA *; Gruening, AF [1]; Hartke, PF [1]; Hickey, PA ** [1]; Long of Missouri, PF [1]; Metcalf, PF*; Moss, PF** [1]; Neuberger, PF [1].

Republicans (10): Aiken, PA [1]; Allott, PF ** [4]; Bridges, A [3]; Bush, PF [4]; Cotton, A [2]; Curtis, AN [2]; Goldwater, AN [2]; Morton, PF [3]; Schoeppel, PA [4]; Scott, PF.

Symbols:
A—Absent.
AF—Announced for.
AN—Announced against.
PF—Paired for.
PA—Paired against.
*Live pair given.
** Live pair received.
Explanation of absenteeisms.
[1] Official business.
[2] Necessarily absent.
[3] Illness.
[4] Excused, leave.

LITERACY TESTS, MAY 9

Legislation: S. 2750, to protect the right to vote in Federal elections free from arbitrary discrimination by literacy tests or other means.

Vote analysis: Vote on motion to invoke cloture and limit debate on the Mansfield-Dirksen amendment, as a substitute for the text of H.R. 1361, a private bill for the relief of James M. Norman. The amendment, endorsed by the administration, prohibits arbitrary or unreasonable tests for voter registration and would provide that citizens who have completed six grades in an accredited school in any State or territory, the District of Columbia, or Puerto Rico would be considered as "literate" for the purposes of State literacy or interpretation tests in registering to vote in Federal elections.

Background: On April 24, Senator MANSFIELD requested unanimous consent to lay the unfinished business (H.R. 1361—the Norman bill) before the Senate during the morning hour. Had this request been granted, it was the intention of the leadership to move to substitute the Mansfield-Dirksen amendment.

YEAS (43)

Democrats (30 or 50 percent): Anderson, Burdick, Carroll, Clark, Dodd, Douglas, Engle, Gruening, Hart, Hartke, Humphrey, Jackson, Lausche, Long of Missouri, Long of Hawaii, Mansfield, McCarthy, McNamara, Metcalf, Moss, Muskie, Neuberger, Pastore, Pell, Proxmire, Randolph, Smith of Massachusetts, Symington, Williams, of New Jersey, Young of Ohio.

Republicans (13 or 36 percent): Allott, Beall, Boggs, Bush, Case of New Jersey, Dirksen, Fong, Javits, Keating, Kuchel, Saltonstall, Scott, Smith of Maine.

NAYS (53)

Democrats (30 or 50 percent): Bartlett, Bible, Byrd of Virginia, Byrd of West Virginia, Cannon, Chavez, Eastland, Ellender, Ervin, Fulbright, Gore, Hayden, Hill, Holland, Johnston, Jordan, Kefauver, Kerr, Long of Louisiana, McClellan, McGee, Monroney, Robertson, Russell, Smathers, Sparkman, Stennis, Talmadge, Thurmond, Yarborough.

Republicans (23 or 64 percent): Aiken, Bennett, Butler, Capehart, Carlson, Case of South Dakota, Cooper, Cotton, Curtis, Dworshak, Goldwater, Hickenlooper, Hruska, Miller, Morton, Mundt, Murphy, Pearson, Prouty, Tower, Wiley, Williams of Delaware, Young of North Dakota.

NOT VOTING (4)

Democrats (4): Church, PF** [1]; Hickey, PA*; Magnuson, AF [1]; Morse, PF** [1].

Republicans (0).

Symbols:
AF—Announced for.
PF—Paired for.
PA—Paired against.
*Live pair given.
**Live pair received.
Explanation of absenteeism:
[1] Official business.

LITERACY TESTS, MAY 14

Legislation: S. 2750, to protect the right to vote in Federal elections free from arbitrary discrimination by literacy tests or other means.

Vote analysis: Vote on second motion to invoke cloture and limit debate on the Mansfield-Dirksen literacy test amendment, as a substitute for the text of H.R. 1361, a private bill for the relief of James M. Norman.

Following this vote, Senator MANSFIELD moved to take up H.R. 10788, the textile bill. Senator JAVITS requested the yeas and nays on the motion which, in effect, would lay aside the Mansfield-Dirksen amendment on literacy tests. The vote on the Mansfield motion to proceed to another bill was not taken until May 15. For the remainder of the 14th and up to the time of the vote on the 15th, the subject of literacy tests and the cloture rule (XXII) were discussed:

YEAS (42)

Democrats (31 or 51 percent): Anderson, Burdick, Carroll, Clark, Dodd, Douglas, Engle, Gruening, Hart, Hartke, Humphrey, Jackson, Lausche, Long of Missouri, Long of Hawaii, Mansfield, McCarthy, McNamara, Metcalf, Morse, Moss, Muskie, Neuberger, Pastore, Pell, Proxmire, Randolph, Smith of Massachusetts, Symington, Williams of New Jersey, Young of Ohio.

Republicans (11 or 33 percent): Boggs, Bush, Case of New Jersey, Dirksen, Fong, Javits, Keating, Kuchel, Saltonstall, Scott, Smith of Maine.

NAYS (52)

Democrats (30 or 49 percent): Bartlett, Bible, Byrd of Virginia, Byrd of West Virginia, Cannon, Chavez, Eastland, Ellender, Ervin, Gore, Hayden, Hickey, Hill, Holland, Johnston, Jordan, Kefauver, Kerr, Long of Louisiana, McClellan, McGee, Monroney, Robertson, Russell, Smathers, Sparkman, Stennis, Talmadge, Thurmond, Yarborough.

Republicans (22 or 67 percent): Aiken, Bennett, Butler, Capehart, Carlson, Case of South Dakota, Cooper, Cotton, Curtis, Dworshak, Goldwater, Hruska, Miller, Morton, Mundt, Murphy, Pearson, Prouty, Tower, Wiley, Williams of Delaware, Young of North Dakota.

NOT VOTING (6)

Democrats (3): Church, PF [1]; Fulbright, PA [2]; Magnuson, PF [1].

Republicans (3): Allott, PF *; Beall, PF ** [2]; Hickenlooper, PA *** [3].

Symbols:
PF—Paired for.
PA—Paired against.
* Live pair given.
** Live pair received.
Explanation of absenteeism:
[1] Official business.
[2] Necessarily absent.
[3] Illness.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. KEFAUVER. I heartily congratulate the able statesman from Illinois on the position he has taken. I have observed no Senator who has been more diligent in attending the sessions when this matter has been debated, and who has asked more questions, trying to learn the real meaning of the bill, the hidden giveaways in it, of which there are many. If there is any U.S. Senator who would know that this bill has not been sufficiently debated to protect the public interest and to enable the Senate to vote intelligently on amendments, it is the Senator from Illinois. I commend him and congratulate him upon his statesmanship. I know that this has not been an easy decision.

Mr. DOUGLAS subsequently said: Mr. President, I ask unanimous consent to have printed in the RECORD an article by Arthur Krock which appeared in the New York Times for yesterday. In the concluding part of this article, Mr. Krock correctly points out the reasons behind the opposition to the communication satellite bill and why the liberal opponents of the bill refuse to disarm themselves of the protection afforded by the Senate rules when the same rules are used by their conservative opponents when it suits their convenience.

Incidentally, it was Mr. Krock who 10 years ago had the courage and the acumen to write:

> The Senate is the graveyard of civil rights legislation and rule XXII is the gravedigger.

I should like to point out, in connection with this matter that when the administration proposes liberal legislation the opposition uses rule after rule in the congressional book so that they become high hurdles in the obstacle race against passage. When the administration proposes conservative legislation, as unfortunately it is doing in this case, are the liberals in the Senate to sit placidly

by and watch this legislation become law? The weight of congressional practice and rules—such as the seniority system, the Rules Committee in the House, and in many other ways—against liberal legislation is bad enough without making these rules entirely a one-way passage for conservative legislation and a permanent road block to liberal legislation.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Illinois?

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

THE LIBERALS' FILIBUSTER: INCONSISTENCY OF USING A TACTIC THEY HAVE LONG FOUGHT IS EXAMINED

(By Arthur Krock)

WASHINGTON, August 11.—The Senate filibuster to prevent the committee draft of the administration's satellite communications bill from coming to the voting stage differs from most of its predecessors for several reasons.

All the Senators who engaged in it belong to the group which classifies itself as liberal and begins each session of Congress with an attempt to repeal Senate rule XXII, by which this and prior filibusters have been protected. They normally are strong supporters of administration programs and the New Frontier political philosophy these programs have reflected. And for the first time they are accusing a Democratic President and administration, instead of a Republican executive of an attempt to give away public property to private interests that justifies them in seeking to talk legislation to death by the use of a rule they constantly have condemned.

NOT EASILY EMBARRASSED

This inconsistency of position, which the remainder of the Democratic liberals and other supporters of the satellite bill were quick to point out, might have embarrassed some politicians, but not those engaged in the filibuster with Senator WAYNE MORSE, of Oregon. In their evaluation of their legislative courses, inconsistency is a virtue when they practice it; and the end in view vindicates the means employed to attain it—even as, in this instance the denial to a large majority of a chance to vote—because they invariably are positive they are fighting for a principle. They find no difficulty in dismissing as unfounded this identical when made by the Southern Democrats who use the same profilibuster rule for the same purpose of immobilizing the majority.

But though for these reasons they were not embarrassed by the high visibility of their flagrant parliamentary pragmatism, there was an attendance circumstance which counseled a covering strategy. This circumstance was the split between them and other Democratic liberals, shattering their usual unity on such issues as the Morse group raised against this particular bill. Moreover, these erstwhile colleagues were joining the Democratic moderates and conservatives, plus the Republicans, in the cry of inconsistency.

MORSE PROPOSAL

The covering strategy decided on was a proposal by MORSE that, if the leadership would bring rule XXII before the Senate for an amendment whereby any debate could be terminated by the majority of a quorum—or 26 of the 100 Members of the body—and keep this amendment before the Senate until it was voted up or down, MORSE and his followers would end their filibuster. Since this procedure would automatically have displaced the pending legislation, and hence achieved the purpose for which the filibuster against it was invoked, manifestly the proposal could be made without any risk of acceptance by the leadership. But it could still be cited as a demonstration on the record of the basic fidelity of the Morse group to the long liberal campaign against rule XXII.

And this would provide at least a strategic defense against the charge of inconsistency for their current employment of it.

Probably this parliamentary maneuver will not minimize in the minds of very many citizens the disillusionment of the evidence that the sworn Senate enemies of the filibuster readily resort to it when that suits their purpose. But MORSE and most of the Senators alined with him against the satellite bill are not only so seriously disturbed by this legislation that they are convinced that their tactics in fighting it will become a minor factor in eventual public opinion. They also are certain that Members of Congress who campaign in November against the committee draft—whether or not previously legislated—will be reelected.

UNUSUAL FILIBUSTER

Their filibuster has other differences from the usual pattern. For example, when the Southern Democrats have talked equal rights legislation to death through the instrumentality of rule XXII, they have padded their speeches with wholly extraneous matter. They have read for hours out of books, newspapers and other forms of print lengthy passages on subjects having nothing to do with the business at hand.

But, though MORSE and his band are fewer in number than the southerners who unite in a filibuster, they have spoken much more to the point.

This improvement to the specific has not drawn any larger group of Senators than the few who dutifully sit through even a part of these talkathons. When Senator ESTES KEFAUVER took over the floor from his Tennessee colleague, ALBERT B. GORE, on Wednesday, the only Member the galleries could see in his seat was the Republican picket, Senator JOHN TOWER, of Texas.

DEALT WITH ISSUE

Nevertheless, both Tennesseans struck directly at the heart of the dispute between the Kennedy administration and the dissenting Senate Democrats. In their judgment: (1) it is a "gigantic giveaway * * * of the benefits of hundreds of millions of taxpayers' money" to turn over the communications satellite to the operational control of a private monopoly which—though holding only 50 percent of the stock—is certain to gain complete private control through its unimpeded acquisition of the corporation's securities, (2) the implications have not been "thought through of assigning to the private corporation the authority to conduct negotiations with foreign governments, (3) the responsibility of directors of a private corporation is to make a profit for the stockholders, and this will result in their concentration on that endeavor, (4) the advances wrought by competition are risked by assignment of the project to a monopoly, (5) the full development of the satellite system will be impeded by an inevitable conflict of interest between this and the monopoly's investment in existing facilities which will soon become obsolete. And so on.

Therefore, this antifilibusterer's filibuster, though classic in the sense that it was used by LaFollette and other early liberals in controversies between alleged public-private interests, is different from most. And not the least so because a Democratic President classified as a liberal is being accused by a group of these in his party of selling out their common philosophy and the American people as well.

Mr. GRUENING. Mr. President, would the Senator object if I were to read five of the points which Mr. Krock makes?

Mr. DOUGLAS. I would be happy to have the Senator do so.

Mr. GRUENING. Mr. Krock says:

1. It is a "gigantic giveaway of the benefits of hundreds of millions of taxpayers' money" to turn over the communications satellite to the operational control of a private monopoly which—though holding only 50 percent of the stock—is certain to gain complete private control through its unimpeded acquisition of the corporation's securities.

Remember, it is Arthur Krock, the noted columnist, who lists these reasons in his statement—

2. The implications have not been "thought through" of assigning to the private corporation the authority to conduct negotiations with foreign governments.

3. The responsibility of directors of a private corporation is to make a profit for the stockholders, and this will result in their concentration on that endeavor.

That is an extremely important statement. If profit is to be the sole motive, what will become of the great international value of this new means of communication? This provision may be a serious impairment of the work of our friends who are seeking to promote peace in the world.

4. The advances wrought by competition are risked by assignment of the project to a monopoly.

What will happen if it soon is discovered—as we already know is likely—that a high-orbit satellite, placed 22,000 miles above the earth, is infinitely superior to the present low-orbit satellite? Will the present profit investment be scrapped? It seems hardly likely.

5. The full development of the satellite system will be impeded by an inevitable conflict of interest between this and the monopoly's investment in existing facilities which will soon become obsolete.

So there are many other objections.

Mr. GRUENING subsequently said: Mr. President, I ask that my remarks be placed following the statement by the Senator from Illinois [Mr. DOUGLAS] in which he declared his intention to vote against cloture.

Mr. President, I congratulate the senior Senator from Illinois for the forthright and correct stand he has taken in the announcement that he will vote against cloture. I have in the past shared his view on the desirability of cloture after a full and extended opportunity has been given for debate. but I contend that no such opportunity has been given for sufficient debate in the consideration of this extremely important bill dealing with the little explored and potentially immense field of space communication.

Despite the impressive statistics which our able and beloved majority leader has cited concerning the number of pages in the CONGRESSIONAL RECORD and the extent of the hearings which have been held, I submit that there has been no debate on the Senate floor on any of the many amendments which are necessary in the judgment of those who want to improve the bill, and make it more compatible with the public interest.

I have in my hand some 30 amendments which it is proposed to offer. The only speech which I have been able to make was directed toward one aspect of the bill, the very matter which the junior Senator from Tennessee [Mr. GORE] is bringing up today, covered by the Gore-Lausche amendment, which aims to restore the language which was sought by President Kennedy, was deleted by the Space Committee and replaced by another version by which the negotiating powers with foreign nations will be vested in a private corporation, and not in the Government of the United States.

Apparently, there is, with the cloture vote due at 1 p.m. tomorrow only 1 day left to discuss these 30 amendments. We are limited to 1 single day. I submit this is a shocking application of the cloture rule. I cannot recall any time when the Senate has spent so little time discussing so important a bill when cloture was so prematurely and unwarrantedly invoked.

I hope this fact will serve to persuade our colleagues to vote against cloture, so we will have full opportunity to consider the amendments and make the bill more nearly what the President has asked for, which it is not, and make other improvements which will protect the public interest.

In further elaboration of my argument that far too little time has been allowed for debate on the very important satellite measure, H.R. 11040, and that calling up the cloture motion is wholly premature, let me point out that my able colleague from Alaska [Mr. BARTLETT], who has desired to speak in opposition to the measure, has not yet been given an opportunity to do so.

Further, this measure was referred to the Foreign Relations Committee which held hearings on the bill last week. Only on last Friday at 11 o'clock in the morning did we receive the 456-page report of the hearings. I took this report home with me Friday night and read the 456 pages over the weekend. I assure my colleagues that it required a good many hours to read those 456 closely printed pages carefully. How many Senators had time to do so? In fact, the publication was assembled so hastily that in my copy of the hearings the last 50 pages, from pages 405 to 456, were inverted.

We were told that there would be two reports from the Foreign Relations Committee, one of the majority of the committee and one of the views of the minority which latter is to set forth the views of four committee members, Senators GORE, LONG, MORSE, and CHURCH. Here we are, a few minutes before 11 a.m. on Monday, scarcely 24 hours before the cloture petition will be called up and voted upon, and we have not had an opportunity to read either the minority views or the majority report. Yet in 24 hours the move will be made to shut off debate. Haste in calling up the cloture motion at this time is inexcusable. I can see no reason why Senators, no matter what their previous position has been on cloture, such as has been the attitude of the Senator from Illinois [Mr. DOUGLAS] and my own attitude, should not in this instance raise the issue that we truly have not had sufficient time thoroughly to debate this complex and far-reaching measure. We have not been allowed to debate any amendments. One amendment will be called up for the first time today. There is every good reason for rejecting the cloture motion emphatically when it comes before the Senate.

I have been able to make only one speech on the bill, and that dealt with only one aspect of the legislation, the aspect to which the amendment of the able Senator from Tennessee [Mr. GORE] is addressed.

There are many other aspects of the bill that need to be discussed, such as the lack of adequate regulations, whether by regulatory machinery or by competition; the rates that may be charged, whether they can be exorbitant charges, whether, as Ed Murrow feared, the cost to our own Government would be prohibitive. The exclusion of other companies from participation. The compulsion of equipment suppliers to deal only with A.T. & T. affiliates, and much else. There are any number of issues involved in this hastily and poorly drafted bill, to diminish the power of the President to negotiate with foreign nations, which was amended in the Space Committee, and needs to be discussed and the people of America should know about. I submit that it would be a calamity for the American people if the cloture motion is favorably acted upon tomorrow. If it is and this bill is rushed through to enactment we will live to regret it.

ANNIVERSARY OF BERLIN WALL

Mr. KEATING. Mr. President, just a year ago today oppressed people were risking their lives and possessions in a last desperate attempt to crawl through an escape hatch which was gradually being sealed off to the outside world. I speak of those thousands of East Berliners and East Germans who, subjecting themselves to the scrutinizing stares and threating rifles of the green-uniformed people's police, boarded city trains, swam through the Wannsee, the Spree River, and the canals, and by night slipped through the forests to an island of freedom in a Communist tyrannized land.

On the 13th of August 1961, in flagrant violation of the Four Power agreement which has governed Berlin since 1945, a shattering blow was dealt to those who believe in human dignity and the law of nations. As the horrified world stood by and watched, a Communist regime, with the support of the entire Red bloc, erected a wall of concrete and barbed wire through the city of Berlin. A clear agreement with the Soviet Union as to the special status of Berlin was broken.

Mr. President, Roscoe Drummond, in a recent column, chronicles the events of the year which has passed and reports the tenacity and refusal to give up on the part of the East Germans who were left behind. I ask unanimous consent that Mr. Drummond's column be reprinted following my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. (See exhibit No .1.)

Mr. KEATING. My purpose today is not merely to reawaken the horrible memories of these sensational events, nor only to commemorate those involved in that life-and-death struggle for freedom. My purpose is to urge and implore our President and his advisers to be prepared to meet any Communist action—be it one of force or negotiation—which would cause us to relinquish our rights in Berlin or to break our commitment to the brave West Berliners who look to us as their last hope of freedom. The failure of the Rusk-Gromyko talks and the very real possibility that the Russians will sign a separate treaty with their puppet East German regime must cause us to be even more prepared for firm and immediate action.

In November 1958, Khrushchev in a note to the Western Powers threatened to sign a peace treaty with the German Democratic Republic and to turn over to it control of all access routes to Berlin. He at that time stated that "the most correct and natural solution would be to absorb West Berlin into the German Democratic Republic. No one can prevent the Soviet Union from signing the "peace treaty" with their puppet regime. However, the threat to West Berlin begins with the contention that such a peace treaty would annul Western rights pertaining to Berlin. It is inevitable that the chicaneries of the East German regime, which we have seen so blatantly demonstrated in the past, would be directed at the free access, indispensable to the survival in freedom of West Berlin.

Mr. President, one area in which we can insure that the very considerable economic power of the West is forcefully brought to bear is in the question of trade with East Germany. According to recent press reports, the United States is encouraging West Germany to extend to the Ulbricht puppet regime credit up to $800 million.

This would be expended for the purchase of coal, machinery, and chemicals over a 10-year period. In my judgment, such an agreement would be entirely inconsistent with the newly enacted amendments to the Export Control Act unless there are clear strings on this agreement to block credit or further transactions should an East German-Soviet peace treaty be signed. The economic dependence of East Germany on the West is one of our greatest strengths and it should not be ignored or deliberately bypassed.

Mr. President, at the time of the Berlin blockade, there was indecision in our policymaking and success only because of unexpected and fortuitous circumstances. When the wall was erected a year ago, we were equivocal and without a policy. We can no longer afford the luxury of indecision and equivocation in regard to Berlin. The time for preparedness is now—and we look to the administration not only for a firm commitment but also for reassurance that we are prepared to fulfill that commitment.

EXHIBIT 1

[From the Washington Post, July 29, 1962]

THE WALL 1 YEAR AFTER: GERMANS REFUSE TO STAY JAILED

(By Roscoe Drummond)

The Kremlin and its East German puppet regime will soon celebrate the first anniversary of one of their best-known achievements to get communism better understood around the world.

One year ago the Soviets erected a massive memorial to their faith and confidence that if they built a wall high enough, strung barbed wire sharp enough, deployed troops widely enough and shot down would-be escapees ruthlessly enough—by these methods they could show the whole world how thoroughly the people of East Germany enjoyed communism and liked being ruled by Moscow.

One year ago the Soviets acted to jail the entire population of East Germany to make sure they would remain to enjoy the Communist way of life which the Kremlin was bestowing upon them. The wall—the grim, formidable forbidding 35-mile East Berlin barrier—was put up so that those who lived on the Communist side could neither touch nor see nor feel nor be tempted to reach for freedom.

And what has happened? What is the record 1 year later? Are the East Berliners today a cowed people, their spirit broken, their resistence crumpled?

The answer is in their actions.

The wall decreased the number who could escape to freedom but increased the determination at all costs to do so.

Over the wall, around the wall, under the wall in improvised tunnels, through the wall in battering trucks, swimming through the waters of the wire-barricaded canal by boat, by sometimes unattended railway trains—the East Germans have refused to stay jailed.

Bravery, ingenuity, heroic fearlessness have combined to enable whole families, old and young, parents and children, to flee to freedom despite gunfire from the Communist police trying to shoot down their own people to stay the exodus.

Despite the wall, despite the danger, despite the harassment, despite the fact that the Communist guards have shot and either killed or severely wounded 100 persons, more than 12,500 East Germans are known to have escaped in the past 11 months all along the border from the North Sea to the Austrian-Bavarian frontier.

These escapees have included many East German police.

Since the erection of the wall, the East German regime has been subjecting its people to increasing oppression. It is trying to bring all aspects of existence under Communist control. Whole classes of people, like physicians and the clergy, are the targets of new government pressures to conform.

In spite of the fact that they have spent their whole lives under the Communist regime, East German young people, like the Hungarians, are showing themselves more hostile to the regime than all others. This is why the Ulbricht government has recently adopted universal conscription, thus enabling it to uproot teenagers from their home environment and bring them under the full force of official indoctrination.

The rate of industrial growth in the Soviet zone has dropped to the lowest point in years. Farm production has been steadily going down; food shortages are visible and the East Germans are not providing the exports to Russia which the Kremlin has scheduled.

This is the record of the wall—1 year after. I suspect that the most powerful and persuasive messages which are being broadcast to the whole world are the stories of the horror and bravery, the shootings and the heroic escapes.

Here is communism doing what comes naturally—jailing a whole population and shooting their own people who are asking nothing more than to be allowed to leave.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. KEFAUVER. Mr. President, we know that the pressure is on by the leadership on both sides to ram the bill through, and that we are witnessing the biggest public relations effort to complete a giveaway, on behalf of A.T. & T. and other monopoly corporations which do not want the truth known about the bill.

I saw nothing in the press about the item I am about to discuss, so I hope Senators will read page 15111 of the daily RECORD for Friday last. I do not know how this failed to get into the papers. It is very, very important:

> Mr. LONG of Louisiana. I should like to ask the Senator from Utah whether the telephone company has offered him the kind of proposal that it has offered me?

Then there was some colloquy. In the next column there appears:

> Mr. LONG of Louisiana. Has the Senator had proposals made to him that he could own a telephone building in his State and that the telephone company would make the loan and endorse the loan to build a building in a big city in his State just on the assurance that the Senator would give sympathetic consideration to the company's problem, if he would go along with them, and that the company would then build the building and endorse the mortgage loan and engage the bank to make the loan with the probability that he would wind up eventually being worth $5 million or $25 million?

Then there follows a colloquy in which the Senator from Utah said that he had not had an offer of that kind. Then there are broad hints by the Senator from Louisiana that he had.

The page is taken up with that item. There certainly should be some inquiry. If this is the kind of pressure being put on, if Senators are made propositions which go beyond the realm of public relations, if promises of contracts and corruption are being made, I think the American people are entitled to know about it, Mr. President.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield.

Mr. BARTLETT. Has the Senator seen any of that which he is now calling to the attention of the Senate in the newspapers Saturday, or Sunday, or this morning?

Mr. KEFAUVER. No. I am sure the good working press must have put it out, because this is scandalous, if true.

Mr. BARTLETT. These are very grave charges, are they not?

Mr. KEFAUVER. I have heard other kinds of things of this sort—rumors of them. I cannot verify them. If this kind of thing is going on, to ramrod a big giveaway through the Congress, to give away the heritage of the people, I think the public ought to know about it. I do not understand why this has not been written up in the press.

Mr. BARTLETT. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield to the Senator.

Mr. BARTLETT. This is a pretty direct statement, when the Senator from Louisiana [Mr. LONG] queries the Senator from Utah in this manner:

> I should like to ask the Senator from Utah whether the telephone company has offered him the kind of proposal that it has offered me?

Mr. KEFAUVER. Then he goes on to describe what kind of a proposal it was.

Mr. BARTLETT. I certainly agree with the Senator from Tennessee that this ought to be investigated very carefully. It is reminiscent of another situation a few years ago.

Mr. KEFAUVER. We know that the public relations man for A.T. & T. in Minnesota brought economic pressure to try to put a publisher of a little newspaper with 1,000 circulation out of business, because that little newspaper dared to publish an editorial critical of A.T. & T.

That is the kind of thing that is pushing the bill through. If the American people can get the facts about it they will have nothing to do with this kind of scandalous pressure and giveaway. If we can have 3 weeks to debate the matter here, the majority of the Senate of the United States will turn it down, as they have always turned down every unconscionable giveaway, when they get the full information.

Mr. DOUGLAS rose.

Mr. KEFAUVER. I yield to the Senator from Illinois.

Mr. DOUGLAS. Does not the question of the Senator from Louisiana on Saturday seem to be so specific that it cannot be purely hypothetical?

Mr. KEFAUVER. I cannot see how it could be.

The ACTING PRESIDENT pro tempore. The time of the Senator from Tennessee has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may have 3 additional minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KEFAUVER. The wording is "whether the telephone company has offered him the kind of proposal that it has offered me."

Then the Senator goes on to describe the proposal in the next column and the column following:

> Mr. LONG of Louisiana. Did it ever occur to the Senator that what the American Telephone & Telegraph Co. is worried about is cheap rates, and the fear that if the bill should not become law, A.T. & T. might not be able to control the satellite, and, therefore, rates might be cut by 100 percent? Did it ever occur to the Senator from Utah that the whole object of the bill might be to enable A.T. & T. to control this operation and thus prevent telephone rates from coming down?

And so forth and so on. I do not know why the great press of the country and other media of communications would have so much fear of A.T. & T. and be so tender with them that they would not go into a matter of this kind.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. KEFAUVER. I yield further to my distinguished colleague.

Mr. DOUGLAS. In the column prior to the column from which the Senator read, in the question by the Senator from Louisiana, the Senator from Louisiana said:

> I should like to ask the Senator from Utah whether the telephone company has offered him the kind of proposal that it has offered me?

Mr. KEFAUVER. That is correct.

Mr. DOUGLAS. Then, in the second column, he does not say that this proposal was made to him, but he does ask if the Senator from Utah had such a proposal made to him.

I think this is a very serious matter which deserves to be gone into by the Senate, by the press, and by the country before cloture is invoked on this matter.

Mr. KEFAUVER. I agree with the Senator. I wish the Senator would read the statement by the Senator from Louisiana, previous to that, in which he talked about a proposition that had been made to him. This is an indication of what he has in mind:

> When this bill first started out I thought it was as crooked as a dog's hind leg. I am now convinced that that would be a compliment. This bill is as crooked as a barrel of snakes. I ask the Senator whether he does not agree that this is the most corrupt and the most crooked and most dishonest piece of legislation that he has experienced while he has been in the Senate.

Then there is some colloquy and a statement that a proposition had been made to him, and a question whether the proposition had been made to the Senator from Utah.

Mr. DOUGLAS. And it was very specific; asking whether it was a proposal to make from $5 to $25 million out of a building.

Mr. KEFAUVER. Yes.

Mr. DOUGLAS. Proposed to be owned by the Senator from Utah. The Senator from Utah of course denied that. I want to say that they could offer the Senator from Utah $100 million and he would not take it. The Senator from Louisiana is a man of equal integrity to that of the Senator from Utah.

Mr. KEFAUVER. And they could offer the Senator from Louisiana $100 million and he would not take it.

Mr. DOUGLAS. That is correct.

Mr. KEFAUVER. I do not know of any other Senator who would take it. I am sure no other Senator would take a proposition of that kind.

The ACTING PRESIDENT pro tempore. The time of the Senator from Tennessee has again expired.

Mr. MANSFIELD. Mr. President, I am delighted that the Senator from Tennessee added to his statement, when he said that they could offer $100 million to the Senator from Louisiana or to the Senator from Utah, and then he said they could do the same to any other Senator and that the Senators would not accept it. I am glad the full Senate is included.

Mr. KEFAUVER. Mr. President, will the Senator yield?

COMMITTEE MEETING DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Subcommittee on Indian Affairs of the Committee on Interior and Insular Affairs be permitted to meet during the session of the Senate today.

Mr. KEFAUVER. Mr. President, reserving the right to object——

Mr. MANSFIELD. Just object, and then I will yield.

Mr. KEFAUVER. I beg the Senator's pardon?

Mr. MANSFIELD. Just object, and then I will yield. The committee meetings are being objected to, anyway. I would assume the Senator would be honorbound to object.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

Mr. KEFAUVER. I will not object.

Mr. MANSFIELD. Very well.

The ACTING PRESIDENT pro tempore. The Chair hears no objection, and it is so ordered.

Mr. KEFAUVER. Now will the Senator yield?

The ACTING PRESIDENT pro tempore. Does the Senator from Montana yield to the Senator from Tennessee?

Mr. KEFAUVER. I imagine I surprised the Senator.

Mr. MANSFIELD. The Senator certainly did.

Mr. KEFAUVER. We may have surprised the Senator when we did not object to the Finance Committee meeting when the Senate is in session all during the remainder of this session of Congress.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. KEFAUVER. I am glad the Senator from Montana made reference to my opinion that no Member of the Senate would be tempted by any offer by A.T. & T. or any other corporation of $100 million.

But does not the Senator think that if offers like that are being made they ought to be looked into? Does he not think that we ought not give something worth billions of dollars away to a corporation that is attempting this kind of thing?

Mr. MANSFIELD. Of course.

Mr. KEFAUVER. Does not the Senator think this is an indication of a scandalous situation that ought to be looked into before the Senate votes on whether we are going to have a "gag rule" or not?

Mr. MANSFIELD. No, I do not. I think it ought to be looked into, but I think we ought to follow the rules and procedures of the Senate. That is what the leadership intends to do insofar as it is capable of doing it.

Mr. KEFAUVER. May I ask the Senator when he plans to look into it?

Mr. MANSFIELD. I am not going to look into it. I have never been approached by anyone from A.T. & T. that I know of. A.T. & T. has made no offers to me. I know of nothing of that nature. The first I heard about it was when the Senator raised the question this morning

Mr. KEFAUVER. I wish the Senator would read the statement and see if he does not have some obligation as majority leader to do something about it.

Mr. MANSFIELD. The Senator from Montana will be delighted to read it.

Mr. KEFAUVER. I thank the Senator.

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, in response to what the Senator from Tennessee has stated, I most respectfully suggest to him that if any Senator has any information of the category enumerated by the Senator from Tennessee, he ought to make that information available to the proper investigative committees of the Senate, and I am quite certain that the matter will be looked into thoroughly, completely, and impartially.

Mr. KEFAUVER. Does the Senator feel that it can be done before we vote tomorrow at noon?

Mr. MANSFIELD. I do not, and I am sure that the Senator from Tennessee understands the situation as well as I do in that respect.

Mr. KEFAUVER. If I may be recognized in my own right——

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Tennessee.

Mr. KEFAUVER. Mr. President, I am surprised. There have been undenied efforts to put a little newspaperman out of business. There have been undenied efforts to change the decision of a board, which had decided upon General Telephone facilities at the Houston plant in connection with missiles, to that of A.T. & T. With indications of that kind all around, I think it is absolutely astonishing that anyone would not want those matters investigated before our national heritage has been given away to a corporation which has allegedly been perpetrating that kind of thing. It is quite obvious that A.T. & T. and those so anxious that the bill be passed in the Senate know that unless they can get the bill through before the public finds out the giveaway and the hidden, silent subsidies involved in the bill, they know it will never get through.

Give us 3 weeks to debate the bill, and the public will revolt against it.

The majority leader of the Senate, in my opinion, would have no part of it. And yet with almost no debate and with no opportunity of some Senators to speak, we shall be forced to vote on a gag rule.

I shall speak later on the subject. I do not believe that in the history of the Senate—certainly during my 24 years in Congress——

The ACTING PRESIDENT pro tempore. The time of the Senator has expired.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senator may have an additional 3 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. KEFAUVER. I thank my genial colleague. We are getting along very well this morning.

Mr. MANSFIELD. Not congenial, I assure the Senator.

Mr. KEFAUVER. Mr. President, I was about to say that I do not believe that in the history of the Senate any group who felt very sincerely opposed to a bill, as we do the one before the Senate, and has endeavored to engage in an educational debate of somewhat extended length, has been more cooperative with and helpful to the leadership by not blocking bills and not being obstructionists than has the small group of which I am very proud to be a part.

I should like to state the record. If I make any misstatement, I wish the majority leader would correct me.

Over our objections, the bill was first called up. We urged the leadership not to call it up. We pointed out, when the majority leader called up the bill on June 21, that we could not finish consideration of the bill by July 30, when certain legislation would expire. Nevertheless, the bill was called up.

We have the leadership over a barrel. We have the manpower and the womanpower—and I am glad we have the womanpower, which is very important—to debate the issue around the clock for 3 weeks, 4 weeks, or even longer. But we knew that the debt ceiling had to be raised, taxes had to be extended, and many other measures which would expire on June 30 had to be extended. So we agreed to a unanimous-consent request that the pending business be set aside in order that those very important questions might be brought up.

They were brought up. On July 27, the Senator from Arizona [Mr. HAYDEN] came to the Senate with a resolution to extend appropriations during the month of August. We could have continued the debate and not have permitted the pending business to be set aside. We could have debated the resolution to extend the appropriations for the month of August. At that time we had more manpower and womanpower than we did before. We could have forced an agreement on the majority leader to put the bill over until the next session of Congress. But, Mr. President, we did not do so. We cooperated. We agreed to waive our rights to debate the motion to make the bill the pending question, and to let it be the pending question, when the bill was sent to the Committee on Foreign Relations, even though we had the manpower and the womanpower to debate for 6 or 8 weeks longer at that time. But we have felt sincerely that it should go to the Committee on Foreign Relations, and the committee needed more time. The committee should have heard former President Truman, who knows that the bill is not in the public interest. He knows the power that the President and the State Department ought to have. He elaborates upon his condemnation of the measure every time he holds a press conference. The Committee on Foreign Relations should have heard from Mr. Stevenson. So we have not obstructed any bill.

The ACTING PRESIDENT pro tempore. The Senator's time has again expired.

Mr. KEFAUVER. Mr. President, I cannot speak for the future, but the past speaks for itself.

Mr. McGEE. Mr. President, may I ask if we are still in the morning hour?

The ACTING PRESIDENT pro tempore. The Senate is still in the morning hour.

COMMUNISM HAS ONE OF ITS WORST WEEKS

Mr. McGEE. Mr. President, I wish to call to the attention of the Senate an article that appeared in yesterday's issue of the Washington Star entitled "A Report From the U.N. Communism Has One of Its Worst Weeks," by William R. Frye.

In the article Mr. Frye suggests the difficulties that Moscow has run into. At Geneva, at the very moment when conversations were going on about an agreement on A-tests, the Soviets launched an even more violent testing program than in the past. Mr. Frye has explained the degree to which the resumption of testing reacted against the Russians, and particularly among the neutral countries who had joined in the conversations at Geneva. Likewise, he made reference to the backfiring of events at Helsinki at the Communist-dominated world youth festival. In all, I think Senators will find it refreshing to read the summation of the report entitled "Communism Has One of Its Worst Weeks."

I ask unanimous consent that the article be printed in the RECORD at this point.

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

COMMUNISM HAS ONE OF ITS WORST WEEKS

(By William R. Frye)

UNITED NATIONS, N.Y.—Rarely has the Communist world taken such a thoroughgoing licking in the battle for men's minds as it has taken this last week.

From Geneva to Helsinki, and from Pankow to Tokyo, communism has been held up to public scorn and condemnation. Rarely if ever since the butchery of Budapest has there been such a week.

In Geneva, the Soviet Union was shown to be determined not to accept any limitation on its freedom to poison the atmosphere and perfect its nuclear weapons stockpile. Through a masterpiece of bad timing, Soviet Premier Khrushchev began a new series of atomic tests virtually on the eve of the Hiroshima anniversary.

This fact found an echo in Tokyo, where the Communists—their signals obviously crossed—were staging a "world convention against atomic and hydrogen bombs." The Japanese Socialist Party, a bright pink but non-Communist group participating in the convention, offered a resolution protesting the Soviet tests. It was rejected on the ground that Soviet nuclear tests were necessary for peace.

This made the convention a laughingstock in Japan. Its propaganda boomeranged. The Socialist delegation walked out. out.

SOVIET EMBARRASSMENT

In Geneva, a new Anglo-American plan for a test-ban treaty, going as it did a long way toward meeting Soviet fears of "espionage," helped to highlight and intensify Soviet embarrassment. Valerian Zorin, Russia's delegate, is an old hand at propaganda warfare. He did his wily best to minimize the Western move and blunt its impact.

But he had an impossible task. He could not change the essential fact that the United States and Britain wanted a treaty and the Soviet Union did not. That fact stood out a mile.

The presence of eight neutral countries at the Geneva neogtiations was a benefit to the West. Except for India, whose disarmament diplomacy has seemed to reflect irritation with the West over Goa and Kashmir, the neutrals all contributed to the pressure on Russia. Even India took the occasion to renew its objection to all testing everywhere.

The manner in which the Anglo-American proposals were put forward—with American Negotiator Arthur Dean approaching Mr. Zorin privately in advance of formal public disclosure—added to the impression of Western seriousness. It made Moscow's "nyet" even more damaging.

The same triumph could be repeated by the West with 10 times as much impact in this fall's session of the U.N. General Assembly were it not for the fact that, because of misfirings on Johnston Island the United States may also be testing at that time.

ECHOES ARE HEARD

In the meantime, however, echoes from Geneva and Novaya Zemlya are being heard around the world.

And there are other matters to give Moscow concern. East Germany's food supplies are reported at a 9-year low. The equivalent of food rationing has been introduced.

Tomorrow is the first anniversary of the building of the Berlin Wall. The hateful date August 13 has become a symbol of tyranny and the methods it uses to keep its people in bondage.

These two facts—hunger in East Germany and a wall to keep the people prisoners—adds up to a terrible indictment of the Ulbricht regime and of communism itself.

The impact of these facts was felt last week with dramatic effect in Helsinki, where a Communist-dominated world youth festival proved to be an embarrassment for its sponsors.

THE FESTIVAL FIASCO

For days, the festival had been overshadowed in much of the world press by anti-Communist demonstrations on the part of Finnish young people—young people obviously unswayed by years of Soviet threats and blandishments.

Finally, on the last day of the festival, word of the new Soviet test series arrived. About 100 of the participants tried to introduce into the closing parade banners protesting all testing.

They were ruled out of order by festival leaders. Efforts were made to balk them physically. The local police, worried about offending Finland's giant neighbor, were called in to curb the demonstrators. Even so, at least one young man from Iceland marched for a time in the parade, and others displayed posters on the fringes. Anti-Communist handbills were distributed. The parade itself provoked yawns.

BRAZIL'S EXPLOSIVE NORTHEAST

Mr. McGEE. Mr. President, I was attracted yesterday to a column published in the Washington Post entitled "Brazil's Northeast: Explosive as Cuba," by Mr. Willem Brugsma. The article seemed to come very close to an accurate description of the affairs in that very potentially explosive area. It is a description that squares with what some of us in

the Senate found when we were permitted to travel extensively throughout the rugged country and the parched lands of northeast Brazil.

Mr. Brugsma puts it clearly when he says that the outcome in northeast Brazil will be either in the solution of Mr. Castro's friend, Francisco Juliao, leading his peasant leagues to open rebellion, or in the solution of Dr. Celso Furtado, chief of Sudene, pushing through a legal revolution by fundamental structural reforms.

The members of my study mission visited for many hours with Dr. Furtado, and we were taken with the thought that he, indeed, offered the nonviolent way into the future in this desperate region of Brazil.

I ask unanimous consent that the entire article may be published in the RECORD at this point.

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

BRAZIL'S NORTHEAST: EXPLOSIVE AS CUBA

(By Willem Brugsma)

In a hotel room in Campinha Grande I reread the Brazilian newspaper stories about the drought in the "Nordeste," Brazil's northeast. They said: "Emergency; no rain for a year; food prices multiply; famine forces tens of thousands to leave; catastrophic situation worse then in 1932; people plunder shops; United States considers airlift; why doesn't Brazilian Government act?"

No rain for a year? A downpour was hammering against the windows of that hotel room in Campinha Grande. And Campinha Grande is the main town in the center of the nine states of the "Nordeste," an area three times France's size, where 23 million people live in abject poverty and in a classical prerevolutionary situation. As one of its governors said: "The northeast is as explosive as six Cubas."

What causes the misery? The unvarying answer is: drought. And that is a myth. Dry the northeast may be, but its misery is not an act of God—against whom one cannot revolt—it is the consequence of man's inhumanity to man. Against that one can revolt and will. Legally or illegally, revolution will come to Brazil's northeast. Either Fidel Castro's friend, Francisco Juliao, will lead his peasant leagues to open rebellion, or Dr. Celso Furtado, chief of Sudene (the federal government's development agency) will push through a legal revolution by fundamental structural reforms.

A trip with Dr. Furtado through the northeast is an enlightening sociological, economical and political experience. While an American camera team was desperately looking in vain for the extremes of misery: parched earth, starving farmers and the distribution of American "Food for Peace," Dr. Furtado coolly and competently analyzed the conditions of the "Nordestinos" and their origin.

In brief this is the picture of the northeast. There is a rich, fertile coastal belt with abundant rain. Behind that lies a semiarid zone with very uncertain rainfall. Inland there is the dry "serta," the wild high plain. The coastal belt is taken up by "latifundias," sugar plantations of absentee landlords.

In the semiarid zone small tenant-farmers or sharecroppers grow cotton for "latifundistas" or farm little plots for themselves. This zone is heavily overpopulated, the soil erodes, the delicate climatical balance is continuously upset by local lack of rain. The "sertao" is restricted to extensive ranching.

The key to an economic solution is not difficult to find: land reform in the sugar belt. Cut the area under sugar in half, but maintain present production by irrigation and modernizing the incredibly inefficient management and equipment of the sugar mills and plantations. Use the other half of the coastal belt for growing foodstuffs by farms on a family-unit basis. Further ease the population pressure on the semiarid zone by irrigation, opening new land (for example in the almost empty northern state of Maranhao) and industrializing. Pursue a vigorous anti-illiteracy and technical schooling program. Explore and exploit to the maximum the rich mineral resources of the region. Find more drought-resistant cultures for the semiarid zone, build up strategic food reserves (beans and rice are the staples) for the really serious droughts that occur once every 15 years.

This is Furtado's program for which he will get the support of the Alliance for Progress. But the key remains land reform and very powerful hands are trying to keep Furtado from turning that key in the lock. These powerful hands belong to the vested interests, the sugar barons who pay their workers and tenant-farmers starvation wages (child-mortality runs as high as 46 percent in some areas), while they gaily live in Rio. They and their "capitaos" keep their farmers under a reign of feudal, sometimes armed terror. They and most of the priests would like the "campesinos" to believe that this untenable status quo is the will of the Almighty. They and their press want Brazil and the world to think that drought is the only cause and aid and more aid the only remedy. They and their "politicos" put up to 40 percent of that aid in their own pockets.

THE SITUATION IN ARGENTINA

Mr. McGEE. Finally, I call the attention of the Members of the Senate to an article by Roscoe Drummond which appeared in the Washington Post yesterday which evaluates Argentina's difficulties, when he says that the reason for the crisis in that country is that there is such a backlog of inaction, such a gap in which so little is done, that now the cumulative effect is a desire to have everything achieved at once.

I ask unanimous consent that the entire article by Mr. Drummond be printed in the RECORD at this point.

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

EVERYTHING HAS TO BE DONE NOW

(By Roscoe Drummond)

BUENOS AIRES.—The reason Latin America is the "crisis continent," whose fate is a crucial concern to us and to the whole free world, is that so much has been so long delayed that everything has to be done at once—or else.

By everything I mean faster economic development, better living standards for millions of its underprivileged people and a maturing under fire of the widely emerging South American democracies.

An urgent, tardy, uncertain, heroic beginning is being made through self-help and through U.S. help in the Alliance for Progress.

Massive roadblocks loom in the way at every turn. The symbolic road signs read in effect: "Stop, Look, and Detour," "Better Turn Back," "Proceed at Your Peril."

The perils are inordinately large because:

Despite the progress which has been made during the last decade in throwing off the old-style Latin-American dictatorships, not one of the newly emergent democracies has the political stability to tackle securely and effectively the problems of rapid economic growth.

These fragile democratic institutions—as events in Peru, Argentina and Brazil clearly show—need a period of testing and tempering. But such a period of relative calm and consolidation is not in sight. These nascent democracies and semidemocracies must immediately confront all the political tensions inescapably involved in achieving both widespread social reform and accelerated economic development.

On the basis of even my limited observation, it is clear that if the elected and semi-elected governments of South America do not overtake these pressing social and economic problems, these problems will overtake them—with disastrous political results.

Finally, everywhere in the hemisphere the Communists and that part of the extreme left willing to work with them are practicing crafty, cynical, and ruthless strategy. The Communists do not hesitate to aline themselves with the extreme right—whether it be the military junta in Peru or the Peronists in Argentina. Their purpose is to undermine the liberal democratic parties and keep them from power.

The Communists can come to power if the Latin American nations fail to move ahead economically, or they can come to power by deception—as in Cuba. To the Communists, chaos is the road to power. Chaos is what they seek. That is what they will get if the Alliance for Progress falters and fails.

The road to a stable democracy is hard to negotiate, as the Germans found under the Weimar Republic, as the French found before De Gaulle, as all Latin Americans are finding after having progressed so far as to rid themselves of Peron in Argentina, Vargas in Brazil, Odrea in Peru, Rojas in Colombia, Jiminez in Venezuela, Trujillo in the Dominican Republic, and Batista in Cuba.

These victories over dictatorial regimes show how much Latin American people are determined to win democratic institutions. Today there are some setbacks in Peru, where the military is momentarily dominant, and in Argentina and Brazil, where military influence is great but not always decisive.

The crucial test is still ahead—the test of using Alliance for Progress funds imaginatively, effectively and in a way that more Latin American people may share in the fruits of economic growth.

PAY PROBLEM OF NURSES

Mrs. NEUBERGER. Mr. President, nurses in Oregon have discovered that the only way to get any recognition for pay increase was to become active in politics. They did that, and they were successful in pushing such a law through the State legislature. Oregon has become the first State to pass such legislation, and the efforts of these nurses are now being emulated in other parts of the country.

I ask unanimous consent to have an article relating to this subject, written by Marge Davenport, printed in the RECORD at this point.

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

[From the Oregon Journal, July 4, 1962]

NURSES PUSH PAY PROBLEM

(By Marge Davenport)

"If people want to be assured of the best nursing care when they are sick, they are going to have to become aware of the economic problem of nurses," declares a representative of the Oregon Nurses Association.

Like other members of the American Nurses Association (ANA), the Oregon group's long-simmering resentment boiled over last year when it broke from traditional

negotiation sessions with the Oregon Hospital Association and went to the State legislature, "mainly to gain assurance that individual nonprofit hospitals would have to bargain with nurses in good faith, and that nurses would have written contracts."

Now, with the distinction of being the first nursing association to push a law through their State legislature requiring nonprofit hospitals to bargain collectively with nurses' representatives, the Oregon nurses are proceeding cautiously. They intend to press their "overdue" demands for pay increases in a ladylike and professional manner, and they are eager that the public understand their economic position.

Nationally, the ANA voiced its resentment at being what members feel is "the forgotten segment" of the medical profession by taking a stand opposite doctors and favoring a program for medical care of the aged financed through social security. The doctors' American Medical Association is a stanch opponent of such an administration-backed plan.

* * * * *

From the end of World War II until now, the Oregon Nurses Association has managed to battle wages from a beginning level of $190 per month to the present $350 per month starting salary for general duty nurses.

* * * * *

Oregon's $350 present minimum salary in effect in a majority of hospitals carries with it a recommended $10 per month pay increase per year for the following 4 years and provisions for 3 weeks vacation after 10 years. However these provisions are all recommendations and not all hospitals in the State have complied, the nursing association points out.

According to a 1962 survey, Oregon ranks among the top eight States in average wages for general duty nurses, but the ONA emphasizes that even so, the nurse pay scale is only about $1.97 per hour as compared to the current wage rate of $4.02 per hour for a plumber, or $3.68 per hour for a paperhanger.

"Can I afford to be a nurse?" is a question many girls contemplating the career ask themselves, Mrs. H. Yvonne Gardiner, associate executive secretary of the ONA, believes.

She says the primary concern of nurses is, and always has been, care of the patient. Nurses are concerned that the present shortage of working nurses may be affecting patient care, and that aids and other persons may be endangering care by improperly being assigned nursing functions.

* * * * *

Most metropolitan hospitals here list permanent "help wanted" ads for nurses with the ONA, Mrs. Gardiner says.

* * * * *

Who doesn't want the nurses to get higher wages?

Right down to a man, hospital administrators will deny that they oppose increases in nurses salaries—they say it is the public that is already protesting about "too high prices" for hospital patient care.

Both nurse association and the hospital association representatives agree that the whole problem of patient care is a complicated and many faceted one. Both organizations recognize that they are dispensing a public service and agree that the public should take a deep interest in the problem.

A COUNTY DONATES CHAIRS TO THE PEACE CORPS

Mrs. NEUBERGER. Mr. President, recently, when I was invited by the Vice President to visit the outpost of our Peace Corps in Puerto Rico, I renewed my interest in that wonderful organization. Therefore, I was further pleased to find an item from Portland, Oreg., which tells of the ingenuity of these young people. A volunteer by the name of Richard A. Simon, who had worked in the county courthouse in Portland, remembered that there were some obsolete folding chairs stacked in a storeroom. When he got to Colombia, there were no chairs for the school there. Therefore, he wrote home, asking if he could have these obsolete chairs. The community in Colombia paid the freight. The story of this incident is interesting, and I therefore ask unanimous consent that it may be printed in the RECORD at this point.

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

[From the Journal, Aug. 8, 1962]

COUNTY DONATES CHAIRS

The Multnomah County Commission acted Tuesday to aid the Peace Corps.

Responding to a letter from John D. Weldon, a registrar of elections, it declared 100 county folding chairs "surplus" and voted to send them to Colombia in South America to help furnish a proposed library.

The cost of water shipment to South America will be paid by the community to receive them, Fresno, in the state of Tulima.

Weldon sought the chairs in behalf of Richard A. Simon, 24, of 441 NE. Webster Street, a Jefferson High School graduate and former Portland State College student, who is serving with the Peace Corps in the community.

In a letter to Weldon, Simon, a former employee in the registrar's office, told of seeing some obsolete chairs in a warehouse and asked Weldon to see if the commission would consent to release them for the library.

Simon described the community as primitive and without schools and a library. He said that in a community development project he and other members of the Corps are attempting to fill both vacuums.

The books for the library will be sought from various organizations in the United States, Simon said.

The commission was delighted with the opportunity to help and voted unanimously to donate the chairs and ordered the matter given priority treatment.

BOOKS FOR THE U.S. INFORMATION SERVICE

Mrs. NEUBERGER. On Saturday I placed in the RECORD a report from a former employee of mine who is now working in Nyasaland. In the course of the newsletter which he sends home, he says that he and his wife are teaching, on their own time, English classes, but that there is a shortage of books.

Apropos of our discussion on the pending bill of what use the USIS could make of the proposed communications satellite, I thought his comment would be of interest. He says that the library is not very good, and "We need not tell you that anyone cleaning out his or her library would find a welcome home for old books—even if they are in poor condition."

The line that I thought was most interesting was:

The U.S. Information Service in Blantyre (43 miles south) has neither books to spare nor money to open up a Zomba branch.

I wonder, under these circumstances, how the U.S. Information Service will be able to afford to beam American information into Nyasaland.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

Mr. WILEY. Mr. President, I favor the pending bill for the following reasons:

First. As the majority leader said, four committees have considered this bill.

Second. The President is in favor of the bill.

Third. It is so constituted that it is a free enterprise structure placing in the hands of the carriers—and there are 10—50 percent of the stock, and in the hands of the people another 50 percent, each of whom appoints six directors and the President appoints three directors.

Fourth. At this time I want to get rid of a piece of misrepresentation that has operated to prejudice many people.

(a) The Government, over a period of 4 years, has spent between $100 and $200 million in an effort to develop a communications satellite in Project Advent. The justification for these expenditures was the pressing military need for a communications system with wider capabilities than were currently available or foreseeable by expansion of conventional communication techniques.

(b) The Advent project program found itself further from the attainment of its objectives than it had been before the program started. Very little of the intended system was working, even on the ground, so the Government wisely decided against an attempt to launch into orbit the fruits of the research and developments it had nurtured.

(c) Now the A.T. & T. launched, on boosters and with facilities for which it had paid the Government, a communications satellite that worked. The A.T. & T. invested approximately $50 million of the corporation's funds in the research and development necessary to create the Telstar.

Let it be made clear that the A.T. & T. has achieved what the Government did not and apparently could not achieve, and that probably is the reason that all the advisers of the President, recognizing the significance of what has been accomplished in the interest of the Nation by A.T. & T., have come out flatfooted for the satellite bill as set up. Again I say, let it be understood that it was not Government funds which brought Telstar into being. I repeat, it was the fruits of the research of A.T. & T. which did the job.

Fifth. Now, let us remember that the Attorney General, the Secretary of State, the Secretary of Defense all testified before the Senate Foreign Relations Committee in favor of the administration's satellite bill. Also, the House approved the bill by a vote of 354 to 9.

The arguments that this was a gigantic giveaway and would permit the companies to interject themselves into the conduct of international affairs—these arguments were all demolished.

The argument that the Government has financed the research and develop-

ment to space communication and that now the administration plans to turn the benefits over to a large private corporation will not stand examination. As the Green Bay, Wis., Gazette says in its editorial of June 13:

Many private corporations have spent millions of dollars on research and development of this project. Many of the basic elements were privately developed—transistors, solar batteries, guidance systems, TV communications themselves. A.T. & T. Co. financed the complete $4 million cost of building, launching, and tracking Telstar.

Across the Nation, stockholders in U.S. corporations today number about 17 million, including over 2 million for A.T. & T. That is about the same number of personnel who belong to the unions of this country. So, you see, just like the unions, the so-called big corporations actually belong to the people. Of course, we know that if this corporation becomes a paying proposition, under the law, it will pay 52 percent of its profits to the Government.

We all know that it is through our free enterprise system that the American scientific progress has achieved what it has.

Now on this subject of controls, we know that the President spearheads foreign affairs. We know that FCC has a great interest in this matter. We know that the directors of this institution are Americans and will be interested in doing the right thing. I like the editorial of the Wisconsin State Journal where it says:

What does matter is that private enterprise has scored a signal victory. If the world needed any more proof that the old picture of capitalism is erroneous, it has it now. Capitalism today is as dedicated as the laboratory, as up-to-date as Madison Avenue, as forward-looking as Canaveral. Space, like the earth, seems to get smaller with each scientific achievement, but we have proof now that there is still room in it for good new private enterprise.

Mr. President, in the last century man has accomplished more than in all the previous years; and in recent years, we have continued to look beyond the limits of yesteryear and have expanded our knowledge and experience. New information, new vistas, new developments of the natural sciences continue to push back the horizons of yesteryear.

As we view the world, particularly many of the nations that were free and now find that they are within the Communist orbit and, to a large extent, have lost their form of government, we ask ourselves what sort of a plan will become operative in this country of ours? Will we deteriorate into a socialist state or will we carry on as the representative of free enterprise thought and system?

Much was said in the testimony about monopoly. Well, it will be interesting to see what kind of a monopoly the A.T. & T. is. As I mentioned, there are about 17 million stockholders of business, and, we might say, that there are approximately 17 million union members in the unions of America. Big business? Yes. Big unions? Yes. But they are made up of the common American.

Now the other day I read that in the opening days of the century there were 239,000 people on the Federal payroll—just civilians. Since that time there has been an increase of 1,000 percent. There are now up to 2,496,000 people on the Federal payroll. If this increase of labor in Government keeps on, what is going to happen to private enterprise?

Now, as we showed previously, 6 of the corporate directors will be elected by the carriers—and there are 9 or 10 of them—and 6 of the others will be elected by the common stockholders, and the President will appoint 3. And, of course, of whatever earnings this corporation realizes, 52 percent will come back to the Government without any load on the taxpayers, but if Government keeps on increasing its employees, then the taxpayers will have to bear the load.

I heard a Democratic Senator say the other day:

I do not blame the State Department with all its problems and with all its bureaucracy. I do not think anyone will disagree that we are floundered with bureaucracy today with all these people on the Federal payroll.

If we are alert and recognize the philosophy which, if we adopted, would cause our country to end up in State Socialism, we will be enabled to avoid it. I believe we are alert. I believe the vote in the House, and the vote here tomorrow will indicate clearly that we have not been put to sleep by a lot of emotional statements which do not hold water. I think we have demonstrated definitely that this is not a giveaway—this is really picking up where the Government failed and made a reality of the satellite.

By that last statement I mean that the Advent program of the Government did not produce the goods, whereas A.T. & T. launched, on boosters and with facilities for which they had paid the Government, a satellite which worked—and it is still working.

I think there is a real, vital question involved and that is, Do we want this big Government to grow bigger in its activities? Do we want it to head more and more in the line of the Socialist state? Or do we want to carry on in the way that has brought this country to its pinnacle of world leadership today—with free enterprise?

IMPORTS OF TOOL AND FINE STEELS

Mr. SCOTT. Mr. President, the domestic producers of tool steel and fine steel are faced with a very serious problem which merits the attention of the Senate. Although tool and fine steels do not account for nearly as much volume as tonnage steels, they are specialty items which possess certain properties making them essential to the national defense effort. They have been rated by defense agencies first in priority of strategic importance, since they are essential to the cutting, shaping and forming of virtually every weapon in our defense structure.

Imports of tool and fine steel have increased dramatically in recent years, so that foreign supplies aggregate approximately 14 percent of domestic production. The price at which these imports enter the United States is so low that domestic industry is being hard pressed. Consequently the very survival of a vitally important defense industry is threatened.

I am troubled by this situation, not only because the U.S. tool and fine steel producers are located largely in the State of Pennsylvania, but constitute a principal source of employment in several localities. I am extremely concerned that the Nation assure itself of a steady domestic supply of these strategic materials.

Mr. Sturgis Potter, chairman of the Tool and Fine Steel Industry Committee, testified before the Senate Finance Committee regarding the Trade Expansion Act on August 8, 1962. His testimony raises a number of questions about the trade legislation which I believe deserves the consideration of each member of the Senate.

I ask unanimous consent, Mr. President, to have Mr. Potter's testimony printed in the RECORD.

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

TESTIMONY OF H. S. POTTER

My name is H. S. Potter. I am vice president, sales, of Carpenter Steel Co., Reading, Pa., and chairman of the Tool and Fine Steel Industry Committee. The names of the companies which join in this statement are listed on an attached sheet. I appreciate the opportunity to be here and discuss with you the proposed Trade Expansion Act as it presents problems which very seriously concern our industry.

I

THE TOOL AND FINE STEEL INDUSTRY IS VITAL TO OUR NATIONAL SECURITY

Tool steel and fine steels are high alloy specialty products which do not account for nearly as much volume as tonnage steels. Nevertheless, by reason of their content they possess certain properties, such as a high degree of heat resistance, which greater volume steel products do not enjoy, and can fulfill a number of vital functions for which tonnage steels are not qualified. Indeed, tool steel is listed by the defense agencies of the U.S. Government as first in priority of strategic importance. It is indispensable to the cutting, shaping, and forming of virtually every weapon in our defense arsenal. I submit to this committee that not a wheel in our defense structure could turn if there were not an adequate supply of tool and specialty steel. And I submit further that as the missile age progresses, the highly heat resistant steels will become increasingly important to American advancement and security. The large tonnage steel mills have neither the equipment nor technical knowledge to make the tool steel and specialty steels which are essential to our national defense effort.

We are certain that neither this committee nor Congress would favor or permit importation of these items to reach such a level that the existence of an adequate, steady domestic supply would be imperiled, as such a result would bring about the total reliance of our defense effort on foreign supplies of a highly strategic material. The principal supplying nations—Austria, Sweden, West Germany, France, Italy, and the United Kingdom—are in such proximity to the Soviet Union to make such a course neither safe nor prudent. We contend that it is essential for the United States to maintain a flexible defense posture to meet emergencies of all dimensions in all parts of the world and that such flexibility can only be maintained if the

country has available to it adequate domestic supplies of such critical materials as produced by our industry.

II

THE TOOL AND FINE STEEL INDUSTRY IS NOW THREATENED BY IMPORTATION

We in the tool and fine steel industry are by no means opposed to an expanded international trade for the sake of being opposed. We are, however, presently suffering a severe loss of the U.S. market to foreign imports and fear that H.R. 11970, in its present form, could result in further losses and threaten the elimination of U.S. production altogether.

Importation has in recent years absorbed a dramatically expanding share of the domestic market. In 1960, total domestic production of tool steel was approximately 87,000 tons, although average production has been 100,000 tons annually. That same year, imports reached the level of 12,000 tons, or 12 percent of average annual domestic production and over 14 percent of actual domestic production for that year. Moreover, these figures do not include another estimated 12,000 tons of product imported in various finished forms. This trend toward an ever increasing market share supplied by imports means not only a loss of earnings for the domestic industry, but a loss of employment for American workers.

The cause of this threatening pattern which is facing the tool and fine steel industry is not the ability of foreign competition to apply better production techniques and place superior products in the domestic market. It is very simply a question of price. For instance, Japanese stainless sheets are being offered at 20 percent below the domestic market. Stainless cold heading wire from the same country is offered at 16 to 27 percent below my company's prices and a popular grade of oil-hardened tool steel from Austria is being offered here at prices 53 percent below my company's price.

These lower prices at which foreign producers are able to compete in the domestic market are attributable to two chief factors: the substantially lower wages and working standards prevalent in the principal foreign countries producing tool and fine steel and the narrowing of our margin of productive efficiency. Faced with a continuation of this situation and the continuing increase in the ration of imports to domestic demand, the U.S. tool and fine steel industry is in an extremely precarious position.

III

ADEQUATE SAFEGUARDS MUST BE PROVIDED TO PROTECT VITAL DEFENSE INDUSTRIES

In the light of the importance of tool and fine steel to the Nation's defense production and the current status of imports, we submit that adequate safeguards are essential for our industry. The present bill does not contain these safeguards.

We contend that a strengthening of the national security clause is essential. We submit that the provision has not always been implemented in accordance with legislative intent. In view of this history we hope that Congress will take positive steps to strengthen the national security clause so that it will become an effective, operative instrument of national trade and defense policies. We suggest that this committee consider exercising legislative review of executive decisions in this field—certainly determinations here are at least as important as under the escape clause in which national security may or may not be involved. By like token, the application of specific time limits for national security determinations may be advisable. In the past, proceedings alone have consumed as much as 18 months. These suggestions by no means exhaust the possible avenues of improving this clause.

For example, we understand that Senator KERR has indicated that more specific criteria for industries significant to national security would be extremely helpful. We fully agree.

The underlying approach of the trade expansion program is an open departure from past tariff policies, yet section 232 is fundamentally the same as enacted 7 years ago. Whereas prior trade legislation seems to have been based on the premise that no injury as a result of foreign competition would be suffered by industry which could not be alleviated by the safeguards provided, the present act, as seen by its detailed attention to adjustment assistance, is founded on the premise that substantial injury will occur but will be compensated for and by the Government.

This new approach, whatever its merits or inadequacies, at least demands a new and vigorous national security clause. It is not enough that the prior clause be boiler-plated onto H.R. 11970. With the threat of substantial dislocation and disruption in our economy as a result of foreign imports—a fact which the proponents of this bill admit by so carefully providing means to alleviate the distress—the importance of the national security provision is significantly increased. It is one thing to risk the economic destruction of some domestic industry in the hope of obtaining increase in export trade. It is quite another to jeopardize our national security in the process of this gamble. We submit, therefore, that section 232 be redrawn in such a way to absolutely insulate key industries and commodities from the harsh impact of increased foreign imports.

We are especially concerned with the exclusive discretion granted the President to eliminate duties altogether on undefined broad categories of goods in entering into agreements with the Common Market nations. Should tool and fine steels be lumped with tonnage steel, any deliberative consideration of the critical national defense contribution and precarious market position of our industry could be unwittingly ignored with the destruction or crippling of the specialty steel industry as the result and agreements producing total disruption of the tool and fine steel industry could be negotiated without Congress exercising any review whatever over administrative determination. We consider this to be one of the principal flaws of H.R. 11970.

It is also to be emphasized that the bill retains only the facade of the peril-point provision of existing law. Briefly, the Tariff Commission may not find any specific level of duty below which injury would be likely to occur but may only advise as to the economic effect of reductions or eliminations. Consequently, the President need not report that any recommendation or finding was rejected, and the economic conclusions of the Commission would not permit Commission analysis only of the effect on overall industry operations of proposed reductions, a particular detriment to tool and fine steels.

The ineffectiveness of the escape clause provision is also a glaring inadequacy. Although it is unquestionably an improvement over the language originally proposed to the House of Representatives, it is still not a mechanism for guarding essential domestic industries against irreparable harm. The Tariff Commission may only find that an industry has suffered or is threatened with injury, and the term industry is nowhere defined in the bill. Conceivably, "steel" would constitute an industry. The segmenting of industries authorized by present law would not be allowed. Combining tool and fine steels with tonnage steel would effectively deny our industry the consideration which its particular problems merit.

It is also provided that the Commission must find that the injury was produced entirely (rather than in part as in present law) by a tariff concession. This change imposes an unjustifiably harsh burden of proof upon the party seeking relief. He must, in effect, prove that no other cause contributed even in small part to his plight. Furthermore the standards to be applied in determining injury are not adequate to provide relief while the industry is still able to make use of it. Finally, the provision for legislative review seems largely ineffective by reason of the need for the affirmative vote of a constitutional majority of both Houses and the failure to insure that a review resolution will obtain a floor vote.

This safeguard machinery would, if properly implemented, insure a prudent trade policy which could permit recognition of the total national interest. They seem to us far preferable to the other relief mechanisms set forth in the legislation before you. The other adjustment assistance provisions are both fiscally questionable and contrary to the established provisions which are directed toward preserving American firms and workers who have suffered injury from importation.

Testimony has been received that the cost of these programs to the Treasury could reach enormity. I am not an economic forecaster and cannot predict with any degree of certainty the extent to which this would be true. Nevertheless, I can make some statements with respect to the steel industry. The American Iron and Steel Institute recently estimated that 40,000 jobs in the steel industry have been lost to foreign competition. If adjustment assistance at 65 percent of average earnings were paid these workers for the basic 52-week period, the cost would run over $200 million.

We stress that the subsidy provisions are not as consonant with our free enterprise system as a selective trade program. The adjustment assistance provisions of H.R. 11970 are throughout infected with the likelihood of Government supervision and control. For example, broad discretion is vested in the executive branch to determine whether or not tariff concessions have caused or threatened serious injury or unemployment; review and act upon proposals for economic adjustment; decide whether or not a firm has developed a sufficient plan to use its own resources for development; require appropriate cost-sharing; set interest rates; and determine the type and extent of security for financial assistance. Further, if particular firms in an industry are selected for relief whereas others are not, relative competitive advantages and disruptions would occur. It seems to us that, at best, such a grant of authority has no place in trade legislation, but that a reasoned program of import regulation is by far the wiser course.

As I said at the outset, we are not opposed to expanded foreign trade. Yet whatever trade policy is adopted should take full cognizance of the need and provide machinery for protecting and preserving industries such as ours which are threatened with severe injury and are essential to the national defense effort.

IV

THE ILL-FOUNDED OPTIMISM OF THE PROPONENTS OF H.R. 11970 UNDERSCORES THE NEED FOR EFFECTIVE SAFEGUARDS

The radical departure from existing law that the Trade Expansion Act represents necessitates certain risks and serves to underscore the need for the preservation of safeguards for vital domestic industry. These procedures would be essential even were the broadly stated goals which H.R. 11970 seeks wholly attainable and even were the overall economic impact clearly to be beneficial. They are more so because of the uncertainty of impact and achievement which infects the bill.

Although sweeping pronouncements by the advocates of H.R. 11970 style it as a solution for the problems of growth-rate, unemployment, balance-of-payments deficits, gold drain, and virtually every economic question facing us, the information essential to a full evaluation of these claims has been somewhat beclouded. We suggest, as have many others, that the glorified predictions regarding H.R. 11970 are at best well-meaning speculations, unsupported by fact.

Permit me to discuss briefly some of the reasons why we believe that the goals cited in the preamble of H.R. 11970 are not supported by the arguments made in behalf of the bill.

First, it is contended that the United States has benefited in trade negotiations by obtaining greater tariff concessions than it has given away. In press release No. 369, June 7, 1962, the State Department announced that in the recent Geneva negotiations, the United States has obtained concessions amounting to $1,575 million for exports while conceding an estimated $1,225.5 million on imports. Yet the estimate on which the latter figure is based takes into consideration only imports from the EEC or the particular GATT country with which each concession was negotiated, and does not include other nations which are entitled to the concession; it substantially understates the value of the concessions made by the United States. Further, the $1,225.5 million figure is computed on the basis of values in the foreign markets whereas domestic port-of-entry values actually average a conservatively estimated 15 percent above those of foreign markets. Taking these factors into account, it appears that the concessions granted are, in fact, significantly in excess of those we received.

Second, the Secretaries of Commerce and Labor allege that approximately 4 million jobs are dependent on foreign trade, whereas something in the vicinity of a mere 90,000 are liable to injury from increased importation. Although the 4-million-job estimate is based on a formal Labor Department report, the diminutive 90,000 figure is not so founded. In fact, we have no idea of the source or accuracy of this key figure and the supporting information used by the Labor Department seems unreliable. The Labor Department report which undertakes to estimate jobs lost as a result of imports in 1960 indicates that competitive imports of all products of primary metal industries were $570.8 million based on foreign value plus a 17 percent factor. Since this figure was less than imports of steel mill products alone (foreign value $506 million, plus 17 percent equals $592 million) we looked further.

The official Census Bureau report of imports, FT 110 for 1960, shows the following, in millions of dollars, foreign values:

Iron- and steel-making war materials	346.0
Steel mill products	505.5
Iron and steel manufactures	124.8
Ferric alloys, ores and metals	174.7
Aluminum and manufactures	206.6
Brass and bronze manufactures	56.2
Copper and manufactures	401.6
Lead and manufactures	92.6
Zinc and manufactures	74.6
Total	1,982.6

When the 17 percent is added, the total becomes $2,319.6 million.

It is evident that this total includes some unknown amount of products advanced beyond the stage of primary metal products, but it is also evident that the great bulk of the total is of primary ores and metals, iron ore, steel, aluminum, copper, lead and zinc. How then could the Labor Department report that imports of primary metals were only $570.8 million?

It becomes clear that the finding is based on certain assumptions which seem to us unwarranted. Imports are divided into two classes, competitive and supporting, and supporting imports were disregarded in arriving at the competitive import figures. Next, in the category of "supporting" imports were included all raw material and semi-manufactured imports which supply more than 75 percent or less than 5 percent of U.S. consumption. Further, imports, even within these percentage figures, are supporting if they are considered essential to U.S. industry, exemplified by petroleum, iron ore and softwood lumber. On such a basis, since total U.S. imports are under 5 percent of total U.S. consumption, the Department might well have said that there are no competitive imports whatever. Although such a statement would be absurd, we submit that it is equally unreliable to make such assumptions on a narrow base as on a broader one. And the supporting import category is utilized not only to reduce the estimate of jobs which might be lost to exports but to increase the number supplied by imports.

Third, the Under Secretary of State testified before the House Ways and Means Committee to the effect that the Common Market and the United States have about the same level of tariff protection. He said the EEC tariff on industrial products averages 5.7 percent and that the comparable figure for the United States is 7.1 percent (hearings on H.R. 9900, p. 639).

We studied the Commerce Department tabulation on which the Under Secretary based his statement. We noted that it omitted chemicals on which the Common Market tariffs are high. On the other hand, it included the products which are not produced in significant quantities in the Common Market and which are imported in large quantities duty free. Thus, to get a low EEC tariff average the tabulation included oilseeds, crude rubber, raw cotton, wool, jute and other vegetable fibers, iron ore and nonferrous ores, crude petroleum and precious stones.

Now these are not industrial products. They are primary products that are the raw materials for the Common Market industries. Their inclusion substantially reduces the average level of EEC tariffs, which average is then styled as relating to industrial products.

Fourth, in February the opening sentence of a Commerce Department press release said, "Dollar volume of exports of steel mill products from the United States in 1961 ran ahead of imports for the second year in a row." (BD-62-67, Feb. 26, 1962). As a matter of fact, the volume of imports of steel mill products in 1961 ran ahead of exports for the third year in a row. Of course the Department makes a technical justification for the quoted statement—they were talking about dollars, even though they used the word "volume" which connotes quantity, not value. But this justification is still inaccurate because the dollars of imports referred to are the values of the goods in the countries of export which, of course, are much lower per unit than the U.S. values of competitive steel.

Most other countries, including the EEC, value imports on a CIF port of entry basis. The United States values imports on a foreign basis, usually the mill or factory abroad. If the United States were to follow the EEC practice, our statistics would make a fairer showing of trade balances.

Statistical argumentation of this nature makes us uncertain that the bill will attain its goals and fearful of its impact. Presentations of that sort hardly appear to be of the class of information which will assist Congress to fully deliberate and determine the turning point issue now before it. In addition the vulnerability of administration statistics suggest a free trade bias so strong as to underscore the need for more adequate congressional checks.

Yet despite the uncertainties of attainment, the present bill cloaks the executive branch with unprecedented authority to reduce tariffs and diminishes the powers of Congress in the trade area to an all-time low.

V

RECOMMENDATIONS

We of the tool and fine steel industry would recommend that, as a minimum, the following changes be made in H.R. 11970:

1. The national security clause should be strengthened.

2. Congressional review of negotiated trade agreements should be provided. Both this review and review of Presidential refusal to take action on escape clause recommendations should be able to override Presidential action or failure to take action by simple majority vote on one House acting on a privileged resolution.

3. The escape-clause provision should be amended as to definition of industry and criteria of injury so that it comports with present law.

4. The peril-point provisions of existing law should be retained.

5. The subsidy involved in the adjustment assistance provisions should be stricken from the bill.

We must emphasize that we are not against free trade so long as it is not unfair trade, but regret that in our opinion present conditions prevent the attainment of such an ideal. Until such time as wage and working standards and fiscal and monetary conditions improve, vital American industries are entitled to protection.

APPENDIX

Participating companies: Allegheny Ludlum Steel Corp., Armco Steel Corp., Bethlehem Steel Co., Braeburn Alloy Steel Corp., the Carpenter Steel Co., Columbia Tool Steel Co., Crucible Steel Co. of America, Eastern Stainless Steel Corp., Firth Sterling, Inc., Jessop Steel Co., Jones & Laughlin Steel Corp., Joslyn Stainless Steel Division, Latrobe Steel Co., Republic Steel Corp., Sharon Steel Corp., Simonds Saw & Steel Co., Universal-Cyclops Steel Corp., Vanadium-Alloys Steel Co., Vulcan-Kidd Steel Division, Washington Steel Corp.

HOMECOMING OF WISCONSIN'S 32D NATIONAL GUARD DIVISION

Mr. WILEY. Mr. President, I ask unanimous consent to have printed in the RECORD at this point as a part of my remarks an editorial entitled "Well Done, Men of the 32d," published in the Milwaukee Journal of August 10, 1962, dealing with the homecoming of Wisconsin's 32d National Guard Division.

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

WELL DONE, MEN OF THE 32D

Last autumn when Wisconsin's 32d National Guard Division began training at cold and rainy Fort Lewis, Wash., President Kennedy explained why the men had been called from their homes and jobs to serve their country.

"We called them in," said the President, "to prevent a war, not to fight a war * * * to prevent a war in which they and many, many more would be forced into far greater sacrifices."

Now that the 32d has completed its 10 months of service and its trim, tanned members have come streaming back to Wisconsin, it is appropriate to recall those words.

It is appropriate, too, as Milwaukee prepares a welcome home party at the stadium Sunday, to sum up what the 32d and other servicemen who responded to the call to duty accomplished and what they contributed.

The Berlin crisis of last summer was an alarming threat to the peace of the world and to the safety of every American household. Premier Khrushchev had blustered before. Never, though, had his threats been quite so blunt.

Khrushchev promised to sign a separate peace treaty with puppet East Germany that would, he warned, bar American and Allied forces from West Berlin. Communist fighter planes harassed Western aircraft flying the corridors to Berlin. "The wall" was thrown up overnight, splitting Berlin and sealing in residents of the eastern sector so that they could not longer flee the Communist "paradise" as many thousands had already done. American and Communist tanks faced each other menacingly.

President Kennedy obtained from Congress authority to bolster the Nation's convential forces. He summoned the 32d of Wisconsin and the 49th Armored of Texas as two crack divisions in the National Guard establishment, plus numerous Army Reserve units and fillers. The purpose, said the President, was to show that the United States "is serious about its commitments."

At Fort Lewis there was temporary confusion. Supply shortages developed. Sufficient weapons were not on hand. Many fillers, it developed, had been improperly called. A parade of Congressmen didn't help matters.

But the 32d fell to, as it always has. Military service such as this in peacetime can be frustrating. The few serve; the many stay comfortably at home. There was no Hindenburg line for the Red Arrow to pierce as in World War I. There were no Japanese to dig out of steaming New Guinea jungles as in World War II. There was just hard work, steady training, participation in maneuvers in order to become combat ready.

The 32d measured up. By mid-February it was named part of the elite Strategic Army Corps (Strac) which stands ready for deployment at a moment's notice to any part of the world.

One cannot know for certain that the callup gave Khrushchev pause. He must have been impressed by American determination. At least he moderated his tone. The tension over Berlin was eased.

So now the members of the 32d and the other reservists have come home. Their return is welcome. Their work has been well done. They achieved the objective the President set for them—not to fight a war but to help prevent one. What more can be asked of soldiers than that they achieve their objective?

SOVIET CHALLENGE IN SPACE

Mr. WILEY. Mr. President, the Soviet Union, on August 11, successfully launched Vostok III to orbit a Soviet cosmonaut in space.

On August 12, the Soviets successfully launched a second cosmonaut in Vostok IV.

As a significant "next step" in the Soviet space program, these launchings have special meanings, not only for the Communists but for the free world. These include:

First. The accomplishment, in itself, represents a major scientific feat; moreover, we can expect that this will be fully exploited for propaganda purposes.

Second. The flight demonstrates that the Soviets continue their great dedication to conquest of space—reflecting a willingness to make a great investment in space for whatever rewards may ultimately be forthcoming—scientifically, economically, politically, militarily, and ideologically.

Third. For practical reasons, the Soviets may also be attempting to create—in the world mind—"progress in space" as a symbol of Communist dynamism—even thought it suffers serious failures at home in agriculture and other fields. The people can starve as long as the Reds can try to sway public opinion with space feats.

The successful flight of Vostok III and Vostok IV, then, should serve as a warning to the free world that the Communists intend to challenge us "all the way"—not only on earth, but in outer space.

The United States, too, recently accomplished a successful "feat" in space—the Telstar project.

The Kremlin, however, must get a great deal of satisfaction out of the fact that while they have two cosmonauts talking to each other in space, we, here in the Senate, continue to "talk to each other," seemingly endlessly, about even consideration of a bill to establish a satellite communication system in space.

In a challenging era of history—in which time—weeks, days, yes, even hours—are highly significant—there rests a great responsibility for delays—from whatever quarters—to the U.S. space program.

COPE CONFRONTS AN EFFECTIVE CHALLENGER

Mr. MUNDT. Mr. President, while realistic political observers and knowledgeable students of political affairs generally recognize that today, COPE—the CIO's Political Action Committee—has become the strongest single political force now operating in America, I have never been one to contend that Reuther and his aids have no right to formulate and operate this effective political machine. The fact that COPE today exercises a more effective and determinative influence upon the selection and election of Senators and Congressman than either the Democratic National Committee or the Republican National Committee is at once both a tribute to the effectiveness of this partisan, political machine and a challenge to those who oppose the objectives of COPE but who lack either the energy, the courage, or the ability to offset COPE's political activities.

Now—at long last—at least one group in this country has arisen and gotten organized to fight back against COPE. It calls itself AMPAC and is comprised largely of doctors and physicians who are opposed to COPE's determined drive to win acceptance for its compulsory system of medicare. Judging from the editorial from the Washington Evening Star which I now ask be incorporated at this point in the RECORD as a part of these remarks, COPE is already concerned and disturbed that organized and direct opposition has arisen to its political operations.

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

COPE FEARS AMPAC

The AFL-CIO Committee on Political Action has sent out an S O S that deserves attention, of a certain kind.

The committee, well known and hereinafter referred to as COPE, has discovered, or thinks it has, that a powerful new ultraconservative political alliance may be forming between big business and the American Medical Association. COPE is disturbed, and understandably so, that a rather newly formed (copy-cat) organization known as the American Medical Political Action Committee (pronounced AMPAC) will be the vehicle for this alliance. COPE says that AMPAC already is making significant headway and that in the near future it may even distribute its own version of COPE's "How To Win" handbook to folks active in political campaigns and to candidates it supports.

COPE is disturbed, too, at the likelihood that big business money will seek and find it (AMPAC) because the green stuff has an automatic way of traveling from big business coffers into organizations which beaver (sic) for business's conservative political ends.

Freely translated, all of this means, presumably, that COPE may soon be faced with a political rival of its own kind—a well-financed outfit that knows where it stands and is prepared to do something about it. The fact that it stands on the opposite side of the street from COPE has, thus far at least, alarmed only COPE. There is evidence, in fact complaints, from those whom COPE has not liked that labor's political arm has been quite successful. On that basis, imitation is not only a sincere, but a real smart, form of flattery.

Mr. MUNDT. Mr. President, from the foregoing any American business or professional man; any citizen believing in our private ownership system; any farmer desiring to remain free from new oppressive Government controls; any Democrat in the Deep South, or any Republican anywhere should learn a lesson and confront a challenge to both his courage and his capacity. It is now clear that those who believe in preserving our freedoms can do so if they will organize their resources together and do more than develop lipservice as the measure of their opposition to the encroaching advances of the welfare state in the United States. What they can and should do if they desire "to put their money where their mouth is" is obviously clear they should organize a PEPAC of national scope.

A private enterprise political action committee could embrace everybody regardless of political affiliation and activate their efforts in the nomination and election of Senators, Representatives, and Governors who believe in our private enterprise system and who desire to stop further attempts toward the socialization of America. The ACA—Americans for Constitutional Government—has already made a good start in this direction. Maybe all trade associations, and other organizations embracing the memberships of bankers, insurance people, processors, fabricators, retail businessmen, professional men and women, and like-minded citizens should now unite in creating and operating an

all-American PEPAC. Such a private enterprise political action committee in this country should be triumphant.

ELECTORAL COLLEGE REFORM

Mr. MUNDT. Mr. President, I am certain that most of my colleagues are aware of the fact that Senate Joint Resolution 12, which proposes a constitutional amendment for the reform of the procedures by which we elect our President and Vice President, has been cleared for the consideration of the full Judiciary Committee by the Subcommittee on Constitutional Amendments. It is my hope that in the very near future the Judiciary Committee will see fit to report this resolution to the Senate.

I am most encouraged by the fact that the district plan for electoral college reform is rapidly gaining national understanding and acceptance. My own estimates of national sentiment indicate that there is an extremely broad consensus among the American people that we must make changes in the existing system by which we elect the President and Vice President. There are differing views as to how we should modify the existing system. Some favoring direct popular vote, some favoring the proportional division of electoral votes within each State, and an increasing number of people supporting a system strongly akin to our existing congressional system with proper safeguards against gerrymandering, which simply stated is the essence of the reform plan presented in Senate Joint Resolution 12.

Representative of the responsible and highly informed grassroots support for Senate Joint Resolution 12 are editorials which recently appeared in two of our South Dakota weekly newspapers. I am, of course, profoundly appreciative of the fact that two editors from my home State have taken up the cudgel in behalf of Senate Joint Resolution 12, and so that my colleagues may have the benefit of these two editors' thoughts on the subject of electoral college reform, I request unanimous consent that the editorial from the Highmore Herald and the editorial from the Lemmon Tribune may appear at this point in the CONGRESSIONAL RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the Highmore (S. Dak.) Herald, July 12, 1962]

FAIR PRESIDENTIAL ELECTIONS

The first congressional step has been taken to make it possible for us to elect a President in as fairly and representative a manner as we elect a Congressman or Senator.

A constitutional amendment (S.J. Res. 12) sponsored by Senators MUNDT (Republican, of South Dakota), THURMOND (Democrat, of South Carolina), FONG (Republican, of Hawaii), HRUSKA (Republican, of Nebraska), GOLDWATER (Republican, of Arizona), and MCCLELLAN (Democrat, of Arkansas), by which candidates for the electoral college would each declare his choice for President and Vice President and then run for election in a manner similar to Senators and Representatives, is now under study by the full Senate Judiciary Committee.

Under the present system of a statewide general ticket, a voter has as many votes in presidential elections as his State has electors—one for each of its two Senators and one for each Congressman. Each New Yorker had 45 votes in 1960, each Delawarian but 3.

Senator MUNDT's amendment would restore the purpose of the electoral college—to prevent distortions in the election of the President arising from the widely varying populations of the different States. Under this reform, every voter in every State would vote for three electors—just as he helps elect two Senators and one Representative.

Public dissatisfaction with the presently gerrymandered electoral system—by which the larger States, especially those dominated by their big cities, have an inordinate voice in both the selection of Presidential candidates and their election, is wide and deep. Public opinion polls reveal a substantial majority anxious for correction of these evils.

W.J.M.

[From the Lemmon (S. Dak.) Tribune, July 12, 1962]

FAIR PRESIDENTIAL ELECTIONS

The Tribune was particularly interested in a constitutional amendment (S.J. Res. 12), now under study by the Senate Judiciary Committee which would, for the first time, give the American electorate fair representation in the selection of a President.

Basically, the resolution would have candidates for the electoral college declare their choice for President and Vice President and then run for election in a manner similar to Senators and Representatives. Consequently, instead of voting for a panel of electors representing one party or the other, the individual citizen, under the proposed amendment, would vote for two electors at large (as for Senators) and for one elector in his area (comparable to his congressional district). Thus, the electoral vote would very likely be divided. Most States would then be sending electoral college members of both parties, rather than sending the victorious panel, either all Democrat or all Republican, as is now done—depriving the State's minority of all representation.

Under the present system of a statewide general ticket, a voter has as many votes in Presidential elections as his State has electors—one for each of its two Senators and one for each Congressman. Each New Yorker, for example, had 45 votes in 1960, in contrast to each South Dakotan's four.

What is perhaps of equal significance to the people of this State is that South Dakota's own Senator KARL MUNDT designed the resolution and has obtained the following sponsoring Senators—THURMOND, Democrat, of South Carolina; MORTON, Republican, of Kentucky; FONG, Republican, of Hawaii; HRUSKA, Republican of Nebraska; GOLDWATER, Republican, of Arizona; and MCCLELLAN, Democrat, of Arkansas.

Recognizing the merits of such proposed legislation is indeed an easy task for folks of sparsely populated areas like the Dakotas. However, ushering through such an equalizing proposal is something else again when one realizes that the present electoral voting giants (high industrial metropolitan areas), would be placed on a more even keel with their country cousins.

Unless the people's voice can be heard—and heard with resounding force—that it's about time the vast electoral powers of the larger States be given an overhaul, it is doubtful whether MUNDT's resolution will reach first base.

For all these years the minority party's electoral vote has carried no weight whatever, other than the satisfaction that each respective vote was carefully entered on the popular tab. Unfortunately, the popular vote does little in the election of a President.

Write your Senator and tell him your views on why such a resolution should be supported.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, with the concurrence of the Senate, I should like to suggest the absence of a quorum. I understand that the distinguished Senator from New York [Mr. KEATING] wishes to introduce a bill under rule XIV, and the presence of the Senator from South Carolina [Mr. JOHNSTON] is desired.

Mr. YARBOROUGH. Mr. President, is the morning hour ended?

The ACTING PRESIDENT pro tempore. Under the unanimous-consent agreement, the morning hour will continue until 12 o'clock.

Mr. MANSFIELD. Mr. President, I hope that so long as objection has not been raised, there will not be a request for a live quorum. If so, more time will be available for a discussion of the bill.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. MCGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMENDMENT OF THE TRADING WITH THE ENEMY ACT

The ACTING PRESIDENT pro tempore. The Chair lays before the Senate, for second reading, House bill 3460, which will be read by title by the clerk.

The CHIEF CLERK. A bill (H.R. 3460) to amend section 9(a) of the Trading With the Enemy Act, as amended.

Mr. KEATING. Mr. President, under section 4 of the rule XIV, I object to further proceedings in connection with this bill.

Mr. JOHNSTON. Mr. President, I rise to a point of order.

The ACTING PRESIDENT pro tempore. The Senator will state the point of order.

Mr. JOHNSTON. Under the rules of the Senate, it will be found that rule XXV states the way of handling bills in the Senate. Therefore, the bill should be referred to committee.

For the information of the Senate, hearings have been set on this particular matter for the 22d of this month, and the announcement appears in the CONGRESSIONAL RECORD. For that reason, I ask that the bill be referred to the committee.

Before I complete my statement, let me say that I have a statement from the Department of Justice, the Office of Alien Property. I quote from that memorandum, as follows:

Serious doubt was expressed within the Office as to the constitutionality and practical usefulness of this legislation. First, it was noted that the governmental power to requisition upon payment of just compensation was a power to take for public use; whereas the bill called for a taking of private property, not for public use, but for

disposition to other private interest. Moreover, the bill fixed compensation as either value at the time of vesting, or the proceeds of sale; whereas the court, in exercising its normal jurisdiction to determine what is constitutional just compensation for a taking for public use, might determine the 'taking' to be the election by the Custodian not to return. In such case, the court could determine that the proceeds of the sale did not represent the just compensation value.

Second—

And I am still quoting the memorandum—

it was pointed out that in the principal case at issue, the GAF case, the plaintiff would certainly insist on fully trying out the constitutionality of such a new enactment before acceding to it, which would involve in itself long and involved litigation. In view of these doubts, and the possibility of a settlement of the GAF case, it was decided not to press for the measure.

I have read from a memorandum of the Justice Department concerning the matter.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JOHNSTON. I yield for a question only.

Mr. KEATING. What is the date of that letter?

Mr. JOHNSTON. This is an old memorandum, but I was about to say that in discussing this matter with the Attorney General—and the Senator was present at the time—the Senator will recall the Attorney General said that if this property were sold, and at a later date it was decided that it belonged to the Swiss Government—as the Germans say it does; and the Swiss say it belongs to them—then it would have been sold at a time when the title was under a cloud.

The one reason why I do not want it sold at the present time is that I feel some people want to pick it up at a bargain counter and get it for much less than it is worth today.

If that happens, what will take place later? The Attorney General has said that if it were sold at a price less than it was worth, and the parties came back later when they were entitled to the article itself, and not the money, we would have to pay the price of whatever it was worth. The Attorney General said that. That being so, who would pay the difference between its actual worth and the bargain price at which it was sold? The Government of the United States would have to pay the difference.

That is the reason why I am not here asking for the sale of it today. After the litigation is completed, and it is ready to be sold, let it be sold then, and not until then. If the Senator had a piece of property and its title was under a cloud, the Senator knows he could not sell it for as much as he could if it had a clear title. That is the position we find ourselves in.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JOHNSTON. I am going to take the 45 minutes.

The ACTING PRESIDENT pro tempore. The point of order is not debatable. The Chair is ready to rule.

Mr. KEATING. Mr. President, may I be heard on the point of order?

The ACTING PRESIDENT pro tempore. The Chair will hear the Senator briefly, but the Chair is ready to rule. Then the ruling will be debatable. Both Senators will be recognized in order. I wonder if they will permit the Chair to make the ruling. Then the debate will continue.

Mr. KEATING. I will only say on the point of order that subsection 4 of rule XIV and rule XXV can be read together, and it as a well recognized rule of construction that if two rules can be interpreted consistently, they will both be in force.

The ACTING PRESIDENT pro tempore. The present occupant of the Chair is aware of that rule of law. Under the ruling the Chair is prepared to make, the argument the Senator from New York is now making can be presented. The point of order is that paragraph 4 of rule XIV was superseded and annulled by the Reorganization Act of 1946, and that under rule XXV the bill should be referred to the appropriate committee.

The Parliamentarian provided the Chair with the precedents when this matter was before the Chair on previous occasions. Under the precedents, the matter has been referred to the Senate for decision. That is what the Chair is going to do at the present time—refer the matter to the Senate for decision on the question, Is the point of order of the Senator from South Carolina well taken? If the point of order is sustained by the Senate, the Presiding Officer will refer the bill to the appropriate committee. If the point of order is not sustained, the bill will be placed on the calendar.

The question then is, Is the point of order made by the Senator from South Carolina well taken? The question is debatable.

Mr. KEATING. Mr. President——

The ACTING PRESIDENT pro tempore. The Senator from New York.

Mr. KEATING. In answer to the last memorandum which the Senator from South Carolina has cited from a former Attorney General—I assume not the present Attorney General—I call attention to the fact that the present Attorney General favors the enactment of this legislation, and has urged enactment.

Under the existing situation the stock of the General Aniline & Film Corp., of which 93 percent is owned by the U.S. Government, is vested in the Alien Property Custodian. This was done in 1942. The company has been under the management and control of the U.S. Government since that time. Every Attorney General since 1952 including the present Attorney General, has urged that this great industrial enterprise, the stock of which has a book value of around $120 million, be free from the dead hand of Federal ownership and control.

The endless litigation which has followed the vesting of this stock and has resulted in the continued functioning of this corporation under the Department of Justice prevents this company from achieving anything like its potential in growth and progress.

The plants operated by GAF are located in the States of New York and New Jersey. My colleague from New York [Mr. JAVITS] and my two colleagues from New Jersey [Mr. CASE and Mr. WILLIAMS] have joined in sponsoring this bill.

Mr. President, it is not good or sound policy for the United States indefinitely to run an ordinary commercial enterprise like General Aniline. By enactment of the bill passed last Thursday by the House we would get the Government out of this chemical and photographic business and out of the other commercial activities in which this company is engaged.

This proposed legislation is unique because of the exceptionally wide support it has received, above and beyond the active support of the Government. It is supported by the present Attorney General and therefore is an administration measure. It also has the support of the chamber of commerce; of the AFL-CIO; of the Supervisory Association of the General Aniline Corp.; of the International Chemical Workers' Union, which includes among its membership most of the employees of the company; and of all kinds of veterans organizations and civic organizations in the communities affected.

The only opposition I have ever heard of, Mr. President, has come from the Interhandel Co., which is a Swiss corporation that claims to be the owner of this stock by transfer from the German interests which owned it when it was vested. This claim is seriously disputed by the Attorney General and by others who are interested in this legislation.

Mr. President, there has been an astonishing and long-standing effort to prevent this legislation from being acted upon by the Senate. I feel confident that if the Senate could vote on the *merits* of the measure it would have nearly unanimous approval, just like it received in the other body. H.R. 3460 passed last Thursday in the other body by a unanimous vote. Why? Because nearly all—I believe all—of the Members of both bodies are opposed to indefinite Government ownership of a corporation such as this which is engaged in industrial activities competing with private firms in our economy.

My friend from South Carolina [Mr. JOHNSTON] has said that a hearing has now been set for the 22d of this month. That is a very recent decision, Mr. President. On the 15th of January of this year I addressed a letter to the distinguished Senator from South Carolina saying that it had come to my attention that the Subcommittee on Trading With the Enemy of the Committee on the Judiciary had announced plans for hearings on the constitutionality of the proposed legislation for the sale of these vested assets, and I urged that hearings be held promptly, since it was my intention, in concert with my colleagues who were interested in this problem, to move to amend another bill on the calendar relating to trading with the enemy to include the provisions of this proposed legislation. Nothing happened. Nothing happened at all, Mr. President, until the other body by a unanimous vote passed the bill which is now at the desk.

There have been hearings on this matter both in the Senate and in the House over a period of 8 years. This is nothing new. This measure was favorably reported to the full Committee on the Judiciary some 2 or 3 years ago, but it has never been possible to get it before the Senate. This is why I have invoked rule 14 today.

I am informed that the Attorney General, as well as all of the varied interests in the affected communities, is very distressed that this bill, so enthusiastically endorsed by labor and management, has not received any attention in the Senate.

Mr. President, it now seems to me that the only way to get any action on the bill is by the procedure which I have suggested. I sincerely hope that the Senate will see fit to place this bill directly on the calendar. Of course, if that occurs at this late date, it by no means would insure further proceedings at this session. At least, it would improve the situation. It would be much better than having the bill referred to the subcommittee which in the past has been so reluctant to pass upon this matter on its merits.

Mr. CASE. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. HICKEY in the chair). Does the Senator yield?

Mr. KEATING. I yield to my colleague from New Jersey.

Mr. CASE. The Senator is aware, is he not, of the fact that one of the plants of this company—and an important one—is located in New Jersey?

Mr. KEATING. I am aware of that.

Mr. CASE. And it has been located there for many years?

Mr. KEATING. Yes.

Mr. CASE. The Senator is also aware of the fact, is he not, that the union representing the employees of that plant—who are many in number—has for many years been urging the Congress of the United States to take action to have the stock of this company disposed of to private interests?

Mr. KEATING. I am aware of that. The employees simply do not want to work for the Government, which is understandable.

Mr. CASE. The Senator is aware of the fact, I think, that not only are the employees concerned about what will happen to the company—because with decreased momentum its original store of scientific knowledge, discoveries, patents and what not will have considerably less value—but also because they may be seriously prejudiced as employees of a company which may not be able to compete in the future.

Mr. KEATING. The Senator is correct. The skilled personnel of the plant, the scientists and other technical personnel, have presented their views very forcibly.

There is great competition for scientific brains in this country. Other companies are trying to siphon them off. Their position is, "If this company is always going to be owned by the Government, we had better look somewhere else for our jobs."

That is a very serious problem, because the value of the company of course will deteriorate if it loses the scientific brains which are in effect a part and parcel of the assets of the company.

Mr. CASE. Mr. President, will the Senator yield for a further question?

Mr. KEATING. I yield.

Mr. CASE. The Senator is aware, is he not, of the fact that the employees—at least those in the New Jersey plant; and I assume this is the experience in the plant in the Senator's own State—are very tired of working for a Government-owned organization, since their relationships with the employer are not normal?

Mr. KEATING. That is certainly true in New York.

Mr. CASE. The Senator is also aware, is he not, that his constituents and mine have expressed concern not only for their own personal interests in this regard, as employees of a company which may not maintain its standing in its industry, which is so important to them, but also because they are even more concerned as American citizens that the contribution which this company can make, and which the country needs to have it make, to the country's advance in science and technology may well be prejudiced if it is left in the hands of the Government?

Mr. KEATING. The Senator has expressed it perfectly. That is precisely the situation with which we are confronted.

Mr. CASE. I should like to ask the Senator one further question.

Mr. KEATING. I yield.

Mr. CASE. Is not the Senator's experience the same as my own? Is it not a fact that his constituents, as well as mine, cannot comprehend the reluctance and the pressures which must operate in some strange, hidden way to prevent what all our constituents and many people interested in this company have been urging for years; namely, taking the firm out of the dead hand of government and placing it in the live and active hands of private industry?

Mr. KEATING. It is absolutely incomprehensible to them why in a free government—which is supposed to reflect the wishes of the people—when all the people, with the exception of a little handful who might have an interest in a Swiss corporation, are in favor of the proposed legislation or in some way getting the Government out of that business, action toward that end is not taken.

A question has been raised about the constitutionality of the measure. The question was expressly put to Attorney General Kennedy. It was also expressly put to Attorney General Rogers, Mr. Kennedy's predecessor. Both gave us written opinions to the effect that in their judgment the bill is constitutional.

If doubts about the constitutionality of this measure are to be resolved, undoubtedly there will be litigation. But when the Attorney General of the United States and his predecessor have both said that the proposed legislation is in their opinion constitutional, it seems to me that it is amiss for the Senate to set itself up as a court of appeals over their decision.

If there is any doubt about the question, the place to test it is in the Supreme Court of the United States and not in the Senate Chamber. Therefore, Mr. President, I hope that the Senate will not sustain the point of order and will leave the bill on the calendar.

Mr. President, I wish to make one further statement on the procedural merits of the point of order which has been made. Rule XIV, subsection 4, states:

> Every bill and joint resolution reported from a committee, not having previously been read, shall be read once, and twice, if not objected to, on the same day, and placed on the calendar—

That is the procedure which I invoked today. There would be no question at all about it were it not for the provisions of rule XXV. Rule XXV, which was adopted as part of the Reorganization Act of 1946, states the jurisdiction of the various committees of the Senate. The preliminary wording in each case is the same. When we come to the Judiciary Committee, the rule states:

> (k) Committee on the Judiciary, to consist of 15 Senators, to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the following subjects.

The word "shall" is the whole source of the confusion. One of the subjects referred to, although it is not stated precisely, is trading with the enemy matters. It is clear that the Committee on the Judiciary has jurisdiction over this legislation.

The point I make is as follows:

Under well-recognized principles of construction, if the two rules can be read together, it is done. If there is clear inconsistency in them, and they cannot be read together, one must prevail over the other. The later one usually prevails. But certainly when rule XXV was adopted without any reference to rule XIV, it was not intended to repeal the provision "shall be referred all proposed legislation," and so on.

But an exception should be made in the case of proposed legislation which has been put on the calendar under rule XIV to which objection has been made after the first and second reading.

As I see it, there is no provision in rule XXV which would in any way repeal or deal with rule XIV. In the absence of any such language, certainly rule XXV can be interpreted, and in my judgment should be interpreted, as meaning that proposed legislation, messages, and so on, shall be referred to the committee, the same as in the case of other committees, barring, of course, any proposed legislation, the second reading of which has been objected to under rule XIV. Otherwise I am afraid one would be required to say that when the Senate adopted rule XXV, it did not know what it was doing. As I said, rule XXV was a part of the Legislative Reorganization Act and was very carefully drafted. It was very thoughtfully considered. It was the subject of extensive hearings. The committee that conducted the hearings had an accomplished staff working with them. They were experienced in dealing with the rules of the Senate. It is inconceivable that it was intended to abrogate rule XIV by the adoption of rule XXV.

Mr. JOHNSTON. I should like to ask the Chair to state the position in which the Senate now is.

The PRESIDING OFFICER. The question is on the point of order. The question is whether point of order of the Senator from South Carolina is well taken. That is the question before the Senate.

Mr. JOHNSTON. The Chair did not make a decision?

The PRESIDING OFFICER. The Chair did not make any decision, but referred the question to the Senate.

Mr. JOHNSTON. The matter before the Senate at the present time is that the Senator from New York is making a motion to put the bill which came from the House of Representatives on the calendar. I believe that is the situation.

Mr. KEATING. Mr. President, will the Senator yield?

Mr. JOHNSTON. My position is that under rule XXV all bills which come from the House are referred to the appropriate committee. Under these circumstances the appropriate committee would be the Judiciary Committee. I do not believe there is any question in anyone's mind that that is the committee to which the bill would be referred.

The reason why the bill should be referred to the Committee on the Judiciary is that there is a serious constitutional question of whether the property should be sold at the present time when it is in litigation.

Mr. ERVIN. Mr. President, will the Senator from South Carolina yield for a question?

Mr. JOHNSTON. I am glad to yield to the Senator from North Carolina, who is a former member of the Supreme Court of North Carolina, and is also a member of the Committee on the Judiciary. Because this matter has been discussed in the committee, I know what must be his feelings concerning the case.

Mr. ERVIN. Has not the proposal that General Aniline Corp. be sold been under discussion in the Committee on the Judiciary?

Mr. JOHNSTON. It has.

Mr. ERVIN. Was not information given to the Committee on the Judiciary that the ownership entitlement to General Aniline Corp. is in controversy?

Mr. JOHNSTON. That is true; there is a controversy concerning whether the corporation belongs to Germans or to Swiss.

Mr. ERVIN. Has not information been laid before the Committee on the Judiciary indicating that the dispute about the title to the property is complicated and that undoubtedly a considerable period of time will be required before the question who actually owns General Aniline Corp. can be determined?

Mr. JOHNSTON. The case has been before the Supreme Court and has been remanded for further information. It has been before the World Court, and that proceeding has not yet been completed.

Mr. ERVIN. Does not the information before the Committee on the Judiciary disclose, as the bill also indicates, that General Aniline Corp. was seized by the United States during the Second World War and that title to it as alien property vested in the United States?

Mr. JOHNSTON. The property was seized by the United States during the war and held as property that, it was felt at that time, belonged to the Germans.

Mr. ERVIN. Does not the Senator from South Carolina share my opinion that if the bill were passed and the property of General Aniline Corp. were sold pending the time the question who actually owns title to the property can be determined, there would be liability on the part of the United States to recompense whoever may ultimately be determined to be the owners from the U.S. Treasury for the difference between the amount of sale under the bill would bring and the amount which may ultimately be determined to be the true actual value of the property?

Mr. JOHNSTON. The Government of the United States would have to pay the difference between what was determined to be the actual value and the amount which was paid for the property. To go a step further, I believe the Senator from North Carolina will recall that the Attorney General answered that question by saying that that would be the case.

Mr. ERVIN. Therefore, would not a sale to General Aniline Corp. at this time be fraught with the possibility—indeed, the probability—that those who purchased the property now, while title is in dispute, would acquire it at far below its actual value, and that ultimately, when the question of title was determined, the taxpayers of the United States would, in effect, have to pay a part of the purchase price of the corporation for the benefit of those who are so anxious to buy it at this particular time?

Mr. JOHNSTON. I think that is certainly true.

Mr. ERVIN. Does not the information before the Committee on the Judiciary indicate that General Aniline Corp. is now being operated in a satisfactory manner, without loss to the United States or to the taxpayers of the United States?

Mr. JOHNSTON. That is true; the corporation is making a net profit every year.

Mr. ERVIN. I thank the Senator from South Carolina for yielding.

Mr. KEATING. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON. I yield.

Mr. KEATING. Was it not also made perfectly clear in the evidence and statements of the Attorney General that it is not desirable to have the Government operating this property, and that the Government is most anxious to get out from under?

Mr. JOHNSTON. The Government itself is not in favor of being in business; that is true. At the same time, I am not in favor of having the Government sell General Aniline Corp. to a group of people, probably in New York, who might pick it up for probably one-third what it is worth, letting the Government pay two-thirds later on.

Mr. KEATING. Mr. President, will the Senator from South Carolina further yield?

Mr. JOHNSTON. I yield.

Mr. KEATING. I do not know what inference the Senator from South Carolina intended to leave with the Senate about people in New York being interested. I know of no specific corporation in New York that is interested. There may well be. I assume a great many people would be interested in purchasing the company.

I say to the distinguished Senator from North Carolina [Mr. ERVIN] that it seems to me to be just as likely that the price received on an open market, with competitive bidding among others interested in this field, and among all those who might be interested, would result in the property being sold for more, rather than less, than its present value.

But the Attorney General very frankly said—and I also would concede—that there might be a liability if the property were not sold for as much as its existing market value. Still, in face of that, the Attorney General always has insisted, as also did the previous Attorney General, that it was to the general advantage of everyone, including the taxpayers, the people in the communities, the business interests, the labor interests, and everyone else, to get the dead hand of government out of running this business. So I am at a loss to understand the reasons for opposition to such a course of action by those who are generally strong defenders of the free enterprise system.

Mr. JOHNSTON. I shall answer the first part of the Senator's statement. I wish also to include New Jersey. Then I shall follow that up by explaining why I made the statement.

The plant is located close to New York. I think the Senator from New York will acknowledge that. A part of its operations is located in New Jersey, as the Senator from New Jersey [Mr. CASE] knows. That being true, interested persons both in New York and New Jersey know what the concern is worth. I think there are good businessmen in New York, and I think there are good businessmen in New Jersey.

The only reason why I made the statement was that I believe that they are looking at the property; and seeing it, they believe that considering the circumstances under which it would be sold—that is, under a clouded title—it would be sold for less than it is worth. For that reason, naturally, they would not be good businessmen, right there on the scene, if they did not attempt to buy it, if the property were put up for sale, and I would not blame them for doing so. In a way, I think they are to be commended, from a business standpoint, for being ready to pick up a bargain right in their own backyard. Probably some of them know more about the property than anyone in South Carolina or California, or far away from the property, knows about it. That is the only reason why I made that remark; no reflection was intended upon any person or location, so far as I am concerned.

Mr. ERVIN. Mr. President, will the Senator from South Carolina yield?

Mr. JOHNSTON. I yield.

Mr. ERVIN. The Senator from South Carolina has had a distinguished career at the bar. Can the Senator think of a

single instance when property has been sold for its fair market value at a time when the title was in dispute?

Mr. JOHNSTON. I have never heard of a single instance of that kind.

Mr. ERVIN. Is not the question before the Senate at this moment not whether the property should be sold, but whether the Senate committee has jurisdiction of the question, and whether the action should be taken in the first instance, should have an opportunity to conduct hearings, to receive testimony, and to ascertain whether it is advisable to sell the property? Is not that the fundamental question?

Mr. JOHNSTON. That is the question before the Senate at the present time.

Mr. ERVIN. Would not the motion to bypass the Committee on the Judiciary and deny it an opportunity to conduct such a hearing necessarily compel the Senate to act upon a measure of this consequence without affording any real opportunity for the Senate as a whole to be informed concerning the bill?

Mr. JOHNSTON. That is exactly what I am asking. The hearings have already been announced in the CONGRESSIONAL RECORD; they will be held on the 22d, before the subcommittee of which I am chairman, and of which the Senator from North Carolina is also a member.

Mr. ERVIN. I thank the Senator from South Carolina.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation and regulation of a commercial communications satellite system, and for other purposes.

Mr. YARBOROUGH. Mr. President, the CONGRESSIONAL RECORD for Friday, August 10, page 16144, contains shocking information with respect to an offer of bribery made to a Senator of the United States. Having been placed in the CONGRESSIONAL RECORD, the statement became even more shocking. The alleged offer deals with the space satellite communications bill. The statements made by the Senator from Louisiana [Mr. LONG] have again been read into the RECORD today by other Senators. That the charge should be made publicly on the floor of the Senate by a Senator, and that thereafter a cloture motion should be filed, with no effort made to investigate, is shocking.

I refer the Senate to title 18 of the United States Code, section 204:

SECTION 204. OFFER TO MEMBER OF CONGRESS

Whoever promises, offers, or gives any money or thing of value, or makes or tenders any check, order, contract, undertaking, obligation, gratuity, or security for the payment of money or for the delivery or conveyance of anything of value, to any Member of either House of Congress, or Delegate to Congress, or Resident Commissioner, either before or after he has qualified, or to any person with his consent, connivance, or concurrence, with intent to influence his action, vote, or decision on any question, matter, cause, or proceeding which may at any time be pending in either House of Congress, or before any committee thereof, or which by law may be brought before him in his capacity as such Member, Delegate, or Resident Commissioner, shall be fined not more than three times the amount of such money or value of such thing or imprisoned not more than three years, or both. (June 25, 1948, c. 645, 62 Stat. 692.)

Mr. President, the offer to bribe a Member of Congress is no misdemeanor. It is a felony. A Member of the Senate has charged on the floor of the Senate that an effort has been made to bribe a Senator, which is a felony, in order to secure the passage of the space communications satellite bill. I say that it is the duty of the Senate leadership to lay the bill aside until that charge of bribery has been investigated.

Mr. President, this morning we were shocked to read the news that Soviet Russia has two men in orbit in two different spaceships and flying so close together that they can communicate with each other. The officials in charge of our space efforts have admitted today that the Russians are now 2 years ahead of us in space development. Yet we see another shocking example of an effort to shackle the national aims of America by giving away our communications in space to a private monopoly, at the very time when the Soviets are gaining on us in the race for space. It is a shocking charge that is rocking the country, even if it does not rock the Senate. The people of our country are becoming aware of what is going on.

In the past few days I have had printed in the RECORD samples of the kinds of communications I have received. I have not put all of them in the RECORD, for the number is too great. I wish to have inserted in the RECORD another sprinkling of such communications to show that they have not been received merely from my home State of Texas, but that they have come from many other parts of the country.

Here is a letter from the Chefs, Cooks, Pastry Cooks & Assistants Union, Local 111, of Philadelphia, Pa. It reads:

CHEFS, COOKS, PASTRY COOKS AND ASSISTANTS UNION—LOCAL 111,
Philadelphia, Pa., July 26, 1962.

Senator RALPH YARBOROUGH,
U.S. Senator,
Washington, D.C.

DEAR SENATOR YARBOROUGH: We are proud that we still have men like you representing and fighting for the rights of the American people.

Do not let the big barons and monopolists take over our country. Stop all giveaways.

* * * * *

Respectfully yours,
VICTOR P. CIVATTE,
Secretary.

Executive committee: Nolen Farr, Paul Civatte, Janet Weckesser, Daniel Hangis, John Castagna, Albert Barkus, Robert Armstrong, Ivory Higgs, DeWanze McEver, John Ruff, Morris Wallace, Peter Simons, Dorothy White.

Here is a telegram from my home State, from Houston:

HOUSTON, TEX., *August 1, 1962.*

Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Keep up good fight for public interest versus utility companies.

Mr. and Mrs. MARTIN ELFANT.

Here is a postcard from Vedalia, La.:

DEAR RALPH: Appreciate your efforts on keeping private interests from profiting on the public's satellites.

Prayers and thanks.

BOB DOYLE.

VEDALIA, LA.

People are even praying that the bill will not pass.

Here is a telegram from Fort Worth, Tex.:

FORT WORTH, TEX.,
August 1, 1962.

Senator RALPH YARBOROUGH,
Senate Building,
Washington, D.C.:

We are back of you 100 percent. Against any monopoly without competition. When this exists it should be owned by the public. Why not give further consideration to public ownership.

CLORY COLE,
President,
Southern Technical University.

Here is a letter from Mr. C. D. Di Giambattista, which reads:

C. D. DI GIAMBATTISTA,
Midland, Tex., July 30, 1962.

Hon. RALPH YARBOROUGH,
Senate of the United States,
Washington, D.C.

DEAR SENATOR YARBOROUGH: Please accept my congratulations for your stand against the communications satellite bill. I am heartily on your side.

It is time that the American public be made more clearly aware that the biggest single free enterprise in this country has long been financed at public expense through fantastically contrived depreciation privileges. The present bill is simply one more attempt to confiscate public capital for private uses through legislative fiat. I hope that you and your colleagues can defeat this shameful scheme.

I have been protesting about the same kind of thing on my own smaller scale through use of a little stamp on my correspondence (as below). It is a trick I learned from the telephone company itself.

Very truly yours,
C. D. DI GIAMBATTISTA.

[Your taxes subsidize the telephone monopoly.]

I have here a letter from Dr. Edwin Elliott, which reads:

FORT WORTH, TEX.,
July 24, 1962.

Hon. RALPH YARBOROUGH,
U.S. Senate, Washington, D.C.

MY DEAR SENATOR AND FRIEND: Mrs. Elliott and I are most proud of your opposition to the Kerr bill to turn our space development over to A.T. & T.

You have our great regard for your excellent record in the interest of the people.

Sincerely,
Dr. EDWIN A. ELLIOTT.

I have a letter from the Amalgamated Meat Cutters and Butcher Workmen of North America, from Chicago, Ill., which reads in part:

AMALGAMATED MEAT CUTTERS AND BUTCHER WORKMEN, OF NORTH AMERICA,
Chicago, Ill., July 31, 1962.

Hon. RALPH W. YARBOROUGH,
U.S. Senator, U.S. Senate, Washington, D.C.

DEAR SENATOR YARBOROUGH: We want to congratulate you on your efforts against the satellite giveaway bill. We fully agree with you that the bill should not pass. We are also concerned that the majority leadership is making such intense efforts against your filibuster when it was so comparatively

inactive against the filibuster which defeated the voting bill.

Sincerely yours,

LEON B. SCHACHTER,
International Vice President.
ARNOLD MAYER,
Legislative Representative.

I have here a letter from Mr. O. W. Skirvin, of Gainesville, Tex., in which he says:

GAINESVILLE, TEX., *August 9, 1962.*

Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: * * * This evening I read with much satisfaction that former President Harry S. Truman has thrown his considerable influence against this obnoxious communications satellite bill. I agree with him 100 percent and I trust it will never become law.

Yours respectfully,

O. W. SKIRVIN.

Attached to Mr. Skirvin's letter is a clipping from an Oklahoma City newspaper, the headline of which reads, "Truman Joins Fight Against Satellite." I ask unanimous consent that the clipping be printed in the RECORD at this point.

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

TRUMAN JOINS FIGHT AGAINST SATELLITE—BILL ASSAILED BY SENATORS AS GIVEAWAY

WASHINGTON.—Former President Harry S. Truman joined two Democratic Senators Thursday in fresh attacks on the filibuster-threatened administration communications satellite bill as "a gigantic giveaway."

The new assaults came as the Senate Foreign Relations Committee discussed possible foreign policy provision changes without reaching any decisions.

Senator J. WILLIAM FULBRIGHT, Democrat, of Arkansas, the committee chairman, called an afternoon session to consider proposed amendments, and expressed doubt that action could be completed Thursday night. He said a morning session might be necessitated Friday to meet a noon deadline for reporting the bill back to the floor.

Meanwhile Truman, in an interview, called the measure setting up a privately owned corporation to own and operate the satellite communications system a gigantic giveaway, as it was also characterized by Senators ESTES KEFAUVER, Democrat, of Tennessee, and WAYNE MORSE, Democrat, of Oregon.

Truman, on a visit to Washington, told a reporter he is finding no fault with President Kennedy and is supporting him heartily. But he added, "I don't think the President understands the bill."

"The damned Republicans and some Democrats are trying to give away public property," the former President declared.

NEW DEMAND MADE

Meanwhile, MORSE again demanded that the Foreign Relations Committee hear testimony from Adlai E. Stevenson, U.S. Ambassador to the United Nations, before the Senate votes on the bill.

His new demand was prompted by testimony Thursday by Ernest Gross, onetime State Department legal adviser and a former representative to the U.N., suggesting a strengthening of State Department authority over the corporation and clarifying the U.N. role in its operation.

STAND PRAISED

In a Senate speech, MORSE praised Truman's stand against the bill which MORSE described as the proposed "giveaway this administration is guilty of."

Meanwhile, KEFAUVER, in a speech that appeared to be a day-early curtain raiser for another round of extended Senate debate, declared he and colleagues would discuss the measure at some length when it returns to the Senate.

Mr. YARBOROUGH. I have here a telegram from Washington, D.C., from the National Telephone Cooperative Association, in which the president, Mr. James L. Bass, says:

WASHINGTON, D.C., *July 30, 1962.*

Senator RALPH W. YARBOROUGH,
Old Senate Office Building, Washington, D.C.:

As national representative for Telephone Cooperatives we wish to congratulate you on your opposition to the space satellite bill. This legislation would create another huge communications monopoly to the detriment of hundreds of independent telephone systems.

JAMES L. BASS,
President, National Telephone Cooperative Association.

JOBS WILL BE INCREASINGLY SCARCE FOR UNSKILLED WORKERS IN THE FUTURE

Mr. YARBOROUGH. Mr. President, an article in the New York Times of July 30, 1962, points out:

By 1970 there will be 70,000 to 80,000 fewer jobs for unskilled and semiskilled workers in New York City. At the same time substantial increases in the number of skilled jobs are anticipated.

Studies by the Department of Labor indicate that such a trend will be the case for the country as a whole. The May 1962 edition of the Bureau of Labor Statistics publication, the Monthly Labor Review, reports:

Labor force changes expected in the 1960's emphasize the importance of an educated and trained work force and the difficulties which will be faced by young people who have cut short their schooling. Rapid growth is expected in the professional, technical, and clerical occupations. Continuing advances in automation and technology will mean that young office workers will have to be better educated and more highly skilled to be able to operate more complicated equipment. Among blue-collar workers, demands will be greatest for those who are skilled.

Mr. President, S. 349, the cold-war GI bill, which has been on the Senate Calendar for over a year would, if enacted, attack the heart of the above problem. Available evidence indicates that 40 percent of our cold-war veterans have not graduated from high school. Moreover, 36 percent of these young people had no civilian occupation prior to service, 16.3 percent had only a semiskilled occupation, and 14.3 percent had performed unskilled and nonfarm labor before entering service. The cold-war GI bill would provide these young veterans with subsistence educational assistance in high school, in college, below the high school level, and in vocational training programs.

Mr. President, is it not clear that since one of our main employment problems is that of unskilled and uneducated workers, and that since these same people are being discharged from our Armed Forces in such large numbers, that by providing these cold-war veterans with educational and vocational training assistance, we will deal a killing blow to the source of our concern.

The 37 cosponsors of this bill believe that it is vital to the welfare of this country, that the Senate take action on this bill before it is too late.

Mr. President, I ask unanimous consent to have printed in the RECORD an article from the New York Times of July 30, 1962, captioned "Unskilled Jobs To Decline Here."

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

UNSKILLED JOBS TO DECLINE HERE—BUT THE DEMAND FOR SKILLED WORKERS WILL INCREASE, CITY SURVEY SHOWS—MORE TRAINING SOUGHT—END TO DISCRIMINATION URGED TO AVERT UNEMPLOYMENT IN CURRENT DECADE

(By Stanley Levey)

Two trends—more jobs for the skilled, fewer jobs for the unskilled—will characterize New York's manpower picture between now and 1970, the city labor department said yesterday.

This situation will pose a threat and a challenge to the two principal groups of unskilled workers. They are those under 25 years of age, and Negroes and Puerto Ricans.

The answers to both the threat and the challenge are training and an end to discrimination in apprenticeships and employment, according to Commissioner of Labor Harold A. Felix.

These and other points are made in a report entitled "The Manpower Outlook in New York City, 1960–70." The 40-page study was prepared by George Perkel, the department's director of labor research. The report contains a foreword by Mr. Felix.

Mr. Felix wrote:

"Our study shows that by 1970 there will be 70,000 to 80,000 fewer jobs for unskilled and semiskilled workers in New York City. At the same time substantial increases in the number of skilled jobs are anticipated.

"Particular emphasis must be placed on overcoming the handicaps suffered by culturally deprived groups so that the principle of equal opportunity for all, regardless of race, color, creed, or national origin, shall be fully implemented."

By 1970, the report estimates, New York's present job total of about 3,500,000 will increase by 75,000 to 110,000.

MINORITY GROUPS GROW

In the same period, the study says, white-collar occupations will offer 115,000 to 135,000 more jobs.

On the other side of the employment ledger, manual jobs will decline by 45,000 to 60,000.

Complicating the problem for Negro and Puerto Rican workers, many of whom are unskilled, will be the fact that by 1970 they will constitute 30 percent of the city's population, the report says. Today they represent 22 percent.

Other conclusions contained in the study are:

In 1970, 1 in 5 persons in the resident work force will be under 25. In 1960, the ratio was 1 in 7.

Women will make up 40 percent of the labor force in 1970. The 1960 percentage was 36½.

A great expansion of educational, training, and guidance programs will be needed to prepare new members of the labor force to find jobs and to help adult workers increase their skills.

Industrial redevelopment will be needed to absorb unskilled workers and untrained young people entering the work force.

Mr. GRUENING. Mr. President, will the Senator yield?

Mr. YARBOROUGH. I yield.

Mr. GRUENING. Mr. President, I wish to commend the Senator from Texas for his eloquent and fine effort in trying to have passed by the Senate the GI education bill. It seems particularly shocking in this session of Congress, when all other education bills seem to be failing, that this important bill, which would do so much for veterans, which is an educational bill, and an economic bill, is not being brought up.

Passage of the bill would give these young men an opportunity for training which they otherwise would not have. They would be able to take advantage of educational opportunities, as their predecessors in World War II and in the Korean conflict had an opportunity to do.

They would have a better capacity to earn a living and would better be able to pay income taxes, which they cannot do now, and also be able to end some of the existing unemployment.

Mr. YARBOROUGH. I thank the Senator from Alaska.

RACIALLY MIXED HOUSING

Mr. HOLLAND. Mr. President, I note in today's Wall Street Journal an interesting article entitled "Race and Residence—Negro Efforts To Find Racially Mixed Housing Lead to New Ghettos."

The article seems to be a rather objective report by the reporter, Laurence G. O'Donnell, of conditions developing in the three States of Connecticut, New York, and Pennsylvania, where deliberate efforts to create integrated housing have succeeded only in creating segregated housing, due to the fact that the white people who were there have moved elsewhere and other people who are Negroes have come in, until finally we find that the original Negro residents—for example, in the case of the Village Creek development—feel that "one more Negro family would turn the section into a segregated 'ghetto'."

This is a most interesting series of comments on the deliberate efforts to bring about integrated housing, which has failed because of the basic feeling among people of both colors against mixing on the basis that had been prescribed by the developers, in spite of the existence of laws on this subject in these three States.

I ask unanimous consent that this very interesting and intriguing article may be printed in the body of the RECORD, for the information of the Senate.

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

RACE AND RESIDENCE—NEGRO EFFORTS TO FIND RACIALLY MIXED HOUSING LEAD TO NEW GHETTOS—IRONIC TWIST OFTEN OCCURS BECAUSE FEW RESALES ARE CONSUMMATED WITH WHITES—CONTROVERSY IN CONNECTICUT

(By Laurence G. O'Donnell)

NORWALK, CONN.—Formidable obstacles lie in the way of the growing number of Negroes seeking to escape segregated housing in the North. And it would be hard to find a more striking example of these difficulties than the one provided by recent events in a racially mixed residential development here.

The development is called Village Creek. Located on the shore of Long Island Sound, Village Creek contains 53 homes, ranging in market value from $20,000 to $45,000. It was laid out a dozen years ago by developers who made a point of selling houses to both whites and Negroes, with the aim of achieving a "favorable racial balance."

All seemed harmonious until last summer. Then a Negro electronics technician and his wife sought to purchase a house, and there were complaints from homeowners in the section of Village Creek where the would-be buyer wanted to settle. The strongest objectors, strange to relate, were Negroes. The proportion of Negroes in the neighborhood had been growing for several years, and the Negro residents felt one more Negro family would turn the section into a segregated "ghetto." The dispute is still unresolved.

AN ELUSIVE GOAL

Village Creek's plight shows the difficulty of maintaining racial "balance" in a neighborhood, even when residents support such a policy. As houses or apartments in an integrated area are put up for sale or rent from time to time, the percentage of Negroes almost inevitably grows, raising the prospect that the area may eventually become a segregated Negro community. The explanation, say students of racial matters, is that Negroes seeking good-quality housing are often limited to interracial developments, and thus demand from Negroes is heavy. Whites, even if not deterred by prejudice, are less likely to settle in integrated communities simply because they have so many more places to choose from.

The problems faced by Negroes fleeing segregated neighborhoods naturally become even more acute when they move into previously all-white neighborhoods. Whereas opposition to a new Negro family is a startling exception to the rule at Village Creek, in most white communities Negroes can count on a chilly reception from many homeowners, landlords, and real estate agents. Even in the 17 Northern States from Alaska to New York which have some sort of law against discrimination in housing, Negroes usually find it impossible to obtain housing in a white neighborhood, civil rights groups report.

Only last week the Congress of Racial Equality, a civil rights organization, complained to the New York State Commission for Human Rights that barriers against Negroes in many housing developments in Nassau County, a populous suburban area on Long Island just outside New York City, were impenetrable. In a test, Negro families visited 42 developments in the county and expressed interest in purchasing a home. In every case, the Negroes were rebuffed, said CORE. The organization added that when whites cooperating with the Negroes subsequently visited the same developments to make inquiries about buying a house, they were welcomed by the builders and their sales agents.

DISCOURAGING NEGRO BUYERS

The pattern seems to be that the development representatives are polite and conscious of a New York law forbidding discriminatory sales practices in developments, comments Mrs. Mark Dodson, chairman of the housing committee of CORE's Long Island chapter. But, says Mrs. Dodson, the builders and agents nevertheless discourage Negro buyers by such devices as specifying excessive down payments, pleading that houses cannot be shown at the particular time the Negro calls or stating that all houses have been sold.

If a Negro family does manage to overcome such obstacles and establish residence in a white neighborhood, its battle against segregation may still be far from won. The whites often depart, partly out of bias and partly out of fears property values may drop. These fears are sometimes encouraged by real estate men who see the opportunity for a quick profit if a number of houses pass from whites to Negroes, maintain groups favoring integration. Whatever the reasons behind the whites' departure, the upshot is that the new Negro residents soon find they're living in a segregated area again.

The question of how housing integration can be achieved in the face of such problems is likely to receive increasing attention in the months ahead. "Pressure for nonsegregated housing is mounting in every metropolitan area outside the South," declares Margaret Fisher, an official of the National Committee Against Discrimination in Housing, an organization which keeps close watch on new racial housing trends.

MORE MIDDLE-CLASS NEGROES

Behind the pressure is the scarcity of decent housing available to Negroes, coupled with the steady increase in the number of middle-class Negroes able to afford good housing if only it were open to them, say housing experts. They report that in most urban areas Negroes, even those who are well off, are now forced to seek residences in deteriorating and crowded neighborhoods abandoned by whites.

Civil rights authorities say the Negroes' drive for housing integration could help break down segregation barriers in many other fields. They say, for instance, that much of the defacto segregation that exists in northern schools and recreational facilities is traceable to housing patterns. Housing segregation is the "core problem, the heart of other civil rights problems," says Berl I. Bernhard, staff director of the U.S. Civil Rights Commission.

Currently, Negro rights groups, including the National Association for the Advancement of Colored People and the Urban League, are looking to the White House for help in achieving housing integration. Through Federal mortgage insurance and a variety of other programs, the Government plays a big role in home financing. President Kennedy is almost certain to sign, before the November elections, a long-promised executive order that would outlaw racial discrimination in all federally aided public or private housing.

The proposed order is drawing the fire of many homebuilders, who claim its restrictions would hurt their business. The National Association of Home Builders claims a broad antidiscrimination order on federally assisted housing could slash home construction activity by $6 billion annually.

INTERRACIAL PROJECTS MULTIPLY

While the construction industry as a whole is opposing an immediate Government crackdown on residential segregation, a small but growing number of builders and developers have moved ahead on their own to create interracial apartment and single-home developments. These businessmen, who say they are motivated mainly by personal convictions in favor of integration, have built at least 200 private, interracial projects across the country, according to Eunice Grier, Washington, D.C., social researcher who has made a study of intentionally integrated developments. In 1955, says Mrs. Grier, there were only 50 such developments. Two recently announced integrated developments are a $7.5 million garden apartment project in Providence, R.I., and a group of 46 two-family houses in Downingtown, Pa.

But the experience of many developers of integrated projects has been similar to that of Village Creek. Some integrated developments try to set racial quotas to prevent an overwhelming preponderance of one race—say, 60 percent whites to 40 percent Negroes. But Negroes often view these quotas as a form of discrimination, and in some cities they have also run into legal snags. The latter situation, exists in Pittsburgh, where

the city's Human Relations Commission recently complained that racial quotas in an integrated apartment project violated a local antibias law. Before any legal action was launched, the project abandoned its quota.

PROBLEMS AT CONCORD PARK

Morris Milgrim, developer of Concord Park, an 8-year-old 139-home interracial community at Trevose, a Philadelphia suburb, says he established a ratio of 55 percent white residents to 45 percent Negro after his sales office initially was deluged with Negroes. To maintain the ratio, he had buyers agree to let him handle resales for the first 3 years.

After the period covered by the resale agreements ended, however, it became difficult to maintain the original quotas. "White sellers had trouble getting white buyers," says Mrs. Charlotte Meacham, a resident. As a result, a number of whites have been forced to sell to Negroes, and the percentage of Negroes in the development has risen.

Mrs. Meacham and other Concord Park residents say real estate agents contributed to the breakdown of the quota system. "Traditionally brokers bring only Negroes to an interracial area," she says. "We are not able to persuade them that we are interested in white prospects."

Here in Village Creek, where angular modern homes line tree-shaded streets, whites have been in the majority ever since the development was opened. But the proportion of Negroes has risen, especially in one section where properties are generally lower in price. It was in this section last summer that one of the few remaining white families contracted to sell to the Negro electronics technician and thereby touched off the controversy still underway. If the sale were to be carried through, the ratio of Negroes to whites in the section would be 10 to 2.

WORRIED NEGROES

"Negroes were more perturbed than the whites," recalls one Negro housewife. "Some had had this happen to them before. They had lived in an area once all white, then mixed and finally segregated because whites sold to Negroes."

To prevent the creation of a neighborhood in their community that would, in effect, be segregated, the Village Creek Home Owners Association bought the house from the white family. The Negro technician and his wife were told they could buy elsewhere in the devolpment. But they insist their original choice fits their price requirements best, and they have brought suit against both the association and the white family which reneged on the sale to them.

In established white neighborhoods where Negroes are just beginning to settle, there is evidence that white residents increasingly are making efforts to achieve a smooth transition to a mixed racial composition and head off the creation of a segregated Negro community. But they face a hard job.

"Prejudice of some whites won't permit them to remain in an area where Negroes are," says David Kadane, a lawyer who is working to slow the pace of racial change in the section of Freeport, Long Island, N.Y., in which he lives. "Other whites fear diminished social standing in the eyes of friends if they live in a community with Negroes."

Also, continues Mr. Kadane, "a great many whites hold the mistaken belief that property values will fall substantially despite statistical evidence to the contrary." He refers to research by such groups as the New York City Commission on Human Rights, which suggests that values drop sharply only when a number of properties are offered for sale at the same time.

HOW "BLOCKBUSTING" WORKS

The attempts by some real estate agents to capitalize on fears of declining property values are known as "blockbusting." A New York City civil rights official describes this technique as follows: Spreading alarm about the likelihood of such a drop in values, the agents frighten white residents into selling their homes. Sometimes the agent may simply act as a broker and pick up a flock of commissions in a hurry by selling to Negroes eager to move into good homes. Other times an agent may buy whites' houses himself at low prices and sell them to Negroes for premium prices.

To bring about gradual integration, white residents of some communities have sought to line up homeowners and apartment landlords scattered throughout their towns who will sell or rent to Negroes. In Great Neck, a prosperous Long Island suburb of New York, a fair housing movement has succeeded in placing 10 Negro families in private houses and apartments previously occupied by whites. In towns such as Great Neck, however, generally high house prices and rents rule out a mass influx of Negroes.

Communities less expensive to live in are likely to have more trouble achieving orderly integration. In some of these, white homeowners have tried to thwart blockbusting by putting up signs saying they won't sell out. But such campaigns often don't work. In Springfield Gardens, a neighborhood of single-family homes in the New York City borough of Queens, "we have not succeeded," reports Mrs. Evelan Glavans, a white housewife active in the not-for-sale campaign. In the last few years, says Mrs. Klavans, the racial composition of Springfield Gardens has changed from a "heavy Negro minority" to "predominantly Negro."

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

The PRESIDING OFFICER. The hour of 12 o'clock having arrived, the Chair lays before the Senate the unfinished business.

The question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE], as a substitute for certain language in the committee amendment beginning on page 38, in line 3.

Mr. GORE obtained the floor.

Mr. KEFAUVER. Mr. President, will my colleague yield, so that I may propound a unanimous-consent request?

Mr. GORE. Mr. President, I ask unanimous consent that I may yield for that purpose without prejudice to my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GORE. Then I yield, Mr. President.

Mr. KEFAUVER. Mr. President, I have a number of germane amendments to the space satellite communications bill. I send the amendments to the desk and ask that they be treated as read and printed in the RECORD.

The PRESIDING OFFICER. Is there objection?

Mr. McGEE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KEFAUVER. Mr. President, will my colleague yield the floor at this time?

Mr. GORE. I yield.

Mr. KEFAUVER. Mr. President, I request recognition in my own right; and I send to the desk a number of amendments to the space satellite communications bill, and ask that the amendments be treated as read and printed in the RECORD.

The PRESIDING OFFICER. Is there objection? Hearing none, it is so ordered; and the amendments will be received and printed, and will lie on the table; and, without objection, they will be printed in the RECORD.

The amendments submitted by Mr. KEFAUVER are as follows:

On page 32, line 3, delete lines 3 through 5 and insert in lieu thereof "No more than six members of the board shall be elected annually by those stockholders who are communications common carriers and no less than six shall be elected".

On page 30, insert between lines 18 and 19: "(d) the corporation shall—

"(1) perform research and development for the United States on reimbursable basis in the field of space communications;

"(2) comply with all presidential directives pursuant to section 201(a)(4) of this Act;

"(3) comply with all directives of the Commission pursuant to section 201(c)(3) of this Act".

On page 21, line 22, change the comma to a period and delete the balance of the subsection.

On page 21, insert between lines 10 and 11, the following: "that the most advanced and efficient technology be adopted by the corporation as soon as possible;".

On page 20, delete line 23, and insert in lieu thereof: "magnetic frequency spectrum, toward the speediest development and adoption of the most advanced and efficient technology, and toward the reflection".

On page 25, delete line 11, and insert in lieu thereof

"(4) exercise such direct control and supervision over negotiations and relationships".

On page 25, line 13, delete "maybe" and insert in lieu thereof "the President or his delegate may deem".

On page 26, add after line 5

"(8) so exercise his authority as to ensure that the corporation will adopt the most efficient and advanced technology, as soon as practicable."

One page 27, line 2, insert between "Commission" and the semicolon the following: "unless the administration determines that the provision of such services is not in the public interest".

On page 27, delete "and" on line 2, delete the period on line 6 and insert in lieu thereof "; and" and add the following:

"(7) furnish the same services and assistance on the same basis to any other commercial satellite communications system which may be established."

On page 27, line 12, delete the words "where appropriate" and insert in lieu thereof "unless not in the public interest."

On page 27, line 24, delete the period and insert in lieu thereof "; in each case where the corporation procures apparatus, equipment and services other than by competitive bidding, the Commission shall within thirty days after any decision is made, file a full report thereof with the Antitrust Division of the Department of Justice setting out in full the reasons for dispensing with competitive bidding."

On page 28, line 24, delete the semicolon and insert in lieu thereof "except that in no instance shall the need for interconnection with existing facilities be used to retard the adoption of the most advanced and efficient technology;".

On page 29, line 19, delete the semicolon and insert in lieu thereof ", *Provided, however,* That no such authority shall be given to a communications common carrier where the Department of Justice advises the Commission that such construction or operation may substantially lessen competition in any line of commerce in any section of the country or tend to monopoly;".

On page 30, line 4, add the following: "in making such determination, the Commission shall, after consultation with the Department of Justice, take all steps necessary to ensure that the corporation is not dominated by any one or more interests;".

On page 31, delete everything on lines 2 through 4 starting with "The" and ending with "reserved.".

On page 32, line 3, insert after "succeeds." the following: "The three directors shall include a representative of the Department of State, of the Department of Justice, and of the National Aeronautics and Space Administration.".

On page 32, line 24, add "No director may have any relationship of any kind with any communications common carrier which owns stock in the corporation.".

On page 33, line 18, add the following: "In any case where the Commission finds that such ownership is not consistent with the public interest, convenience and necessity, any aggrieved party may appeal to the United States district court in the district in which such aggrieved party resides.".

On page 34, line 24, delete the period and insert in lieu thereof "so long as no dividends or interest are paid on such nonvoting securities, bonds, debentures or other certificates of indebtedness.".

On page 36, insert between lines 17 and 18, the following: "(4) and shall do all things deemed appropriate by the President of the United States under the powers given him by this Act to further the national interest of the United States.".

On page 38, delete lines 12 through 14, and insert in lieu thereof: "tions. In any case where the Department of State deems it appropriate in the national interest, that Department shall assist in the negotiations.".

On page 38, add on line 14 "In each case final determination as to whether the negotiations are solely business negotiations shall rest with the Department of State.".

On page 38, lines 8 through 10, delete everything starting with "shall" on line 8 and ending with "such" on line 10, and insert in lieu thereof "determine whether such negotiations are solely business negotiations. In any case where that Department determines that foreign policy considerations are relevant, the Department shall conduct or supervise such negotiations throughout the course of any business.".

On page 21, line 22, delete the word "unique".

On page 25, line 22, delete "and appropriate utilization".

On page 25, line 25, delete the word "unique".

On page 21, line 16, delete the words "consistent with" and substitute in lieu thereof "subject to."

On page 21 beginning on, line 20, delete the words "where consistent with the provisions of this act."

On page 22, line 13, after the semicolon add the words "and satellite terminal stations," and delete subsection (4), beginning on line 23 of page 22.

On page 26, line 23, delete the words "on request" and substitute in lieu thereof "when appropriate".

On page 31, line 2, delete the words "District of Columbia Business Corporation Act" and substitute in lieu thereof "California Business Corporation Act."

On page 32, line 11, delete the word "three" and substitute in lieu thereof "two."

On page 32, line 11, delete the words "three candidates" and substitute in lieu thereof the words "one candidate."

On page 32, line 22, after the word "officer" add "or director."

On page 32, line 24, change the period to a comma and add "nor shall he be a controlling stockholder in any communications carrier corporation."

On page 32, line 24, after the period add "No director of any communications common carrier shall be eligible to be a director of the corporation."

On page 32, line 24, after the period add "No director or officer of any communications common carrier shall be eligible to be a director of the corporation."

On page 33, line 4, delete the words "without par value" and substitute in lieu thereof "of par value of $100".

On page 33, line 7, delete the word "encourage" and insert in lieu thereof "insure".

On page 33, beginning on line 12, delete everything through the period on line 24.

On page 34, line 23, after the word "shall" add "not".

On page 35, delete subsection (d) and renumber the sections accordingly.

On page 35, delete the entire subsection (f).

On page 35, line 21, after the word "of" insert "voting."

On page 35, line 21, after the word "of" insert "nonvoting."

On page 37, line 7, after the word "and" add "the corporation shall receive such communications services of cost."

On page 37, line 7, after the word "and" add "the corporation shall receive such communications services at preferential rates".

On page 38, line 3, delete the word "Business".

On page 38, line 5, delete the word "business".

On page 38, line 12, delete the word "may" and substitute in lieu thereof "shall".

On page 40, delete line 4, after the word "The" insert "Federal Trade".

On page 40, line 13, delete the words "assure the Congress that" substitute in lieu thereof "determine whether".

On page 24, line 21, before the word "aid" insert "supervise and".

On page 25, delete subsection (6) and renumber the remaining subsection accordingly.

On page 29, line 21, delete the word "except" and insert in lieu thereof "including".

On page 31, line 14, add "No incorporator shall be an officer, director or controlling stockholder of any communications common carrier."

On page 31, delete line 11, after the word "offering", insert "of voting stock".

One page 31, lines 11 and 12, delete the words "whatever other actions" and substitute in lieu thereof "only such other actions as".

On page 32, line 19, after the word "board" insert "not to exceed $22,500 per annum".

On page 32, line 20, after the period insert "Officers shall not have employment contracts with the corporation for items in excess of two years. Such contracts may be renewed".

On page 32, line 16, after the period add "The preemptive rights of noncarrier shareholders may not be limited or denied in any way".

On page 31, line 14, after the period add "The power to make, alter, amend, or repeal the bylaws of the corporation is reserved to the stockholders of the corporation".

On page 32, line 16, after the period add "Section 29-914 of the District of Columbia Business Corporation Act relating to voting trusts shall not apply to the corporation."

On page 32, line 16, after the period add "Section 29-916e of the District of Columbia Corporation Act relating to the creation of an executive committee shall not be applicable to the corporation. The corporation shall not have an executive committee."

On page 36, line 3, after the period add "The corporation shall not declare dividends payable in its own stock."

On page 31, line 14, after the period add "The bylaws of the corporation shall be subject to the approval of the President."

On page 31, line 14, after the period add "The bylaws of the corporation shall be made a matter of public record by filing with the Commissioners in the same manner provided for the articles of incorporation. There shall be no fee for such filing."

On page 32, line 14, after the period add: "The corporation shall not commence business until a minimum of $150,000,000 in cash has been paid into the corporation."

On page 31, line 7, after the word "appoint" insert "seven".

On page 36, after line 3, add: "(g) The articles of incorporation shall not contain any provision allowing class voting".

On page 37, line 13, add:

"(d) Section 29-927 and the subsections thereof of the District of Columbia Business Corporation Act relating to merger and consolidation shall not apply to the corporation."

On page 37, line 13, add:

"(d) Section 29-930 and the subsections thereof of the District of Columbia Business Corporation Act relating to voluntary dissolution shall not apply to the corporation."

Mr. GORE. Mr. President, on the question of agreeing to my amendment, I ask for the yeas and nays.

The yeas and nays were ordered.

AMENDMENT OF TRADING WITH THE ENEMY ACT, AS AMENDED

Mr. GORE. Mr. President——

Mr. KEATING. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I ask unanimous consent that I may yield to the junior Senator from New York, to permit him to make a brief statement, without prejudice to my right to the floor.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. KEATING. First, Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from New York will state it.

Mr. KEATING. Do I correctly understand that the amendment of Trading With the Enemy Act which we debated earlier remains at the desk in its present status and will be brought up again in the next morning hour?

The PRESIDING OFFICER. It will not come up in the next morning hour; it will have to come up on motion at some appropriate time.

Mr. KEATING. In other words, a motion to bring up the bill must be made by some Member of the Senate?

The PRESIDING OFFICER. That is correct—in the absence, of course, of unanimous consent.

NO FARM LEGISLATION THIS YEAR BETTER THAN BAD LEGISLATION

Mr. KEATING. Mr. President, I have a suggestion to make to the leadership. I believe that the following of my suggestion would expedite the handling of the necessary legislative business, would save a great deal of time, and would help

us move on to other important legislation. So I suggest that we drop the matter of legislating on the farm bill at this session of Congress.

For many months, Congress and the administration have been struggling to develop a solution to the farm problem. In May, the Senate passed, by a narrow margin, the wheat and feed-grain portions of the administration's original supply-management proposal, but the other body rejected a similar bill. A little later, the House took another giant step when it passed a 1-year extension of the current emergency program for wheat and feed grains. That bill was sent to the Senate Committee on Agriculture and Forestry, for study and report; and that is where we stand right now.

This committee has reported, for consideration by the Senate, a bill which provides for a compulsory supply-management—certificate—plan for wheat and a 1-year extension of the emergency feed-grains program. There are indications that if this bill ever gets to the floor of the Senate, an effort will be made to include, as well, the administration's supply-control feed-grain proposal.

Mr. President, it is abundantly clear that there is very little agreement among the major farm organizations and the experts in this field. In addition, the Agriculture Committees of both bodies are almost evenly split, as is shown by the narrow votes taken there on vital questions of agriculture policy.

It seems to me that, under the circumstances, the best thing to do would be drop the matter entirely for this session of the Congress. It is getting very late, and we have many other more important matters to consider—questions on which there is less controversy and on which the opportunities for sensible legislation are much more promising.

Although I am by no means an expert on farm problems, I have been advised by those who are well informed in this area that we can get along very well without any new farm legislation this year. In any event, no legislation would clearly be preferable to bad legislation.

What will happen if we do not enact a new farm bill this year? For wheat, the program would revert to the 1938 act on acreage allotments and the 1949 law on price supports. The Secretary of Agriculture has announced that this will be done, even if a new bill is enacted this year. Under these provisions, the support price will be 75 percent of parity, or $1.82 a bushel, as compared with $2 a bushel under the current emergency program. I am told that this would mean a saving to taxpayers, in subsidies on exports and on acreage-diversion payments, of nearly $500 million a year, as compared with the proposal now in the farm bill before the Senate.

I am opposed to the administration's multiple-price plan for wheat on another score. It would operate as a bread tax on all consumers. Processors of wheat would be forced to acquire certificates, at face value, for every bushel of wheat they used. But because the certificates are to be issued to farmers on the basis of planting history, without regard to grade or quality, processors might have to buy one lot of wheat in order to get certificates and then buy noncertificate wheat in order to get the type and grade they need. This complicated system would be sure to increase processors' costs, which would, in effect, be a tax on bakers, which would have to be passed on to consumers. This is characteristic of the history of these across-the-board farm-control programs. The taxpayers and the consumers get hit in the pocketbook, but the farm dilemma stays pretty much as it is.

The feed grains program is an excellent case in point. If we did not have a farm bill this year, we would revert to the 1958 Farm Act. Here, again, the savings to taxpayers by not having new farm legislation, as compared with the cost of an extension of the current emergency program, would be around a billion dollars a year. Altogether, that would mean a total taxpayer saving of $1.5 billion, if we sat on our hands and put off until next year a decision on the basic dimensions of our farm programs.

Since 1961 we have had to live with the administration's "boondoggle" on feed grains. I do not know what else to call it. The Treasury in 1961 paid out nearly three-quarters of a billion dollars in subsidies for comparatively small reductions in production—nothing like the reductions in production which were predicted at the time we were asked to pass the legislation. This was a heavy price to pay for such little results. The same program is being repeated in 1962, and the current Senate bill calls for a 1-year extension for 1963.

I voted against these programs in 1961 and shall vote against the bill that is expected to be before the Senate shortly. It seems to me that what is needed at this time is a "cooling off" period and a nonpartisan study of the problem. I suggested this last year, and again in February of this year. I urge that the Chairman of the Senate and House Agricultural Committees organize a joint bipartisan congressional study commission on the farm problem. This administration has failed to chart new directions for American agriculture. The time has now come for the Congress to take the initiative.

A number of alternative farm programs have been proposed, but only the administration proposals have been given serious consideration, and even then in a highly charged political climate. It is evident now that for most people these programs are unacceptable. The theory on which they are based is wrong. They lead in the wrong direction—compulsion, control, planned scarcity, and stifling of private initiative. These programs have failed miserably elsewhere in the world. Why must we try them?

The only sound solution rests in a serious nonpolitical study of the question. This can be done only by a bipartisan or nonpartisan group, in an atmosphere of calm study, with the interest of farmers, consumers, and the Nation in general controlling.

The section of the country which some of us represent, particularly the Northeast, produces largely dairy and poultry products and fruits and vegetables. So far we have escaped the attempts at 100-percent controlled production. But New York farmers are very much concerned by the attempts of the administration to control feed grains production, because they know that it would be the first step toward tight controls on feed consumption industries, like dairy and poultry. In fact, there was an attempt to place turkey production under control this year, but the producers voted the program down in a referendum.

We already have legislation on the books which will tide us over until next year—and will at the same time mean a net savings to the taxpayer of $1 billion. We need new directions in agriculture, but to go in the wrong direction would be very costly both in terms of money and in terms of a dangerous threat to the kind of a free economy which we want. I seriously urge that we take whatever emergency technical steps may be necessary, and that we not enact new farm legislation this year. Let us take a long-range look and see where we stand before we leap "hog wild" down the long, hard road toward Federal controls and individual restraint.

I thank the Senator from Tennessee for allowing me to intrude.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its reading clerks, announced that the House had passed, without amendment, the bill (S. 1918) to extend benefits of the Policemen and Firemen's Retirement and Disability Act Amendments of 1957 to widows and surviving children of former members of the Metropolitan Police force, the Fire Department of the District of Columbia, the United States Park Police force, the White House Police force, or the United States Secret Service Division, who were retired or who died in the service of any such organization prior to the effective date of such amendments.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the Acting President pro tempore:

S. 2135. An act to authorize the Securities and Exchange Commission to delegate certain functions;

H.R. 23. An act to authorize the Secretary of the Interior to construct, operate, and maintain the Arbuckle reclamation project, Oklahoma, and for other purposes;

H.R. 3372. An act for the relief of Barbara W. Trousil, Edward G. Trousil, and Robert E. Trousil;

H.R. 5139. An act for the relief of Helena M. Grover;

H.R. 7741. An act to permit the vessel *Lucky Linda* to be documented for limited use in the coastwise trade;

H.R. 8168. An act to admit the oil screw tugs *Barbara, Ivalee, Lydia*, and *Alice* and the barges *Florida, DB-8, No. 220*, and *No. 235* to American registry and to permit their

use in coastwise trade while they are owned by Standard Dredging Corp., a New Jersey corporation;

H.R. 10276. An act to change the name of the Petersburg National Military Park, to provide for acquisition of a portion of the Five Forks Battlefield, and for other purposes;

H.R. 11400. An act to continue for 2 years the existing suspension of duties on certain lathes used for shoe last roughing or for shoe last finishing; and

H.R. 11405. An act to provide for the maintenance and repair of Government improvements under concession contracts entered into pursuant to the act of August 25, 1916 (39 Stat. 535), as amended, and for other purposes.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. GORE. Mr. President, should the pending bill unfortunately be enacted in its present form, the Congress and the President will have delegated to a private corporation, chartered under the laws of the District of Columbia for the purpose of making a profit for its stockholders, the authority to negotiate, on behalf of the United States, international agreements which could, and in all probability would, materially affect the foreign policy of the United States. In my considered view, such a situation would be most unfortunate and would bear consequences of a far reaching and complicating, but unforeseen character.

The distinguished United States representative to the United Nations, Ambassador Adlai Stevenson, on December 20, 1961, in behalf of the United States, made a policy statement respecting the developments in the area of space communications.

I ask unanimous consent to have printed in the RECORD at this point an excerpt from the statement of Ambassador Stevenson appearing on pages 414 and 415 of the Foreign Relations Committee report.

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

Now, the fourth part of the space program looks toward the establishment of a global system of communications satellites. Space technology has opened enormous possibilities for international communications. Within a few years satellites will make possible a vast increase in the control and quality of international radio, telephone, and telegraph traffic. In addition, something new will be added: the possibilities of relaying television broadcasts around the globe.

This fundamental breakthrough in communication could affect the lives of people everywhere. It could forge new bonds of mutual knowledge and understanding between nations. It could offer a powerful tool to improve literacy and education in developing areas. It could support world weather services by speedy transmittal of data. It could enable leaders of nations to talk face to face on a convenient and reliable basis.

The United States wishes to see this facility made available to all states on a global and nondiscriminatory basis. We conceive of this as an international service. We would like to see United Nations members not only use this service, but also participate in its ownership and operation, if they so desire.

Mr. GORE. Ambassador Stevenson eloquently and forcefully outlined the enormous potential for bringing about international understanding, friendship, and good will through the medium of this marvelous new scientific development. But obviously, Mr. President, this primary foreign policy objective of the United States cannot be achieved without a national effort. Unless our Government is in a position to participate in a global commercial satellite communications system in a manner in which the system can be used as an instrument of national policy by the Government, the national goal will not be attained.

Yesterday President Kennedy extended congratulations to the Government of the Soviet Union for the feat of the cosmonauts who are now in dual orbit. This outstanding feat makes it imperative that the United States maximize its efforts particularly in those areas in which the United States maintains a technological lead in the development of space technology. One area in which the United States has definitely established a lead is in space communications. This has been done largely by reason of a stupendous national effort, with the cooperation of private enterprise.

We must push forward, not only to maintain America's lead in space communication, but to increase that lead. In order to do so, in my opinion, an all-out national effort will be required. Our lead may be hampered and hindered if we farm out a significant portion of the effort and give a monopoly over a significant portion of space communication to a private satellite corporation. Therefore I suggest to the Senate that an all-out national effort in this field is imperative.

The philosophy of the bill before the Senate is wholly inconsistent with the philosophy of the U.S. policy statement as enunciated by Ambassador Stevenson in behalf of the United States. The pending bill is based upon the philosophy that communication by space satellite is nothing more than the extension of conventional communications methods available for exploitation for private profit. I cannot agree, Mr. President, with those who insist that communication by space satellite involves but a "cable in the sky" and that we should proceed with this development and with its operation under the same procedures that have been applied with respect to telephonic communication by cable on an international basis.

This point of view is unrealistic. The medium of communications with which the pending bill deals is a new medium vast in its potential for the attainment of the aspirations of the American people to communicate their good will and their programs and policies to the people of the world, thus rendering international service; as well as the desire to cooperate with members of the United Nations, which, as I said, is the policy of the U.S. Government, as stated to the United Nations by our representative and Ambassador, Adlai Stevenson.

I emphasize again that the pending bill is not consistent with that policy, which Mr. Stevenson has stated to the United Nations.

If the contentions of the proponents of the bill were correct there would be little to argue about in this debate. But I submit, Mr. President, that their contentions are not correct. The manner in which the United States participates in an international arrangement for establishment of a global satellite communications system will have a great impact upon our foreign policy. The manner in which we utilize such a system will be a significant factor in the achievement, or the failure, of our foreign policy objectives.

At this time we do not know upon what political or economic basis a cooperative international arrangement can be achieved. Until we do, we cannot know what would be the best organizational form of management and control of the U.S.-owned elements of the system. In my view, it is of the greatest importance that the formulation of policy and the conduct of negotiations involved in the establishment and operation of a space communications system be retained firmly and explicitly within the control of the Government of the United States.

The legislative history of those provisions of the bill respecting international negotiations, as they now stand, is clear. In submitting a message to the Congress, President Kennedy stated that under the administration proposal, in addition to implementing its regulatory responsibility, the U.S. Government would "conduct or maintain supervision of international agreements and negotiations" with respect to the satellite communications system.

Along with this message, President Kennedy submitted a proposed bill. Section 402 of that bill read as follows:

The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State.

I emphasize, Mr. President, that the provision which I have quoted was recommended by the President of the United States.

It was included in the bill which President Kennedy recommended and requested. It is not included in the bill now before the Senate. Instead, section 402 of the pending bill would place the Government in an ambigous but clearly secondary position.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. GORE. I yield to my colleague from Tennessee.

Mr. KEFAUVER. I think it ought to be clearly understood, as my colleague has stated, that the amendment of my colleague and the distinguished Senator from Ohio [Mr. LAUSCHE] contains the exact language which the President of the United States recommended in his

message to the Congress as being necessary for the President and the State Department to have the powers they thought were required for negotiation with other nations in connection with the satellite system, and that this is the language which was contained in the bill which was recommended by the President. So what the amendment of the two distinguished Senators would do would be to put back into the bill the exact language recommended by the President and sustained and supported by the various witnesses for the Government, at least, in the initial hearings in connection with the bill.

Mr. GORE. I thank the Senator for the emphasis he has added to the point.

During hearings before the Committee on Aeronautics and Space Sciences of the Senate, section 402 of President Kennedy's bill came under vigorous attack. It was defended with equal vigor by Assistant Secretary of State George McGhee. In his testimony before the committee, Secretary McGhee stated succinctly the reasons why control of these negotiations by the Government of the United States was essential.

Mr. President, I read an excerpt from the statement by Secretary McGhee which appeared on page 155 of the committee hearings:

> However, the worldwide scope of this new medium of communications and its potential impact on the achievement of our foreign policy objectives clearly indicate the necessity of the Department's involvement as the President's agent for dealing with foreign affairs.

Subsequently, Mr. President, during the course of his testimony, when the provision for a State Department voice in the negotiations was under attack, Secretary McGhee spoke eloquently for the national interest in a proposed satellite system. I quote further from his testimony from page 192 of the hearings:

> The specifications with respect to the State Department, I believe, are necessary for the reasons I stated, because of the unusual and global nature of the program—the fact that it involves all of the countries of the world practically at once. It also involves very complicated intergovernmental affairs. It may, for example, be the desire of the Government, for a valid reason, to encourage the building of receiving stations and systems in parts of the world which may not immediately be economically attractive. This, of course, would have to be done under the provisions of section 201(c)(3) of S. 2814 but if the corporation is to make a profit, it would have to be compensated for in the rates it charges.
>
> It may be that it is necessary for our Government to negotiate wtih groupings of nations, which could not be done by a single corporation. As an example, during the war, when our telegraph and telephone companies wanted access to the British Commonwealth, this access could only be negotiated by our Government. There are scores of situations which you can envisage might arise in carrying out the very complex negotiations and the establishment of operations which this corporation would have to go through. These are beyond the sphere of competence or responsibility of a normal corporation. I honestly feel, even were this not a provision of this law, that the corporation would need assistance from the Department similar to that specified in the law.
>
> I think that we must recognize here, too, that this is much more than a communications system such as we have known in the past. This program has tremendous potentialities in terms of the achievement of our global foreign policy objectives. There is involved here what degree of cooperation we can engage in with the Soviet Union, pursuant to the recent exchange between Mr. Khrushchev and President Kennedy. There is involved here the question of whether or not the United Nations can become more effective by virtue of this facility being able to broadcast hearings or meetings of the United Nations to the world.
>
> A tremendous flow of understanding can come from broadcasting television programs all around the world by such a system and, ultimately, to the greatly reduced cost for normal voice and telegraph communications that should result.
>
> The potentialities of this are so great that I do believe, Senator, that it justifies taking considerable risk that the form devised here will, in fact, work.

It seems to me, Mr. President, that Secretary McGhee's testimony was most persuasive. Apparently, however, it was not persuasive to the members of that committee. It appears, from reading some of the questions asked of Secretary McGhee and some of the observations made, that some members of the committee clearly did not want the Department of State, acting under the direction of the President of the United States, to have anything whatever to do with the complex multilateral international negotiations which must be successfully concluded before an international system can be established, and that the Department of State should likewise be excluded from participating in the negotiations for resolution of whatever international problems might arise during the operation of such a system once it should be established. Section 402 was stricken from the bill by the Aeronautical and Space Sciences Committee.

Subsequently, hearings were held by the Committee on Commerce. Again, the question of the original language of section 402 came under discussion. I do not question the fact that Secretary McGhee, during his appearance before the Commerce Committee, indicated that the Department of State had acquiesced in the action of the Space Committee in striking from the bill the original language of section 402 and in inserting in lieu thereof the present language of the section which permits the proposed corporation to enter into international negotiations merely by advising the Department of State of its intentions so to do. There is reason to believe that officials of the Department of State acquiesced in this change reluctantly. Indeed, Secretary McGhee, in his testimony before the Commerce Committee acknowledged that he still preferred the original language. I have previously characterized acquiescence of the Department to this change in the bill as a retreat. I still adhere to that view, and I submit that the more one studies the language of this pending bill, together with its legislative history, the more damaging and humiliating the retreat or surrender becomes.

Proponents of the bill insist that authors of the language now found in section 402 really had no intention of delegating to a private corporation the authority to conduct international agreements affecting U.S. foreign policy. Why, then, was the original language of section 402 stricken? Whatever may have been their intention, the clear effect of the language of the pending bill is to give the satellite corporation the initiative and the primary position in negotiations with foreign governments and entities, with the State Department relegated to an ignominious secondary position of merely being advised of the foreign negotiations being conducted by the corporation and directed by the bill to assist the corporation if requested to do so by the corporation.

Proponents of the bill insist that section 402 now applies only to business negotiations, and I agree that the caption of this section so states. But, Mr. President, as I have pointed out on numerous occasions, there is no way in which the business aspects can be separated from the political or foreign policy aspects of international negotiations involved in the establishment and operation of a satellite communications system. Assuming that a distinction would be made—that some negotiations would be political and that others would be business—the bill does not specify who is to make the decision as to whether or not a given negotiation is a business negotiation.

Under the terms of the bill the business of the proposed corporation is the establishment and operation of a global commercial communications satellite system. Therefore, it would appear that any negotiation having anything to do with such a system would involve the business of the corporation. Therefore, Mr. President, and in the absence of any restriction whatever to the contrary, section 402 authorizes the proposed corporation to proceed to negotiate with whomever it may wish on any matter which it construes as involving the business of the corporation.

Some proponents of the bill contend that the provisions of section 402 are in some way modified by the provisions of section 201(a)(4) of the bill. It is argued that the provisions of this section give to the President of the United States all the authority needed to control negotiations. Section 201(a)(4) provides as follows:

> (a) the President shall—
>
> (4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;

In the judgment of the junior Senator from Tennessee, Mr. President, the language quoted above confers upon the President of the United States no substantive authority whatever. Let me make it clear that I do not contend that the pending bill prohibits the President from conducting international negotiations whenever he may choose to do so. No bill could detract from the President's constitutional authority in that regard. What concerns me is the fact that the pending bill fails to place

proper limits and restrictions on the right of the proposed corporation and the authority of the proposed corporation to negotiate plus the fact that it would give the initiative in the field to the corporation.

Now let us examine the provisions of section 201(a)(4) to determine just what it means. I do not subscribe to the contention that whenever someone is told by language in a bill to do something that that person, whoever he may be, is automatically granted the authority to implement and enforce his instructions. It is significant that neither section 201(a)(4) nor any other provision of the bill directs or requires the proposed corporation to follow any instructions the President might wish to issue under the provisions of section 201(a)(4) or otherwise. It is significant also that section 201(a)(4) does not employ the traditional legislative words "authorize" and "direct." Rather, the section states that the President shall "exercise such supervision."

I do not know, Mr. President, what is the legal effect of the words "exercise such supervision." In my view, they have no precise legislative or legal meaning. I have consulted authorities who concur in my view.

I do not know what meaning the authors of those words intended for them to have. I observe that Webster's Unabridged Dictionary gives the following definitions for the word supervision:

1. Act or occupation of supervising; inspection, oversight.
2. The direction and critical evaluation of instruction.

It occurred to me, Mr. President, that if the President of the United States is to be a supervisor of this proposed corporation it might be helpful to ascertain a definition of the word "supervisor." According to the dictionary, this word may have any of the following meanings:

1. One who supervises; an overseer; inspector; superintendent.
2. A spectator; a looker-on.
3. One who reads over.
4. In some States of the United States, an elected official standing, either alone or with others constituting a board, at the head of the administration of a township or other county subdivision.
5. An officer of a school system who has supervision over the courses and the teachers giving instruction in a special subject.

As I say, Mr. President, I do not know which of these meanings the authors of this language intended to apply. Neither does the committee report give us a guide.

Mr. LAUSCHE. Mr. President, will the Senator yield for a question without losing his right to the floor?

Mr. GORE. I yield.

Mr. LAUSCHE. Secretary Rusk, as shown by page 176 of the testimony, dealt briefly with this item which is now being discussed by the Senator from Tennessee. In his testimony he said:

When the Congress, by legislation, says the President shall do something, I believe it constitutes a grant of authority to do that thing. Thus, section 201(a), in the passages I have indicated, gives the President authority to require action by the corporation in those directions, so long as that action is consistent with the overall concept of this corporation as a commercial enterprise and is not at odds with other provisions of our Constitution and laws.

I ask the Senator from Tennessee whether the Secretary of State did not labor there to try to get a construction to the word "supervise" as meaning direct and control, and that it is rather a tenuous position to take, ascribing to the words used in this section the meaning of granting of authority to direct an order.

Mr. GORE. My interpretation of the Secretary's testimony in this regard was that he was patently straining and laboring to make legislative history in order to give a meaning to language which clearly is not there.

Representatives of the Department, as I have said earlier, have acquiesed in the provision which is in the pending bill. In order to correct that mistake, I believe the Secretary was, as the Senator has stated, laboring to give the language of the pending bill an interpretation to which I do not believe it is entitled, and thereby trying to establish legislative history.

I ask my distinguished friend the Senator from Ohio, who is an able lawyer, if ever before, from his law school days to now, he has heard the ukase laid down that whenever one is directed to do something he has authority, ipso facto, to do it.

Mr. LAUSCHE. I would have to answer that question in the negative. I commend the Secretary of State for trying to establish a history which would interpret the language to mean that the foreign relations aspects will be conducted by the State Department, but that the business operations would be negotiated by the corporation. His very effort to do that indicated his belief that the language was ambiguous, and something had to be done.

Mr. GORE. I agree.

Mr. LAUSCHE. Whatever happens on the amendment offered by the Senator from Tennessee and myself, if it is a fact that this language contemplates placing the negotiations on foreign relations in the Secretary of State and not in the corporation, the amendment will have served a good purpose; but I would rather have it spelled out in specific language than by a delineation made through the establishment of legislative history, such as the Secretary of State intended.

Mr. GORE. Like the senior Senator from Ohio, I believe that in his suggestion the Secretary is properly acting to endeavor to assert the primacy of the Government in the field of foreign policy. I cannot concur that the legislative history involved in this particular section can lend any validity to the Secretary's interpretation of it. I say that because in the message to Congress President Kennedy stated, as I have quoted, that the Government would maintain control or supervision over international negotiations, and then the bill which the President submitted to Congress had language implementing the message. The committee struck it out, over the objection of the Department of State, and then the Department of State acquiesced in it, though still stating that it preferred the explicit language which the Senator from Ohio and I have offered by way of amendment to be restored to the bill.

Mr. LAUSCHE. Mr. President, may I interrupt the Senator at that point?

Mr. GORE. Let me go a step further; then I will yield. Now that the question is submitted squarely to the Senate, if the Senate rejects the amendment, I say it rejects the specific and explicit placement of the Government of the United States in full control and direction of international negotiations respecting a satellite communications system. I believe the only way to correct what might be a grievous and damaging error is the adoption of the amendment which the Senator and I offer.

Mr. LAUSCHE. Yes. Will the Senator yield further, without losing his right to the floor.

Mr. GORE. I yield.

Mr. LAUSCHE. In offering the amendment we are trying to achieve exactly what the Secretary of State has in mind.

Mr. GORE. And what the President said he had in mind.

Mr. LAUSCHE. Yes; that is, that the negotiation of business matters shall be carried on by the corporation, and that can be done through the cooperation of the Secretary of State; but the aspects which deal with international relations shall be conducted under language which is not equivocal, but clear and precise, by the Secretary of State.

Mr. GORE. I concur in the statement of the Senator. I believe he will agree that under the amendment we have offered the Secretary of State, acting on behalf of the President, could decide what is foreign policy and what is business, and that he could delegate the purely business negotiations, but the decisions as to which is business and which is foreign policy would be left to the Government of the United States.

Mr. LAUSCHE. Mr. President, will the Senator yield further?

Mr. GORE. I yield.

Mr. LAUSCHE. I do not know whether the Senator knows that the Secretary of State pointed out that in the pending bill there is no definition of what the term "business" would comprehend. He implied that the bill was weak from that standpoint. Who is going to make the differentiation of what is business and not business, unless we put the right to make the differentiation in the Secretary of State, and not in the corporation?

Mr. GORE. I should like to recall to the Senator the testimony of Assistant Secretary of Defense Rubel, that only about 10 percent of the effort to develop a commercial satellite communications system would actually be communications; and this system of communication, as the Senator well knows, can only come into being and into viability through the conclusion of a whole series of agreements between our Nation and other nations.

Therefore, it is most difficult, particularly in the initial stages, to separate what is business and what is foreign policy; in fact, I am at a loss to know exactly how they may be clearly divided.

Mr. LAUSCHE. But if the approving power is conferred upon the Secretary of State, he will be able to say directly, "This involves foreign relations, over which I will negotiate." If it is business, the Secretary can say to the private company, "You may proceed with the negotiations; that is your business. We will approve."

Mr. GORE. The Senator is correct. In taking that position, the Senator from Ohio and I do not wish to change in any respect the practice of many years in aeronautics and international radio telecommunications. That is the practice which has been followed.

As the Senator knows, the provision in the pending bill would constitute a precedent. We wish to see the Government of the United States remain in the primary position in which the Constitution places it, with latitude and opportunity given to the Government to delegate that portion which is purely business or which it determines to be business.

Mr. LAUSCHE. I thank the Senator from Tennessee.

Mr. GORE. I thank the Senator from Ohio for his questions and statements.

Mr. President, the dictionary can sometimes be very helpful, and I sought its assistance with respect to the phrase "as may be appropriate" as used in section 201(a)(4). So I examined the dictionary to ascertain the meaning of the word "appropriate." Mr. Webster defined it as follows:

1. Appropriated; specif., attached as an accessory possession.
2. Set apart for a particular use of person.
3. Belonging peculiarly; special.
4. Specially suitable; fit; proper.

Again, Mr. President, I do not know which of the foregoing meanings the authors of section 201(a)(4) intended to apply. Assuming they intended the word "appropriate" to mean suitable, fit, or proper, I raise the questions: Suitable for whom? Fit for what? Proper from whose standpoint?

Mr. President, I can find no substantive authority whatever in language which instructs the President of the United States to be a supervisor over this proposed private corporation in such manner "as may be appropriate."

Would it be "appropriate" for the President to direct a private corporation organized for profit to pursue a course of action which would be unprofitable for the corporation, and therefore its stockholders, or to desist from a course of action?

And if he did so, where is the language requiring the board of directors to obey? "Supervision" which the President considered appropriate might be considered inappropriate by the corporation.

If the authors of section 201(a)(4) really intended to authorize and direct the President of the United States to exercise control over the proposed private corporation, language is required which explicitly empowers the President to issue the directions or orders to the corporation and which explicitly requires the corporation to comply. As I have said, Mr. President, I do not know what the intent of the authors was, but I rather doubt that they did intend to authorize the President to control the corporation. If that was the intent, the language used fails to accomplish it. Any such effect could be achieved only by way of amendment. Of course, should such an amendment be offered, Senators will wish to consider the matter carefully because, if the Congress may properly authorize the President to control one private corporation organized for the profit of its stockholders, it could legally and perhaps properly authorize the President to control other private corporations organized for profit.

This demonstrates, Mr. President, something of the dilemma in which proponents of the pending bill find themselves. The mission of the proposed private corporation is to make a profit for its stockholders.

I do not criticize the organization of corporations for the profit of the corporate stockholders. That is a part of our free enterprise system.

However, this mission may at times be wholly inconsistent with the objectives of our foreign policy, as involved in the establishment of a communications satellite system. In my view, Mr. President, the pending bill does not achieve a satisfactory union between our foreign policy objectives and the profit motive of a private corporation.

This is not to criticize the profit motive. I applaud it; I believe in it. In private life, I find myself motivated by it. But because I believe in the free enterprise system, because I think that capitalism and the profit motive act as stimuli to a society of great people, that does not lead me to conclude that the objectives of all the American people and the objectives of the U.S. Government with respect to this vast new medium of communication can properly and accurately be measured by the necessarily less broad, less comprehensive strictures of a profit-and-loss statement of a private corporation. That is the nub of this question.

Mr. CHURCH. Mr. President, will the Senator from Tennessee yield?

Mr. GORE. I yield to the Senator from Idaho.

Mr. CHURCH. As the Senator from Tennessee knows, several witnesses before the Committee on Foreign Relations testified, and the argument was made later in committee itself, that existing private corporations, such as A.T. & T. have extended cables across the Atlantic Ocean and the Pacific Ocean and have established communication with other continents, and have entered into necessary arrangements with other countries in order to make such communication possible.

So it has been argued that the provision in the bill to which the Senator from Tennessee directs his argument represents no new departure and ought not to be an occasion for concern.

Having these arguments in mind, can the distinguished Senator from Tennessee state whether he knows of a case in the whole history of the country, in connection with either A.T. & T. or any other company, in which Congress, by statute, has conferred upon a corporation any power with respect to negotiating agreements with foreign countries?

Mr. GORE. I know of none; and former Ambassador Ernest Gross, a former legal adviser to the State Department, testified that there were no precedents.

Mr. CHURCH. So does not this bill represent the first time the Congress has undertaken to confer expressly upon a private corporation the right to enter into negotiations and make agreements with foreign countries, the implications of which could profoundly affect the foreign policy of the United States?

Mr. GORE. It would be the first time, and I believe it would be a most unfortunate precedent.

Mr. CHURCH. I agree with the Senator. I was one of those in the Foreign Relations Committee who voted against reporting this bill favorably. I did so for reasons different from those expressed in the minority views. Accordingly, I have had attached to the committee report—which I understand will be available to the Senate later today—a statement of my own individual views; and in them I express the same concern that the Senator from Tennessee is now expressing with respect to the need to safeguard the primacy of the President and his State Department in connection with the conduct of the foreign relations of the United States. I believe that the Senate should be fully forewarned that if this bill is enacted without such an amendment, we shall be, for the first time, undertaking to confer upon a private corporation the right to enter into negotiations, and to consummate agreements with foreign countries; and I believe that the precedent thus established will tend to weaken the Office of the Chief Executive, particularly with regard to the prerogative of the President to conduct the foreign policy of our country.

So I am happy to join the Senator from Tennessee in supporting his amendment; and I hope the Senate will give it the serious attention it deserves, and will proceed, when the vote is taken, to adopt it.

Mr. GORE. I thank the distinguished, brilliant, and able senior Senator from Idaho. He has expressed a hope about which I should like to make a brief comment. He expressed the hope that the Senate will give the amendment the serious and careful consideration which is warranted by the gravity of the issue. However, in view of the existing circumstances, I question whether that will be done. Some of the administration officials downtown feel that the administration must achieve a victory on this bill. However, Pyrrhic it might prove, they feel that the President must win a victory by having the bill passed without any amendments. For some reason, our distinguished majority leader and the able minority leader feel that their prestige is at stake. For one reason or another the Government and the Senate find themselves in a position of such rigidity that I question whether there is sufficient leeway to make possible the serious consideration which, in my opinion, the pending amendment deserves. Certainly, I hope my apprehensions are ill founded.

The Senator from Idaho has raised another very important question. He has pointed out that for the first time it is proposed that Congress pass a bill—and of course, the bill would require approval by the President, in order to be enacted—which would delegate to a private corporation a portion of the responsibility which, under the Constitution, belongs to the President, with the advice and consent of the Senate. Able lawyers will say there is some question whether Congress can constitutionally do that. I raise the question with my distinguished and able friend: How is such a question to be tested in the Supreme Court, if the Government itself acquiesces in such an act? What party at interest would go before the Court with that question? I do not wish here to engage in a lawyer's argument on that point; but since the Senator from Idaho has raised a pertinent question, I thought I would point out that in the minds of those of us who contend that a portion of our Nation's sovereignty cannot constitutionally be conferred upon a private corporation, there is some question as to the final determination of the question and the manner of its determination. Furthermore, if that is not what is sought, why was section 402 stricken out and section 402 of the pending bill inserted, instead?

Mr. CHURCH. Mr. President, in response to the Senator's first question, let me state that I do not know of any way to have a constitutional question passed upon by the Supreme Court except in connection with a justifiable controversy which has been brought first before the inferior Federal courts, and subsequently has been appealed to the Supreme Court, for final determination.

As the Senator from Tennessee has quite properly pointed out, it would seem highly unlikely that any situation would arise to bring this question into the courts in such a way as to have the constitutional issue properly passed upon.

So not only is it proposed that we do an unprecedented thing—and certainly that would be the case if the bill is not amended in this way—but it is also possible that any question as to constitutional propriety could not later be brought before the Court. So we would open a door which the courts could not close, and do ourselves much mischief in the years ahead.

In response to the Senator's question as to why the original language was changed, let me state that from a comparison of the two provisions it is evident that the clear and unequivocal language of the first bill—which had the endorsement of the President—has been obscured by the substituted provision which clearly strengthens the role of the corporation, subjecting it to rather dubious control on the part of the President and his Secretary of State. It seems to me that all one needs do is read these two provisions, one after the other, in order to see that not only has the power of the State Department been watered down, but, in addition, the corporation has been given full control to conduct the "business negotiations"—whatever that term may mean—and would need only to invite the advice of the State Department; and then the State Department is instructed to give whatever advice the corporation requests. But nothing in the substitute language makes it clear that the State Department retains the right to exercise final judgment over what the corporation might interpret to be business negotiations.

It is hard for me to visualize business negotiations in this field of communications in space, Mr. President, that does not necessarily involve the broadest and gravest implications to the foreign policy of this country. Nor do I think the defect is cured by section 201(a)(4), because, as the Senator from Tennessee has well pointed out, this language leaves the position of the President and his State Department in considerable ambiguity.

There is no reason why the Senate of the United States should leave the President in a position of ambiguity with respect to his right to direct our foreign policy. When the Senator from Tennessee says that we are asked to do so in order that the President may achieve a victory, I reply, what better way can we see to it that the President wins a victory than to insist upon the restoration of the President's original language in this bill, language that makes perfectly clear that the President and his State Department retain the prerogative to direct and control this corporation in whatever negotiations may occur that implicate the foreign policy of this country?

Restore the President's language—that is the best way to give the President a victory, and to avoid establishing a precedent, the mischievous scope of which we cannot possibly foretell. It is a dangerous business.

I commend the Senator from Tennessee for standing up for an amendment to this bill that is consistent with the long tradition of this Government, and which conforms with the fundamental principles of the Constitution. I hope the amendment will be adopted.

Mr. GORE. I am most grateful for the generous, eloquent, and able remarks which the senior Senator from Idaho has expressed. I only wish, Mr. President, that every Member of the Senate could have heard the erudite statement which the senior Senator from Idaho has just made with respect to the issue pending before the Senate in the amendment which the Senator from Ohio [Mr. LAUSCHE] and I have submitted.

I wonder if the Senator, after that very eloquent statement, would be willing to lend to the amendment the prestige of his cosponsorship?

Mr. CHURCH. Mr. President, I question whether it would lend prestige to the amendment, but I am honored by the invitation of the Senator from Tennessee, and I am happy to join in cosponsoring the amendment.

Mr. GORE. Mr. President, I ask unanimous consent that the senior Senator from Idaho may be listed as a cosponsor of the amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. YARBOROUGH. Mr. President, will the Senator from Tennessee yield to me?

Mr. GORE. I yield.

Mr. YARBOROUGH. I wish to commend the distinguished junior Senator from Tennessee and the distinguished senior Senator from Idaho for their statements. As I listened to the eloquent appeal by the distinguished Senator from Idaho, I thought of another great Senator from the great State of Idaho whom I heard as I sat in the galleries years ago, Senator Borah. I thought that here was a younger man from Idaho, also on the Foreign Relations Committee. I never dreamed the day would come when I would stand on the floor of the Senate and see another Borah coming from that State to lend his eloquence and leadership to his body.

I do not want to embarrass the distinguished Senator from Tennessee, but, as I have been here day after day and watched the two Senators from Tennessee lead the fight to save for the people of the United States this great heritage, I could not help thinking, as a Texan, of two other great Tennesseeans who, in 1836, led the revolution in Texas, first to establish it as in independent nation, and then as a State of the Union. I think of Davy Crockett and Sam Houston and the great contributions that were made to the history of Texas by those two great men from Tennessee.

Now, in Senator Gore and in Senator Kefauver we have two other great leaders, fighting, not to restrict the President's power, but to restore it; and the victory will be for the President only if the amendment for which the Senator from Tennessee is fighting today prevails.

I know the distinguished Senator from Tennessee, as a member of the Foreign Relations Committee, is conversant with the procedure and precedents of the past.

In the colloquy had between the Senator from Tennessee and the Senator from Idaho they just developed the fact that never before in our history has the Senate been asked to vote away to a private corporation the power to negotiate with foreign nations. That power belongs to the Executive, but the Senate has the power to ratify treaties. The Senate is asked to vote away to a private corporation the power of negotiating with foreign nations.

I want to refer to Executive K, 87th Congress, 1st session, which was an International Convention for Safety of Life at Sea. That treaty was ratified by the 87th Congress. It exemplifies what the Senator from Tennessee and the Senator from Idaho have stated here—that in the past, although private advisers have gone to these international conventions, the negotiation has been conducted by officers of the Government. The convention I have mentioned was attended by 65 representatives of the United States. As is recited in the document I hold in my hand, the convention was brought about by the collision between the liner *Stockholm* and the *Andrea Doria*, when they collided in the vicinity of Nantucket Lightship, as a result of which 50 people lost their lives and the *Andrea Doria* sank.

They were fine, new ships, but it was discovered that the Convention of 1948 for Safety of Life at Sea was obsolete. So the seafaring nations of the world agreed on a new convention because of what happened in that collision between the *Stockholm* and *Andrea Doria*, which showed that new regulations and equipment were needed.

This Nation was represented by 65 persons at the convention and there were 74 persons from the United Kingdom. It was a great international convention.

I ask unanimous consent that there may be inserted in the RECORD at this point, Mr. President, the names of the delegates representing the United States, taken from page 20 of the report. I shall not put the whole convention in the RECORD, in the interest of space.

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

For the Government of the United States of America: Alfred C. Richmond, R. T. Merrill, Robert T. Bartley, John P. Comstock, Irving T. Duke, Arthur Randolph Gatewood, Henry T. Jewell, Vito L. Russo, Lyndon Spencer, Charles P. Murphy, Albert J. Carpenter, John W. Heck, Robert I. Price, Archibald H. McComb, Jr., Oscar C. B. Wev, William G. Allen, Harry J. Parker, Charles B. Smith, Ben H. Davis, George C. Steinman, Paul A. Lutz, Stewart Springer, Joseph A. Cerina, William G. Watt, Edward G. Magennis, Charges M. Robertson, Wayne Mason, Curtis B. Plummer, Duncan D. Peters, W. E. Smith, E. M. Webster, John C. Neidermair, R. R. Waesche, George R. Jacobs, Harold R. Woodyard, Jonathan A. Sisson, E. E. Benzenberg, M. G. Forrest, Owen H. Oakley, James B. Robertson, Jr., Maurice J. Scanlon.

Mr. YARBOROUGH. I also ask unanimous consent that the excerpt containing the names of the two plenipotentiaries who actually signed the treaty on behalf of the United States, which appear on page 26 of the list—namely, Adm. Alfred C. Richmond, Commandant of the U.S. Coast Guard, and Robert T. Merrill, Chief of the Shipping Division, Department of State—be printed at this point in the RECORD.

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

The United States of America: Adm. Alfred C. Richmond, Commandant of the U.S. Coast Guard; Mr. Robert T. Merrill, Chief of the Shipping Division, Department of State.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent that the chart appearing at page 276 of the convention, showing how the U.S. delegation was made up, be printed at this point in the RECORD.

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

U.S. DELEGATION TO SOLAS CONFERENCE, 1960

SECRETARIAT

Coordinator: Capt. Albert J. Carpenter (U.S. Coast Guard).

Technical secretary: Lt. Comdr. Robert I. Price (U.S. Coast Guard).

Secretary of delegation: Mr. Maurice J. Scanlon (State).

GENERAL PROVISIONS COMMITTEE

Adm. Alfred C. Richmond, U.S. Coast Guard (Commandant, U.S. Coast Guard), chairman of delegation.

Mr. Robert T. Merrill (Chief, Shipping Division, State Department), vice chairman of delegation.

Delegates: Mr. Robert T. Bartley (FCC), Mr. John P. Comstock (Shipbuilders' Council), Rear Adm. Irving T. Duke (U.S. Navy, retired), Mr. Arthur Gatewood (ABS), Mr. Vito L. Russo (Maritime Administration), Rear Adm. Henry T. Jewell (U.S. Coast Guard).

Advisers: Capt. Albert J. Carpenter (U.S. Coast Guard), Mr. Ralph E. Casey (American Merchant Marine Institute), Mr. Ben H. Davis (State), Rear Adm. Walter C. Ford, U.S. Navy (retired) (Maritime Administration), Mr. George R. Jacobs (State), Mr. Alex Kerr (Lykes Lines), Mr. Leigh R. Sanford (Shipbuilders' Council), Vice Adm. Lyndon Spencer (U.S. Coast Guard, retired), (Lake Carriers Association).

COMMITTEE ON CONSTRUCTION

Mr. John P. Comstock (Shipbuilders' Council), chairman. Advisers: Mr. Edwin E. Benzenberg (Gibbs & Cox), Mr. Matthew G. Forrest (Gibbs & Cox), Mr. John W. Heck (ABS), Comdr. Archibald H. McComb (U.S. Coast Guard), Mr. John C. Niedermair (naval architect), Mr. Owen H. Oakley (U.S. Navy, Bureau of Ships), Lt. Comdr. Robert I. Price (U.S. Coast Guard), Mr. James B. Robertson (U.S. Coast Guard), Mr. Vito L. Russo (Maritime Administration), Rear Adm. Halert C. Shepheard (U.S. Coast Guard, retired) (AMMI), Lt. Comdr. Jonathan A. Sisson (U.S. Navy) (Bureau of Ships), Comdr. George C. Steinman (U.S. Coast Guard).

Subcommittees on subdivision, stability, and watertight integrity

Mr. Comstock, spokesman; Mr. Forrest, Mr. Niedermair, Mr. Oakley, Lieutenant Commander Price, Mr. Robertson, Mr. Russo, Rear Admiral Shepheard, Lieutenant Commander Sisson.

Subcommittee on machinery and electrical

Mr. Heck, spokesman; Commander McComb, Lieutenant Commander Price, Commander Steinman.

Subcommittee on fire protection

Mr. Benzenberg, spokesman; Commander McComb, Lieutenant Commander Price, Commander Steinman.

COMMITTEE ON LIFE SAVING APPLIANCES

Rear Adm. Henry T. Jewell, U.S. Coast Guard (Chief, Office of Merchant Marine Safety), chairman. Advisers: Mr. William G. Allen (Maritime Administration), Mr. Charles E. Hoch (U.S. Navy-MSTS), Mr. Leslie H. Quackenbush (States Marine Lines).

COMMITTEE ON RADIOTELEGRAPHY AND RADIOTELEPHONY

Mr. Robert T. Bartley (Commissioner, FCC), chairman. Advisers: Mr. Wayne Mason (RCA), Mr. Duncan D. Peters (FCC), Mr. Edward C. Phillips (American Merchant Marine Institute), Mr. Curtis B. Plummer (FCC), Lt. William E. Smith (U.S. Coast Guard), Mr. William R. Steinberg (American Radio Association), Mr. M. H. Strichartz (American Radio Association), Mr. G. G. Thommen (Mackay Radio), Mr. Harold R. Woodyard (FCC).

COMMITTEE ON SAFETY OF NAVIGATION

Rear Adm. Irving T. Duke (U.S. Navy, retired) (Office of Chief, Naval Operations), chairman. Advisers: Capt. B. B. Backston (U.S. Lines), Mr. Joseph A. Cerina (National Cargo Bureau), Mr. Arthur W. Johnson (U.S. Weather Bureau), Lt. Comdr. Paul A. Lutz (U.S. Coast Guard), Capt. Edward J. Magennis (U.S. Navy) (JAG), Capt. Harry J. Parker (National Cargo Bureau), Mr. Edward C. Phillips (American Merchant Marine Institute), Capt. Charles M. Robertson (U.S. Navy) (CNO), Rear Adm. Halert C. Shepheard (U.S. Coast Guard, retired) (AMMI), Mr. Charles B. Smith (U.S. Coast Guard), Mr. Stewart Springer (Fish and Wildlife), Capt. Russell R. Waesche (U.S. Coast Guard), Mr. William G. Watt (U.S. Navy-Hydro), Commodore Edward M. Webster (U.S. Coast Guard, retired) (Radio Technical Command), Capt. Oscar C. B. Wev (U.S. Coast Guard).

Subcommittee on grain and ore

Captain Parker, spokesman; Captain Backston, Mr. Cerina, Mr. Fleming, Rear Admiral Shepheard.

Subcommittee on safety of navigation

Captain Wev, spokesman; Mr. Johnson, Lieutenant Commander Lutz, Mr. Phillips, Captain Robertson, Mr. Springer, Mr. Watt, Commodore Webster.

Subcommittee on collision rules

Captain Magennis, spokesman; Captain Wev, Captain Robertson, Mr. Springer.

Subcommittee on dangerous goods

Mr. Smith, spokesman; Captain Backston, Mr. Cerina, Rear Admiral Shepheard, Captain Waesche.

COMMITTEE ON NUCLEAR POWER

Mr. Arthur Gatewood (vice president-engineer, American Bureau of Shipping), chairman. Advisers: Dr. Clifford K. Beck (AEC), Dr. William M. Breazeale (Babcock & Wilcox), Mr. John M. Dempsey (States Marine Lines), Mr. David W. Fleming (States Marine Lines), Capt. Leonard R. Hardy (U.S. Navy) (CNO), Mr. Harborough I. Lill (New York Shipbuilding Co.), Mr. Douglas C. MacMillan (Geo. A. Sharp Co.), Capt. Charles P. Murphy (U.S. Coast Guard), Mr. Donald J. Nelson (Public Health Service), Mr. David H. Specht (Maritime Administration-AEC), Comdr. George C. Steinman (U.S. Coast Guard), Mr. E. Kemper Sullivan (Maritime Administration-AEC), Mr. James G. Terrill (Public Health Service).

Mr. YARBOROUGH. The chart shows that the delegation was headed by the Chairman, Adm. Alfred C. Richmond, Commandant, U.S. Coast Guard, and the Vice Chairman was Robert T. Merrill, Chief of the Shipping Division of the State Department.

It shows the names of the six delegates who accompanied them and their advisers. It shows other advisers from ship lines and private business were there as advisers, but that the official representatives of the Department of State conducted the negotiations for the President of the United States.

This is the way it is done; and if we had an international convention, reserving this right for the President, doubtless the companies would have advisers, just as occurred in the case of the shipping convention. But there is a difference between being an adviser, seeing what technically can be done, and conducting negotiations. In that convention there were shipowners and representatives there who knew something about navigation, but there was no attempt to take away from the President and the Secretary of State the power to negotiate treaties.

All the Senator from Tennessee is asking is that the same power be preserved to the President, as the Constitution of the United States provides. Representatives of A.T. & T. and I.T. & T. would go along, named as delegates by the President, but when it came to signing treaties, only officers of the United States, with their full time dedicated to the Government of the United States, could sign the treaties as plenipotentiaries.

There are ample precedents for how to negotiate treaties when expert advice is needed.

There were named 65 delegates from this Nation, 74 from the United Kingdom, 12 from the Union of Soviet Socialist Republics, 26 from Norway, 49 from the Federal Republic of Germany, and 26 from Japan. Apparently it depended somewhat upon the interest of the nation as to how many were named.

With respect to the signing of treaties, only the officials of the governments had the power to bind the governments.

It would be strange and anomalous to take that power away from the Government and, instead, of permitting representatives of private businesses to act only as advisers, to give to them the Government power, such as is proposed.

I commend the distinguished Senator from Tennessee for bringing to us his knowledge, acquired from many years of service on the Committee on Foreign Relations. He has served ably in respect to the treatymaking functions of the Senate.

We should not give to a private organization the power provided under the Constitution to the Senate of the United States, with reference to treaties, as we are now asked to do, to permit a private corporation to make treaties on its own.

The proposal attempts to delegate the power of the Government, which is irrevocably, by the Constitution, vested in the President and in the Senate. We are asked to give that power to a private corporation. This is something the Founding Fathers would never have considered. What would Jefferson, Madison, Franklin, and Washington have thought of that kind of a proposal, under the Constitution of the United States?

I congratulate the Senator from Tennessee.

Mr. GORE. Mr. President, I point out to the senior Senator from Texas that this right, this privilege, this power which the pending bill proposes to vest in the corporation, to negotiate on behalf of the United States, is not to be exercised for national purposes but, instead, for the profit of the stockholders of the proposed corporation. It is inconceivable to me that the United States would seriously consider taking such an action.

The issue is squarely joined by the pending amendment. In my opinion, no statement by the Secretary of State in a hearing before a committee and no exchange on the floor of the Senate can obliterate the clear and unmistakable legislative history on this issue. If the Senate votes down the pending amendment, then the Government of the United States will be given at best an ambiguous position, and at worst—which I believe would be the fact—a secondary position in the many international negotiations which will be necessary to bring into being a global satellite communications system.

Proponents of the bill have referred to section 403 as being available to the Government to compel the corporation to conform its operations with official Government policy in case there should be a disagreement. Section 403 would authorize the Attorney General of the United States to go into court to seek an injunction to compel the corporation to comply with the terms of the act. But the mission of the corporation, Mr. President, is to make a profit. Could the corporation, under this provision, be enjoined to follow a course of action which would be unprofitable? What would be the outcome of litigation based upon a contention that the corporation refused to comply with the "supervision" of the President issued pursuant to section 201(a)(4)? Distinguished attorneys appearing before the Senate Foreign Relations Committee suggested that the outcome would be uncertain and that, even should the outcome be in favor of the Government, it would indeed be a cumbersome and anomalous way to seek to implement the foreign policy formulated by the President of the United States in accordance with his responsibility under the Constitution of the United States.

I raised this issue previously during debate on the floor of the Senate. It was in large measure for study of this problem and for correction of this defect in the bill that I sought consideration of the bill by the Committee on Foreign Relations. I observe that the distinguished Secretary of State, in appearing before the committee in his testimony, undertook to place a construction on the language to which I have referred which would be most favorable to the rights of the Government. I must say that I was somewhat surprised at some of the assertions made by the Secretary as to the meaning of the language which is now in the bill.

I do not wish to be misunderstood, Mr. President. It is my view that the primacy of the President of the United States in the conduct of international negotiations must be upheld in every respect.

Let me refer again to the legislative history of section 402 as it now stands. The President of the United States recommended a provision which would clearly reserve to the President, acting through the Department of State, authority to exercise full control over the conduct of international negotiations on matters affecting foreign policy of the United States, as they will be involved in establishment of a satellite communications system. The language recommended by the President was stricken from the bill. In its place we find language which transfers the initiative from the President of the United States to the proposed corporation, and authorizes this corporation to proceed to negotiate merely upon advising the Department of State of its intentions. The language in the bill does not even require specifically that the notice be given in advance. It merely provides that whenever the corporation shall enter into negotiations it shall advise the Department of State.

For what purpose was the original language stricken, Mr. President, if not to weaken the hand of the President of the United States?

It may well be, Mr. President, that after a satellite communications system is established and in operation there may be matters to be negotiated by the nations participating in the system which are minor in nature and which would not materially affect the foreign policy of the United States. This will not be true of the initial negotiations, but it could be true with respect to some subsequent negotiations after the system is in operation. Under the language recommended by the President, the Government could permit the proposed corporation to negotiate on matters that were purely "business." The question is: "Where rests the power to decide whether a given matter to be negotiated so affects the foreign policy of the United States as to require government-to-government negotiations?" Under the language recommended by the President the authority to make that decision would clearly lie with the Government. Under the language in the bill the proposed corporation would have the initiative, and no such right would be clearly reserved to the Government.

Under the language of the bill the corporation could proceed to negotiate with anyone—the Russians, the Chinese, or our friends in Europe, or with any nation. And let me remind my colleagues, Mr. President, that when the corporation negotiates, its mission will be to conclude an agreement that will insure a profit for its stockholders. That objective might, or might not, be clearly consistent with the foreign policy of the United States.

Mr. President, this is a serious defect in the bill. In my view, the authority to control the conduct of international negotiations which affect the foreign policy of the United States in the space communications field must clearly and unequivocably rest with the President of the United States. We must rely on the President of the United States in the area of foreign policy to promote the national interest, including the interests of the proposed corporation. We cannot safely rely upon the management of a proposed corporation, whose officials are not named and whose mission is to make a profit for its stockholders, to promote and protect the foreign policy objectives of the United States.

This defect in the bill can be corrected, Mr. President, by restoring to the bill the language recommended by the President of the United States. The language is explicit. The language is in conformity with the Constitution of the United States and the practice of our Republic through many, many years.

I urge Senators to consider this most carefully in the exercise of their individual responsibilities as Members of the U.S. Senate.

Mr. KEFAUVER. Mr. President, I congratulate my distinguished colleague upon his very fine argument and upon the presentation of the amendment. There can be no question about it, the foreign policy of the United States should be negotiated by the President through the State Department. We cannot afford to abandon our Constitution, our historical bases and precedents, assigning the sovereignty of the United

States to a private corporation to negotiate with other nations in international affairs.

(At this point Mrs. NEUBERGER assumed the chair as Presiding Officer.)

Mr. KEFAUVER. Madam President, not only is it not proper, but also it is unthinkable to assign and delegate the treatymaking powers of the United States to a private corporation. It is equally unthinkable to believe that the interests of a private corporation would be the same as those of the United States. The private corporation's interests might not be—in most instances might not be—the same as the interests of the Government of the United States.

We ought to examine what are the interests of the private corporation to which we are asked to delegate the sovereign power to negotiate with foreign governments. We know that among the corporations most interested are A.T. & T., RCA, I.T. & T., the big communications carrier. There is not any question that if the power to conduct foreign policy negotiations is delegated to the corporation it would be dominated by A.T. & T., which, of course, has many fine and able people working for it. The interests of the corporation may not be, and are not likely to be, the same as the interests of the United States.

I wish to say something now about A.T. & T.

It is almost a truism that when a big Government giveaway is about to be consummated, if one looks long enough and hard enough he will find one or more of the recipient's employees, agents or friends boring from within. This is particularly easy in the case of space communications, because the Government is already honeycombed with A.T. & T. "alumni."

A good example of how the wrong bees get in the honeycomb was the Dixon-Yates giveaway proposal. There, after a lot of digging, we unearthed Mr. Adolph Wenzel, who, simultaneously was working for the Bureau of the Budget and the First Boston Corp., an agent for Messrs. Dixon and Yates. This revelation put an ax handle through the spokes of that deal.

The size of the proposed giveaway of space communications to A.T. & T., and others, accompanied by the most intense lobbying activity in history by A.T. & T., led me to wondering whether the expected agent or agents might not also be lurking in the shadows in this case. I remembered the scandal that broke in 1958 at the Celler committee hearings in the House of Representatives when it was revealed how A.T. & T. had managed to get its antitrust suit settled.

In brief, what happened is this: Dr. Mervin Kelly, president of A.T. & T.'s Bell Laboratories, was also an adviser to to the Secretary of Defense, Mr. Charles E. Wilson. Dr. Kelly wrote a memorandum to Secretary Wilson, at the request of Wilson's Deputy Secretary, outlining why the Department of Justice's suit against A.T. & T.—for the divorcement of its manufacturing subsidiary, Western Electric—should be dropped. Mr. Wilson then put the memo in letter form, almost identically, signed it, and sent it to the Attorney General, Mr. Brownell. In due time, the Justice Department agreed to a consent decree in which Western Electric was neither divorced from A.T. & T. nor forced to compete in supplying hardware to A.T. & T.; it was, in short, a complete victory for A.T. & T.—and Dr. Kelly.

Guess what. Dr. Kelly is back in town—this time as an adviser at NASA rather than the Defense Department. I did not learn of this fact until very recently, and I do not yet know exactly what he is doing at NASA, except Senators may be sure that he is very busy pushing the interest of A.T. & T.

All I know at this time is that he is working on space communications satellites. His very presence as a government adviser, however, came as a shock in view of his past activities. Maybe we should appoint a convicted price-fixing executive as an adviser to the Assistant Attorney General in charge of the Antitrust Division.

I also find that Dr. Kelly is not alone in the current membership of the "Society of the Friends of A.T. & T. in Government." But maybe I should go back and explain how I discovered Dr. Kelly's return to Washington.

When the Senate Antitrust and Monopoly Subcommittee began its investigation into the anticompetitive aspects of proposals for commercial space satellites, I wrote all of the international common carriers and General Telephone & Telegraph and asked them for the names of persons on loan to the Government who were working in the field of space communications.

A.T. & T.'s reply was prompt and brief. It listed only two persons, Mr. D. P. Ling and Mr. J. R. Pierce. However, one of these names rang a bell with me. I recalled seeing a statement earlier this year by Dr. Pierce which was exceedingly critical of the U.S. space communications efforts. If what he said is correct, we are in deep trouble. I also wondered about the propriety as well as the accuracy of his remarks. I had a member of my staff look up the statement. It is entitled "Stringent Missile Standard Held Key to Com Success" and was published in the Electronic News on March 5 of this year. I was particularly interested that a Defense Department adviser would publicly question and disparge "the goals and chances for success of the Army Advent program."

Madam President, the other day in a colloquy with the distinguished Senator from Pennsylvania [Mr. SCOTT], he said that the same Dr. Pierce, presumably while advising here for the Government, told him that his great problem with A.T. & T. in getting the Telstar going was not a question of technical details, but was concerned with legislative questions. In other words, the Government, working for Telstar and A.T. & T. was having trouble with legislative details, apparently trying to persuade or influence Members of the Congress.

In addition to writing to the communication carriers, I also wrote to a number of Government agencies engaged in space communications work and asked them for the names of employees who were employed by A.T. & T. and its subsidiaries currently or in the past.

The date on the substantive reply from NASA is June 13, 1962. It is in this letter that Dr. Kelly is listed as consultant, space program planning and policy. As I said earlier, I have not had time to investigate into the details of his activities, with respect to space satellite communications, but I am sure he is taking an active part for A.T. & T.

My curiosity was aroused by the appearance in the letter from the Department of Defense of the name of Dr. Brockway McMillan, an A.T. & T. man, as Assistant Secretary of the Air Force for Research and Development, a most important position in the Air Force—head of their entire research and development program—a most important and massive program.

Regardless of ability of Dr. McMillan, this seemed an odd spot to pick for a man who had spent most of his adult life at Bell Labs. Yet, he had been routinely cleared by the Senate.

He was with Bell Laboratories from 1946 until 1961. He then came to take up the important job of Assistant Secretary of the Air Force for Research and Development.

Dr. McMillan's name did not appear in the brief list of two persons submitted by A.T. & T.; but, my request of A.T. & T. could be interpreted in a very narrow way as not to require submission of his name. However, its omission also seemed curious, as Dr. McMillan occupied, by far, the most prominent position of all A.T. & T. employees and "alumni," and he had worked at Bell Labs continuously from 1946 until 1961.

I assumed, because of his recent past and constant connection with A.T. & T., that Dr. McMillan would disqualify himself from all decisions involving A.T. & T., Western Electric, and Bell Labs. To confirm this, I asked the Secretary of the Air Force to let me review documents and manuscripts by Dr. McMillan, as Assistant Secretary, and relating to space communications.

I was able to make this review only recently. I made the request and have reviewed most of the documents, including two very important ones.

What did I find?

Much to my amazement, I found that Dr. McMillan not only did not disqualify himself from decisions bearing on A.T. & T., he has also deliberately and gratuitously gone out of his way to help A.T. & T. with the low-orbit Telstar system and disparage the efforts of A.T. & T.'s competitors who want to develop a synchronous system.

Before that, when he was still with Bell Laboratories, he had testified and filed a statement with the FCC, in which he, with other A.T. & T. employees, discussed the space problems in which A.T. & T. is interested.

I do not know to what extent Dr. McMillan has acted out of pure motives or bad motives.

I do not know if he consciously intended to help A.T. & T.

I do not know to what extent he acted to help the Air Force in its white-hot

feud with the Army over the development of the space communications program.

I do know, however, that with his background, it is shocking to find him taking an active role in furthering the fortunes of A.T. & T. and spiking those of its competitors, and in disparaging the Advent program, the synchronous satellite proposal.

It is possible that Dr. McMillan has only exercised bad judgment. That is possible. He has taken A.T. & T.'s side both in advocating a low-orbit system and in advocating that the Government at least indirectly help A.T. & T. in its low-orbit Telstar system.

I cannot go into the details of these memorandums, but I do think the Senate ought to know the details. In order to do that, at this time it would be necessary to clear the galleries and to have them read to the Senate confidentially.

On May 21, 1962, Assistant Secretary of the Air Force McMillan, the man from A.T. & T., sent a memorandum to the Director of Defense, Research and Development, Department of Defense, which in substance had this proposal: That the Air Force should spend approximately $1,350,000 of its funds actually to assist A.T. & T. in the Telstar program; that the funds were to be used for the leasing from I.T. & T. of two portable ground stations, one of which was to be transported to the Southern Hemisphere by the Air Force. The Air Force was to participate in the Telstar operations. The Air Force funds would be made available by reprograming funds already appropriated to the Air Force. The Air Force would not only lease the ground stations and transport the one station to the Southern Hemisphere, but would also operate them for the benefit of the Air Force, A.T. & T., and I.T. & T. A part of the proposal was for a coordinating team consisting of A.T. & T., I.T. & T., and the Air Force. The million dollars was to be spent in the furtherance of the study of information that might be gotten in which A.T. & T. would share. Let me say in connection with Dr. McMillan that I have confidence in Mr. Zuckert. I have asked him to make the information public.

Mr. BARTLETT. Madam President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield to the distinguished Senator from Alaska.

Mr. BARTLETT. The Senator from Tennessee is, in my opinion, making a statement that ought to be heard not only by all Members of the Senate but also by the entire country. It is important. It may even be vital. The Senator in effect is making some very serious charges. I should like to ask him whether he himself has seen the documents from which the information he is now giving us was obviously produced.

Mr. KEFAUVER. This is shocking, that a man directly out of Bell Laboratories would use his influence for these purposes. I have seen and read the documents. I cannot discuss the details of them, but they are signed by Dr. McMillan. One disparages the high synchronous system, the Advent system. The obvious purpose of it was to get it settled and to get us committed to a low-orbit system, Telstar or something like it.

Mr. BARTLETT. Is not the low-orbit system the one which so many people have said is less efficient than the high-orbit system may well prove to be?

Mr. KEFAUVER. There is no question about it. All of the witnesses, or most of those who know about these matters, say that eventually we will have to have a high-orbit system. These memorandums, signed by Dr. McMillan, the head of Research and Development for the Department of the Air Force, is directly disparaging the high-orbit Advent system, and recommends the low-orbit Telstar-type system.

In the other document that I have seen, Dr. McMillan recommends that the Air Force should use its funds to lease two ground stations also from I.T. & T. So far as I know, the money has been spent, and that is going on now. I have not followed up the details. I have urged Mr. Zuckert—whom I like and who I think is a fine Secretary—that this situation and these documents be made public. I cannot make them public, and Mr. Zuckert declined to do so.

Mr. BARTLETT. In what manner, may I ask, are they privileged?

Mr. KEFAUVER. They are marked "secret."

Mr. BARTLETT. By the Department of Defense?

Mr. KEFAUVER. Yes.

Mr. BARTLETT. It would not be beyond the capacity, however, of the Senate to make a careful inquiry into the nature of these documents and to make an assessment of whether the contention that they ought to be secret is valid or not. The Senate could do it, could it not, if time were taken to inquire and investigate?

Mr. KEFAUVER. The Senate, of course, can do that. On previous occasion it has cleared the galleries and gone into executive session and has demanded that documents like this ought to be read. That should be done before the motion to gag us is acted on.

Mr. BARTLETT. Is the Senator saying in effect that these documents might be stamped "secret" for purposes of national defense or for quite different reasons?

Mr. KEFAUVER. That is true. Mr. Zuckert has said that there was not anything secret about them. I wrote him that he let the public know what these documents were and let the Congress know what they were. That has not been done.

Mr. BARTLETT. That should be done.

Mr. KEFAUVER. It certainly ought to be done. Anyway, it shows what kind of situation we are getting into when we turn our foreign policy over to A.T. & T. and these other corporations.

Unfortunately, the Department of the Air Force is not the only Government agency infiltrated by A.T. & T. Senators will hear about a number of others before this debate ends, at least if the gag rule is not put on us.

A.T. & T. has dominated and intimidated Government agencies for years. It may continue to do so for years to come. But it shall not do so without being exposed to the view of public opinion and reaction.

I shall have more to say soon on A.T. & T. and the General Services Administration, which I understand other Senators will discuss, and NASA and the Department of Justice, and other Government agencies and their relations with A.T. & T.

I think it is obvious that the primary reason for A.T. & T.'s honeycombing the Government is to protect its monopoly and further, to protect its huge investments in such things as undersea cables from being obsoleted by such revolutionary things as space satellites.

You can bet your bottom dollar that, if H.R. 11040 passes, the new satellite corporation will be dominated by A.T. & T., and that it will be the Telstar system which is adopted.

As a matter of fact, provisions of the pending bill now require conformity with existing facilities. Of course, they already have a great many existing facilities. The bill commits us irrevocably not to the system that will put us ahead in space communications, but one which will be obsolete within 2 or 3 years.

This dominance of A.T. & T. will be aided and abetted by A.T. & T. influence in those Government agencies which are both to cooperate with the new corporation and to regulate it.

In my view, we cannot and should not trust our all-important future in space communications to a private monopoly of this type.

Madam President, I yield the floor.

Mr. BARTLETT. Madam President, I want to tell the Senate the story of an A.T. & T. which is so powerful that it can undo the will of Congress by immobilizing, if not destroying, a small Government unit that had saved the taxpayers millions of dollars by working for reductions in excessive telephone rates.

The story begins on July 14, 1959. On that date, 12 employees of the General Services Administration received individual cash awards ranging from $200 to $3,000 for what was described as "exceptional accomplishment resulting in estimated savings to the Government of more than $100 million over a 10-year period." The individual awards totaled $10,000 and constituted the largest group monetary award ever given in GSA.

The 12 employees receiving these awards had been members of what was called the SAGE project team. SAGE is the first letter abbreviation for "semi-automatic ground environment." This is a system of communications contracted for by the Air Force to shorten the time interval between the discovery of attacking enemy aircraft and the use of planes and missiles to bring them down.

As we all know, the use of private line telephone services for this purpose involves tremendous costs to the Government. GSA's role in the project was to represent the Government's interests in

rate proceedings before Federal, State, and local regulatory bodies.

Referring to the achievements of the 12 GSA employees receiving the cash awards, GSA declared:

The extraordinary efforts of all the members extending over a 2-year period resulted in rate reductions and consequent savings to the Government far beyond expectations.

That was on July 14, 1959. Madam President, the A.T. & T. vice president in charge of regulatory matters is one Edward B. Crosland, who maintains offices at both 195 Broadway, New York City, and 1730 K Street NW., Washington, D.C.

This is the same Mr. Crosland who played a leading role in lobbying the individual members of the Federal Communications Commission at a crucial point in behind-the-scenes maneuvering that resulted in the consent-decree giveaway to A.T. & T. during the previous administration. As shown by the investigation of this giveaway by the Celler Antitrust Subcommittee in the House, there were long-distance telephone calls during this crucial period between Mr. Crosland and individual members of the FCC even at his home.

This is the same Mr. Crosland who was hovering in the background during proceedings before the FCC in 1961 which led to the establishment of the ad hoc carriers' committee on space satellite communications.

When last heard from, Madam President, this same Mr. Crosland was chasing around the country making speeches—aided by fancy props—favoring the giveaway in satellite communications which some of us are trying here today to prevent.

But to get back to Mr. Crosland in 1959: A few weeks after the GSA awards ceremony, Madam President, there was a meeting of the Transportation and Communications Committee of the U.S. Chamber of Commerce. This meeting was held on September 9 and 10, 1959, and Mr. Crosland attended.

The evidence is clear that he was burned up about the actions of GSA. In an account of the meeting, the September 19, 1959, issue of Traffic World, at page 31 reported:

The subject of intervention by Government departments or nonregulatory agencies in rate cases or acquisition cases was brought up by Mr. Crosland of A.T. & T., after action on the expiring policies had been completed. It was a wasteful duplication of effort, he contended, for the General Services Administration to make representations before the FCC when the latter agency had its own Common Carrier Bureau which was charged with protection of the public interest, including that of the Government.

"We think it unfair for the Government to appear in these cases as prosecutor," he (Mr. Crosland) said. "About a year ago, 20 State commissions sent a letter to the Senate Appropriations Committee protesting against GSA activities. Recently, at the FCC, the GSA filed a petition to reduce our private-line telephone rates, and the FCC did reduce them. * * * I haven't proposed any recommendations, but I think we should spell out our opposition."

Madam President, I wish to repeat this one quotation attributed to Mr. Crosland—that the GSA had "filed a petition to reduce our private-line telephone rates, and the FCC did reduce them." I suggest that this, together with the cash awards so recently given to the GSA people, was the source of his anger.

What was the upshot of his speech before the U.S. chamber committee? According to the same issue of Traffic World, at page 27:

Chairman Carey (of the transportation and communications committee) appointed a subcommittee to study the matter and report its recommendations with respect thereto at a later meeting of the committee. Edward B. Crosland, vice president of American Telephone & Telegraph Co., New York City, was named chairman of the subcommittee.

Thus began, Madam President, a concerted campaign to weaken what was then known as the Transportation and Public Utility Service—TPUS—of GSA. It was carried on through not only the U.S. Chamber of Commerce but also the National Association of Railroad and Utilities Commissioners, individual State regulatory commissions, elements of the transportation industry, and other groups.

Hearings on the GSA appropriation for fiscal 1962 before the Senate Appropriations Subcommittee on Independent Offices are full of examples of organized opposition to the activities of the little TPUS unit in GSA.

I refer Senators to pages 925 to 928 for a statement on behalf of the Transportation Association of America; to pages 929 to 932 for a statement on behalf of the U.S. Chamber of Commerce; to pages 1051 to 1058 for statements on behalf of the U.S. Independent Telephone Association, the Air Transport Association of America, several so-called independent telephone companies and others; to pages 1318 to 1320 for letters and statements by or on behalf of the chairman of the Virginia State Corporation Commission, Mr. P. M. Shoemaker, of the Erie-Lackawanna Railroad Co.—who, incidentally, was a member of the Crosland subcommittee—and representatives of the Arizona Railroad Association and the Alabama Public Service Commission.

On pages 917 and 918 of this same record, Madam President, will be found the text of an oftquoted resolution adopted at the 1960 annual convention of the National Association of Railroad and Utilities Commissioners, calling for curbs on GSA's appearances before regulatory bodies. In a moment, I should like to explain the circumstances under which this resolution was adopted.

The casual observer might conclude that all of these statements, letters, and resolutions by these individuals and groups were spontaneous. However, Madam President, there is persuasive evidence that the campaign was organized and directed from A.T. & T. offices right here in Washington.

In August 1960, the head of the A.T. & T. Washington office sent a communication to all so-called public affairs representatives and all general counsels in the Bell system listing a number of businesses and trade organizations which allegedly had become concerned about GSA's interventions in regulatory proceedings. He noted that the U.S. Chamber of Commerce, the Air Transport Association, and the Movers' conference had adopted anti-GSA resolutions and that others—including the Transportation Association of America, the Association of American Railroads, the Independent Natural Gas Association and others—were expected to follow suit very shortly.

Then he made the admission that A.T. & T. had conferred with many of these businesses and trade organizations, including their lawyers, and discussed with them their policies toward GSA.

Moreover, he admitted that A.T. & T. had discussed with these people the contents of a 65-page anti-GSA memorandum prepared by A.T. & T. which A.T. & T. had sent to these organizations and which many of these organizations, in turn, had mailed to their members.

Indeed, Madam President, A.T. & T. carried on a most concerted campaign to whip up antagonism against this little TPUS unit in GSA, a unit whose only sin was trying to protect the public interest. They even brought in reinforcements from the associated Southern Bell Telephone Co. in Atlanta in the person of an attorney who was kept busy for months preparing legal study after legal study and report after report and writing letter after letter—all in support of the proposition that the TPUS unit in GSA just had to go.

He was a very busy man. He wrote to the Alaska Steamship Co.: the Delaware, Lackawanna & Western Railroad Co.; the Eastern Railroad Presidents Conference; the Railway Express Agency; the Connecticut Light & Power Co.; the Washington Gas Light Co.; the Southern Co.; Western Union—to both New York and Washington offices—the Baltimore & Ohio Railroad Co.; the First National Bank of Chicago; the Commonwealth Edison Co.; the American Waterways Operators, Inc.; American Airlines; the Association of American Railroads; the Alcoa Steamship Co., Inc.; the Florida East Coast Railway Co.; the Movers Conference of America; the American Gas Association; the law firm of Smith, Gray, Hill & Rodgers of Portland, Oreg.; the Pacific Northwest Power Co.; the Montana Power Co.; and the Continental Illinois National Bank & Trust Co. of Chicago. I have read enough names to indicate that that attorney for Bell was quite a letterwriter. It appears that this Southern Bell attorney also went to Chicago to personally deliver some anti-GSA material to Continental Illinois.

And all the while, Madam President, he remained on the payroll of Southern Bell. So there he was, in Washington, being paid by the telephone ratepayers of Tennessee, Georgia, Mississippi, North Carolina, South Carolina, Florida, and Alabama, to carry on a campaign against the interests of the same telephone users and millions of others around the country.

One of the principal complaints which he helped to spread against GSA was that the taxpayers were spending an undue amount of money to finance GSA intervention in regulatory proceedings. As I shall later show, Madam President, the cost of such representation has never

exceeded a few hundred thousand dollars, whereas the benefits in terms of dollar savings in telephone charges to the Government have been enormous.

I have no way of knowing how much money, time, and effort A.T. & T. spent to carry on this campaign against the interests of the taxpayers; I doubt that such information is filed with the FCC. But I am confident that the amount far surpasses the relative pittance appropriated to the TPUS unit of GSA.

As I have noted, Madam President, one of the products of this anti-GSA campaign was a resolution adopted by the 1960 Annual Convention of the National Association of Railroad & Utility Commissioners, in Las Vegas. We are indebted to the distinguished Senator from Maine [Mr. MUSKIE] for bringing to the RECORD an eyewitness account of the circumstances attending the adoption of this anti-GSA resolution.

In volume 107, part 11, page 14143, of the CONGRESSIONAL RECORD, Senators will find this account, written by Commissioner Richard J. McMahon, of the Maine Public Utilities Commission, in a letter to Senator MUSKIE, dated April 7, 1961. Commissioner McMahon said:

> When this resolution was adopted, there was only a voice vote. When the vote was taken, there were several individuals standing, asking for a call of the States by roll-call and by commission, but the president announced the results before he would recognize anybody on the floor. What he did—he allowed a motion to reconsider, but that was voted down by voice vote, and he announced that result and moved on to the next resolution before anything could be done to determine what States and commissions were in favor of the adoption of this resolution.

Commissioner McMahon's account continues—and I urge that Senators pay particular attention to this part:

> In the room at the time were possibly 100 commissioners representing most of the States and Federal commissions. Also, another 200 guests of the convention representing the affected industries of all the resolutions passed at that session were present.

Madam President, I am informed by others who were present that by far the majority of these 200 guests were employees of the Bell System, and that many of these joined in shouting for the resolution at the time when the voice vote was taken.

This, then, was the buildup which A.T. & T. had generated to prepare the way for the publication, in November 1960, of the anti-GSA report of the chamber of commerce special subcommittee which Mr. Edward B. Crosland, of A.T. & T., had inspired, and which he had been named to head.

A copy of the report may be found in the record of the fiscal year 1962 hearings before the Senate Independent Offices Appropriations Subcommittee, beginning at page 933. Substantially, it is a broadside attack on GSA intervention in rate cases before regulatory bodies; and it wound up with recommendations urging that GSA's functions in this respect be severely limited.

If anyone doubts that the aim of this report was to immobilize the TPUS unit in GSA, then let me read from the minutes of a meeting of the Transportation and Communications Committee of the U.S. Chamber of Commerce. This meeting was held at Sans Souci, Mich., on September 7–8, 1960, just a month or two before the report of the Crosland subcommittee of this group came out. Mr. Crosland was present, as was the attorney who had been lent to A.T. & T. by Southern Bell to carry on the campaign against GSA.

The discussion got around to the budget for the TPUS unit in GSA; and there is this entry in the official minutes:

> It was stated that the subcommittee felt—

And that means the Crosland subcommittee, Madam President—

> that a simple rollback in funds would not solve the situation, but what is needed is to get GSA out of such activities entirely.

"Such activities," Madam President, refers to GSA's intervention in rate cases. I do not know who slipped up and let this real aim of the Crosland subcommittee get into the official minutes, but there it is—"what is needed is to get GSA out of such activities entirely." Not a little bit, not part way, not halfway, not three-quarters of the way, but altogether destroy this unit that had saved the taxpayers well over $100 million since it commenced its effective representation before the regulatory bodies in behalf of the people, the taxpayers of the United States.

That was the way for the A.T. & T. to get the rates that it desires—put out of business this little gnat that has been biting them so hard and constantly. That is what they wanted to do. Their minutes disclose their purpose. I surely do not know how they came to leave those words in the record of the official minutes.

(At this point Mr. BARTLETT yielded to Mr. MORSE for the submission of amendments. Mr. MORSE's remarks appear elsewhere in today's RECORD.)

Mr. BARTLETT. Madam President, I have found it always easy to yield to the Senator from Oregon because I am in such thorough agreement with everything he has had to say.

To return to my basic point, and which I believe to be a very important one for the consideration of the American people and the consideration of the Senate in connection with the communications satellite bill, I want to call the attention of my colleagues to the summary to be found on page 1119 of the hearings on the independent offices appropriations for the fiscal year 1962 before the Senate Appropriations Subcommittee. This summary shows what? Well, I have been dealing in minimum figures up to this time in connection with the amount this little tiny unit of GSA has saved all of us, all the taxpayers, by its appearances in behalf of the Government before regulatory agencies of the Government. I have said the savings were in excess of $100 million.

Well, the fact is that GSA has saved the taxpayers, not $100 million, not $110 million, not $150 million, but, indeed, in excess of $160 million by virtue of its appearances before regulatory agencies. And even in this day when we are used to talking in large terms about money, that is a lot of money of the taxpayers.

And the largest saving in the summary, Madam President, is in connection with private-line telephone service in which A.T. & T. was involved and to which Mr. Crosland referred in his speech before the U.S. Chamber Committee. The 10-year saving here is listed as $100 million. It is no wonder then that Mr. Crosland, as A.T. & T. vice president in charge of regulatory matters, was so anxious to get GSA out of the picture.

At any rate, Madam President, after Mr. Crosland and his subcommittee submitted the report, the A.T. & T. lobby started to work. They began working both sides of the Capitol, trying to whittle down the Transportation and Public Utilities Service of the GSA.

Before we knew it, there was tacked onto the independent offices appropriation bill for fiscal 1962 a Senate amendment which reads as follows:

> No part of the funds appropriated by this act shall be used for the preparation or presentation of evidence or arguments before Federal and State regulatory agencies concerning the regulatory policies of such agencies on overall earnings level or total property evaluation of transportation or utility companies.

This amendment is substantially what Mr. Crosland and the A.T. & T. wanted. And we know why they wanted it.

Under this amendment, the entire reduction proposed in the GSA budget for fiscal 1962 would have come out of its allocation for representing the interests of the Government before regulatory agencies. The GSA, before the Federal Power Commission, before the State regulatory agencies as well—before all of these—would have been prevented from introducing evidence or making any representation, from presenting any evidence or arguments having to do with rate or valuation. This would have meant that the GSA would not have represented the Government in a rate case, because rate and valuation are the only two things really involved.

If one would go to a rate lawyer and say, "You can represent me in this rate case, but you cannot present my arguments or any evidence or build up any case on rate or valuation," the lawyer would say, "There is no use in my presenting the case. That is all I can talk about." Indeed, those are the only things involved in respect to the amount the utility is entitled to charge.

So what we had before us in the Senate last summer, my colleagues may recall, was an amendment to the GSA appropriations bill which naturally A.T. & T. wanted us to agree to.

Now, Madam President, A.T. & T. likes to charge the Government very large amounts—very, very large amounts. At page 1179 of House hearings on independent offices appropriations for fiscal 1962 will be found a table showing approximate amounts paid by the Federal Government for communications, as well as for transportation and other utilities services.

This table shows that the cost of communications services to the Government had gone up from $205 million in 1956 to $386 million in 1961—almost double. And the rate of increase has been far greater for communications services during this period than it has been for transportation and other utilities services.

We may safely assume that almost all of the nearly $400 million a year spent by the Government for communications—and this is a conservative estimate—goes into the pockets of the A.T. & T., considering the virtual monopoly in domestic and worldwide communications enjoyed by this Goliath.

Have A.T. & T.'s charges to the Government been excessive? Indeed they have been, Madam President.

In November 1959, the Comptroller General issued a report entitled "Review of Management of Leased Private Lines Telephone Facilities in the Department of Defense and Selected Civil Agencies." It was stated in the covering letter, by the Comptroller General to the Speaker of the House of Representatives:

The Government has been incurring excessive costs amounting to possibly more than a million dollars annually in the leasing of private lines facilities. These excesses have been the result of (1) the erroneous application of certain rates and (2) inefficient administrative practices on the part of the Government departments and agencies.

And further:

Part of the excessive costs which have been and are being incurred can be attributed to the fact that the American Telephone & Telegraph Co. (A.T. & T.) has not fully applied Tariff FCC No. 231, which is in effect a discount for volume service, to the eligible circuits of each Government department and agency.

And so on. I turn now, Madam President, to a second report issued by the Comptroller General. This is more recent—February 1962—and is entitled "Review of Programing and Procurement of Selected Operational Equipment and Communication Services and the Utilization of Certain Technical Personnel by the Department of the Air Force Semiautomatic Ground Environment System—SAGE." Let me read an excerpt from the covering letter from the Comptroller General to the Speaker of the House of Representatives:

Our review disclosed that about $13 million has been unnecessarily expended by the Air Force in equipping and operating the SAGE system. The unnecessary expenditures for equipment, amounting to about $10.8 million, were caused by failure to reduce the amount of consoles, generators, air-conditioning and boiler equipment at various sites to actual needs when operational experience became available, by premature purchase of gap-filler radars, and by failure to terminate a contract for the purchase of manual control equipment after it became apparent that the equipment was not needed for the SAGE system. The other unnecessary expenditures comprised the payment of at least $1.5 million in improper minimum service charges (MSC) for canceled services that had been re-leased to other users, including the Army, and the training of SAGE operational personnel, at an estimated cost of about a half million dollars, who thereafter were not fully utilized to perform work they were specially trained to do.

Further in this letter, the Comptroller General makes this comment on the excessive payment of minimum service charges:

With respect to the payment of at least $1.5 million in improper MSC for canceled communication services, the American Telephone & Telegraph Co. (A.T. & T.) agreed to the existence of erroneous MSC payments by the Air Force and has subsequently advised us that its total completed refunds amount to $1,226,996 for SAGE. Also, the Air Force has informed us that it is reviewing all MSC payments.

Madam President, the Comptroller General's report from which I am quoting contains what, in my opinion, is a most eloquent argument for the need for constant Government surveillance of A.T. & T. I want to quote a passage that says to me, in effect, "If you don't keep an eye on this outfit all the time, they will steal you blind." I quote:

The private line communication requirements of the SAGE system at times have necessitated construction by the American Telephone & Telegraph Co. (A.T. & T.) of special telephone facilities for which there was no foreseeable use at time of construction, other than as part of the SAGE system. The telephone tariffs applicable to these facilities permit arrangements whereby the revenue from the services is guaranteed to A.T. & T. by the Air Force for a 10-year period through the medium of minimum service charges on unused facilities.

Parenthetically I wish to emphasize that the arrangement provides that the Government must pay something—minimum charges—for facilities that would not be used at all.

I continue to read:

Minimum service charges differ from termination charges in that minimum service charges are recurring and apply where one or more but not all of the services and circuits involving special construction are discontinued. Because the Air Force must continue to pay these charges over the remainder of the 10-year minimum service period, they are termed minimum service charges although they are computed at the same tariff rates as monthly recurring service charges.

I remind Senators that it is the Comptroller General of the United States who is speaking:

Our review showed that the Air Force depended too much on A.T. & T. and did not provide adequate surveillance or sufficient cross checks of its own to insure that minimum service charge billings were supported by complete and accurate records of the assignment of circuits to specially constructed facilities. We further found that the Air Force was unaware of the costs of unused circuits in that it knew neither the amount of minimum service charges already paid, the potential liability for minimum service charges, nor the contingent termination liability.

Our study of SAGE also showed that the A.T. & T. construction proposals, which are the bases for determining whether minimum service charges should apply to canceled circuits, did not reliably reflect the circuits on special construction. For example, the Air Force ordered 30 circuits from north Syracuse, N.Y., to Claysburg, Pa., and, in order to provide alternate routing, specified that 15 circuits were to use cable and 15 circuits were to use microwave facilities. A.T. & T. prepared special construction proposals for each facility. The Air Force canceled the 15 circuits on cable and was being billed for minimum service charges. We found that A.T. & T. did not construct the microwave facilities but instead placed the inservice 15 circuits on the cable which was constructed for the canceled group.

Thus, we see, Madam President, that not only does A.T. & T. like to charge the Government very large amounts, but it also charges excessive amounts even when any charge would be inappropriate.

Had the restrictive amendment to the GSA appropriation bill prevailed last summer—and fortunately it did not—the attorneys for A.T. & T. in rate proceedings would have been allowed to make their record as to why A.T. & T. should have the rate it was trying to charge, or why A.T. & T. should have a larger rate, or why the rate should not be reduced; but the GSA would be prohibited from building up any record or from making any argument on behalf of the U.S. Government as to the injustice of the rate, as to why the rate should be reduced, as to why the rate should not be increased, or as to why the interests of the Government would not be protected if the position of A.T. & T. should prevail.

In other words, A.T. & T. wanted to have the plaintiff, itself, represented by counsel and to build up a record, but it did not wish to have the Government of the United States—the taxpayers, the people who pay—represented by any counsel to build up any record so that the overall merits of the two sides could be considered.

Senators will remember that the amendment prevailed in the Senate vote last summer on the GSA appropriations despite the efforts of the Senator from Wisconsin [Mr. PROXMIRE] and others of us here. However, the conference committee struck the amendment, restored all but $75,000 of the $300,000 originally cut out by the Senate and directed that this $75,000 reduction be spread throughout the entire TPUS and not applied solely to the GSA representation function before regulatory bodies.

In other words, the conferees—and the entire Congress, by its final vote on this appropriation—left the clear implication to GSA that it was to continue to represent the Government in rate matters before Federal and State regulatory bodies with the same vigor and militancy that it had in the past.

However, Madam President, this is not the end of the story—not by any means. Congress had spoken; its will had been firmly stated; the instruction to GSA was clear. But did A.T. & T. consider that it had been defeated? It did not, and here is why:

When Congress is in session, the A.T. & T. Washington office sends to its A.T. & T. associated company offices around the country periodic legislative reviews. By means of these reviews during 1961, the Bell System had been kept informed of the progress of the GSA appropriation bill right on up to the final vote on the conference bill.

But the A.T. & T. legislative review containing the information about this final vote ended on a rather hopeful note—hopeful, that is, for A.T. & T. In effect, the Washington office of A.T. & T.

let everybody in the Bell System know that everything would be all right because there had been a realinement of GSA functions and personnel in the Transportation and Public Utility Service.

These words, "realinement" and "functions," are those used by A.T. & T. in August to describe the changes taking place within GSA. How strikingly similar this wording is to that used by the GSA Administrator, John L. Moore, just a few months later when he announced that the TPUS unit had been reorganized. According to the October 30, 1961, issue of Telecommunications Reports, GSA said of the reorganization, "this realinement of functional elements has resulted from a comprehensive study of our changing needs."

Getting back to the A.T. & T. legislative advisory to the Bell System: What could A.T. & T. mean when it spoke of the realinement of GSA functions and personnel in the TPUS unit? And why did A.T. & T.'s Washington office think this information was significant?

At the outset of my remarks, Madam President, I related that in July 1959, 12 so-called SAGE project employees of GSA had received cash awards for "extraordinary efforts" resulting in rate reductions and consequent savings to the Government by reason of GSA's appearances before regulatory agencies in private line telephone rate cases.

I do not wish to embarrass any of these people by referring to them by name. But here is what happened to several of these receiving the top awards:

One, who had received the top individual award of $3,000, was "eased out" of the GSA—and after 30 years in Government service, mind you.

Another, who had received $2,000 as the second highest individual award winner, is now working for another agency.

The No. 3 award winner, who had received $1,500, was taken off telephone rate casework—in which he was expert—and given other duties. Now, he, too, has left GSA.

A fourth award winner, who had received $550, is likewise no longer with GSA. He went to another Government agency here in Washington, as did still another $500 award winner.

Two other award winners have remained with GSA but have been taken off telephone rate work, I am informed.

Thus, Madam President, every one of those who had been in the forefront of the fight to keep down A.T. & T. rates in behalf of the taxpayers—and had been rewarded by their Government for it—have now been eliminated or neutralized, one way or the other.

But neither is this the end of my story, Madam President.

I do not know all of the pro-A.T. & T. agents within GSA, but I do know that one of them may be the man who drafted the paper, a copy of which I have here.

This copy came to hand, Madam President, from an independent source. It is a working paper entitled "Reappraisal of GSA Representation Functions," and is dated November 7, 1960.

Under the subtitle, "The Budget Increase Problem," there is the following—and I quote:

> There are possible methods of limiting GSA litigation expenditures which might be given consideration upon reappraisal:
>
> 1. Being more selective in choosing cases for GSA intervention or other action, and engaging in fewer cases;
>
> 2. Relying on regulatory agencies and their staff to protect the consumer interests of the Government in particular cases in which staff activities would be fairly adequate; and
>
> 3. Delegating authority to other Federal agencies to represent the Government in cases in which the other agency would have sole or predominant consumer interest, as presently we do to DOD.

In other words, Madam President, rather than having GSA pursue its traditionally militant role in regulatory proceedings, this policy planner would have had GSA cut back on its interventions, would have had GSA rely on others to do the job that the law tells GSA to do and would have hidden behind other Federal agencies.

Elsewhere in this most unusual document there is the suggestion that GSA intervene only in cases in which there is a good chance that at least part of the rate increase request will be denied. How that could be predetermined by GSA or anyone else is beyond me, Madam President, but the suggestion itself clearly reflects a roll-over-and-play-dead attitude.

A further suggestion in this GSA document, Madam President, is that GSA should not offer evidence on the subject of rate of return unless it offers substantial evidence on other issues, and can subordinate the rate of return material to the other data.

So it goes. There are other suggestions, all indicating the attitude on the part of the writer of the document that GSA should abandon much of its militant approach of the past.

I might add, Madam President, that according to another document which came to hand from an independent source, the GSA General Counsel on February 13, 1961, endorsed the suggestions I have cited.

Moreover, Madam President, the writer of the working paper I referred to has since been promoted to one of the top positions in the GSA Transportation and Communications Service—while those who had fought hard for the taxpayer have been eased out.

Among those who are no longer with GSA are two former members of the Transportation and Public Utilities Service who appeared before the House Independent Offices Appropriations Subcommittee a year ago and vigorously defended the GSA regulatory work.

I think it is significant, Madam President, that these witnesses did such a good job of justifying the proposed budget for their unit that almost all the money they asked for was approved by the House.

However, neither of these men testified before the Senate Appropriations Subcommittee—and it was in this committee that the restrictive amendment was added and the move made to cut the heart out of the GSA representation function.

The two GSA officials who did appear before the Senate subcommittee were the present GSA Administrator, Mr. Bernard L. Boutin, then the Deputy Administrator, and Mr. Malcolm D. Miller, who is now the Assistant Commissioner of the Transportation and Communications Service of GSA.

I should like to refer to a part of their testimony, appearing at page 1299 of the Senate subcommittee hearings. I quote Mr. Boutin:

> Mr. Chairman, if I may speak, please, on the matter of policy. Of course we are in no position to speak for what has gone on before, we were not aboard—speaking of Mr. Miller and myself. It would be unfair to make a comparison. We can only speak to what our policy is going to be in trying to properly fulfill our statutory responsibility.
>
> We believe that the effort should be made by the Government through GSA to negotiate with any utility and transportation company, for reasonable rates and for reasonable services on behalf of the Government as a user. We only intend to intervene in those cases where negotiations have failed to produce the desired results, both as to amount of rate and as to the service that is rendered to the various Government agencies. We intend in those cases to present evidence to the best of our ability without confining it to specific issues because we think this would destroy the entire principle of our being there in the first place—to present the issues before the regulatory body in the interest of the Government as a large and substantial user, in fact many times as principal user.

In other words, Madam President, the GSA policy which was to ensue under the new administration was to be this: In rate cases, we will negotiate first and intervene second. The GSA law as I read it does not make negotiation a condition precedent to intervention. Besides, rate lawyers tell me they do not know how you can accomplish anything by trying to negotiate with a utility like A.T. & T. when it is going after a general rate increase.

Some further light on the new roll-over-and-play-dead policy which now exists in GSA is shed by the December 26, 1961, issue of Telecommunications Reports in reporting on a so-called get-acquainted press conference held by GSA Administrator Boutin.

One sentence in that account is particularly significant:

> Mr. Boutin declared, however, that GSA "has a duty to appear" in cases where the "Government is being penalized by rates or services."

Now compare that with one of the principal objectives of the opponents of GSA intervention, as set forth—among many other places—in a resolution adopted by the U.S. Independent Telephone Association in October 1960, as found at page 1053 of the Senate hearings. This resolution expresses "this association's firm conviction that GSA's intervention in regulatory matters should be restricted solely to the presentation of evidence of claimed discrimination against the Federal Government as a user of service and that any further or additional participation constitutes dilution of responsibility, unwarranted waste, and duplication of effort."

The opponents of GSA intervention want GSA to go in only where the Government is being discriminated against. Mr. Boutin says GSA should go in where the Government is being penalized. It

would seem to me that he had bought this argument of the enemy's as well.

Again, at page 1301 of the Senate Independent Offices hearing, we find Mr. Miller explaining GSA's new policy of adding "additional considerations" for intervening in regulatory proceedings and being "much more selective in the future in choosing cases for intervention." This is his answer in reply to a question as to which of the 75 GSA cases then pending would GSA have refrained from entering if the policy expressed in a GSA letter of May 19, 1961, to the committee had been in effect during the pendency of these 75 proceedings:

Mr. MILLER. Yes.

The policy contained in the letter of May 19 was not based upon any analysis of the prior decisions, as to which we would have entered or which we would not have entered. The policy, as stated, would not necessarily have resulted in our refraining from entering any of those cases. The policy does propose to add additional considerations for entering into the proceedings and to provide for full participation in the cases.

Pursuant to Mr. Boutin's statement concerning negotiation, to be followed by participation in the cases, it is probable we will be much more selective in the future in choosing cases for intervention. There is really no way out of applying this policy to the past that I can see. If anything, it would be a matter of saying, "Well, we should not have been in the cases we were less successful in, and we should have been in the cases we have been more successful in." That is about all that can be said.

This seems to me to signify the same kind of surrender by GSA to A.T. & T. which runs all through the draft document which I spoke of a few minutes ago. Greater selectivity in the choice of cases for GSA intervention was certainly one of the suggestions made in that document.

I might add, too, Madam President, that greater emphasis upon the rate negotiation function, as compared with the intervention function, has been one of the alternative goals of A.T. & T.

It is no surprise, Madam President, to learn from the House Independent Offices Appropriations hearings held last February that the "selective" policy of GSA, as described by Mr. Boutin and Mr. Miller, has led to little or no activity.

As explained at pages 399 and 400, part 2, Administrator Boutin could now say he enjoyed a "vastly improved relationship" with the utilities, that the "air has been cleared" and that GSA has a "minimum of complaints."

Of course, I should imagine that the relationships of this agency, which is no longer going forth to do battle in behalf of the taxpayers, would be excellent with the communication carriers, and all others concerned.

In contrast to the previous year's record of savings in regulatory cases, the only proceeding mentioned in this year's hearings relates to Telpak, as to which the Administrator says it is "interesting" that GSA is on the same side as A.T. & T.—page 400. Great emphasis was placed on savings from the use of Telpak telephone services, but it is clear they did not result from any negotiations with A.T. & T. or any effort by GSA, because the Commissioner of GSA's Transportation and Communications Service—which has succeeded TPUS—stated to the committee:

So far as the bulk tariff offering is concerned, this is an offering which they [A.T. & T.] of their own volition, have advanced. It is not something which has been sought particularly but they [A.T. & T.] have advanced it (p. 400).

A statement of savings to the Government from all sources, requested by the committee, discloses savings only in connection with transportation and none in connection with communication services.

Another interesting thing about the fiscal 1963 appropriations hearings in the House is this: Although GSA is seeking vastly more money than ever before for the transportation and communications function—$4.4 million rather than the $2.3 million about which there was an uproar last year—not a single objection was raised by the U.S. Chamber of Commerce group headed by Mr. Crosland, of A.T. & T., or by the multitude of organizations which flooded both Houses of Congress with indictments of GSA last year.

Is that not significant? I believe it is very significant.

Last year, the Crosland group was vigorously urging that a million dollars be cut from the $2.5 million being sought for GSA's Transportation Public Utility Service, on the ground that the appropriation had grown too large and a cut was requested in the interest of economy. Many individuals or organizations were shown in last year's hearings to have joined in this request.

But this year, although nearly twice as much money is sought, not a complaint is heard. It is very easy to understand why the utilities and A.T. & T. are satisfied—especially the latter—because it once again proves the power of A.T. & T. to control the very process of government.

At the outset of my remarks, Madam President, I said that A.T. & T.'s power is such that it had undone the will of Congress in bringing to a virtual standstill the activities of GSA in protecting the interests of the taxpayers in communications and other utilities' services before Federal and State regulatory bodies.

I wish now to explain how the will of Congress in this regard was undone. Not only that, but I want to show GSA itself is guilty of a deliberate misrepresentation that has the effect of showering upon a GSA employee the glory that rightfully belongs to certain Members of the Senate.

First, as to the matter of undoing the will of Congress:

I have pointed out that the House of Representatives last year approved an appropriation for the GSA Transportation and Public Utilities Service totaling $2,475,000. No restrictive language was written into the House committee report which would have curbed GSA's intervention activities.

I have also pointed out that this was largely the result of vigorously defended GSA's regulatory work but who since have been eased out of GSA.

I have also pointed out that it was in the Senate Appropriations Committee that not only was $300,000 knocked out—virtually the entire amount assigned to GSA representation before regulatory bodies—but a rider was written in which would have barred Government intervention in almost every kind of regulatory proceeding.

This cutback, as I have noted, came as the result of testimony by GSA Administrator Boutin, then the Deputy Administrator, and by Mr. Miller of the Transportation and Communications Service.

Senators will recall that it was only after a vigorous fight put up on the floor of the Senate by a number of my colleagues—the Senator from Wisconsin [Mr. PROXMIRE], the Senator from Tennessee [Mr. KEFAUVER], the Senator from Maine [Mr. MUSKIE], the Senator from Alaska [Mr. GRUENING], to mention just a few—that all about $75,000 of the funds cut out by the Senate was restored and the amendment was stricken. Moreover, according to the language of the conference report, this lesser reduction of only $75,000 was to be applied uniformly throughout the Transportation and Public Utilities Service and not against the representation function only.

According to a table to be found at page 1106 of the Senate independent offices appropriations hearings for fiscal 1962, entitled, "Estimated cost of participation by TPUS before regulatory agencies, fiscal year 1961," the total for this functions is given as $390,000.

Recently, GSA was asked to give—in the same tabular form—the estimated cost of its participation before regulatory agencies for the fiscal year *1962*. It was given for the period July 1, 1961, through March 31, 1962, and the total for those three quarters was a mere $181,000. This would indicate an annual rate of $241,332—or a reduction of $148,868 from the estimated cost for the previous fiscal year.

Therefore, Madam President, not only was the entire $75,000 reduction in the fiscal 1962 appropriation applied to the representation function, but there was a further reduction of almost equal amount in expenditures for appearances before regulatory bodies—contrary to the will of Congress.

But the crowning blow was delivered a month ago, on July 11, 1962, when GSA held its annual honor awards ceremony. According to a copy of the program which I have here, the meritorious service award was given to Mr. Malcolm D. Miller, Deputy Commissioner, Transportation and Communications Service. Listen to some of his achievements:

The recommendations and comments made by Mr. Miller have led to more efficient operations within this Service.

There is no specific mention, however, of his authorship of the draft memorandum—later adopted by the GSA General Counsel—urging a roll-over-and-play-dead policy by GSA in regulatory interventions.

Further, according to his citation:

He participated in the selection of key personnel and as a result, those officials are

now serving in positions for which they are most highly qualified.

However, nothing is said in the citation about the magnificent public servants who, at a previous honor award ceremony, were given cash prizes or cash awards for their contributions, in recognition of the many millions of dollars they had saved all of us, but who since then have been eased out of GSA after making long and distinguished records of protecting the interests of the taxpayers against the greed of A.T. & T. and other utilities before the regulatory bodies. One such employee served the Government for 30 years; but his discharge was his reward for performing outstanding service and helping to save up to $160 million. He was booted out of GSA.

Then there is this paragraph in Mr. Miller's citation:

During this period (May to September, 1961) Mr. Miller participated in a special hearing before the Senate Appropriations Subcommittee and, as a result of his expert testimony on a highly controversial subject—

And, as an aside, I will concede that it was—

the reduction in funds was considerably less than the amount originally recommended by that committee.

I am sure that the Senator from Wisconsin [Mr. PROXMIRE] especially will appreciate this, for it was as a result of Mr. Miller's testimony that the drastic reduction in the proposed GSA appropriation was made; and it was only after the fight, to which I have already referred, led by the distinguished Senator from Wisconsin [Mr. PROXMIRE], that most of the funds were restored in conference.

Thus, Madam President, ends my story of an A.T. & T. so powerful, so big, and so insidious that it can undo the will of Congress, and neutralize, if not destroy, an arm of the Government—all at terrific cost to the taxpayers.

During the delivery of Mr. BARTLETT's speech on the commercial communications satellite bill,

Mr. MORSE. Madam President, will the Senator yield with the understanding that he does not lose his privileges to the floor and will not lose his position with regard to making his first speech in regard to this subject matter, so that I may submit for printing amendments to the bill, with the understanding that the interruption will appear elsewhere in the RECORD?

Mr. BARTLETT. With that understanding, I am indeed happy to yield to the Senator from Oregon.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MORSE. Madam President, I was not in the Senate on Saturday because of the fact that I had gone to Oregon to deliver a series of speeches at various Democratic rallies in various parts of the State.

In those speeches I discussed the satellite bill and I discussed the amendments I had offered in the Foreign Relations Committee.

While away, my good friend from Louisiana carried out some instructions given to him by members of the staff who had the Senator submit these amendments, but did not make clear to the Senator that the amendments were to be introduced in my name.

In view of the fact that I introduced these amendments in the Foreign Relations Committee, and in view of the fact that I have discussed these amendments in my State at some length, I feel that I owe it to my own record to submit the amendments today in my name.

I have modified some of the amendments; some are in the same form in which I presented them in the Foreign Relations Committee and explained them in the Foreign Relations Committee, including my two substitutes in the nature of substitutes for the bill.

One provides that NASA shall be enlarged so as to exercise jurisdiction over the satellites as American-flag satellites, and that the operation of the satellites shall be by way of contract or lease or license let to any private corporation in this country that may be interested in participating in the development of a satellite communications system.

The other substitute is the bill that provides for the creation of a separate Government corporation, also with authority to enter into contracts and leases.

I ask consent that I may send these amendments to the desk out of order, have them printed and available for introduction and debate. I only want to say that this demonstrates again the good faith of the senior Senator from Oregon in connection with his sincere desire to have the bill amended, and bears out, as I said in many parts of the State of Oregon over the weekend, my deep conviction that the Democratic Party owes it to the people of this country to see to it that adequate time is made available for the presentation of our case on each one of those amendments.

As I said all over my State over the weekend, the President of the United States cannot escape his clear responsibility to the American people to join in urging that adequate time be allowed for the introduction, consideration, and debate of these amendments.

I want to say to my colleagues on the floor of the Senate that if they do not think the American people are fast coming to recognize what is involved in the debate, they are sorely mistaken, because they are going to find that the American people also believe that there should be no cloture until there is full debate. We cannot have full debate with the rush act of the leadership of the Senate in trying to put a gag on the Senate and close the opportunity for adequate time for debate on the amendments.

But, keeping faith with my people, in accordance with the pledge I made to them over the weekend, I offer the amendments, and we will leave it to the Democratic Party to make the record for the upcoming campaign as to whether or not this procedure presented fair and full consideration.

The PRESIDING OFFICER. Does the Senator wish to have those amendments considered as read, so as to comply with the rule?

Mr. MORSE. That is quite all right.

Mr. KERR. Madam President, I object.

The PRESIDING OFFICER. The Senator from Oklahoma objects.

The question is on agreeing to the amendment of the Senator from Tennessee [Mr. GORE]. The yeas and nays have been ordered.

Mr. McGEE. Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KEFAUVER. Mr. President, in the interest of expediting the taking of the vote on this very important amendment, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. KEATING. Mr. President, under instructions from Members who are not now present, I am forced to object.

The ACTING PRESIDENT pro tempore. Objection is heard; and the call of the roll will continue.

The legislative clerk resumed and concluded the call of the roll; and the following Senators answered to their names:

[No. 155 Leg.]

Aiken	Hart	Neuberger
Allott	Hartke	Pearson
Bartlett	Hickenlooper	Pell
Beall	Hickey	Prouty
Bible	Hill	Proxmire
Boggs	Holland	Randolph
Bush	Jackson	Robertson
Byrd, Va.	Johnston	Russell
Byrd, W. Va.	Jordan, N.C.	Saltonstall
Cannon	Keating	Scott
Capehart	Kefauver	Smathers
Carlson	Kerr	Smith, Mass.
Carroll	Kuchel	Smith, Maine
Case	Lausche	Sparkman
Chavez	Long, Mo.	Stennis
Church	Long, Hawaii	Symington
Cooper	Long, La.	Talmadge
Cotton	Magnuson	Thurmond
Curtis	Mansfield	Tower
Dirksen	McCarthy	Wiley
Douglas	McClellan	Williams, N.J.
Ellender	McGee	Williams, Del.
Engle	McNamara	Yarborough
Ervin	Metcalf	Young, N. Dak.
Fong	Miller	Young, Ohio
Gore	Morse	
Gruening	Mundt	

Mr. MANSFIELD. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], and the Senator from Rhode Island [Mr. PASTORE] are absent on official business.

I also announce that the Senator from Arizona [Mr. HAYDEN], the Senator from New Mexico [Mr. ANDERSON], and the Senator from Pennsylvania [Mr. CLARK] are necessarily absent.

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. JAVITS], the Senator from Idaho [Mr. JORDAN], the Senator from Kentucky [Mr. MORTON], and the Senator

from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

The ACTING PRESIDENT pro tempore. A quorum is present.

Mr. McGEE. Mr. President, as the Senate prepares for a vote on the pending question, the Gore-Lausche amendment, I think some brief additional comment is needed, inasmuch as the discussion on the floor has tended to explain the basis for the amendment. I should like to take a few moments to explain why the committee opposes the Gore-Lausche amendment and why we believe that the vote should be "nay" on this particular question.

The amendment stems from the very proper and wise concern of the two distinguished Senators from Tennessee and Ohio as to the foreign policy implications of the measure.

Throughout the discussion on the communication satellite legislation reference has been consistently made to the foreign policy implication of the legislation. More specifically that H.R. 11040 would transfer "from Congress to a private corporation the power of making treaties and agreements which are ordinarily ratified by the Senate." Frankly, I am surprised that such statements were being made because even a cursory reading of the bill, the report, or the hearings would disabuse anyone of such conclusion. There are two sections of the bill which must be considered when discussing this question: Section 201(a)(4) and section 402.

Section 201(a)(4) is very specific in its direction. It specifically states that the President would exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships will be consistent with the national interest and foreign policy of the United States. This language is a broad mandate to the President to make sure that what this corporation does is consistent with our foreign policy. What form such direction or supervision will take would, of course, be for the President to decide in each case. There is no question that negotiations with foreign governments or any other negotiations other than technical or business negotiations fall under this section.

Section 402, on the other hand, requires the corporation to notify the Department of State when it institutes certain business negotiations. The Department then advises the corporation if any foreign policy negotiations are involved and, if requested, assists in the negotiations as does the State Department today with reference to communications and rendering assistance to representatives of private enterprises who may be engaged in business negotiations overseas.

The record is clear that section 402 applies only to technical and business negotiations with international and foreign entities. There is nothing new in having private firms negotiate on business agreements with foreign or international entities. This has always been the common practice. What is new, and this authority is being asserted through this legislation for the first time, as a matter of law, the corporation must notify the Department of State and keep it informed.

During the hearings conducted by the Senate Commerce Committee, the Senator from Texas [Mr. YARBOROUGH] asked Under Secretary George C. McGhee:

> Mr. McGhee, who do you think would be best qualified to conduct negotiations with foreign nations? The Government through the Department of State or the new private corporation if created?

Mr. McGhee answered:

> At the outset there may be required an intergovernmental negotiation involving matters which affect our foreign policy with respect to the nations concerned, either individually or in groups, and such negotiations could best be conducted by the Department of State in behalf of the corporation under the authority granted the President in this act.
>
> * * * * *
>
> When you come to the specific commercial or technical negotiations which would be conducted, these can only be done really by the corporation, * * * when the provisions of the language offered more authority to the Department. we pointed this out.
>
> The Department of State is not qualified to conduct many, and there will be a great many negotiations of a detailed or commercial nature. Indeed, the Department cannot assume the responsibilities involved in commercial negotiations.

In addition, when the Senator from Rhode Island [Mr. PASTORE] asked Mr. McGhee:

> Do you feel that the power as given to the President would supersede any other activity by this corporation?

Mr. McGhee replied:

> When the national interests are involved; yes, sir, we feel it does.

I refer to this partial history because it appears to me to be the root of the misunderstanding that prevails. Perhaps if I explain why that section, and section 201(a)(4), were reworded, it will become apparent that this bill is virtually the same as the original administration bill so far as foreign policy is concerned. It is true that the original section 402 was much more sweeping than the present section 402; it is also true, though this point is seldom mentioned, that the original section 201(a)(4) was looser and more general than the present section 201(a)(4). Section 402, as originally drafted, covered all negotiations, business and otherwise. This was too broad. The Department of State testified on several occasions that it never wanted to conduct or supervise the corporation's business or technical negotiations. It does not have the time or the manpower. On the other hand, while the original section 201(a)(4) called on the President to exercise "general supervision" over relationships of the corporation with foreign governments or entities or with international bodies, the present section 201(a)(4) empowers the President to exercise, not "general supervision," but "such supervision as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States." It seems clear to me that the net effect of these changes, considered together, is simply to relieve the State Department of a burden it did not want, and that the changes do not basically diminish the power of the President, and through him of the Department of State, for seeing that the activities of this corporation are in harmony with our national interest and foreign policy. The report of our committee expressly notes that the bill reaffirmed the traditional responsibility of the President and the Department of State in this area. I might also point out that these changes were made with the full approval of the State Department, which testified before the House Committee on Interstate and Foreign Commerce and before the Senate Commerce Committee that the provisions of the present bill were acceptable.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. McGEE. I think it is important that we bear these origins in mind.

I am glad to yield to the Senator from Missouri.

Mr. SYMINGTON. As a member of the Aeronautical and Space Sciences Committee I verify that the position of the Senator from Wyoming also was the understanding of the members of that committee, same as the distinguished Senator gives as the position of the Commerce Committee. In addition, I present the fact that, in testimony before the Committee on Foreign Relations, both the Secretary of State and the Secretary of Defense stated that, in their opinions, any further prolongation of this extended discussion, prevention of the obtaining of this satellite communications bill, would be against the best interests, the security of the United States. We should remember that at this particular moment—unless something has happened recently of which I am not aware—there are two Russians now orbiting the earth. I think that testimony from the two Secretaries is significant, and thank the Senator.

Mr. McGEE. I thank the Senator from Missouri for his comment. The Senator has been a great leader in trying to develop the soundest possible policy in the satellite communications realm, so far as guidance for our country and the national interest are concerned.

Mr. SYMINGTON. I thank the Senator.

Mr. McGEE. This leads me to again express the thought that if I had any doubt that this bill derogated from the responsibilities of the President or of the Senate for conducting foreign policy or approving agreements, I would be the first to oppose it. But there is no doubt at all in my mind that this bill gives the President complete and unrestricted authority to supervise the foreign policy relationships of this corporation.

On August 6 the Secretary of State Dean Rusk appeared before the Senate Foreign Relations Committee and clearly put to rest any question concerning the President's authority regarding the foreign policy aspects of this legislation. He stated:

> As to foreign policy, two basic questions need to be answered: First, is the privately owned corporate entity envisioned in the bill an effective instrument for U.S. participa-

tion in a global satellite communications system in the light of relevant foreign policy considerations? Second, does the bill provide adequate authority in the national Government to safeguard and promote our foreign policy interests insofar as the activities of the corporation may impinge on this area? Our answer to both of these questions is "Yes." Let me address each of them in turn.

The fact is that the bill, in section 201(a)(4), expressly directs the President to "exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the international interest and foreign policy of the United States."

This provision confirms the authority of the President to control international negotiations with respect to the satellite communications system in any way he deems appropriate, where the foreign policy interest of the United States are involved. Where he considers it necessary for the executive branch to conduct the negotiations himself, he will be able to direct this.

A certain confusion has arisen on this subject because section 402 of the administration bill in its original form contained the following provison:

"The corporaton shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State."

That provision taken literally was perhaps too broad. But as Under Secretary McGhee made clear in the very first testimony of the State Department on this bill, the Department has neither the time, the personnel, the technical competence, nor the desire to carry on ordinary business negotiations for this corporations, any more than it carries on such detailed negotiations on behalf of other American corporations engaged in international business. Moreover, the original language lodged the negotiating authority in the State Department rather than in the President who has the constitutional responsibility for the conduct of foreign policy.

For these reasons that language was dropped, and the language I have previously read to you was inserted in section 201(a)(4) to confirm the President's authority to conduct negotiations having international political significance. In exercising this authority the President will use the Department of State as his principal arm; but, as this committee knows, in conducting its international negotiations the Department associates with itself representatives of other agencies which have interest and competence in the subject matter.

BUSINESS NEGOTIATIONS LIMITED BY PRESIDENTIAL AUTHORITY

In the course of congressional consideration, section 402 was rewritten to govern those situations in which the corporation is negotiating abroad on business or technical matters arising in the conduct of its operations. We do not interpret this new section 402 as a grant of power to the corporation to negotiate on these matters. That derives from its charter power to do the kind of business it will be doing. Section 402 in its present form is a recognition that, with this corporation, even technical or minor business negotiations may raise problems of wider concern. It provides a procedure for dealing with those problems. Under this procedure the corporation must keep the Department informed about such negotiations. The Department will advise the company of relevant foreign policy considerations and be ready to provide appropriate assistance if necessary. Although the bill contains no definition of "business negotiations," this creates no difficulty. It is, after all, for the President to determine, under section 201(a)(4) as well as under his constitutional power to conduct foreign policy, what negotiations should be conducted by the Government and which may be left to the corporation.

I can assure the committee that we in the State Department are fully aware of the broad range of questions involving foreign policy interest that may arise in connection with this satellite communications system. The Department will wish to follow them closely either through direct conduct of the negotiations or by close association with the company under the procedure prescribed by section 402, whichever is appropriate.

Then on August 9 in a letter to Mr. J. W. FULBRIGHT, chairman of the Foreign Relations Committee, Dean Rusk, reaffirmed his position by saying:

As I stated in my testimony, it is our belief that section 201(a)(4) confirms the authority of the President to control international negotiations with respect to the satellite communications system in any way he deems appropriate, where the foreign policy interests of the United States are involved. It is our belief as I stated, that where he considers it necessary for the executive branch to conduct the negotiations itself, he will be able to direct this. If the committee feels it would be helpful to add some language to provide further clarity as to the authority of the President to make these determinations, it could be added in section 402 but we believe it would more properly fall in section 201(a)(4) which, as I explained in my statement, is the section dealing with the President's general authority in foreign relations.

The entire contents of this letter appears in the printed hearings of that committee. Just so the RECORD can be complete on this point I also ask unanimous consent that the letter from Mr. George C. McGhee, Under Secretary for Political Affairs, dated June 22, be printed in the RECORD at this point, in which he holds:

While we, of course, appreciate the concern which several Senators have shown for making sure that the Government, rather than a private corporation, conducts foreign policy, it is our view that H.R. 11040 does not derogate from the traditional responsibilities of the Government in this area.

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

DEPARTMENT OF STATE,
Washington, D.C., June 22, 1962.

Hon. JOHN O. PASTORE,
U.S. Senate.

DEAR SENATOR PASTORE: You have requested the views of the Department of State on the adequacy of those provisions of the communications satellite bill that concern the responsibility of the Government for conducting foreign policy.

It is the view of the Department that H.R. 11040, both as reported out of the Senate Committee on Commerce and as passed by the House of Representatives, adequately reflects the responsibility of the Government for conducting the foreign policy of the United States. Section 201(a)(4) of both bills provides:

"SEC. 201. in order to achieve the objectives and to carry out the purposes of this Act—

"(a) the President shall—

"(4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States;"

We agree with the interpretation of that section which appears on page 24 of the report of the Commerce Committee. The report states that section 201(a)(4) "recognizes the President's authority to take whatever steps he deems appropriate to assure that the relationships of the corporation with foreign governments, entities, or international agencies are consistent with the foreign policy of the United States. This section reaffirms the traditional responsibility of the President, and through him of the Department of State, for conducting foreign policy."

In addition to the broad authority granted the President by section 201(a)(4), there is the authority provided by section 402, which requires the corporation to give notice to the Department of State when entering into technical business negotiations. Even with respect to such negotiations, the Department "shall advise the corporation of relevant foreign policy considerations" and shall assist the corporation in the negotiations if requested to do so. We would point out that section 402 is limited to "business negotiations with respect to facilities, operations, or services." Negotiations of this character are carried on by private firms in the normal course of business. Any agreements, however, of a character which customarily call for approval by the Executive or the Congress would, in our opinion, continue to require that approval.

While we, of course, appreciate the concern which several Senators have shown for making sure that the Government, rather than a private corporation, conducts foreign policy, it is our view that H.R. 11040 does not derogate from the traditional responsibilities of the Government in this area.

Sincerely yours,

GEORGE MCGHEE,
Under Secretary for Political Affairs.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. MCGEE. I yield to the Senator from Virginia.

Mr. ROBERTSON. Am I correct in my understanding that both the Secretary of State and the President prefer the wording which the committee put into the bill to the amendment offered, which contains the original wording?

Mr. MCGEE. The Senator is correct. If I may, I wish to read the statements made in the hearings. That will answer the question of the Senator. I will read from the testimony of the Secretary of State before the Committee on Foreign Relations, page 174. The Secretary said:

The Department has neither the time, the personnel, the technical competence, nor the desire to carry on ordinary business negotiations for this corporation, any more than it carries on such detailed negotiations on behalf of other American corporations engaged in international business. Moreover, the original language lodged the negotiating authority in the State Department rather than in the President who has the constitutional responsibility for the conduct of foreign policy.

I quote further from the Secretary's testimony:

For these reasons, that language—

Meaning the original language—

was dropped, and the language I have previously read—

Meaning the language then being considered—

was inserted in section 201(a)(4).

The language in section 201 and in section 402 is the language which is the focus of the amendment pending.

Mr. SPARKMAN. Mr. President, will the Senator yield?

Mr. McGEE. I am glad to yield to the Senator from Alabama.

Mr. SPARKMAN. While the Senator is referring to the hearings before the Committee on Foreign Relations, I should like to invite his attention to a series of questions I propounded to Secretary Rusk, commencing on page 178.

Will the Senator look at page 178 of the hearings before the Foreign Relations Committee? I was concerned over that question. In view of the questioning by the distinguished Senator from Tennessee I felt that there was merit in the proposal that we should have a clear understanding as to the scope of the language included in the bill as it came to us from the Space Committee and from the Committee on Commerce. If the Senator will look at page 178 of the hearings, he will observe in the middle of the page the heading, "Relationship of the Corporation With Foreign Governments."

I propounded a series of questions to the Secretary of State which I think clarified the situation with reference to the language in the bill. I believe it would be well if those questions, commencing in the middle of page 178 and going through the middle of page 180, and the answers thereto were printed at this point in the RECORD.

Mr. President, if the Senator will yield to me for that purpose, I ask unanimous consent that that portion of the hearings be printed at this point in the RECORD.

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

Senator SPARKMAN. Thank you, Mr. Secretary.

I have just a few questions I want to pose to you.

I note that you point out in your statement section 201(a)(4) of the bill directs the President "to exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States."

This would seem to me to mean plainly that the President will have full power to decide in each case what supervision would be appropriate.

Do you understand it that way?

Secretary RUSK. That is my understanding, sir. I would say the answer to that is "Yes."

POWERS OF THE PRESIDENT AS SEPARATE FROM THE POWERS OF THIS CORPORATION

Senator SPARKMAN. It would seem to me that if the President is to exercise such supervision over relationships of the corporation as he may deem appropriate, and so forth, it is clear that he may decide what negotiations he believes the Government should conduct and what negotiations are business matters of the nature which the corporation may conduct under the provisions of section 402.

Is that the way you understand it?

Secretary RUSK. I think that is correct, Mr. Chairman, if the President is to give effect to his responsibilities under this bill.

Senator SPARKMAN. Yes. I am just trying to make a record here as to your conception of what the powers of the President are as separated from the powers of the corporation.

I would assume, then, that the Government, rather than the corporation, would conduct basic negotiations affecting foreign policy, including such important negotiations as next year's ITU conference and any other negotiations with foreign governments, whenever the President thought it appropriate?

Secretary RUSK. I think that is undoubtedly true, Mr. Chairman. I think that would be especially true at the early stages of the establishment of an international communications satellite system.

Senator SPARKMAN. I assume, on the other hand, that the corporation would, in all probability, conduct its own technical business negotiations with foreign entities; is that right?

Secretary RUSK. That is correct, sir, with notification to the Department of State so that the foreign policy interests can be observed.

NOTIFICATION TO STATE DEPARTMENT CONCERNING NEGOTIATIONS WITH FOREIGN GOVERNMENTS

Senator SPARKMAN. You make it clear in your statement that notice must be given to the State Department in every instance when negotiations are to be conducted, even those of a business nature. And, furthermore, when it does this, it would be under the provisions of section 402 which require notifying the State Department?

Secretary RUSK. That is correct, sir.

Senator SPARKMAN. I assume, also, that when the President determines that it is appropriate for the executive branch to conduct a particular negotiation, he would direct that such negotiations would be conducted by the Department of State in conjunction with other interested agencies in the usual way. Is that correct?

Secretary RUSK. That would be the normal practice, and I might say, as happens in other fields, I would suppose that at a number of these negotiations a representative of the corporation would also be a part of the negotiating team associated with the Department of State.

Senator SPARKMAN. But always under the supervision of the President?

Secretary RUSK. That is correct.

Senator SPARKMAN. And the State Department acting, of course, for the President?

Secretary RUSK. That is correct.

RESPONSIBILITY FOR NEGOTIATION OF TREATIES

Senator SPARKMAN. It has been said that this bill would give the corporation the right to negotiate on behalf of the Government agreements and treaties which would require the approval of Congress.

Am I correct in reading the language of section 201(a)(4) to mean that the executive branch will negotiate all such agreements and treaties under the direction of the President, just as at the present?

Secretary RUSK. That is correct, sir. I would anticipate that any negotiation leading to an executive agreement or to a treaty on behalf of the Government of the United States would be conducted by the Government of the United States.

PROVIDING FOR FOREIGN POLICY REQUIREMENTS

Senator SPARKMAN. Do I understand, also, that you are satisfied that the powers given the President under section 201(a), when read with the overall objectives and purposes of the act as stated in section 102, are sufficient to provide for the foreign policy requirements of the United States?

Secretary RUSK. Yes, sir.

Senator SPARKMAN. Although it seems to me that the statute clearly says what I have stated in these questions addressed to you, and to which you agree, it might be helpful for us to state these points in the report that we make.

Now, Mr. Secretary, I want to call to your attention a couple of technical matters.

POSSIBLE AMENDMENT RELATING TO CREATION OF ADDITIONAL SYSTEMS

Just before you came in we had a discussion with Mr. Murrow relating to some of the language of the bill, and I refer to section 102(d).

The bill provides that it is not the intent of Congress to preclude the creation of additional systems, if required to meet, and I quote the language, "unique governmental needs, or if otherwise required in the national interest."

But section 201(a)(6), on the other hand, says:

"The President shall take all necessary steps to insure the availability of the system for such general governmental purposes as do not require a separate system to meet 'unique governmental needs.'"

Now, Mr. Secretary, the question I want to address to you is this:

In your opinion, should we not amend section 201(a)(6) to conform to the wording of section 102(d)?

In other words, would it not be desirable for us to add the words "or if otherwise required in the national interest" to the end of section 201(a)(6) and thereby make it conform with section 102(d)?

Secretary RUSK. Mr. Chairman, it seems to me that section 201(a)(6) was intended to facilitate the use of the communications satellite system for general governmental purposes except for those involving the "unique governmental need" provision. I think that is probably why the other phrase was left out. But I would see some advantage in conforming those two, and I would be agreeable to your amendment, as suggested.

Senator SPARKMAN. It would seem to me, offhand, that it would be well to make the two conform. There is one other instance that I want to suggest to you with reference to conformity.

Mr. SPARKMAN. Mr. President, two other amendments have been submitted. All the discussion on this point was brought out in the course of the hearings before the Foreign Relations Committee. The Senator from Tennessee was instrumental in developing the other two amendments. Two very small amendments have been proposed by the Senator from Ohio [Mr. LAUSCHE], and the Senator from Idaho [Mr. CHURCH], which are really conforming amendments. They help to bring the language in line as between two different sections of the bill. They are connected with the subject in that they would make the language in one section of the bill conform to language in other sections of the bill.

Even though those amendments are not before the Senate at this time, I earnestly hope that they will be agreed to. During the hearings in the Committee on Foreign Relations, I felt that virtually every member of the committee agreed to them. Secretary of State Rusk testified that they would be helpful.

The reason I mention the point at this time is that in part the amendments are covered in the series of questions and answers which I have asked to have printed in the RECORD.

Mr. McGEE. I thank the Senator for his comments. I am delighted that he has placed the questions and answers in the RECORD. He anticipated what I was turning to next in the colloquy and remarks of Secretary of State Dean Rusk. I, too, thought it was important that the

replies to the questions of the Senator from Alabama [Mr. SPARKMAN], be made a part of the RECORD.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the distinguished Senator from Washington.

Mr. JACKSON. As I read the amendment proposed by the Senator from Tennessee [Mr. GORE], and the Senator from Ohio [Mr. LAUSCHE] it provides that the Department of State shall conduct or supervise such negotiations. In other words, the language is in the disjunctive. Am I correct in my understanding that under the amendment it would not be mandatory for the Department of State to conduct the negotiations?

Mr. McGEE. The Secretary felt that it was a clarifying provision, which was made by striking that clause, and refining it in the form in which it appears below, making it less all-encompassing.

Mr. JACKSON. As I read the language, which I understand is the original section sent up by the administration, it seems to me that it is discretionary and would leave to the Secretary of State the discretionary authority to intervene if the Secretary of State felt that such action was necessary. It seems to me offhand that it would be a very wise course to follow.

As I gather my colleague's impression of this testimony, the position of the Secretary is that the State Department does not have the technical competence to enter into that sort of negotiation. I agree. I think it would be unwise for the Department of State to set up another department or section within the Department to engage in the communications business. On the other hand, it seems it would be proper, and would make some sense, that the Secretary of State should have some authority to move into a situation if one should develop in which the foreign policy interests of our country might be involved.

Mr. McGEE. In reply to the Senator from Washington, the same point he has mentioned was raised repeatedly in the hearings, and the testimony given to the Committee on Commerce and also the Committee on Foreign Relations was that from the point of view of the Department, speaking for the President and the Department, they preferred the change in the language to avoid the generalites that were implicit in the original wording. On that basis the committees acted as they did.

Mr. JACKSON. I am fully cognizant that under the Constitution the President of the United States has full authority to enter into negotiations. It seemed to me that the original language of section 402 merely restated what was already a matter of constitutional law. I should think we would want to retain that authority as a matter of policy. Obviously we could not change the constitutional power of the President to designate the Secretary of State as a negotiator.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. McGEE. I wish to complete the reply to the question, and then I shall be happy to yield to the Senator from Ohio. In view of the point raised by the distinguished Senator from Washington, I think it would be appropriate to read a letter from the Department of State to the chairman of the Subcommittee on Communications, the Senator from Rhode Island [Mr. PASTORE], in which those two questions were specifically answered. They were brought up on the floor of the Senate after the discussion started here on the floor. It was thought wise to obtain the position of the Department on the question again in writing. The letter addresses itself to the point raised by the junior Senator from Washington:

It is the view of the Department that H.R. 11040, both as reported out of the Senate Committee on Commerce and as passed by the House of Representatives, adequately reflects the responsibility of the Government for conducting the foreign policy of the United States. Section 201(a)4 of both bills provides—

This is considered an important part of the protection—

SEC. 201. In order to achieve the objectives and to carry out the purposes of this Act—

(a) the President shall—

* * * * *

(4) exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the national interest and foreign policy of the United States.

Under Secretary of State for Political Affairs, Mr. McGhee, went on to say that—

We—

Meaning the State Department—

agree with the interpretation of that section which appears on page 24 of the report of the Commerce Committee. The report states that section 201(a)(4) "recognizes the President's authority to take whatever steps he deems appropriate to assure that the relationships of the corporation with foreign governments, entities, or international agencies are consistent with the foreign policy of the United States. This section reaffirms the traditional responsibility of the President, and through him of the Department of State, for conducting foreign policy."

In addition to the broad authority granted the President by section 201(a)(4), there is the authority provided by section 402, which requires the corporation to give notice to the Department of State when entering into technical business negotiations. Even with respect to such negotiations, the Department "shall advise the corporation of relevant foreign policy considerations" and shall assist the corporation in the negotiations if requested to do so. We would point out that section 402 is limited to "business negotiations with respect to facilities, operations, or services." Negotiations of this character are carried on by private firms in the normal course of business. Any agreements, however, of a character which customarily call for approval by the Executive or the Congress would, in our opinion, continue to require that approval.

While we, of course, appreciate the concern which several Senators have shown for making sure that the Government, rather than a private corporation, conducts foreign policy, it is our view that H.R. 11040 does not derogate from the traditional responsibilities of the Government in this area.

Mr. JACKSON. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. JACKSON. As I listened to the reading of the letter I received the impression that what the Secretary is asking for is contained in the pending amendment. In other words, the pending amendment really restates what is a matter of constitutional power on the part of the President at the present time.

Mr. McGEE. The letter was subsequent to the change in the language. The Secretary is addressing himself to the language in the bill.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. McGEE. I yield to the Senator from Ohio.

Mr. LAUSCHE. I believe this discussion has been very illuminating on the real issue involved.

There are two subjects of negotiation, one business and the other the international relations of our Government. We all intend that the business negotiations shall be carried on by the corporation; and that the international negotiations involving foreign relations shall be carried on by the Department of State. Originally the language submitted by the administration, as was said by the Senator from Washington, was carefully drawn and presented in the bill, because it places in the Department of State the full power to deal with matters of business through the corporation, and with matters of international relations by the Department of State:

SEC. 402. The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State.

When the administration submitted its language in the bill it undoubtedly gave close attention to it and decided that the word "conduct" would deal with international relations of our country and the word "supervise" would cover the business negotiations to be carried on by the corporation. What the Department of State has written in that letter was properly described by the Senator from Washington when he stated that in that long letter it is trying to give a historical background of what it intends, whereas in the specific language of our amendment we achieve it directly, concisely, and to the point, instead of doing it by legislative history.

Mr. McGEE. I should like to say, as I conclude my remarks, that I believe our concern is the same on all sides in the protection of our national interest. It seems to me that those who are advocating the amendment are suggesting to the patient ills that he does not have and pains that he is not experiencing; and that the administration is satisfied that the national interest is protected in the proposed legislation as it is now written. I express the hope that the vote will be "No" on the pending amendment.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. McGEE. I yield.

Mr. MAGNUSON. Mr. President, we very carefully went over the suggested amendment in committee. The reason for the change was a very practical one. This is the same method that is used when we negotiate for cable systems and radio systems. Arrangements are made between a corporation here and the person at the other end, be it a government or a government-owned corporation, with which the Departments of State in both countries involved want nothing to do. They are not equipped to do anything about it. On all occasions, however, they keep the State Departments of the countries involved informed of what is going on. If there are any foreign policy questions involved, the State Departments of both countries involved step in.

Other purposes are served by the language in the bill, it provides that the State Departments of both countries will watch developments, and if the companies run into trouble in their negotiations, the State Department is asked to come in to help, and then suggest and advise on the technical aspects. If a treaty or agreement is required it is up to the State Department to negotiate. Therefore, it seems to me that the suggested amendment, although it sounds all right, might put the State Department into some negotiations of a technical and practical and purely private nature between one corporation and another corporation or a governmental agency, into which they might not desire to enter. With respect to section 402, we were very careful to ask the State Department if the change would in any way jeopardize or negate its historic responsibilities in foreign matters as between it and other nations, and on many occasions it said it would not.

Mr. McGEE. I thank the Senator from Washington for his comments. I yield the floor.

Mr. CHURCH. Mr. President, as one of the sponsors of the amendment I should like to state my reasons for supporting it.

I think the amendment has very great significance and ought to be carefully considered by the Senate before the vote. I am not able to concur in the able argument presented by the Senator from Washington, broad though his experience is in the field of communications. He has said that some of our big companies do in fact establish communications systems which link one continent with another, and that in order to establish these systems it is necessary for them to enter into agreements with foreign governments and other entities abroad. With that statement I am in full concurrence.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MAGNUSON. In the beginning we had treaties with various countries, and these negotiations come within the treaties. The initiation was a treaty or an agreement on communications.

Mr. CHURCH. I am in full concurrence with what the Senator has said. I do not argue that point.

However, this is the first time that Congress has ever undertaken by a statute to confer express authority upon a private corporation to enter into negotiations and form agreements with foreign countries.

This is a new departure and a new precedent. It is pregnant with implications as to the prerogative of the President and his State Department in the conduct of American foreign policy. The first language submitted by the administration fully protected the prerogative of the President to conduct the foreign policy of this country, and conformed completely with the basic constitutional principle. All one has to do to understand the amendment and its significance is to read the two provisions—the original provision submitted by the administration, which was the language the President first endorsed, and the language that has been substituted for it by the Senate committees. The first provision read:

> The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State.

This language makes it perfectly clear that the Department of State always retains a veto power over any agreement that may be reached between the private corporation and any foreign government. It wholly accords with the fundamental principles of the Constitution.

Compare with that language the substituted language.

Mr. KERR. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I should be happy to yield, but first I wish to complete my argument.

Mr. KERR. At this very point, I would greatly appreciate it if the Senator would yield.

Mr. CHURCH. I yield.

Mr. KERR. The Senator said that the amendment would conform with the constitutional provisions with respect to the authority of the Department of State. Will the Senator refer me to that part of the Constitution?

Mr. CHURCH. I stand corrected. I meant, of course, the President of the United States. I referred to the Department of State merely as an arm of the President. But the Constitution vests full prerogative in the President of the United States, and it was to the President that I meant to refer.

Mr. KERR. I do not contest that statement; but will the Senator refer me to the provision in the Constitution which states what the Senator just said?

Mr. CHURCH. I shall be glad to do so.

Mr. KERR. If he has that language available to him.

Mr. CHURCH. I am certain there could be no question with respect to the constitutional authority of the President in the field of foreign relations.

Mr. KERR. I did not say that. I asked the Senator if he would refer me to the provision of the Constitution to which he has referred.

Mr. CHURCH. I shall be glad to do so when I have had an opportunity to refer to the Constitution, upon the completion of my argument.

If we compare the language of the bill, as submitted by the President, with the language that has been substituted by the committee, it at once becomes evident that a substantial change has been made, because the substituted language reads as follows:

> Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this title with any international or foreign entity, it shall notify the Department of State of the negotiations—

First of all, the corporation is required only to notify the Department of State with respect to the negotiations—

> and the Department of State shall advise the corporation of relevant foreign policy considerations.

So two duties are here prescribed: First, that the corporation shall notify the Department of State; and second, that the Department of State shall advise the corporation of relevant foreign policy considerations. The remainder of the section reads:

> Throughout such negotiations the corporation shall keep the Department of State informed with respect to such considerations. The corporation may request the Department of State to assist in the negotiations, and that Department shall render such assistance as may be appropriate.

This section, as a careful reading reveals, merely requires notification to the Department and response on the part of the Department advising the corporation of foreign policy considerations, and then such cooperation from the Department of State as the corporation may request.

These two sections—the one with the original language and the one containing the substitute language—cannot be read together without seeing at once that we are, by this act, not only conferring unprecedented authority upon a private corporation to enter into negotiations with foreign powers, but we are confining the Department of State to the advisory role of informing the corporation as to foreign policy considerations. There is nothing in the section that clearly leaves with the Department of State, as the executive arm of the President, the right to veto or direct any particular aspect of the negotiations. If we write this language into the law, we shall be leaving it open to the corporation to take the position, with respect to some particular provision to which the State Department may object that it falls within the term "business negotiations," and that therefore is a matter resting with the corporation itself to decide.

I suggest that we cannot take the language of these two sections, read them together, and conclude that the constitutional prerogative of the President has been left unclouded by the substituted language. I plead with the Senate that since we are, for the first time, expressly conferring upon a private corporation

the right to negotiate agreements with foreign governments, we should be particularly careful not to do so in language that will leave in any ambiguity the constitutional prerogative of the President of the United States. There is no reason why we should. It is not necessary to the establishment of the communications satellite system that we should cast a cloud upon the authority of the President to conduct our foreign policy.

If we adopt the substitute language and turn down the amendment, we shall be doing precisely that. We shall have departed from precedent in language that places in serious obscurity the right of the President to intervene and direct the course of the corporation in negotiations with foreign countries, negotiations which could have the most profound implications, since they deal with limitless space, upon the foreign policy of this country. This is unnecessary to the objectives of the act. It is unwise; it is unprecedented.

So I urge that the Senate adopt the amendment. The amendment will strengthen the bill, and will create no dangerous precedent which may plague us in the years to come.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. CHURCH. I yield to the Senator from Tennessee.

Mr. KEFAUVER. Article II, section 1, of the Constitution provides:

> The executive Power shall be vested in a President of the United States of America.

Article II, section 2, provides:

> He shall have Power, by and With the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur;

That language has been interpreted by the courts to mean that all power to negotiate with a foreign government shall be in the President. That is a constitutional power, is it not?

Mr. CHURCH. It is. I am happy that the Senator from Tennessee has called these sections of the Constitution to the attention of the Senate. I too would cite article II, section 1, and article II, section 2, of the Constitution. These two sections, taken together, are cited by the courts as the constitutional basis for the President's direction of the Nation's foreign affairs.

Mr. MAGNUSON. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield. I shall be happy to yield the floor to the Senator.

Mr. MAGNUSON. I hope the Senator does not misunderstand. Despite the controversy about other sections of the bill, what we were trying to do, at least in the Committee on Commerce, was to separate, if it is possible to do so, the power to make technical business arrangements, which has been done on many occasions with respect to other communications, so that the Department of State would not be cluttered up with questions as to whether it must be concerned with technical service; whether this facility or that facility must be used. That is what we are trying to do.

We use the term "business negotiations" because in some countries the communications service is owned by the government, although it is run as a private corporation.

I think all of us are trying to do what the Senator from Idaho is suggesting; but the original language would cover business and technical discussions and agreements, whereas we tried to write section 402 in a way which would make it possible for them to be removed, but still keep the State Department doing what the Senator from Idaho is suggesting it should do. So I wonder what all the discussion is about.

Section 402, as now set forth in the bill, reads, in part, as follows:

> SEC. 402. Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this Act with any international or foreign entity, it shall notify the Department of State of the negotiations, and the Department of State shall advise the corporation of relevant foreign policy considerations.

Having done that, we proposed the inclusion of language similar to the language of the original section, so the State Department will not be cluttered up with highly technical agreements, purely business agreements, made with other countries. That system is already used in connection with cable systems—for instance, in connection with the landing arrangements—and also in connection with radio and other international communications; and that is what we are trying to have done in this case.

It may be that it would be possible to separate them and do exactly what the Senator from Idaho was trying to do. I could not be present at all the hearings of the Commerce Committee; but the Senator from Rhode Island and the entire subcommittee went into this matter at great length in the subcommittee, because they had the same concern that the Senator from Idaho has.

Mr. CHURCH. I am certain that it was not the purpose of the committee in any way to impair the powers of the President in the conduct of our foreign policy. But I believe that the effect of the language used might produce this result.

In the first place, I question whether it is possible to divide negotiations which pertain to space into nice categories, so that "business negotiations" can be separated from foreign policy considerations. I suggest to the Senator that the language originally proposed by the President not only wholly conforms with the basic constitutional principles, but also leaves the State Department in the very position the Senator would want it left in—in other words free to leave the business aspects of the negotiations to the corporation, while always remaining in position to direct those aspects felt to involve our foreign policy. But we would take serious risks if we substituted the language now proposed for the language originally proposed. That is why I support this amendment.

Mr. MAGNUSON. However, this part of the bill does not relate to space in particular. It also relates to negotiations in regard to the ground system, and these agreements are technical. I have seen the agreements which have been made in connection with international cables. The agreements deal with the arrangements made when the cables reach shore, and so forth, and so on.

We asked the State Department for the correct language to be used. We, ourselves, did not undertake to provide the necessary language. And this language is what the State Department suggested to us, and it is not strongly in favor of the proposed corporation.

Mr. CHURCH. But "business negotiations" is not a term of art with a clear meaning established by a long period of litigation. Therefore, to use such a term is to invite ambiguity as to its meaning.

Thus it is that this amendment would eliminate any such ambiguity or trouble, while clearly preserving the prerogative of the President, which every Senator should be anxious to have the bill do.

As to space, it seems to me that the space aspects of the bill involve the most serious questions of foreign policy. Once a satellite is in orbit, it cannot be recaptured; it will continue to circle the earth in an area which cannot now be defined legally, and the wavelengths used must become the subject of international agreement. So I believe that the bill would open up a whole series of negotiations necessarily involving the foreign policy of the United States, which ought not to be placed in the hands of others. I wish to make certain that the bill preserves the prerogative of the President in connection with the conduct of the foreign policy of our country. If we adopt the pending amendment, we shall remove all doubt. If we do not adopt the pending amendment, there will be considerable doubt.

Mr. MAGNUSON. Well, Mr. President, the Senator from Idaho is a member of the Foreign Relations Committee, and I am not. Perhaps it is just as well that I am not a member of that committee, or else I might become too much involved with some of these foreign-policy problems.

At any rate, our committee took the language the State Department said it wanted and said the President suggested. That is about as far as I can go in obtaining advice on this subject.

Mr. GRUENING. Mr. President, will the Senator from Idaho yield?

Mr. CHURCH. I yield.

Mr. GRUENING. I wish to compliment the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Idaho for submitting the amendment and for bringing about the first serious debate on the bill—on one important aspect of the bill—that has occurred during the various days it has been before the Senate.

I desire to point out the large number of empty seats across the aisle. In fact, that part of the Chamber was even emptier a minute or so ago, just before the distinguished minority leader [Mr. DIRKSEN] entered the Chamber; and at present he is one of only 3 Republican Senators now on that side of the aisle, listening to the debate. We Democrats are more interested. At least 30 of us are here to listen.

However, I wish to congratulate the Senators from Tennessee, Ohio, and Idaho for bringing about the first realistic debate on this issue.

It seems to me it is most unfortunate that the vote on the cloture motion has been set for 1 p.m. tomorrow, even though we are only on the eve of the vital debate on this measure; and I believe it most regrettable that all these issues involved in this important bill cannot be debated in the way this amendment has been debated this afternoon—and really for the first time. That is the way every significant amendment should be debated. But we may be foreclosed by cloture.

Mr. CHURCH. I thank the Senator from Alaska.

Mr. KERR. Mr. President, I rise to oppose the amendment submitted by the Senator from Tennessee [Mr. GORE], on behalf of himself, the Senator from Ohio [Mr. LAUSCHE], and the Senator from Idaho [Mr. CHURCH].

In order that the Senator may know just what it is that I oppose, I wish to read the amendment:

Beginning with line 3, page 38, strike out all to and including line 14, page 38, and insert in lieu thereof the following:

"FOREIGN NEGOTIATIONS

"SEC. 402. The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State."

Mr. President, that does not and could not add to or detract from the constitutional authority or power of the President in the field of foreign relations. But it does do this: It makes the State Department—not the President—the sole negotiator and the sole and final arbiter in connection with any agreement between this corporation and any agency or entity of any other government. It would make the Department of State the sole arbiter, the sole negotiator, and the only authority which could enter into an agreement with an agency of a foreign government with reference to international communications.

I would like to illustrate the absurdity of this amendment. At the present time American communication carriers have over 400 agreements with agencies of foreign governments with reference to the receiving and transmission of international communications. They have been making them since 1867.

When this matter was before the Space Committee, the distinguished Senator from Nevada [Mr. CANNON] asked the representative of the State Department this question:

Senator CANNON. Section 402, as you know, provides the corporation shall not enter into negotiations with any international agency, foreign government, or entity, without a prior notification to the Department of State, which will conduct or supervise such negotions. All agreements and arrangements with any such agency, government, or entity, shall be subject to the approval of the Department of State.

Does the Department have that authority with respect to operations conducted in the same area at the present time, abroad?

Mr. MCGHEE. No, Senator, we do not.

Mr. President, how in the world, for nearly 100 years, have the private communications carriers in this country—Western Union, International Telephone & Telegraph Co., American Telephone & Telegraph Co., Radio Corp. of America, Hawaiian Telephone Co., telephone companies on the west coast that have transoceanic cables to Hawaii and are now in the process of building them to Japan, companies that have cables across the Atlantic, the Middle Atlantic, the North Atlantic—been able to develop the amazing facilities for international telephone, telegraph, and radio communications without having the transactions and agreements negotiated by the State Department?

No wonder, when this matter was brought to the attention of the State Department, they ran away from it as if it were smallpox. They did not want it, and they do not want it. We asked them specifically if they wanted it. The question was again asked by the Foreign Relations Committee after this matter was referred to that committee.

During the hearings conducted by the Senate Commerce Committee, the Senator from Texas [Mr. YARBOROUGH] asked Under Secretary George C. McGhee—this was before the Commerce Committee and before the report was made by the committee:

Mr. McGhee, who do you think would be best qualified to conduct negotiations with foreign nations? The Government through the Department of State or the new private corporation if created?

Mr. McGhee answered:

At the outset there may be required an intergovernmental negotiation involving matters which affect our foreign policy with respect to the nations concerned, either individually or in groups, and such negotiations could best be conducted by the Department of State in behalf of the corporation under the authority granted the President in this act.

When you come to the specific commercial or technical negotiations which would be conducted, these can only be done really by the corporation, * * * when the provisions of the language offered more authority to the Department, we pointed this out.

The Department of State is not qualified to conduct many, and there will be a great many negotiations of a detailed or commercial nature. Indeed, the Department cannot assume the responsibilities involved in commercial negotiations.

Mr. President, I have been a Member of the Senate now for nearly 14 years. I have heard many arguments about what the authority of the Department of State ought to be, about what the treaty-making authority and the executive-agreement making authority of the President of the United States ought to be. I have heard thunderous debates on the floor of the Senate by men who knew what was in the Constitution and who knew that the Department of State was never mentioned in it; by men who knew what the two provisions in the Constitution with reference to foreign affairs responsibility and power of the President contained, and what they meant under interpretations of the court.

I read two very simple sentences. Article II, section 1:

The executive Power shall be vested in a President of the United States of America.

The distinguished Senator from Tennessee read another section of the Constitution, section 2 of the same article:

He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur;

The proposed act relates to the making of commercial agreements, or agreements which, by the wildest stretch of the imagination, could not be raised to the dignity of treaties; and if they assumed such proportions they could, under the Constitution, be made only by and with the advice and consent of two-thirds of the Senate.

Where are the Senators who want the hundreds—yes, thousands—of agreements that would be made in the future with reference to international communications brought before the Senate for confirmation?

This measure could not take one jot or tittle from the power of the President of the United States in the field of foreign affairs if it wanted to. It could add to it if Senators wanted it to, and the Congress wanted it to, and the President signed the legislation proposed. But the President does not want it.

This matter was debated before the Space Committee for weeks. The Deputy Attorney General helped write the report of the Senate Space Committee. After consultation with the Federal Communications Commission, after extended consultation with the State Department, he approved every word in the report with respect to the entire bill, and certainly with reference to this part of it. The people in the State Department do not want this power, and I agree with them that they probably have as much as they can do now. No man in the Senate respects them more than I do. I even respect them enough to be willing to comply with their wishes in this matter.

The Secretary of State came before the Foreign Relations Committee and said the bill provides "no delegation of the President's authority to engage in international negotiations." That is what the Secretary of State said.

Senators may know more about it than the Secretary of State does. They may know more about it than the Justice Department does. A few of them may know more about it than members of the Space Committee do, and all of the members of the Commerce Committee but two, and all of the members of the Foreign Relations Committee but four; but I doubt it.

The Secretary of State said:

In recent weeks most of the discussion of the foreign policy provisions of the bill has centered on whether they delegate to the corporation a part of the President's authority to engage in international negotiations on behalf of the U.S. Government. Let me state most emphatically that they do not.

This was not a Senator who thought the State Department was mentioned in the Constitution. This was the state-

ment by the Secretary of State of the United States before the Committee on Foreign Relations a few days ago:

Let me state most emphatically that they do not.

Can there be doubt in the minds of Senators, after that statement by Secretary Rusk?

No member of the Aeronautical and Space Sciences Committee wanted to take anything away from the President. No one on the Commerce Committee wanted to take anything away from the President. Certainly no member of the Committee on Foreign Relations wanted to take anything away from the President, or from the Department of State.

None of those committees, nor the Secretary of State, nor the President, wants an incalculable burden to be put upon the Department of State.

The Secretary continued:

Indeed, to my mind, there would be a constitutional question whether Congress could by legislation deprive the President of any such authority.

I surely agree with him in that regard.

The fact is that the bill, in section 201(a)(4), expressly directs the President to "exercise such supervision over relationships of the corporation with foreign governments or entities or with international bodies as may be appropriate to assure that such relationships shall be consistent with the international interest and foreign policy of the United States."

With reference to that authority which the President has, and with reference to that responsibility which he has under the Constitution, the bill, as it is now before the Senate, expressly would protect it, and, if mere legislation could reinforce the constitutional provision, would do so. Actually, the only thing the bill could do would be to make it more clear and explicit, because the language in the Constitution is general, and its meaning comes down as a result of interpretations of the Supreme Court, rather than by reason of the naked language of the Constitution.

Mr. Rusk then said:

This provision confirms the authority of the President to control international negotiations with respect to the satellite communications system in any way he deems appropriate, where the foreign policy interests of the United States are involved.

Senators say that is all they are trying to do—to protect the foreign affairs responsibility and authority of the President by and through the State Department. The Secretary of State says that the language of the bill already will do that. The report of the Committee on Commerce, the report of the Committee on Aeronautical and Space Sciences, and the word from the Committee on Foreign Relations, all tell us that the language of the bill already will do so.

Mr. Rusk then said:

Where he considers it necessary for the executive branch to conduct the negotiations himself, he will be able to direct this.

A certain confusion has arisen—

That is a mild understatement. I might say there have been those who have contributed to that confusion. I am glad there has not been an epidemic. I am glad that those who have permitted it to arise within themselves and have sought to generate it in others have run into almost a blank wall. The mentality of the Members of this body is such as to insulate them against that which is apparently and palpably either confusion or an effort to create it.

Mr. Rusk says:

A certain confusion has arisen on this subject because section 402 of the administration bill in its original form contained the following provision—

Which is the language of the amendment—

"The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State."

The Secretary stated:

That provision taken literally was perhaps too broad. But as Under Secretary McGhee made clear in the very first testimony of the State Department on this bill, the Department has neither the time, the personnel, the technical competence, nor the desire to carry on ordinary business negotiations for this corporation, any more than it carries on such detailed negotiations on behalf of other American corporations engaged in international business.

I add—any more than it has tried to do so in connection with the approximately 400 agreements now in effect and under which American communications carriers are operating.

Mr. Rusk continued:

Moreover, the original language lodged the negotiating authority in the State Department rather than in the President who has the constitutional responsibility for the conduct of foreign policy.

I wish to express my appreciation to the Secretary of State, who disowned language in proposed legislation which would attempt to deprive the President of the United States of his constitutional authority.

Senators sponsoring this amendment say they are trying to protect the constitutional authority of the President of the United States. The Secretary of State says that they are trying to deprive the President of the United States of his constitutional authority and responsibility. No lawyer needs to be in doubt about that.

Who seeks to deprive the President of the United States of his constitutional authority—those who recognize it and confirm it, or those who would take it away from him if they could and lodge it in the State Department? Such an action, if passed, would be unconstitutional. We could not do that if we wanted to. The Secretary of State has so advised the Committee on Foreign Relations and the Senate.

For these reasons—

The Secretary said—

that language was dropped—

I wish to say, for the Secretary of State, that when he saw that a mistake was made, he tried to correct it, not to perpetuate it or to perpetrate it, which is the thing sought to be done now—

and the language I have previously read to you was inserted in section 201(a)(4) to confirm the President's authority to conduct negotiations having international political significance.

I asked the representative of the Secretary of State as to who had this authority, and when faced with that question, he said, "It belongs to the President." I said, "Do you want it, or should we leave it with him?" He said, "Leave it with him." Secretary Rusk told the Foreign Relations Committee, "Leave it with him."

We cannot take the authority away from the President if we want to. We would not if we could. Yet the sponsors of the amendment would do that very thing.

The Secretary also said:

In exercising this authority the President will use the Department of State as his principal arm.

The Department of State is not going to be neglected or permitted to wither on the vine. All the foreign affairs responsibility of the President—all of his powers which he directs and permits—will continue to be exercised through the Department of State. But then Congress will not have gone through the folly of attempting to deprive the President of the United States of that which the Constitution has placed in him and to put it in the Department of State, which does not want it, to which we could not give it, for whom the President does not seek it.

Mr. Rusk also said:

But, as this committee knows, in conducting its international negotiations the Department associates with itself representatives of other agencies which have interest and competence in the subject matter.

This bill would deprive all other such agencies, to which he refers, of their responsibility or of that which the President might delegate to them or request of them.

I read further from the statement of Secretary Rusk:

In the course of congressional consideration, section 402 was rewritten to govern those situations in which the corporation is negotiating abroad on business or technical matters arising in the conduct of its operations. We do not interpret this new section 402 as a grant of power to the corporation to negotiate on these matters.

The officials of the Department are pretty good at protecting their prerogatives. They are pretty good at protecting the position of the President of the United States. Secretary Rusk said:

We do not interpret this new section 402 as a grant of power to the corporation to negotiate on these matters.

The Space Committee did not so interpret it. The Attorney General did not so interpret it. The Committee on Foreign Relations did not so interpret it. The Committee on Commerce did not so interpret it. The distinguished chairman of the Committee on Commerce has so stated. The distinguished presiding member of the Committee on Foreign

Relations, the Senator from Alabama [Mr. SPARKMAN], has so stated.

Mr. Rusk said:

We—

The State Department—

do not interpret this new section 402 as a grant of power to the corporation to negotiate on these matters.

The Senator from Idaho [Mr. CHURCH] does. Apparently the Senator from Ohio [Mr. LAUSCHE] does. I do not know about others. I do not know much law, just as I do not know much mathematics. But I know that 2 times 2 is 4. And I know that the Congress of the United States cannot deprive the President of the United States of that which the Constitution has given him, even if he asks for it—which he does not—even if he claimed it—which he does not—even if the Senators who are pretty proud of themselves think that they can give it to him, which they cannot.

I remind Senators that the amendment does not protect the power of the President of the United States. If effective, it would deprive the President of the United States of constitutional authority and place it in the State Department, as Mr. Rusk said, to the detriment of many other agencies, all of whom have responsibility in these matters, when indicated by the President.

Mr. Rusk said:

That derives from its charter power to do the kind of business it will be doing. Section 402 in its present form is a recognition that, with this corporation, even technical or minor business negotiations may raise problems of wider concern. It provides a procedure for dealing with those problems. Under this procedure the corporation must keep the Department informed about such negotiations. The Department will advise the company of relevant foreign policy considerations and be ready to provide appropriate assistance if necessary. Although the bill contains no definition of "business negotiations," this creates no difficulty. It is, after all, for the President to determine, under section 201(a)(4) as well as under his constitutional power to conduct foreign policy, what negotiations should be conducted by the Government and which may be left to the corporation.

I can assure the committee that we in the State Department are fully aware of the broad range of questions involving foreign policy interests that may arise in connection with this satellite communications system.

That ought to be some reassurance to these gentlemen who seek to protect that which is not threatened, who seek to convey that which is not sought, who seek to deprive the President of that which is his under the Constitution, who seek to impose upon the State Department authority and power which they shun, and which we could not grant if we wanted to do so.

Mr. Rusk continued:

The Department will wish to follow them closely either through direct conduct of the negotiations or by close association with the company under the procedure prescribed by section 402, whichever is appropriate.

I submit that the amendment before the Senate, if it were agreed to, and were found to be valid and constitutional, would destroy the corporation. It would put shackles about it so that it would be unable to do anything other than what the State Department permitted it to do—a power which the State Department shuns, a power which the Justice Department repudiated.

Those responsible in the Department of Justice know what is in the bill. They know what the Constitution gives to the President. They know what his power and responsibilities are. They know what Congress can or cannot do, and they put their brand of approval on the bill.

When the bill was referred to the Committee on Foreign Relations, the administration did not send mere boys to the committee. They sent the Attorney General of the United States, the brother of the President, the Honorable Robert Kennedy, before that committee. He did not hesitate to put the brand of approval on the bill.

They did not send an under secretary of State. They sent the Secretary of State, Mr. Rusk. It is his words that I have read to the Senate.

They send the Chairman of the Communications Commission to the Foreign Relations Committee.

They sent the Deputy Director of NASA to that committee.

They send the Secretary of Defense. They did not send any of those who work for him.

They send the biggest guns the administration has, and they spoke for the departments and for the President of the United States.

They said, "This bill has our approval." And, Mr. President, I believe the bill has the approval of the Senate. If it does, we will not permit it to be impaired or destroyed by the amendment.

Mr. ELLENDER. Mr. President, will the Senator yield?

Mr. KERR. I yield to the Senator from Louisiana.

Mr. ELLENDER. I am sorry I was not present to hear all of the Senator's remarks. According to the memorandum issued by my good friends, the Senator from Tennessee [Mr. GORE] and the Senator from Ohio [Mr. LAUSCHE], section 402 was originally placed in the bill and was afterwards changed. Who was instrumental in suggesting the change?

Mr. KERR. The Department of State and the Department of Justice.

Mr. ELLENDER. Did any prospective member of a corporation have anything to do with that, or did the suggestion of the proposed changes themselves come entirely from the sources to which the Senator has referred?

Mr. KERR. The persuasive suggestions came entirely from the Department of State and the Department of Justice.

Mr. ELLENDER. I thank the Senator.

Mr. GORE. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Oklahoma yield to the Senator from Tennessee?

Mr. KERR. I yield the floor. I presume the Senator has the floor in his own right.

The PRESIDING OFFICER. The Senator from Oklahoma yields the floor. The Chair recognizes the Senator from Tennessee.

Mr. GORE. Mr. President, I always listen with rapt attention to the remarks of my distinguished friend, the Senator from Oklahoma. What he says is always important. In this particular argument what he left unsaid is more important.

I submit that it is really specious to try to draw a legalistic distinction between the President of the United States and the Department of State. In act after act reference is made either to the Secretary of State or to the President of the United States, and the meaning is the same, because the Secretary of State is the arm of the President in foreign affairs.

I have studied with great care the testimony before the Space Committee. I believe that Under Secretary of State George McGhee made a very strong defense of the request of the President for the original language which the Senator from Ohio, the Senator from Idaho, and I suggest be restored to this bill.

My distinguished friend the senior Senator from Oklahoma says that the Department of State fled from this language as if fleeing from smallpox. I do not think those who read the testimony before the committee will conclude that the Department of State was fleeing from smallpox. They were fleeing the power, the pressure, and the personality of the distinguished chairman of the committee, who insisted that this language be stricken. It is perfectly plain that the Department of State with the greatest of reluctance retreated from this position which the President had recommended. Then what happened when they went before the Commerce Committee? Secretary McGhee testified that the Department had acquiesced in this, but he still said that he preferred the original language which the President had recommended.

By what authority are we told here that President Kennedy wants the language he requested to be stricken out? He sent a message to Congress in which he assured Congress that under the bill the Government would "conduct or supervise the international negotiations." Along with that message came the proposed legislation, with his approval, with the approval of the Justice Department, with the approval of the Department of State, requesting in explicit language a provision which would fix the traditional and constitutional roles of the Government in foreign affairs in this new field.

My friend, the very able and distinguished senior Senator from Oklahoma, refers to the myriad agreements with other countries in the telecommunications field. What he did not tell the Senate was that in more than 100 of those instances the Government of the United States conducted and supervised the negotiations. There have already been six international telecommunications conferences this year. U.S. participation in all of them was supervised and conducted by the Government of the United States. A great and very important international telecommunications conference is scheduled to be held in Geneva in August of next year. One of the subjects to

the conference will be the allocation of wavelengths to make possible, if it be possible, a global satellite communication system.

Too often this vast new medium of communications has been compared with a basketball in the sky or a cable in the sky. The former legal adviser to the Department of State and former Ambassador, Ernest Gross, said in testimony before our committee, that to say that this was just trying to do what we had already done was like saying that an atomic bomb was just another way of shooting off a firecracker.

This is a vast new field. We are asked to take unprecedented action—not one such action, but many. What is the first unprecedented action that it is proposed we take? It is that Congress itself by statute authorize the establishment or the creation of a private corporation for profit. We have authorized the incorporation of the American Legion and the Boy Scouts. However, never before has Congress passed a bill to authorize the creation of a private corporation for the profit of its stockholders. Therefore, whether it is wise or unwise to do this, it is an unprecedented step.

Then there is another one. There is contained in the bill the requirement that the Government of the United States, even though it may have other communications facilities of its own, utilize the facilities of the proposed corporation for the transmittal of its own messages, excepting the "unique," messages such as security messages.

Then there is another unprecedented thing that flows from the bill. I cite the testimony of Dr. Dryden before the Foreign Relations Committee. I asked him if under present law the space agency would cooperate with other corporations, other agencies, and other citizens in the launching of satellites and in the development of technology in this field. He said the offer was open to all who had the necessary technical capability—Howard Hughes, General Electric, RCA, CBS—anyone. Then I asked him what would be the situation after Congress passed the bill. He said that he would interpret the passage of the bill as the selection of a chosen instrument. He went on to say that NASA would then cooperate only with this corporation.

I am only citing these three unprecedented steps in order to come to the fourth, which we are asked to take, which is the subject of the pending amendment.

Fourth, it is proposed to give the initiative and the primary position in the negotiation of international agreements on behalf of the United States to a corporation organized for the profit of its stockholders.

The distinguished senior Senator from Oklahoma said that it is not within the power of Congress to take away the constitutional powers of the President in foreign relations. I agree with that statement. However, it is possible for Congress to prejudice the exercise of that power.

How would that operate in this case? It is proposed to give to this corporation, for the first time, the power to conclude agreements with foreign governments. What must it do? I call attention to section 402 as it is now in the bill. Senators will find that it applies exclusively to the so-called business negotiations. Foreign policy agreements and political agreements are nowhere mentioned. I ask Senators to turn to the bill and read it.

For the first time, the bill proposes to give statutory sanction and authority to a private corporation, created for the profit of its stockholders, to negotiate, on behalf of the United States, international agreements of vast import.

Mr. President, I said a moment ago that Congress could impair the authority of the President. If Congress passes and the President signs such a bill giving the primary position of initiative to a private corporation to enter into negotiations and agreements, who is to challenge such infringement upon the power of the President if the Government itself acquiesces in it?

At this time of the day I do not wish to make a legalistic, lawyer's argument to the Senate, but I suppose it is necessary to point out that it is not every person who can get to the Supreme Court of the United States on an issue. There must be parties of interest. The issue must be justiciable. Who is to bring the action, if the Government of the United States, through the action of Congress and the signature of the President, acquiesces in the granting of this privilege to negotiate on behalf of the United States with foreign countries for the profit of the stockholders of the corporation? I say this section impairs, it impinges upon, it infringes upon the constitutional power of the President, with the advice and consent of the Senate to direct the foreign policy of the United States.

What would the amendment do? It would restore to the bill the identical language recommended and requested by the President, approved by the Department of Justice, and approved by the Department of State. Eventually, yes, they acquiesced in a change; and what do all the letters and statements that the distinguished senior Senator from Oklahoma [Mr. KERR] read amount to? They amount to an attempt to build legislative history as the senior Senator from Ohio [Mr. LAUSCHE] pointed out, to seek to excuse and justify this strange and odd procedure.

I close by asking Senators to read the amendment we propose and to read the language in the bill, and then to reach their own conclusion as to which is specific; to reach their own conclusion as to which conforms to the Constitution and the tradition of the United States of America. If I wanted to go into greater detail, I could point out that the report of the Committee on Aeronautical and Space Sciences, over which the senior Senator from Oklahoma presides, interprets this position in one way, and the Committee on Commerce interprets it in another way.

Ambiguity? Fuzziness? As the senior Senator from Idaho [Mr. CHURCH] said, the proposed language is designed to make much mischief. I again ask the Senate to read the specific, clear, concise language of the bill which President Kennedy recommended, which followed his message to Congress, but which was stricken out. Why was it stricken out if it was not desired to change the authority of the Government, as it was specifically reserved in the original bill.

Mr. MORSE. Mr. President, I wish to speak for a few minutes in regard to what I consider to be the great desirability of the amendment. But I point out that the discussion of the amendment proves the case of us who oppose the bill with respect to the desirability of full and adequate debate on the merits of serious proposals and changes in the bill; for here in my judgment, we are coming to grips with a very important series of foreign policy programs affecting our country in respect to the bill which we have been debating for some time. Yet it is proposed that tomorrow two-thirds of the Senate should vote to close debate on the amendments, thus depriving the proponents of the amendments of adequate time to present their case on this very important issue.

I simply respectfully point out that the debate this afternoon proves how unwise the cloture petition is. In my judgment, it proves that if two-thirds of the Senate vote for the cloture petition tomorrow, they will be denying to the American people the record which ought to be made on the merits of the amendments, before there is any final vote either on the amendments or on the bill.

Next, I point out that there is much argument by way of analogy in the debate as between a communications satellite system involving space and a communications system involving terra firma, involving the land of the globe, involving cables and wires. Any argument by analogy is fallacious. I think the fallacy of the argument by analogy is well demonstrated by those who seek to put a communications satellite system on parallel argumentative premises with cable and wire communications. I think it is fallacious reasoning for the reasons I now set forth.

When we deal with space communications, we are dealing with a sphere in which international law rights do not yet exist, other than such very limited commendations by way of accomodations to the various nations set forth in the United Nations resolution of October 1961. But the resolution of the United Nations of October 1961 does not create permanent international law rights in any nation with respect to space. Do not forget that the United States proposed the resolution. Our delegation succeeded in getting the Soviet Union finally to join in agreeing to the resolution, but the statement of United States policy in connection with the resolution was made by the head of the United States delegation at the United Nations, Adlai Stevenson.

As the great international lawyer, Mr. Gross, who testified before the Committee on Foreign Relations, pointed out, the premise on which the United States bottomed its position in respect to the resolution was that it was our policy, our proposal, to establish a global space communications system. Other nations in

the United Nations went along with the resolution on the basis of Stevenson's representation as to what U.S. policy was in relation to a space communication system.

As is known, the senior Senator from Oregon has been insistent that Adlai Stevenson be brought before the Committee on Foreign Relations for a discussion of that resolution; because before this record is completed, the Senate ought to know the meaning and intent of the U.S. proposal in October 1961, when the so-called commendatory resolution—and that is all it is—was adopted. It simply states that the United States commends; it does not create international law. We have been unable to get Ambassador Stevenson to appear before the Committee on Foreign Relations.

I say to my leadership that, in my judgment, under no circumstances should the bill go to a final vote until Stevenson has been brought before that committee for a statement—and for examination on it—as to what, if any, he considers the international-law rights of the United States in space are in relationship to a space communications system. I regret very much that he has not appeared before the committee. It was agreed among us in the committee that as this debate proceeded, there undoubtedly would be time to bring Mr. Stevenson before the committee, some time this week; and I have been persistent and insistent that that be done. I repeat, this afternoon, my request that Ambassador Stevenson be brought before the Foreign Relations Committee for a discussion of the commendatory resolution—which is all it was—sponsored in the first instance by the United States, and joined in by Russia, in connection with a space satellite communications system.

I make this point because I wish to state that we cannot separate a space communications system from foreign-policy questions; and we have the future ahead of us for the determination of what rights the United States has in space and what rights Britain, France, Italy, West Germany, Russia, or any other nation which at present is working in the field of space has in space.

Therefore, I believe it is a false analogy to argue that this new system of international communication is comparable to the existing ones, and that there is an analogous relationship between such international-law rights as we now have in connection with cables and wires—communications systems related to terra firma—and whatever rights, if any, we have in space, for international lawyers are warning us now that no nation has international rights in space, except as such rights are established by international agreement; and the Senator from Tennessee [Mr. GORE] has referred to an international conference, for the purpose of entering into such agreements, which is scheduled, I believe, to meet in August 1963. That conference will be dealing with the task of trying to obtain some understanding in regard to international-law rights in space, in an effort to determine the frequencies used in international space communications systems. Notice that I use the word in the plural, because international-law rights in space will not be gained in the way that international-law rights have been obtained in the past—by planting a flag at some previously unclaimed place on the globe, whether in the Arctic or in the Antarctic.

The so-called ground-station operations cannot be separated from the space operations of the system; and this is where I think the proponents of the bill commit a fallacy in connection with their argument by way of analogy, because the ground-station operations are essential to the operation of the satellite in space, and also the operation of the satellite in space is inseparable from the operation of the ground stations. Certainly they are inseparable insofar as the international-law rights of any nation—either our Nation or any nation—in respect to a satellite communications system are concerned. So such a system itself is pregnant with foreign-policy implications and complications. Thus it is that I say respectfully to the Senate this afternoon that we must make perfectly clear that the Government of the United States is "in the saddle" all the time—and not any corporation created through this act by the Congress of the United States.

It seems to me that unless we give consideration to the underlying basic problem of foreign policy connected with the establishment of a satellite communications system, we miss the point which the proponents of the amendment have been seeking to make over and over again during this debate.

Mr. GORE. Mr. President, will the Senator from Oregon yield? I should like to make a point at this time.

Mr. MORSE. Very well; I yield.

Mr. GORE. Today, we see that the Soviets have two space vehicles in parallel orbits. I point that out for the reason that I asked Dr. Dryden what would be the result if the United States placed into orbit some communications satellites on given wave lengths, for its own purposes, without having reached the requisite agreements with other nations, and if, because of the lack of an agreement with other nations, some other nation with the technical capability of doing so were to place a satellite similar to ours in a similar orbit, on a similar wavelength. The answer was, "Complete confusion." I cite this to illustrate that, just as the Under Secretary of Defense said, 90 percent of this problem is not related to communications. If this system is to come into being, that must be done through the successful prosecution of international relations and the achievement and conclusion of a whole series of multilateral and multination agreements.

Mr. MORSE. I thank the Senator from Tennessee, for he has expressed in a most effective way the point I have been trying to make—namely, that this entire subject is pregnant with foreign-policy problems, and the space operations cannot be separated from the ground-station phases.

So, Mr. President, in my judgment it is unsound to argue that because in connection with cable services and wire services on the face of the earth we follow certain policies, therefore we should follow similar policies in connection with a space communications system.

But now let us consider the language which the proponents of the bill are willing to accept.

Mr. MAGNUSON. Mr. President, at this point will the Senator from Oregon yield briefly?

Mr. MORSE. I yield.

Mr. MAGNUSON. On pages 152 to 160 of the hearings held by the Commerce Committee we find a statement about 6 pages in length which was made by Adlai Stevenson, and also the resolution adopted in December 1961. I point that out in case any Senator wishes to refer to it. All of it is printed at that point in the hearings.

Mr. MORSE. It is also included in the hearings of the Senate Foreign Relations Committee.

Mr. MAGNUSON. Yes. I understand that the resolution suggests that in connection with the matter of international law, we move through the United Nations.

Mr. MORSE. The resolution sets forth the then commendatory policy of the United Nations, but does not arrive at a final determination in regard to the rights of nations. It was a resolution of accommodation. It was a resolution which we can say temporarily waived any objection on the part of any member nation to any nation's proceeding with its experimentation and development of satellites. But that does not fix permanent international law rights.

Mr. MAGNUSON. Yes.

Mr. MORSE. That is the point I wish to make.

Mr. President, at this time I wish to consider the language of the proponents of the bill, in connection with which we offer the substitute. The language of the bill is as follows:

> Whenever the corporation shall enter into business negotiations with respect to facilities, operations, or services authorized by this act with any international or foreign entity, it shall notify the Department of State of the negotiations.

It does not say "it shall notify the President." Yet the proponents of the amendment are subjected to criticism on the floor of the Senate because we followed the same language as the proponents of the bill, for we recognize, as did apparently the proponents of the bill, as pointed out by the Senator from Tennessee [Mr. GORE], that under our constitutional system it is common practice to refer to the State Department as the arm of the President in foreign policy.

The proponents of the bill make the same reference to the Department of State that the opponents of this section of the bill make in their proposed substitute. Yet an attempt has been made this afternoon to give the impression that we are seeking, in some way or other, to restrict or impinge upon the power of the President of the United States in the field of foreign policy. Not only could it not be done under the Constitu-

tion, but our amendment would not do it, for our amendment refers to the right arm of the President, so to speak, in the field of foreign policy; namely, the Secretary of State, who always acts for the President in the field of foreign policy.

So in my judgment there is no merit in the argument that has been made on the substitute amendment because we do not mention the Presidency of the United States, but mention the Department of State—as do the proponents of the bill in the section that is under dispute.

Let me read further with regard to the language in the bill to which we are taking exception:

And the Department of State—

They do not say "the Presidency," they say "the Department of State"—

shall advise the corporation of relevant foreign policy considerations. Throughout such negotiations the corporation shall keep the Department of State—

They do not say "the President," they say "the Department of State"—

informed with respect to such considerations. The corporation may request the Department of State to assist in the negotiations, and that Department shall render such assistance as may be appropriate.

What do we propose as a substitute? We propose that—

The corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations—

Note, we say "conduct or supervise." This does not prevent the Department of State, if it has some problem the Department of State thinks can be handled by some experts on the staff of the corporation, from entering into negotiations, but it does keep the Department of State in the saddle, in that the Department of State will supervise the negotiations.

I continued to read—

which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State.

We think that is very important, because we are dealing with a new subject matter, not comparable to cables or wire communications; we are dealing with a communications system an essential part of which is ground receiving stations, but such ground-receiving stations should come under the same control, the same check, the same supervision, as the satellites that send the messages to the ground stations.

In my judgment, that is a very important difference between our proposal and the proposal of the proponents of the bill as it is written at the present time.

Much argument has been made this afternoon with regard to the President and the Secretary of State; and I speak most respectfully when I make this argument. The proponents of the bill are not talking about a President Kennedy bill. They are not talking about a Secretary of State Rusk bill. We are talking about a bill which we think ought to be absolutely certain will fit into the constitutional system of checks and balances, irrespective of who the President is or who the Secretary of State is. Also keep in mind that we are talking about a bill that will be the law of the land long after the present President of the United States and Secretary of State have left their offices. We are talking about a bill that is to determine the rights to space communications of future generations of Americans.

Let us consider for a moment the argument which has been made—although I think it was very effectively answered by the Senator from Tennessee [Mr. GORE], so far as the President of the United States is concerned—in which it was stated that Secretary Rusk says he does not want the measure we are offering. My question is, So what? Does that mean that the language is sound and that, as a matter of sound public policy, we should hesitate to urge that language merely because a Secretary of State is going along with a compromise bill?

Let us talk about the compromise features of the bill. What does the testimony before the Foreign Relations Committee show?

I refer Senators to the testimony of the Attorney General, Mr. Robert Kennedy. The testimony shows that the bill before us is not the bill the Department of Justice wants. The Attorney General made clear in his testimony—and I invite Senators to turn to his testimony if they will not take my word for it or my interpretation of his testimony before the Foreign Relations Committee—that this was not the bill the Department proposed. They preferred another bill, but, he frankly said, this is a compromise bill. He reached the conclusion that the bill would be satisfactory, and he therefore recommended the bill.

I stress the point with respect to the argument that our language ought to be rejected because the Secretary of State now says he prefers the language at present in the bill. That argument cannot be squared with the fact that when the bill was first presented it was the bill the administration wanted; and then, for various reasons, they had to compromise their position. But that was not the compromise the Department of Justice wanted in the first instance. Senators will find that what I say is a fair interpretation of the position of the Attorney General, spokesman of this administration, before the Foreign Relations Committee.

Next, Mr. President, with respect to the argument in regard to cables and wires—and of course it has to be extended also to agreements—I refer to the hearings before the Space Committee, at page 178. Mr. McGhee, Assistant Secretary, was the witness. The chairman stated:

The proposed language, section 402 of S. 2814—

And that is the language we are now proposing—

says, "The Corporation shall not enter into negotiations with any international agency, foreign government, or entity without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements and arrangements with any such agency, government, or entity shall be subject to the approval of the Department of State."

Does that sound to you like the authority to be of assistance to them?

Mr. MCGHEE. Senator, this is already the situation with respect to cable agreements, that they have to be approved by the Department of State, presumably for somewhat the same reasons as envisaged in this bill.

The CHAIRMAN. Show me that law.

Mr. MCGHEE. It is the Communications Act that so provides, Mr. DeWolf tells me. We can get the reference for you.

The CHAIRMAN. Get that and put it in the record, where it says they cannot have an international cable without approval from the Department of State.

Mr. MCGHEE. I am told that the provision of law is that any cable landing in the United States has the approval of the FCC and the State Department.

The CHAIRMAN. Any cable landing in the United States?

Mr. MCGHEE. Yes, sir.

The CHAIRMAN. What about any cable built by an American communications company to a foreign nation?

Mr. MCGHEE. Only here, sir. As I understand it, the provision of law only applies to cables emanating from the United States, not as between two other countries.

The CHAIRMAN. Nor as between what this country does from any other country to any other country?

Mr. MCGHEE. To my knowledge, the law does not cover that situation.

The CHAIRMAN. You are going to put in the record, though, the law that you mentioned?

Mr. MCGHEE. Yes, sir.

Then Mr. McGhee put the following statement in the record at a later date:

Title 47, paragraph 34 of the United States Code provides as follows:

"SEC. 34. Licenses for landing or operating cables connecting United States with foreign country; necessity for.

"No person shall land or operate in the United States any submarine cable directly or indirectly connecting the United States with any foreign country, or connecting one portion of the United States with any other portion thereof, unless a written license to land or operate such cable has been issued by the President of the United States. The conditions of sections 34–39 of this title shall not apply to cables, all of which, including both terminals, lie wholly within the continental United States."

Then there is cited the remainder of the law.

The point I wish to make is that even under existing law in connection with cables, and, as Senators will see in a moment, aviation agreements, the Department of State has always exercised a considerable amount of jurisdiction, for there has been historic recognition that in respect to some of these agreements sought to be entered into between private companies and foreign Governments the foreign policy of the United States has a vital part in the negotiations.

Therefore, I say that the argument of analogy by the proponents of the present bill breaks down.

Now let me take Senators to the hearings before the Aeronautical and Space Sciences Committee, page 182 thereof. Mr. McGhee still is the witness. This

is a discussion in regard to State Department negotiations of bilateral aviation agreements:

Mr. McGHEE. Sir, the aviation agreements that we negotiate are the most obvious example.

The CHAIRMAN. What do you negotiate with reference to aviation?

I ask Senators not to forget that this was the administration witness, the Assistant Secretary of State, testifying before the Aeronautical and Space Sciences Committee in support of the original language of the bill. That is the language the administration wanted. That is the language which was modified under the compromise procedure about which the Attorney General of the United States testified.

In support of the language of the bill the Assistant Secretary of State said, on page 182 of the hearings, in regard to the bilateral aviation agreements:

Mr. McGHEE. Senator, I apologize. I am not an expert in this matter.

The CHAIRMAN. Well, I am not, either, so we will just find out together.

Mr. McGHEE. It is my understanding the State Department, negotiates bilaterally for the general framework of routes and the general conditions under which international commercial air traffic would be carried into and out of the United States.

The CHAIRMAN. I thought the agency down here, the CAB, were the ones that gave licenses.

Mr. McGHEE. The CAB, after due notice and hearing, grants permits, subject to the President's approval, for the U.S. and foreign carriers to operate international routes to and from the United States. The State Department negotiates these bilateral arrangements under which these routes are granted.

The CHAIRMAN. Does the State Department negotiate the agreement or the opportunity for the agreement? Or the opportunity for the license?

Mr. McGHEE. The actual bilateral agreement. The Department is not responsible for the individual "licenses" or permits.

The CHAIRMAN. The framework of routes, you would just negotiate with a foreign government that you would permit them to license one of their airplane companies to make certain landings in this country if they will let our airplane companies make certain landings in their country?

Mr. McGHEE. That is correct, sir.

(The Department of State later supplied the following information:)

"In bilateral negotiations, routes for the carriers of both countries are usually negotiated. However, before the respective carriers can actually start operations, they must be designated for the particular route to the other government and the respective aeronautical authorities must grant operating permits to the individual airlines."

Senators should note that the negotiation of the agreement, which permits the subsequent granting of licenses, is government to government, and remains in the control of and under the directon of the State Department:

The CHAIRMAN. But the CAB, subject to the approval of the President, is the one that grants the license to the American company that uses or takes advantage or gets the benefits of that negotiation?

Mr. McGHEE. Yes, sir. The CAB grants the permit to the American company that it authorizes to serve the route as well as to the foreign airline which has been designated by its government to carry out the rights granted in the bilateral agreement. We conduct the negotiation in behalf of CAB.

This makes perfectly clear that even on terra firma, in regard to the establishment of international routes under bilateral aviation agreements, the State Department is in the saddle. I want to keep the State Department in the saddle in regard to this whole new area, in respect to which practically no international law rights exist, and such as are are commendatory, resulting from a commendatory resolution which the United Nations passed, which vests no permanent international law rights in space.

If we do this in regard to many of our international cable negotiations and many of our international aviation negotiations, I think it is very important that we do it in connection with this whole new area.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Ohio.

Mr. LAUSCHE. Some discussion has been had about the time, the place, and the parties who initiated the change in the bill which is now pending before the Senate, as distinguished from the original bill which was submitted. The impression is left that it was done by the administration on its own.

A moment ago the Senator stated that a compromise was reached, led by the Attorney General. Will the Senator elaborate on that?

Mr. MORSE. A compromise was reached between the Department of Justice and the Federal Communications Commission. That was the testimony of the Attorney General. The Department of Justice did not like the recommendations of the Federal Communications Commission and, as a result, the bill which is now before us was the compromise.

Mr. LAUSCHE. I did not at all understand at any time that all the changes were made on the basis of the will and decision of the administration, and not at all upon the request or the persuasion of those who wanted a change in the bill.

Mr. MORSE. Undoubtedly those who wanted a change in the bill proved to be very persuasive in the compromise procedures which resulted in the compromise bill.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MORSE. If the Senator will permit, I should like to finish this portion of the argument. Then I shall be glad to yield.

I continue to read from the testimony by Assistant Secretary McGhee before the Aeronautical and Space Sciences Committee:

The CHAIRMAN. But you don't fix the rates?

Mr. McGHEE. No, sir.

The CHAIRMAN. You don't negotiate the contracts?

Mr. McGHEE. That is correct—if by contracts you mean the permits issued by the aeronautical authorities.

Senators should not forget that permits are issued by the aeronautical authorities, which are Government authorities—the CAB. The Government is still in the saddle when it comes to the granting of licenses and permits, because the petitioners must come before the Government agency and prove that their request for a permit or license is within the framework of the international agreement that has been negotiated by the State Department.

It is not required in the bill. It would be under the substitute that we are offering, for that would leave no room for doubt that the State Department would stay in the saddle.

There has been argument that the State Department may have a great deal of work to do, and perhaps it should not have the additional burden placed upon it. When we start to deal with space rights, and the clear implication as to what space rights will mean to the future of our Republic, I know of no reason why the State Department should not be required to exercise the jurisdiction that we seek to require in our amendment. I certainly do not think that the international implications of the space satellite communications system justifies the Senate, in the public interest, in giving the amount of authority that the language of the bill that we are seeking to change would give to the corporation created by the bill.

There is a great deal of argument about what our past corporate practices have been in foreign lands. It does not follow that they have always been good. We know that the corporate practices in foreign lands, justified on the ground that only business negotiations have been involved, have often vitally affected the foreign policy of the United States. Sometimes the business practices of some foreign businesses in foreign lands have so vitally affected the foreign policy of the United States, and business negotiations have aroused such ire and such anti-American feeling, that on occasions we have had to send in the Marines. As I said in the Foreign Relations Committee hearings, I have not heard anyone suggest that the President ought to appoint some members of the board of directors of the United Fruit Co. or of the American oil companies operating in Latin America or the Middle East, and yet American history is perfectly clear that a good many phases of their operations have seriously affected American foreign policy.

As the Senator from Idaho [Mr. CHURCH] pointed out, we cannot find any definition of art connected with the language of the proponents of the bill in relationship to business negotiations. Business negotiations may very well be, and frequently are now, intertwined. Foreign policy having become as complex as it is, and the economic aspects so determinative of foreign policy, I suggest that we had better take a long, hard look at the business practices of some American corporations abroad, and not continue under the bill to seek to give a sort of carte blanche authority to a corporation to proceed to meddle and meddle in American foreign policy under the claim that all they are doing is negotiating business contracts.

I respectfully say that the argument of analogy that has been made here today breaks down fallaciously on that score, too.

But the important point I wish to stress is that we cannot separate the satellites in space from ground stations in France, Bolivia, Ecuador, southeast Asia, or anywhere else in the world. In my judgment, the attempt to apply a doctrine of separability—that we should have the United States exercise greater control in the part of the space communications system as it relates to high-altitude orbit, but we would let business firms take over on ground stations that are inseparably connected with those satellites in high-altitude orbit—is highly fallacious reasoning and unsound public policy.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. MORSE. I yield to the Senator from Colorado.

Mr. CARROLL. The remarks of the able Senator from Oregon concerning the Federal Aviation Act of 1958 are absolutely unanswerable. For example, from the testimony in the record what do we first find? Bilateral negotiation. By whom? By the State Department. I do not think this point has been placed in the RECORD. I would like, if I may, briefly to indicate that under the Federal Aviation Act of 1958 the Civil Aeronautics Board has the power among others to issue certificates of authorization for air carriers to engage in air transportation in interstate or foreign commerce. The Board's decision with reference to air transportation in foreign commerce, however, are subject to Presidential approval or veto.

Mr. MORSE. Certainly.

Mr. CARROLL. That is not some hidden power in the Constitution. That is not some inherent power in the Constitution. It is explicit in title 8, section 801 in Public Law 85-726.

Mr. President, under the Federal Aviation Act of 1958 the Civil Aeronautics Board has the power, among others, to issue certificates of authorization for air carriers to engage in air transportation in interstate or foreign commerce. The The Board's decisions with regard to air transportation in foreign commerce, however, are subject to presidential approval or veto. The extent of the President's power is readily apparent from the language of section 801 (P.L. 85-726, title VIII, sec. 801, Aug. 23, 1958, 72 Stat. 782; 49 U.S.C. sec. 1461 (1958)):

> The issuance, denial, transfer, amendment, cancellation, suspension, or revocation of, and the terms, conditions, and limitations contained in, any certificate authorizing an air carrier to engage in oversea or foreign air transportation, or air transportation between places in the same territory or possession, or any permit issuable to any foreign air carrier under section 402 (49 U.S.C. sec. 1372) shall be subject to the approval of the President. Copies of all applications in respect of such certificates and permits shall be transmitted to the President by the Board before hearing thereon, and all decisions thereon by the Board shall be submitted to the President before publication thereof.

Mr. President, this provision has been part of our air law since 1938 and has been commented up by the courts in several opinions. Perhaps the most significant comments are those contained in *Chicago and Southern Air Lines, Inc.* v. *Waterman Steamship Corp.*, 333 U.S. 103 (1948). Describing the scope of the power given the President in section 801, the Court stated, at page 109:

> When a foreign carrier seeks to engage in public carriage over the territory or waters of this country, or any carrier seeks the sponsorship of this Government to engage in oversea or foreign air transportation, Congress has completely inverted the usual administrative process. Instead of acting independently of executive control, the agency is then subordinated to it. Instead of its order serving as a final disposition of the application, its force is exhausted when it serves as a recommendation to the President. Instead of being handed down to the parties as the conclusion of the administrative process, it must be submitted to the President, before publication even can take place. Nor is the President's control of the ultimate decision a mere right of veto. It is not alone issuance of such authorizations that are subject to his approval, but denial, transfer, amendment, cancellation or suspension, as well. And likewise subject to his approval are the terms, conditions and limitations of the order (49 U.S.C. sec. 601). Thus, Presidential control is not limited to a negative but is a positive and detailed control over the Board's decisions, unparalleled in the history of American administrative bodies.

Mr. President, commenting that Congress could delegate to the President large grants of its power over foreign commerce and noting that the President possesses in his own right certain powers conferred by the Constitution on him as Commander in Chief and as the Nation's agent in foreign affairs, the Court found not only that there was no constitutional objection to the grant of such powers to the President but also that his decisions in exercising them were not subject to judicial review.

As the able senior Senator from Idaho has said, the point is something new. It is something greater than Congress has ever handled before. As I read the amendment, we would add nothing except that all agreements with any such agency, government or entity, shall be subject to the approval of the Department of State.

Frankly, I would rather have the words "of the President" used. But I understand that Supreme Court decisions and statutes sustain such actions of other agencies. I can understand why some private corporations exercising great power do not want any Government interference.

The argument, which I believe is specious, is that this inherent power exists in the Constitution. If it is there, let us spell it out, so there will be no question about it. I thank the Senator from Oregon for making what I believe to be a sound and brilliant and logical argument, sustained by the Supreme Court and sustained by practice. I believe we can practice the analogy that some 25 years ago—this is in the 1938 act—Congress took this action—to practice what? This is in a new field, aviation. In 25 years we have made tremendous strides. In 1958 Congress again reiterated that the President had this power. Now in the great space age it is proposed to deny all this. Are we going to leave this field untouched? I believe that the arguments of the able Senator from Oregon are absolutely unanswerable.

Mr. MORSE. I thank the Senator from Colorado very much. His citation of the Supreme Court cases clinches the thesis that I have been seeking to present in this argument. I think it is a sound thesis. I think it fully supports the amendment that we are offering.

I wish to finish in another minute or two, by citing the testimony of Assistant Secretary McGhee at page 138 of the Space Committee hearings. I read further:

> The CHAIRMAN. You just negotiate the right for them to have that opportunity?
>
> Mr. MCGHEE. Yes, sir. I think this might be a very good analogy to what will work out in this space satellite since the Department negotiates commercial rights for U.S. carriers and these rights and the general conditions under which they may be implemented are included in the bilateral agreement.
>
> The CHAIRMAN. Would you be willing to have an amendment that designated your responsibility in this field as being similar to that?
>
> Mr. MCGHEE. No, sir; I don't think we can foresee how this responsibility will work out in detail. But certainly, the language——
>
> The CHAIRMAN. You want greater responsibility in this field than you have in that?
>
> Mr. MCGHEE. I would say it is less. It says negotiate or supervise. Supervise is less than negotiate.
>
> The CHAIRMAN. But under this you can do either.
>
> Mr. MCGHEE. It is permissive that we do less.
>
> The CHAIRMAN. But you are the ones that determine that, and if they do it, even after you supervise it, it has no validity until you approve it.
>
> Mr. MCGHEE. That is correct, sir.
>
> The CHAIRMAN. That is not true of these airplane permits by the CAB?
>
> Mr. MCGHEE. It would be true of the agreement with the other country, if we negotiated it.
>
> (The Department of State later supplied the following information:)
>
> "The CAB normally issues permits only for rights covered by a bilateral agreement negotiated by the State Department. In certain cases where no bilateral agreement exists, the respective carriers may operate on the basis of permits issued at the discretion of the respective aeronautical authorities."
>
> The CHAIRMAN. The airplane routes?
>
> Mr. MCGHEE. Yes, sir.
>
> The CHAIRMAN. I thought you said you didn't do that.
>
> Mr. MCGHEE. No, we do negotiate that.
>
> The CHAIRMAN. I thought you said you negotiated the opportunity for some American company to land there.
>
> Mr. MCGHEE. No, sir. We negotiate the framework of routes and the general operating conditions for the implementation of these routes.
>
> The CHAIRMAN. What does the CAB do?
>
> Mr. MCGHEE. The CAB advises the Department of State in these bilateral negotiations and is represented on the U.S. negotiating delegation. The CAB, as indicated earlier, also issues the permits for the U.S. and foreign carriers operating on international routes into the United States. Rates are usually worked out among the airlines concerned in the International Air Transport Association. Such rate agreements must be approved by the CAB before being placed into effect by the U.S. carrier.

The CHAIRMAN. I thought they determined which company did it.

Mr. McGHEE. We would negotiate in behalf of this company, but our negotiations would be for a specific company, a route and a frequency.

The CHAIRMAN. Then why do they go to the CAB?

Mr. McGHEE. We negotiate for the CAB as their agent dealing with other governments.

The CHAIRMAN. Then why have the CAB? Isn't that a duplication of expense? That would be a place where we might save a little money, wouldn't it?

If you are going to do all the work, what do they do?

Mr. McGHEE. We have representatives already abroad, so I think this saves money. They don't have to send their representatives abroad to negotiate.

(The Department of State later submitted the following information:)

"The CAB, after due notice and hearing, recommends to the President the U.S. carrier which should operate the routes in question. The CAB also issues the permit to the foreign carriers which have been designated by their government to operate the routes covered by the agreement.

"The carriers have to apply to the CAB for authority to operate on international routes. The CAB also consults with the carriers with respect to the advice to be given the Department in connection with international negotiations.

"The CAB has a necessary and positive role to play in international aviation relations since the Department relies on the CAB for recommendations on economic considerations relevant to the aviation negotiations. In addition, of course, the CAB is a regulatory body, charged by law with the regulation of domestic air transportation and also the grant of permits in international transportation."

The CHAIRMAN. You or I, one, better read that law so we can understand what is in it.

How much more control would you have over this corporation with reference to its international communications if the Government owned it, than you would have the way it is set out in this bill?

Mr. McGHEE. Sir, this being a hypothetical question, it has not been considered.

I close by saying that all the arguments by analogy this afternoon in connection with cables and wire services, and any argument by analogy in connection with foreign airline routes, have no application to the problem that is before the Senate. Even in respect to those areas we find that the State Department exercises great jurisdiction. This is a new field. This is an area in regard to which substantial international law rights do not exist. We still have to negotiate agreements. Those agreements ought to be negotiated by the State Department. To label some problems business problems does not eliminate international foreign policy implications in regard to the matter of satellite communications system.

Therefore, as the Senator from Tennessee [Mr. GORE] and the Senator from Idaho [Mr. CHURCH] and the Senator from Colorado [Mr. CARROLL] have pointed out, we ought to keep the State Department in the bill in all these negotiations, and we will do that, acting for the President, by the adoption of the Gore amendment.

Mr. HOLLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

(At this point Mr. HART assumed the chair.)

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. GORE], the Senator from Ohio [Mr. LAUSCHE], and the Senator from Idaho [Mr. CHURCH] as a substitute for certain language in the committee amendment beginning on page 38, line 3. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARTKE (when his name was called). On this vote I have a pair with the senior Senator from Alaska [Mr. BARTLETT]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I withhold my vote.

Mr. METCALF (when his name was called). On this vote I have a live pair with the junior Senator from North Dakota [Mr. BURDICK]. If he were present and voting, he would vote "yea." If I were at liberty to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from Alaska [Mr. BARTLETT], the Senator from North Dakota [Mr. BURDICK], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], and the Senator from Massachusetts [Mr. SMITH] are absent on official business.

I also announce that the Senator from Pennsylvania [Mr. CLARK], the Senator from New Mexico [Mr. ANDERSON], and the Senator from Arizona [Mr. HAYDEN] are necessarily absent.

On this vote, the Senator from Pennsylvania [Mr. CLARK] is paired with the Senator from Connecticut [Mr. DODD]. If present and voting, the Senator from Pennsylvania would vote "yea," and the Senator from Connecticut would vote "nay."

On this vote, the Senator from Utah [Mr MOSS] is paired with the Senator from Rhode Island [Mr. PASTORE]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Rhode Island would vote "nay."

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Arizona [Mr. HAYDEN], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Maine [Mr. MUSKIE], and the Senator from Massachusetts [Mr. SMITH] would each vote "nay."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. JAVITS], the Senator from Idaho [Mr. JORDAN], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business. If present and voting, the Senator from Nebraska [Mr. HRUSKA] and the Senator from New Hampshire [Mr. MURPHY] would each vote "nay."

On this vote, the Senator from New York [Mr. JAVITS] is paired with the Senator from Utah [Mr. BENNETT]. If present and voting, the Senator from New York would vote "yea," and the Senator from Utah would vote "nay."

The result was announced—yeas 19, nays 56, as follows:

[No. 156 Leg.]

YEAS—19

Carroll	Jackson	Neuberger
Chavez	Kefauver	Pell
Church	Lausche	Proxmire
Douglas	Long, Hawaii	Yarborough
Gore	Long, La.	Young, Ohio
Gruening	McNamara	
Hart	Morse	

NAYS—56

Aiken	Fong	Prouty
Allott	Hickenlooper	Randolph
Beall	Hickey	Robertson
Bible	Hill	Russell
Boggs	Holland	Saltonstall
Bush	Johnston	Scott
Byrd, Va.	Jordan, N.C.	Smathers
Byrd, W. Va.	Keating	Smith, Maine
Cannon	Kerr	Sparkman
Capehart	Kuchel	Stennis
Carlson	Long, Mo.	Symington
Case	Magnuson	Talmadge
Cooper	Mansfield	Thurmond
Cotton	McCarthy	Tower
Curtis	McClellan	Wiley
Dirksen	McGee	Williams, N.J.
Ellender	Miller	Williams, Del.
Engle	Mundt	Young, N. Dak.
Ervin	Pearson	

NOT VOTING—25

Anderson	Fulbright	Monroney
Bartlett	Goldwater	Morton
Bennett	Hartke	Moss
Bottum	Hayden	Murphy
Burdick	Hruska	Muskie
Butler	Humphrey	Pastore
Clark	Javits	Smith, Mass.
Dodd	Jordan, Idaho	
Eastland	Metcalf	

So the amendment offered by Mr. GORE, for himself and other Senators, was rejected.

Mr. KERR. Mr. President, I move that the vote by which the amendment was rejected be reconsidered.

Mr. SMATHERS. Mr. President, I move to lay on the table the motion to reconsider.

The motion to lay on the table was agreed to.

Mr. KEFAUVER. Mr. President, I have an amendment to offer, and I should like to have it voted on tonight.

Mr. MAGNUSON. Mr. President, will the Senator from Tennessee yield briefly?

Mr. KEFAUVER. I should like to proceed now with my amendment.

Mr. MAGNUSON. If I may be permitted to make a brief statement at this point, I think the Senator from Tennessee will understand why I make this request.

Mr. KEFAUVER. Very well.

Mr. MAGNUSON. The Senator from Ohio [Mr. LAUSCHE] and the Senator from Idaho [Mr. CHURCH] have an amendment which the committees are willing to accept. The Senator from Ohio has a very important engagement, and wishes to leave. We can take care of this matter in about 2 minutes, if the Senator from Tennessee will withhold his amendment.

Mr. KEFAUVER. I was about to explain my amendment; and then I was going to say that if these Senators wish to have their amendment called up, I shall withdraw mine. But while so many Senators are in the Chamber, I wish to present a brief explanation of this amendment.

Mr. MAGNUSON. Why not let us accept the other one first?

Mr. KEFAUVER. If Senators will bear with me, I shall try to present my explanation very quickly.

Mr. MAGNUSON Very well.

Mr. KEFAUVER. Mr. President, my amendment tries to protect the ability of the United States to have the best kind of system. The amendment lodges with the President the right to make that determination.

The absence from the bill of a provision for this right is, I believe, a fatal defect, for the bill as it now stands would leave to a private corporation the determination of whether in the future we would have the best satellite system or whether we would have one which would not be able to compete effectively with the existing facilities.

This amendment would give the President authority to decide what system we should go forward with.

I shall offer the amendment later, and I wish to have it voted on; but I understand the situation of the Senator from Ohio, and I realize that he and the Senator from Idaho wish to offer another amendment. So at present I shall withhold this amendment.

Mr. CARROLL. First, Mr. President, let me ask whether the amendment of the Senator from Tennessee would lodge with the President the authority to change the system of communications.

Mr. KEFAUVER. That is the purpose.

Mr. CARROLL. For example, let us assume that under this bill the corporation utilized the low-orbital system.

Mr. KEFAUVER. Under this bill we would be stuck with it forever, unless the corporation decided to change it. But this amendment would give the President that supreme power.

Mr. CARROLL. So if in a few years the President decided that a high-orbit system would be better, under this amendment he could make the change?

Mr. KEFAUVER. Yes.

Mr. CARROLL. I have been trying to draft an amendment in this field——

Mr. KEFAUVER. If the Senator from Colorado wishes to offer his amendment, I will join him in supporting it; or if he wishes me to offer my amendment, I shall do so, and shall be glad to have him join me in supporting it.

Mr. CARROLL. I have been trying to make sure that the ultimate power would be lodged with the President. But my amendment does not satisfy me, although I have had the benefit of a most helpful opinion prepared by the American Law Division of the Legislative Reference Service of the Library of Congress. So I am at a loss to know the best way to achieve the result we seek.

Mr. SMATHERS. Mr. President, let me ask whether the Senator from Tennessee wishes to have the yeas and nays ordered on the question of agreeing to his amendment.

Mr. KEFAUVER. I do.

The PRESIDING OFFICER (Mr. HART in the chair). The amendment of the Senator from Tennessee is not at the desk.

Mr. KEFAUVER. Mr. President, I send the amendment to the desk.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. I understood the Senator from Tennessee to state that he would withhold his amendment until the Senator from Ohio and the Senator from Idaho had offered their amendment.

Mr. KEFAUVER. But if, first, we can have the yeas and nays ordered on the question of agreeing to my amendment, that will be all right with me.

Mr. KERR. Mr. President, a further parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. Did the Senator from Tennessee include in his request a request that debate on his amendment be limited to a certain time—for example, to 15 minutes to a side?

Mr. KEFAUVER. I would be willing to agree to a limitation of 30 minutes to a side.

The PRESIDING OFFICER. The amendment of the Senator from Tennessee will be stated.

Mr. LAUSCHE. Mr. President——

The PRESIDING OFFICER. The clerk will read the amendments.

The LEGISLATIVE CLERK. It is proposed on page 24, after line 25, to insert the following new subsection:

(2) decide whether the communications satellite corporation authorized under title III of this Act shall initially utilize a synchronous or nonsynchronous system and may decide at a future date that the corporation shall change from one system to the other.

On pages 25 and 26, renumber subsections of section 201(a) to conform with the new subsection (2).

Mr. KEFAUVER. Mr. President, I ask for the yeas and nays.

Mr. KERR. Mr. President, did the acting majority leader make a unanimous-consent request?

Mr. SMATHERS. Mr. President, I ask unanimous consent that on the amendment offered by the able Senator from Tennessee the time be limited to 30 minutes——

Mr. KEFAUVER. Thirty minutes on each side.

Mr. SMATHERS. How much time does the Senator want?

Mr. KEFAUVER. I want 10 minutes. I think the Senator from Colorado [Mr. CARROLL] wants 10 minutes——

Mr. SMATHERS. Will the Senator be agreeable to 20 minutes a side?

Mr. KEFAUVER. I would be agreeable to 30 minutes a side.

Mr. SMATHERS. Mr. President, I ask unanimous consent that the time be limited to 30 minutes a side.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. SMATHERS. I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. KEFAUVER. Mr. President, I ask unanimous consent, for the convenience of Senators who have some urgent matters, that, without upsetting the status quo, they may present other amendments.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. GRUENING. Mr. President, I send to the desk a series of amendments, and ask that they be printed in the RECORD, and be considered as read.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. The distinguished Senator from Alaska has sent a number of amendments to the desk to be inserted in the CONGRESSIONAL RECORD. This would constitute a presentation and reading——

Mr. GRUENING. I said "considered as read."

Mr. DIRKSEN. Is the unanimous-consent request to have them considered as read?

The PRESIDING OFFICER. The request was to have them considered as read, which makes them eligible to be offered.

Mr. DIRKSEN. A further parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. DIRKSEN. If my count is correct, late this afternoon I thought 213 amendments had been offered or presented in printed form, of which 44 would not qualify under the rules. Can the Chair advise the Senate now how many in excess of 213 amendments have been submitted?

The PRESIDING OFFICER. Will the Senator from Alaska state the number of his amendments?

Mr. GRUENING. Thirteen. If the Senator prefers, they can be read by the clerk, but I thought it would save time to have them considered as read. They are all germane to the bill.

Mr. DIRKSEN. I was asking only about the number.

The PRESIDING OFFICER. Thirteen amendments have been offered by the Senator from Alaska.

Mr. DIRKSEN. Without putting upon the Chair the responsibility of counting, I should say that as of this time there are 226 amendments pending.

I withdraw the parliamentary inquiry.

The PRESIDING OFFICER. Without objection, the request of the Senator from Alaska is agreed to, and the amendments will be received, printed in the RECORD, and will lie on the desk.

The amendments submitted by Mr. GRUENING are, as follows:

On page 36, following line 3, insert the following:

"(g) No communications common carrier which owns any shares of any class of stock of the corporation may sell apparatus, equipment, or services to the corporation in an amount exceeding $5,000 per annum, either directly or indirectly through any subsidiary, affiliated company, nominee, or any persons subject to its direction or control.".

On page 30, following line 4, insert the following subsection and renumber the succeeding subsections accordingly:

"(9) approve the bylaws of the corporation and each alteration, amendment or substitution made therein;".

On page 21, line 9, after the semicolon, insert: "that each communications common carrier shall have the right to fully interconnect its communications system with the communications system of any other communications common carrier;".

On page 28, following line 24, insert the following and renumber the succeeding sections accordingly:

"(5) insure that any international communications common carrier has the right to interconnect its communications system on such reasonable and nondiscriminatory terms as may be determined by the United States with the domestic communications systems of any other communications common carriers to provide any services authorized by the Commission;".

On page 25, line 20, strike out the semicolon and insert in lieu thereof the following: ", and for the determination of the most constructive role for the United Nations and its specialized agencies;".

On page 34, line 20, delete the period and insert in lieu thereof the following: "which shall be sold at a price of $1 for each share and in a manner to insure the widest distribution to the American public and among the communications common carriers.".

Beginning with line 12 on page 33, strike out everything through line 16 on page 34 and insert in lieu thereof the following:

"(b) No communications common carrier shall own any shares of stock in the corporation either directly or indirectly through subsidiaries or affiliated companies, nominees, or any persons subject to its direction or control or owning shares of stock in such carrier."

Beginning with "Such" on page 34, line 20, strike out everything through page 35, line 2.

On page 33, line 6, strike out "initially offered" and insert in lieu thereof the following: "initially or subsequently offered".

On page 21, line 9, after the semicolon, insert: "that each communications common carrier shall have the right to fully interconnect its communications system with the communications system of any other communications common carrier;".

On page 28, following line 24, insert the following and renumber the succeeding sections accordingly:

"(5) insure that any international communications common carrier has the right to interconnect its communications system on such reasonable and nondiscriminatory terms as the United States may determine with the domestic communications systems of any other communications common carriers to provide any services authorized by the Commission;".

On page 32, line 24, immediately following the period, add the following: "Each such officer shall devote his full time and best efforts to the work of the corporation. No officer or director of the corporation shall have any financial interest of any kind in any communication carrier corporation or other entity engaged in the business of 'wire communications' or 'radio communications' as defined in the Communications Act of 1934, as amended, or in any corporation, partnership, or other entity from which the corporation purchases equipment or services."

On page 28, strike out lines 20 through 24 and renumber the succeeding subsections accordingly.

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Communications Satellite Authority Act'.

"DECLARATION OF POLICY AND PURPOSE

"SEC. 2. The Congress hereby declares that in order to promote international cooperation and to foster international understanding and peace, it is the policy of the United States to expand and improve international communications by providing leadership in the establishment of a global communication system at the earliest practicable time and to insure that the benefits of such a system are secured for the betterment of all mankind and all states irrespective of their economic and scientific development. In order to achieve these goals, the Congress hereby provides for ownership of the United States portion of the communications satellite system and invites all nations to participate in the system.

"DEFINITIONS

"SEC. 3. As used in this Act—

"(1) The terms 'private communications carrier', 'common carrier', and 'carrier' mean any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or in interstate or foreign radio transmission of energy, including persons engaged in radio and television broadcasting.

"(2) The terms 'communication satellite system', 'satellite system', and 'system' include satellites, ground stations, associated ground control and tracking facilities, and other related facilities comprising a system for global communication by satellite, except that any reference to foreign ownership of a 'communications satellite system', 'satellite system', or 'system' refers only to the satellite portion of the system.

"COMMUNICATIONS SATELLITE AUTHORITY ESTABLISHED

"SEC. 4. (a) There is hereby created a corporation, to be known as the Communications Satellite Authority (hereinafter referred to as the 'corporation'), whose purpose and object shall be to develop, construct, launch, operate, manage and promote the use of a communications satellite system, and to foster research and development in the field of space telecommunications.

"(b) In order to assure a structure of control which will assure maximum possible competition and development of an economical system, the benefits of which will be reflected in oversea communication rates, the corporation shall be organized and operated as a communications common carriers' carrier. It shall acquire, own, and operate, as an agent of the United States Government, the United States portion of the communications satellites, and the ground stations and associated ground control and tracking facilities situated in the United States, territories, or dependencies thereof.

"(c) The corporation shall lease communication channels on a nondiscriminatory and equitable basis to all United States carriers authorized by the Federal Communications Commission to provide communications services via satellites, and shall provide facilities for governmental needs, as a part of the commercial system or separately when required to meet unique Government needs which cannot in the national interest be met by the commercial system.

"(d) The corporation, under the foreign policy guidance of the President, and pursuant to agreements made by the President with the advice and consent of the Senate, shall provide opportunities for foreign participation in the use of communications satellites, through ownership or otherwise upon an equitable and nondiscriminatory basis.

"(e) The corporation, under the foreign policy guidance of the President, and pursuant to agreements made by the President with the advice and consent of the Senate, shall provide technical assistance to the less developed states in the development of their communication facilities so that they may make effective use of communications satellites and become an effective part of the global communication system.

"BOARD OF DIRECTORS OF THE CORPORATION

"SEC. 5. (a) The board of directors of the corporation (hereinafter referred to as the 'board') shall be composed of nine members.

"(b) Four directors shall be designated by the President, and shall include an Assistant Secretary of State, the Administrator of the National Aeronautics and Space Administration, a Commissioner of the Federal Communications Commission, and an additional member designated from officers of other departments and agencies of the United States. Directors so designated shall be known as 'governmental directors'.

"(c) Five directors shall also be appointed by the President, by and with the advice and consent of the Senate, solely on the basis of established records of distinguished achievement, from citizens of the United States in private life who are eminent in science, engineering, technology, education, administration, or public affairs. Directors so appointed shall be known as 'private directors'. The President shall appoint a chairman of the board from the private directors of the board. The chairman shall serve for a term of two years and may be reappointed for one or more additional terms as chairman.

"(d) The private directors first designated or appointed under this Act shall be designated or appointed for terms expiring two, four, six, seven and eight years after the effective date of this Act, respectively. Each private member of the board thereafter designated or appointed (other than a member designated or appointed for the unexpired portion of the term of an individual who is one of the initial member of the board) shall have a term of office expiring eight years from the date of the expiration of the term for which his predecessor was appointed.

"(e) Any private member appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

"(f) Each governmental director of the board may designate another officer of his department or agency to serve on the board as his alternate in his unavoidable absence. Each alternate member so designated shall be designated to serve as such by and with the advice and consent of the Senate, unless at the time of his designation he holds an office under the United States Government to which he was appointed by and with the advice and consent of the Senate.

"(g) Vacancies in the board shall not impair the powers of the board to execute its functions. Five members shall constitute a quorum for the transaction of the business of the board.

"(h) Each private director shall receive compensation at the rate of $22,500 per an-

num, which compensation shall be paid by the corporation from funds of the corporation. Each governmental director while serving as such shall receive the compensation provided by law for the office held by him in the department or agency of the United States from which he was selected. If the compensation so received by any governmental director does not equal the compensation received by private directors, that governmental director shall be paid from funds of the corporation an additional amount which, when combined with the compensation so received, will equal the compensation received by private directors. Nothing contained in this section shall be construed to reduce the compensation provided by law for any governmental director in his capacity as an officer of a department or agency of the United States.

"(i) Members of the board while engaged in the performance of duties of the board shall receive from funds of the corporation necessary travel expenses and a per diem allowance in lieu of subsistence computed in accordance with the provisions of section 5 of the Administrative Expenses Act of 1946 (5 U.S.C. 73b-2).

"(j) Members of the board who are private directors shall during their continuance in office devote their full time to the work of the corporation.

"(k) No director may have any financial interest in any communication carrier corporation engaged in the business of 'wire communications' or 'radio communications' as defined in the Communications Act of 1934, as amended.

"(l) A director may be removed from the board by the President upon a determination by the President, after notice and an opportunity for hearing, that such director has been guilty of malfeasance or nonfeasance in the performance of his duties as a director.

"(m) Each member of the board, before entering upon the duties of his office, shall subscribe to an oath or affirmation to support the Constitution of the United States and to faithfully and impartially perform the duties imposed upon him by this Act.

"DUTIES OF THE BOARD

"SEC. 6. (a) The board shall—

"(1) formulate all policies and programs for the development, construction, launching, operation, management, and promotion of the United States portion of the satellite communication system;

"(2) foster research and development in the field of space telecommunications; and

"(3) formulate policies and programs which will assist newly developing countries, and provide an effective global system as soon as practicable.

"(b) The board shall—

"(1) meet upon the call of the chairman, but not less than once in each month; and

"(2) direct the exercise of all the powers of the corporation.

"EXECUTIVE SECRETARY

"SEC. 7. (a) The board, without regard to the civil service laws, shall appoint an executive secretary from civilian life, who shall receive compensation at the rate of $20,500 per annum. Under the supervision and direction of the board, the executive secretary shall be responsible for the execution of all programs and policies formulated by the board, and shall have administrative control over all personnel and activities of the corporation unless otherwise specified in this Act.

"(b) The board, without regard to the civil service laws, shall appoint such other officers, employees, attorneys, and agents of the corporation as may be necessary for the performance of its duties; shall fix their compensation and define their duties; shall require bonds of such of them as the board may designate; and shall prescribe rules and regulations to fix responsibility and to promote efficiency in the operations of the corporation.

"(c) The board, without regard to the civil service laws, shall appoint a treasurer and such assistant treasurers as it may deem necessary, each of whom shall give such bonds for the safekeeping of the securities and moneys of the corporation as the board may require.

"(d) Any appointee of the board may be removed in the discretion of the board. No officer or employee of the corporation shall receive compensation at any rate in excess of that of members of the board.

"(e) In the appointment of officials and the selection of employees for said corporation, and in the promotion of any such employee or official, no political test or qualification shall be permitted or given consideration. All such appointments and promotions shall be based exclusively upon merit and efficiency. Any member of the board who is determined by the President, after notice and opportunity for hearing, to be guilty of a violation of this subsection shall be removed from office. Any appointee of the board who is determined by the board after notice and opportunity for hearing, to be guilty of a violation of this subsection shall be removed by the board from his office or employment in the corporation.

"COOPERATION OF NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

"SEC. 8. (a) The corporation is hereby authorized—

"(1) to cooperate with the National Aeronautics and Space Administration for the purpose of obtaining launch vehicles for the satellite system which will facilitate an economical and efficient development of an operational system, launching the satellites and associated services, and consulting with the National Aeronautics and Space Administration on the technical specifications for satellites and ground stations and the location of such stations; and

"(2) to consult with the National Aeronautics and Space Administration for the purpose of coordinating all research and development programs carried out by the Corporation with research and development programs carried out by private aerospace corporations, private communications carriers, other corporations, and governmental departments and agencies under the supervision of the National Aeronautics and Space Administration in order to guarantee rapid and continuous scientific technological progress in a global communication system.

"(b) The National Aeronautics and Space Administration is authorized and directed to furnish to the corporation such facilities, services, supplies, and information as the corporation may require for the performance of its duties. Any expenses so incurred by the National Aeronautics and Space Administration on behalf of the corporation shall be reimbursed by the corporation from its funds. Any sums so received by the Administration shall be credited to the current appropriations of the Administration, and shall be available to the Administration for obligation and expenditure within the fiscal year in which such sums are received.

"COOPERATION OF FEDERAL COMMUNICATIONS COMMISSION

"SEC. 9. (a) The Federal Communications Commission is authorized and directed to—

"(1) render to the corporation such assistance as may be required to insure that the communications satellite system established by the corporation will be technically compatible with and operationally interconnected with existing terrestrial communication facilities; and

"(2) establish such rules and regulations as may be required to regulate all overseas communication rates established by private communication carriers for the use of facilities of the communications satellite system, and to insure that all such rates are reasonable and related to the cost of leasing channels from the corporation.

"(b) Under such rules and regulations as it shall prescribe, the Federal Communications Commission shall determine the eligibility of United States communications carriers to use the communications channels provided by the corporation, and shall insure equitable and nondiscriminatory access to the system by present and future authorized private communications carriers.

"ASSISTANCE FROM OTHER GOVERNMENT AGENCIES

"SEC. 10. (a) The board is hereby authorized to obtain from any department, agency, or instrumentality of the United States with the consent of the head thereof, such facilities, services, supplies, advice, and information as the corporation may determine to be required to enable it to carry out its duties. So far as practicable, the corporation shall utilize the facilities and services of such departments, agencies, and instrumentalities.

"(b) Under the direction of the President, each such department, agency, and instrumentality shall furnish to the corporation, upon a reimbursable basis, such facilities, services, supplies, advice, and information as the corporation may require for the performance of its obligations.

"(c) Any invention of discovery made by any officer or employee of the corporation in consequence of the performance of his duties, or by any officer or employee of the Government of the United States in the rendition of service for the corporation, and title to any patent which may be granted thereon, shall be the sole and exclusive property of the corporation. The corporation is authorized to grant under any such patent such licenses as may be authorized by the board. The board may authorize the payment to any such inventor such sums from the income received by the corporation from the sale of licenses under the patent granted for his invention as it deems proper.

"GENERAL POWERS OF THE CORPORATION

"SEC. 11. (a) Except as otherwise specifically provided in this Act, the corporation shall have succession in its corporate name, and shall have power to—

"(1) sue and be sued in its corporate name;

"(2) adopt and use a corporate seal, which be judicially noticed;

"(3) adopt, amend, and repeal bylaws:

"(4) make, perform, and enforce contracts as authorized by this Act;

"(5) purchase or lease and hold such real and personal property as it deems necessary or convenient for the performance of its obligations, and to dispose of any personal property held by it;

"(6) acquire real estate for the construction and operation of ground stations and tracking facilities;

"(7) acquire real property by condemnation, in the name of the United States of America, the title to real property so acquired to be taken in the name of the United States of America for the use of the corporation as the agent of the United States to carry into effect the purposes of this Act;

"(8) convey to any person or corporation, by deed, lease, or otherwise, any interest in real property possessed by the corporation when such property no longer is needed by the corporation for the purposes of this Act;

"(9) transfer to any other department, agency, or instrumentality of the United States any part of any real property in the possession or under the control of the corporation when such property no longer is needed by the corporation for the purposes of this Act;

"(10) enter into, perform, and enforce contracts and agreements of every kind and description with any person, firm, association, corporation, municipality, county, State, body politic, or government or colony or dependency thereof in order to develop, construct, launch, operate, manage, and promote the United States portion of the communications satellite system;

"(11) make such expenditures, and enter into such contracts, agreements, and arrangements, upon such terms and conditions and in such manner as it may deem necessary, including the compromise or final settlement of all claims and legal actions by or against the corporation; and, notwithstanding the provisions of any other law governing the expenditure of public funds, the General Accounting Office, in the settlement of the accounts of the Treasury or other accountable officer or employee of the corporation, shall not disallow credit for, nor withhold funds, because of any expenditure which the board shall determine to have been necessary to carry out the provisions of said Act; and

"(12) determine upon and establish, except as otherwise provided by this Act, a system of administrative accounts, and the form and content of contracts and other business documents of the corporation.

"(b) The corporation shall have such other powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the corporation.

"PROCUREMENT OF SUPPLIES AND SERVICES

"SEC. 12. (a) Except as otherwise provided by this section, all purchases and contracts for supplies or services, except for personal services, made by the corporation, shall be made after advertising in such manner and at such times sufficiently in advance of opening bids, as the board shall determine to be adequate to insure public notice and opportunity for competition.

"(b) Advertisement under subsection (a) shall not be required when it is determined under such regulations as the board shall prescribe that—

"(1) an emergency requires immediate delivery of the supplies or performance of the services;

"(2) repair parts, accessories, supplemental equipment, or services are required for supplies or services previously furnished or contracted for; or

"(3) the aggregate amount involved in any purchase of supplies or procurement of services does not exceed $500, in which case such purchase may be made in the open market.

"(c) In making purchases or contract awards, the board may consider such factors as relative quality and adaptability of supplies or services offered, the supplier's financial responsibility, skill, experience, record of integrity in dealing, and ability to furnish repairs and maintenance services; the time of delivery or performance offered; and compliance of the supplier with specifications prescribed by the corporation.

"FINANCIAL ACCOUNTABILITY OF THE CORPORATION

"Sec. 13. (a) The corporation shall maintain its principal office within, or in the immediate vicinity of, the District of Columbia. The corporation shall be an inhabitant and resident of the District of Columbia within the meaning of the laws of the United States relating to the venue of civil suits.

"(b) The board shall transmit to the President and to the Congress, in December of each year, a full and complete financial statement and report as to the activities and accomplishments of the corporation during the preceding fiscal year ending on June 30, including the total number of officers and employees of the corporation, and the names, salaries, and duties of those who receive compensation at the rate of $5,000 per annum or more.

"(c) The Comptroller General of the United States shall conduct an audit of the financial transactions of the corporation at such times as he shall determine, but not less frequently than once during each fiscal year. For that purpose, the Comptroller General or any representative duly designated by him shall have access to all records necessary to conduct any such audit. Copies of the report of each such audit shall be transmitted to the President of the United States, the Congress, and the chairman of the board of the corporation, and a copy thereof shall be retained for public inspection at the principal office of the corporation. No such report of audit shall be published until the corporation has had reasonable opportunity to examine any exceptions and criticisms made by the Comptroller General, to point out errors therein, to explain or answer such exceptions and criticisms, and to file a statement which shall be published by the Comptroller General as a part of his report. The corporation shall reimburse the General Accounting Office for the cost of each such audit at such time and in such manner as the Comptroller General shall prescribe from time to time.

"(d) The corporation, its property, franchises, and income, are hereby expressly exempted from taxation in any manner or form by any State, county, municipality, or any subdivision or district thereof.

"CAPITAL AND REVENUE OF THE CORPORATION

"SEC. 14. (a) It is hereby declared to be the policy of this Act to make the corporation self-supporting and self-liquidating, and communication channels shall be leased at rates which in the opinion of the board will produce gross revenues in excess of costs.

"(b) The corporation is authorized to issue and sell bonds, in an amount not exceeding $500,000,000 outstanding at any one time, to finance the communications satellite program and to refund such bonds. The corporation may, in performing functions authorized by this Act, use the proceeds of such bonds for capital expenditures necessary for the development, construction, launching, management, operation, and promotion of the communications satellite system prescribed by this Act, and for research and development activities incident thereto.

"(c) Principal and interest on bonds issued by the corporation shall be payable solely from the corporation's net communication proceeds. As used in this section, the term 'net communication proceeds' means that portion of the annual gross leasing revenues of the corporation which remains after deducting the aggregate annual cost of launching, operating, maintaining, and administering the satellite system (including the ground stations and the tracking facilities) but before deducting depreciation accruals or other charges representing the amortization of capital expenditures, plus the net proceeds of the sale or other disposition of any communications satellite facilities or any interest therein, and shall include reserve or other funds created from such sources.

"(d) Notwithstanding any provision of this Act or any other provision of law, the corporation may pledge and use its annual net communication proceeds for the annual payment of the principal of and interest on said bonds, for purchases or redemption thereof, and for other purposes incidental thereto, involving creation of reserve funds and other funds which may be similarly pledged and used, to such extent and in such manner as the board deems necessary or desirable. The issuance and sale of bonds by the corporation and the expenditure of bond proceeds for the purposes specified herein, including additional construction of launching vehicles, satellites, and additional construction of ground stations and tracking facilities, shall not be subject to the requirements or limitations of any other law.

"BONDS ISSUED BY THE CORPORATION

"SEC. 15. (a) It is hereby declared to be the intent of this section to aid the corporation in discharging its responsibility for the advancement of a global communications system using space satellites, and the physical, social, and economic development of the United States by providing it with adequate authority and administrative flexibility to obtain the necessary funds with which to assure an ample number of overseas communication channels for such purposes by issuance of bonds or as otherwise provided herein, and this Act shall be so construed as to effectuate such intent.

"(b) Except as otherwise specifically provided by this Act, bonds issued by the corporation under this Act shall be negotiable instruments unless otherwise specified therein, shall be issued in such forms and denominations, shall be sold at such times and in such amounts, shall mature at such time or times not more than fifty years from their respective dates of issuance, shall be sold at such prices, shall bear such rates of interest, may be redeemable before maturity at the option of the corporation in such manner and at such times, and redemption premiums may be entitled to such relative priorities of claim on the corporation's net proceeds with respect to principal and interest payments, and shall be subject to such other terms and conditions, as the board of directors may determine.

"(c) At least fifteen days before the offer by the corporation of any issue of bonds for sale (exclusive of any commitment for any period less than one year) the corporation shall notify the Secretary of the Treasury as to the proposed amount, date of sale, maturities, terms and conditions, and the expected rates of interest of the proposed issue in the fullest detail. If the Secretary so requests, the corporation shall consult with him or with his designee with respect thereto, but the sale and issuance of such bonds shall not be subject to approval by the Secretary of the Treasury except as to the time of issuance, and the maximum rates of interest to be borne by the bonds. If the Secretary of the Treasury does not concur in a proposed issue of bonds hereunder within seven business days following the date on which he is advised of the proposed sale, the corporation may issue to the Secretary and the Secretary shall purchase interim obligations in the amount of the proposed issue which the Secretary is directed to purchase.

"(d) In case the corporation determines that a proposed issue of bonds hereunder cannot be sold on reasonable terms, it may issue to the Secretary interim obligations which the Secretary is authorized to purchase.

"(e) Obligations issued by the corporation to the Secretary may not exceed $150,000,000 outstanding at any one time. Any obligations so issued to the Secretary shall mature on or before one year from date of issue, and shall bear interest equal to the average rate (rounded to the nearest one-eighth of a percent) on outstanding marketable obligations of the United States with maturities from dates of issue of one year or less as of the close of the month preceding the issuance of the obligations of the corporation.

"(f) If agreement is not reached within eight months concerning the issuances of any bonds which the Secretary has failed to approve, the corporation may nevertheless proceed to sell such bonds on any date thereafter without approval by the Secretary in amount sufficient to retire the interim obligations issued to the Treasury and such interim obligations shall be retired from the proceeds of such bonds.

"(g) The corporation may sell its bonds by negotiation or on the basis of competitive bids, subject to the right, if reserved, to reject all bids; may designate trustees, registrars, and paying agents in connection with said bonds and the issuance thereof; may arrange for audits of its accounts and for reports concerning its financial conditions and operations by certified public accounting firms; may, subject to any covenants contained in any bond contract, invest the proceeds of any bonds and other funds under its control which derive from or pertain to its communications satellite program in any securities approved for investment of national bank funds; may deposit said proceeds and other funds, subject to withdrawal by check or otherwise, in any Federal Reserve bank or bank having membership in the Federal Reserve System; and may perform such other acts not prohibited by law as it deems necessary or desirable to accomplish the purposes of this section. Bonds issued by the corporation hereunder shall contain a recital that they are issued pursuant to this subsection, and such recital shall be conclusive evidence of the regularity of the issuance and sale of such bonds and of their validity. The annual report made by the board to the President and to the Congress shall contain a full and detailed statement of all action taken by the corporation under this section during the year.

"(h) The corporation is authorized to enter into binding covenants with the holders of bonds issued under this Act (and with the trustees thereof, if any) under any indenture, resolution, or other agreement entered into in connection with the issuance thereof with respect to the establishment of reserve funds and other funds, adequacy of charges for supplying communication channels, application and use of net communication proceeds, stipulations concerning the subsequent issuance of bonds or such other matters not inconsistent with the Act, as the corporation may deem necessary or desirable to enhance the marketability of said bonds.

"(i) Bonds issued by the corporation hereunder shall be investments which may be accepted as security for all fiduciary trust, and public funds, the investment or deposit of which shall be under the authority or control of any office or agency of the United States. The Secretary of the Treasury or any other officer or agency having authority over or control of any such fiduciary, trust, or public funds, may at any time sell any of the bonds of the corporation acquired by them under this section. Bonds issued by the corporation hereunder shall be exempt both as to principal and interest from all taxation now or hereafter imposed by any State or local taxing authority except estate, inheritance, and gift taxes.

"APPROPRIATED FUNDS

"SEC. 16. (a) There are hereby authorized to be appropriated to the Secretary of the Treasury for disbursement to the corporation such sums as may be required for the performance of the functions of the corporation under this Act. Appropriated funds so disbursed to the corporation shall be repaid to the Treasury in conformity with the provisions of this section. Unrepaid disbursements of appropriated funds under this section may not at any time exceed $50,000,000 in the aggregate.

"(b) From net communciations proceeds in excess of those required to meet the corporation's obligations under the provisions of any bond or bond contract, the corporation shall, beginning with the first fiscal year beginning after the effective date of this Act, make the following payments to the Secretary for deposit in the Treasury as miscellaneous receipts on or before December 31 and June 30 of each fiscal year—

"(1) a sum, computed as provided in subsection (c), as a return on the appropriation investment, if any, in the corporation's communications satellite facilities, as determined by the Director of the Bureau of the Budget; and

"(2) a sum of repayment of appropriation investment in the corporation in such amount as the Secretary of the Treasury shall determine to be available for that purpose without impairing the operations of the corporation.

Such payments shall continue to be made until the total appropriation investment in the corporation shall have been repaid.

"(c) The appropriation investment referred to in subsection (b) shall consist, in any fiscal year, of that part of the corporation's total investment assigned to communications satellite facilities as of the beginning of the fiscal year (including both completed facilities and facilities under construction) which has been provided from appropriations, or by transfers of property from other Government agencies without reimbursement by the corporation, less repayments of such appropriation investment made under this Act, or other applicable legislation. The payment as a return on the appropriation investment in each fiscal year shall be equal to the computed average interest rate payable by the Treasury upon its total marketable public obligations as of the beginning of said fiscal year applied to said appropriation investment.

"(d) Payments due to be made under this section may be deferred for not more than two years when in the judgment of the board of directors of the corporation such payment cannot feasibly be made because of inadequacy of funds, due to poor business conditions, emergencies, or other factors beyond the control of the corporation.

"REVENUE AND APPLICATION THEREOF

"SEC. 17. (a) The corporation shall charge rates for the use of communication channels which will produce gross revenues sufficient to provide funds for the operation, maintenance, and administration of its communications satellite system; provide for the servicing of outstanding bonds, including provision for and maintenance of reserve funds and other funds established in connection therewith; payments to the Treasury as a return on the investment of appropriated funds, if any; and for such additional margin as the board may consider desirable for purposes connected with the corporation's communications satellite system. Such overseas communication rates shall be fixed at levels which are as low as practicable.

"(b) The corporation shall, during each five-year period beginning with the first fiscal year beginning after the effective date of this Act, apply revenues in reduction (directly or through payments into reserve on sinking funds) of its capital obligations, including bonds and appropriation investments, or to reinvestments in the communications satellite system, at least to the extent of the combined amount of the aggregate of depreciation accruals and other charges representing the amortization of capital expenditures applicable to its communications satellite system.

"ACCESS TO PATENTS AND TECHNICAL INFORMATION

"SEC. 18. (a) The corporation, as an instrumentality and agency of the Government of the United States for the purpose of executing its functions under this Act, shall have access at all times to information available in the Patent Office of the United States for the purpose of studying, ascertaining, and copying, all methods, formulas, and scientific information (not including access to pending applications for patents) necessary to enable the corporation to use and employ the most efficacious and economical process for the development of a communications satellite system, or any method for improving and cheapening oversea communication rates through the use of a communications satellite system, and any owner of a patent whose patent rights may have been thus in any way copied, used, infringed, or employed by the exercise of this authority by the corporation shall have as the exclusive remedy a cause of action against the corporation for the recovery of reasonable compensation for such infringement. The district courts of the United States shall have jurisdiction to hear and determine such actions. This subsection shall not apply to any art, machine, method of manufacture, or composition of matter, discovered or invented by any officer or employee of the Government of the United States or of the corporation if such invention or discovery was made in the performance of obligations to the Government of the United States or to the corporation.

"(b) The Commissioner of Patents shall furnish to the corporation, at its request and without payment of fees, copies of documents on file in his Office.

"PROPERTY RIGHTS IN INVENTIONS

"SEC. 19. (a) Whenever any invention is made in the performance of any work performed under any contract entered into by or on behalf of the corporation, such invention shall be the exclusive property of the United States, and if such invention is patentable, a patent therefor shall be issued to the corporation as agent of the United States notwithstanding any other provision of law upon application made by the Executive Secretary, unless the Executive Secretary, acting in conformity with policies and procedures adopted by the board, waives all or any part of the rights of the United States to such invention in compliance with the provisions of subsection (c) of this section. No patent may be issued to any applicant other than the corporation for any invention which appears to the Commissioner of Patents to have significant utility in the development or operation of a communications satellite system unless—

"(1) the applicant files with the Commissioner, with the application or within thirty days after request therefor by the Commissioner, a written statement executed under oath setting forth the full facts concerning the circumstances under which such invention was made and stating the relationship (if any) of such invention to the performance of any work under any contract of the corporation; and

"(2) the Executive Secretary transmits to the Commissioner a written certification to the effect that such invention is not subject to the provisions of this section.

Copies of each such statement and the application to which it relates shall be transmitted forthwith by the Commissioner to the Executive Secretary.

"(b) Each contract entered into by the corporation with any party for the performance of any scientific, technological, or developmental activity shall contain effective provisions under which such party shall furnish promptly to the Executive Secretary a written report containing full and complete technical information concerning any invention, discovery, improvement, or innovation which may be made in the performance of such activity.

"(c) Under such regulations as the board shall adopt in compliance with the provisions of this section the Executive Secretary may waive all or any part of the proprietary rights of the United States under this section with respect to any invention or class of inventions made or which may be made by any person or class of persons in the performance of any activity required by any contract of the corporation if the Executive Secretary determines that the public interest will be served thereby. Any such waiver may be made upon such terms and under such conditions as the Executive Secretary shall determine to be required for the

protection of the public interest. Each such waiver made with respect to any invention shall include provisions effective to reserve an irrevocable, nonexclusive, nontransferable, royalty-free license for the practice of such invention throughout the world by or on behalf of the corporation, the United States Government, or any department, agency, or instrumentality thereof, or any foreign government pursuant to any treaty or agreement with the United States. Each proposal for any waiver under this subsection shall be referred to an Inventions and Contributions Authority which the Executive Secretary shall establish within the corporation. Such Authority shall accord to each interested party an opportunity for hearing, and shall transmit to the Executive Secretary its findings of fact with respect to each such proposal and its recommendations for action to be taken with respect thereto.

"(d) The board of the corporation shall determine, and promulgate regulations specifying, the terms and conditions upon which licenses will be granted by the corporation for the practice by any nongovernmental person of any invention for which the corporation holds a patent on behalf of the United States.

"(e) The Executive Secretary is authorized to take all suitable and necessary action to protect any invention or discovery in which the corporation has any proprietary interest. The Executive Secretary shall take appropriate action to insure that any nongovernmental person who acquires any proprietary interest in any invention or discovery under this section will take appropriate action to protect that invention or discovery.

"(f) The corporation shall be considered a defense agency of the United States for the purpose of chapter 17 of title 35 of the United States Code.

"(g) As used in this section—

"(1) the term 'person' means any individual, partnership, corporation, association, institution, or other entity;

"(2) the term 'contract' means any actual or proposed contract, agreement, understanding, or other arrangement, including any assignment, substitution of parties, or subcontract executed or entered into thereunder; and

"(3) the term 'made', when used in relation to any invention, means the conception or first actual reduction to practice of such invention.

"SECURITY PROVISIONS

"SEC. 20. (a) The corporation shall establish such security requirements, restrictions, and safeguards as the President shall determine to be necessary in the interest of the national security.

"(b) The Civil Service Commission is authorized to conduct such security or other personnel investigations of the corporation's officers, employees, and consultants, and its contractors and subcontractors and their officers and employees, actual or prospective, as the board deems appropriate; and if any such investigation develops any data reflecting that the individual who is the subject thereof is of questionable loyalty to the Government of the United States the matter shall be referred to the Federal Bureau of Investigation for the conduct of a full field investigation, the results of which shall be furnished to the board.

"(c) Whoever willfully shall violate, attempt to violate, or conspire to violate any regulation or order promulgated by the board of directors of the corporation, the protection or security of any laboratory, station, base, or other facility, or part thereof, or any aircraft, missile, spacecraft, or similar vehicle, or part thereof, or other property or equipment in the custody of the corporation, or any real or personal property or equipment in the custody of any contractor under any contract with the corporation, or any subcontractor of any such contractor, shall be fined not more than $5,000, or imprisoned not more than one year, or both.

"PENAL PROVISIONS

"SEC. 21. (a) For the purposes of chapters 1, 7, 11, 15, 19, 23, 31, 37, 47, 93, 103, 105, and 115 of title 18 of the United States Code, the corporation shall be deemed to be a department of the Government of the United States, and officers, employees, and property of the corporation shall be deemed to be officers, employees, and property, respectively, of the United States.

"(b) Whoever, being an officer, employee, agent, or representative of the corporation, with intent to defraud the corporation or the United States Government or any department or agency thereof, (1) makes any false entry in any book or record of the corporation, or (2) makes any false report or statement with respect to the conduct of the business of the corporation, shall be fined not more than $10,000, or imprisoned not more than five years, or both.

"(c) Whoever, being an officer, employee, agent, or representative of the corporation or any department or agency of the United States, with intent to defraud the corporation, shall in connection with the performance of any duty arising from his occupancy of any such status solicit or receive directly or indirectly any compensation, rebate, or other valuable consideration to which he is not lawfully entitled, shall be fined not more than $5,000, or imprisoned not more than five years, or both.

"LEGISLATIVE RECOMMENDATIONS

"SEC. 22. The President and the corporation shall from time to time transmit to the Congress recommendations for such additional legislation as may be deemed necessary or proper to carry out the purposes of this Act.

"SAVING PROVISIONS

"SEC. 23. (a) The right to alter, amend, or repeal this Act is hereby expressly declared and reserved to the Congress, but no such amendment or repeal shall operate to impair the obligation of any contract lawfully made by the corporation under any power conferred by this Act.

"(b) If any provision of this Act, or the application thereof to any person or circumstance, is held invalid, the remaining provisions of this Act, or the application of such provision to other persons or circumstances, shall not be affected thereby."

On page 27, line 6, after the period, insert: "All inventions and other technology furnished by the Administration to the corporation shall be in the form of a nonexclusive license for which the corporation shall pay a reasonable royalty. Any inventions developed by the corporation from the inventions and technology furnished by the Administration shall be made available to the United States or to any designee of the United States in the form of a nonexclusive royalty-free license."

On page 31 strike out lines 16 through 25 and on page 36 strike out lines 1 through 16 and insert in lieu thereof the following:

"SEC. 303. (a) The corporation shall have a board of directors consisting of nine individuals who are citizens of the United States appointed by the President, with the advice and consent of the Senate, for terms of three years or until their successors have been appointed and qualified, except that of the first nine members of the board so appointed, three shall continue in office for terms of one year, three for terms of two years, and three for terms of three years, as designated by the President of the United States. Any member so appointed to fill a vacancy shall be appointed only for the unexpired term of the director whom he succeeds."

Mr. CHURCH. Mr. President, on my own behalf and that of the distinguished Senator from Ohio [Mr. LAUSCHE], I call up our amendment identified as "8-11-62—B," and ask to have it read.

The PRESIDING OFFICER. The amendment offered by the Senator from Idaho for himself and the Senator from Ohio will be stated.

The LEGISLATIVE CLERK. It is proposed on page 25, line 26, immediately after the word "needs," insert the following: "or if otherwise required in the national interest."

Mr. CHURCH. Mr. President, the purpose of this amendment is to make the operative language of the bill itself conform with one of its most important declared purposes. Under the declaration of policy and purpose of the bill, section 102(d) reads:

(d) It is not the intent of Congress by this Act to preclude the use of the communications satellite system for domestic communication services where consistent with the provisions of this Act nor to preclude the creation of additional communications satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest.

The wisdom of the last clause "or if otherwise required in the national interest" is perfectly apparent. We cannot now foretell how well the corporate instrumentality established by this act will serve the needs of our people. If it should develop that the rates charged are too high, or the service too limited, so that the system is failing to extend to the American people the maximum benefits of the new technology, or if the Government's use of the system for Voice of America broadcasts to certain other parts of the world proves to be excessively expensive for our taxpayers, then certainly this enabling legislation should not preclude the establishment of alternative systems, whether under private or public management. And just as certainly is that gateway meant to be kept open, just in case we should ever have to use it, by the language to be found in the bill's declaration of policy and purpose to which I have referred.

However, when it comes to the operative language of the bill itself, the all-important phrase "or if otherwise required in the national interest" has been left out. The pertinent part of the bill, section 201(a)(6), reads:

(a) The President shall—

(6) take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs;

It will be seen, Mr. President, that the substantive part of the bill not only creates one monopoly, but requires the Government to use it, excepting only such Government use of a separate system as may be required to meet "unique governmental needs." All of the testimony before the Senate Foreign Relations Committee—that given by both the Secretary of State and the Secretary of Defense—bears out the fact that a very narrow definition is being given to the term "unique governmental needs." The legislative history on this bill, made before the committee, makes it clear that this

term is meant to embrace only functions of a highly classified nature, extremely restricted in their scope. In effect, the gateway meant to be left open in the bill's declaration of policy and purpose, is slammed almost shut in the substantive language of the bill itself.

The amendment would correct this serious defect in the bill, by making the language of section 201(a)(6) conform with the language used in the last clause of section 102(d), adding "or if otherwise required in the national interest" to the substantive provisions of the bill.

This amendment has the approval of the Secretary of State and so, I take it, of the administration. I hope the Senate will adopt it.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. KEFAUVER. If Senators will look at the RECORD of Saturday, in the back part, they will find some 25 very important provisions, of great importance to the future of this system, even if the philosophy of the bill is adopted. In my opinion, the bill must be amended, if it is not to be all one-sided toward the corporation and if it is to protect the interest of the Government.

These are discussed at length beginning on page 16239. Senators will see that this was one of the points discussed. I spoke about it on Saturday.

Before the Committee on Commerce I pointed out that under the bill as it is now written, if the Government found it necessary to put up another system, like the Advent system, for its own purposes, it would be limited to the use of such governmental system only for coded messages and strictly military matters. Even though Ed Murrow of the USIA, or other governmental agencies, might have a use for the Government system, and even though there were channels of the Government system unused, the bill would force the Government to go through the commercial system and to pay the commercial rates.

As I understand the amendment offered by the Senator from Idaho and the Senator from Ohio, it would provide that if the Government should put up a system of its own the system could be used without restriction only with respect to coded, secret, unique military messages. It could be used by the USIA, or for any other governmental use, without having to go through the commercial system; is that correct?

Mr. CHURCH. That is correct.

Mr. KEFAUVER. I thought the legislative history ought to be very direct on that point. I think attention should be called to the fact that if the amendment is to be effective it will have to be considered as modifying the language on page 26 of the bill.

Mr. YOUNG of Ohio. Mr. President, may we have order? There is too much conversation by the attachés. I wish they would be quiet, so that we could hear what is going on without having to also listen to conversations between attachés.

The PRESIDING OFFICER (Mr. HICKEY in the chair). The Senate will be in order.

The Senator may proceed.

Mr. KEFAUVER. Mr. President, subsection (7) on page 26 of the bill provides that the President shall "so exercise his authority as to help attain coordinated and efficient use of the electromagnetic spectrum and the technical compatibility of the system with existing communications facilities both in the United States and abroad."

To me this means that the President must try to see to it that any system which is put up is compatible with then existing facilities, which might mean the low-orbit system or A.T. & T., if the bill should ever be passed.

There is another provision to which reference has been made; that, except in unique situations, the President shall use his authority to see that the commercial system is used.

It is the intention of the proponents of the amendments, as I understand, to modify both of those provisions. We would not be committing the President to prevent the establishment of a governmental system which would not be compatible with an existing system; and, also, the President and the Government would be free to use the governmental system for general Government purposes as well as for unique military coded messages which might be sent back and forth. Is that a correct understanding?

Mr. CHURCH. I can only say to the Senator that the short statement I made in behalf of the amendment was meant to define the reasons for offering it.

The purpose of the amendment is to make the substantive language contained in section 201(a)(6) conform to the declaration of purpose contained in the preamble, in section 102(b), so that it will be perfectly clear that if future developments should, for one reason or another—now difficult to foretell—lead us to conclude it is either in the national interest or required for purposes of meeting unique governmental needs to establish an alternative system, passage of the bill would not preclude the Government from so doing.

Thus, the amendment's purpose is to make the substantive language of the bill conform to the language in its preamble, to make it as broad as that language but no broader, so that the door may remain open to establish an alternative system, if it should prove to be in the national interest to do so at a later date.

This is the intent of the amendment as we have offered it.

I think this was what the Secretary of State had in mind when he indicated his approval of the amendment.

Mr. KEFAUVER. If the Senator will yield further, section 201(a)(6), as it now reads, provides as follows:

> Take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs.

As I understand the language, the President would be directed to try to see that all governmental communications were channeled through the commercial system; and if the Government for some reason decided to put up a system of its own it could use that additional system only for unique governmental needs. "Unique governmental needs" have been defined by the Secretary of State and others as classified, secret, coded military messages; is that correct?

Mr. LAUSCHE. Mr. President, will the Senator yield to me?

Mr. KEFAUVER. Will the Senator wait a minute, please?

Mr. CHURCH. That was the testimony before the committee.

Mr. KEFAUVER. That was the testimony before the committee.

If the amendment were adopted, the President would not be required to use a governmental system, if it were put up, only for coded, secret military messages, but might use it for general governmental purposes; is that correct?

Mr. CHURCH. Again I say to the Senator, if the amendment were agreed to, it would make the substantative language of the bill conform to the language in the preamble, and therefore would leave it open to the Government to establish an alternative system, either to meet unique governmental needs, or if otherwise required in the national interest. That would seem to me to be a sufficient answer to the Senator's inquiry.

Mr. KEFAUVER. We have heard much testimony from Mr. Edward Murrow, who could use a system, if it were available, to send his messages on behalf of the United States, of freedom and democracy, to the developing small nations of the world. Would the Senator's amendment be sufficient to enable Mr. Murrow, of the USIA, if he were otherwise authorized to do so, to use the governmental system for foreign relations and information purposes in line with the purpose of his program, which is peace and understanding in the world?

Mr. CHURCH. I think the adoption of the amendment would leave it open for the Government to utilize an alternative system if it were later found that to do so would serve the national interest. This would be one of the purposes for which an alternative system might be used.

Mr. KEFAUVER. The Senator is talking about Mr. Murrow's purposes?

Mr. CHURCH. Yes.

Mr. LAUSCHE and Mr. DOUGLAS addressed the chair.

Mr. CHURCH. First I yield to the Senator from Ohio, who is a cosponsor of the amendment. Then I shall be glad to yield to the Senator from Illinois.

Mr. LAUSCHE. The report of the Committee on Commerce described the language with reference to the unique governmental needs to mean that the Government, through the Department of Defense, might establish its own satellite system to supply the unique needs. The unique needs are the coded messages, the secret messages.

The amendment which has been offered by the Senator from Idaho and myself provides that the Government may set up its own satellite communications system to supply unique needs, which means the transmission of coded and secret messages, and may set up a separate satellite communications system when the national interest requires it.

Under the second condition it would mean that if we must sell our image to the world through a satellite communications system, we could set up our own. It does not mean that we would have to, but the base would be there to which we could return and say that such a system is needed in the national interest. That is my understanding of the amendment. The amendment would make the substantive law in section 201, subparagraph (6), comply exactly with the language in the declaration of policy.

Mr. CHURCH. The Senator is correct in his statement of the purpose of the amendment. His understanding of the amendment is the same as my own.

Mr. DOUGLAS. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. DOUGLAS. I have listened to the Senator from Idaho with great care. I should like to ask a question. As I remember his statement, he said that his amendment would mean that an additional communications system, if otherwise required in the national interest, would not be precluded by his amendment. The question which I should like to ask is as follows: Would it be authorized by his amendment or would there have to be further legislation before the President or appropriate authority could develop a communications system for other than "unique" purposes?

Mr. CHURCH. I think that would depend upon whether a system set up to meet unique governmental needs could also simultaneously be utilized for some other purpose. If so, nothing in the bill, once the amendment is agreed to, could preclude it.

The answer to the second question raised by the Senator, as to whether separate authorization would be necessary, it seems to me might depend upon whether a whole new and separate system had to be set up, and appropriations had to be secured from the Congress for that purpose. But the purpose of the amendment is not to leave this law, which establishes one corporate instrumentality for one satellite communications system, in such form as would preclude us from setting up an alternative system, if the national interest should so require. I believe we want to leave the door open so that we will not be precluded from taking such action in the future.

Mr. DOUGLAS. Did I correctly understand the statement of the Senator from Idaho that the language of his amendment would mean that there was not necessarily full authorization for such an alternative system?

Mr. CHURCH. Again I say it would depend upon the circumstances. It might be necessary to come back for additional authorization. It might not, depending upon the type of system proposed.

Mr. DOUGLAS. Then the reply to my question is that the amendment may authorize, or it may not authorize, such an alternative system for other than unique national purposes.

Mr. CHURCH. Since I would prefer not to speculate, I should say the safest reply I could give is that the amendment would leave the bill in such shape as not to preclude the establishment of an alternative system if the national interest should require it.

Mr. DOUGLAS. But it is not specifically authorized.

Mr. MAGNUSON. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. MAGNUSON. Naturally there would have to be an appropriation. I understand the amendment to provide what the Senator from Ohio [Mr. LAUSCHE] has said. The space agency, under its broad authority, could set up a communications system if Congress appropriated the money.

Mr. CHURCH. Yes. The authority is there. Subsequent congressional action to implement the action with additional money might be required.

Mr. MAGNUSON. Under their broad authority such a communication system could be established.

Mr. CHURCH. The purpose of the amendment is to put the bill in such shape that we will have written nothing into the law that would preclude us from such a project if we should find it in the national interest to do so.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield to the Senator from Oregon.

Mr. MORSE. I think it is very important that we get the legislative history on the amendment crystal clear. The Senator from Illinois has raised a vital question. My understanding of what the Senator from Idaho and the Senator from Illinois are seeking to do is to make clear that the Government will be authorized under the bill to proceed to develop its own satellite communications system, not only to send messages that now fall under the category of so-called unique needs of the Government, but also to send any other program that it may wish to send over a Government system, if the President should decide that it is in the national interest to do so.

Let us assume a hypothetical situation. Let us assume that we find that our contest with Russia is such a serious one that we must transmit very rapidly what we might call programs of freedom to win over the minds of men to the cause of the democratic system. But the President might find that if we have to do that under the commercial rates that would have to be paid to the commercial system created by the corporation, it would involve a great waste of the taxpayers' money, and therefore he might decide that it would be more desirable to expand an existing system that they may then be using to meet some of the unique needs of the Government in satellite communication, such as sending coded messages and dealing with other high security messages, such as we know are involved in some of our spy activities, and the like. The President would not have to come to Congress and get authorization to build that kind of system, but he would have to come to Congress to get the appropriation for it.

The distinction is very important. I think it is the one raised by the question of the Senator from Illinois; and I think the authors of the bill, in the interest of the legislative history of the amendment, should make it very clear as to whether or not we are right when we take the position that the President would have authority to proceed with the development of this system, and would have to come to Congress for the appropriations for the expansion of the system.

Mr. LAUSCHE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield to the Senator from Ohio.

Mr. LAUSCHE. The answers to my inquiry have been to the effect that authority now exists in law to go forward with the type of communication proposed. What our amendment seeks to do is to remove the preclusion against such an operation contained in the present law.

Mr. CHURCH. Certainly. I think the contribution made by the distinguished senior Senator from Washington and the distinguished Senator from Oregon have been very helpful in pointing up the fact that authority now exists in the law, and that therefore any subsequent action by the Congress that might be necessary would be confined to the appropriation.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CHURCH. I yield.

Mr. GORE. In other words, if the Government should find that by the establishment of a satellite communications system of its own, to be used for its own purposes, it can accomplish its objectives and save the taxpayers enormous sums of money, the national interest would require such use. Therefore the amendment would prevent the section referred to from requiring the Government to use the corporation's system, if vast savings to the taxpayers could be accomplished through the use of the Government's own system.

Mr. CHURCH. The Senator is correct. Of course, if future development should show that it would be desirable for the Government to use an alternative system for any number of purposes, doubtless the recommendation would be made, and if an appropriation were needed to implement it, the executive department would bring that recommendation to the Congress and the Congress could exercise its judgment upon it.

Mr. MAGNUSON. The Department of Defense now has authority. They could designate the Signal Corps of the Army. It would have to come to Congress to get the money, but it has authority to have any kind of communications system it wishes to have.

Mr. KERR. Mr. President, never in my life have I had so much trouble trying to accept amendments offered by a Senator. In doing so, however, I would like to make one or two points clear.

In the judgment of the senior Senator from Oklahoma the effect of the amendment is to clarify, as has been so repeatedly stated by the Senator from Idaho, what is in the declaration of policy and purpose of the bill at the bottom of page 21 and at the top of page 22. In order, however, that the record may be

clear, let me say, first, that there is no inhibition in the bill limiting the authority of the Government to establish other communications satellite systems.

On page 21, subsection (d) provides, as follows:

(d) It is not the intent of Congress by this Act to preclude the use of the communications satellite system for domestic communication services where consistent with the provisions of this Act nor to preclude the creation of additional communications satellite systems, if required to meet unique governmental needs or if otherwise required in the national interest.

As has been so ably stated by the Senator from Washington, chairman of the Commerce Committee, under existing law the Defense Department has complete authority to establish additional communications satellite systems, provided Congress sees fit to give it the money. Congress has been giving the Defense Department money to do exactly that, and the Defense Department has been doing it.

Furthermore, the language of the bill at page 25, paragraph 4, 5, and 6, under section 201, does not do what the distinguished Senator from Tennessee [Mr. KEFAUVER] and the distinguished Senator from Tennessee [Mr. GORE] have said they feared it did.

The bill is not intended to require that the Government use the privately owned corporation for the transmission of communications by way of the satellite system authorized to be established and operated by the corporation.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. In a moment. The language of these provisions, in accordance with the request of the Department of Defense, as shown in the report of the Commerce Committee, at page 38, in the middle of the page, is as follows:

Another provision in S. 2814 (sec. 403(a)(6)) and H.R. 11040 (sec. 201(a)(6)) directs the President to insure "the availability and appropriate utilization of the communications satellite system for general governmental purposes which do not require a separate communications satellite system to meet unique governmental needs." Under this provision, which is favored by the Department of Defense, Government agencies would use the civil communications system in accordance with normal practice, and the power to assign priority of governmental traffic over commercial traffic as necessary for national security purposes would be reserved.

The sole and exclusive purpose of the language is not to compel the use of the satellite system by the Government, but to reserve to the Government the right to use it, if the national security should require or indicate its use, and to have priority for its use over any commercial or civilian use.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KERR. In a moment.

Therefore, it is perfectly acceptable to the subcommittee, to the majority leader, to the minority leader, to the chairman of the Commerce Committee, and to the chairman of the Foreign Relations Committee to accept the amendment. It is a clarifying amendment. It recites what is specifically contained in the bill.

I say again that it is not necessary to reserve to the Government the right to establish other communications satellite systems. That right is inherent in the Government and Congress.

It is specifically contained in the bill. It is not necessary to relieve the Government of a requirement to use it if it does not want to do so, because that provision is not contained in the bill. If clarifying language in that regard were needed, it would be gladly accepted. The only provision referred to guarantees the Government priority over the system, if it needs it, wants it, and desires to preempt it.

Therefore, I say again that the amendment is perfectly satisfactory, but I never had so much trouble accepting one in my life.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. KERR. I yield.

Mr. SYMINGTON. First I congratulate the senior Senator from Oklahoma for the fine work he did when we carefully studied this bill in the Space Committee. I also congratulate the distinguished chairman of the Commerce Committee, the Senator from Washington [Mr. MAGNUSON], for his fine work. We on these two committees believe we understand this bill; therefore I am surprised and distressed by some of the harsh and unfair criticism being made against it.

Contrary to what has been said, is it not true that under the bill the Government of the United States can do anything it deems necessary in the satellite field?

Mr. KERR. For itself and other communications system that the Congress will pay for. That is absolutely correct. Nothing in the bill prevents it. On the contrary, the language in the bill specifically contains a declaration of that reservation.

Mr. SYMINGTON. I thank the Senator. Most certainly I would not want to place in the hands of a privately-owned utility anything which was not controlled by the Government. Would not the able chairman agree that however this matter is handled, it must be handled in effect, in a big manner? Therefore, the question is, should we handle it through big business, completely subject to regulation by the Government, or should we handle it by big Government?

Mr. KERR. Subject to no regulation.

Mr. SYMINGTON. Right; and thus have further heavy addition to the tremendous bureaucracy we find it necessary to have to operate this Government?

Mr. KERR. The Senator understands that that is the alternative as proposed by some opponents of the bill.

Mr. SYMINGTON. I do. Now in the Foreign Relations Committee, I recently brought out the fact that in recent years the number of Government employees has increased by more than 1,000 percent, from a few hundred thousand to millions. If this trend continues, and if we have steadily more Government corporations of this character established by the Congress—which invariably take away from the tax base, realizing that in our way of life the only source of taxes is income, including profits—then the question of whether or not we believe in free enterprise will be theoretical, will it not, because everyone will be working for the Government?

Mr. KERR. Yes. Who would be paying for it, the Senator from Oklahoma does not know, because taxes are now collected from the people on the basis of what they produce by private enterprise, and thereby funds are secured by the Government to pay for what it does, and to any degree that we preempt further the field of operation for a Government corporation, which otherwise would be producing revenue, would be consuming tax money and not producing it for the support and operation of the Government.

Mr. SYMINGTON. The Senator is so correct. Does not the able chairman of the Space Committee agree that the Russians, under their system of Government ownership, have performed magnificent scientific feats in recent hours and days?

Mr. KERR. They have performed an astonishing feat.

Mr. SYMINGTON. But the chairman does not say such feats cannot be performed under private enterprise as well as under socialism or communism, does he?

Mr. KERR. The Senator from Oklahoma feels that the American system of competitive private enterprise can outperform any socialistic or communistic system. I believe that the record has proved it. I agree with the great Senator from Missouri that that should be the pattern that the Government should follow in the establishment of this communications satellite system and the corporation to own and operate it.

Mr. SYMINGTON. Does the able senior Senator from Oklahoma not agree that, if we continue, every time something new comes up, to demand that we take it away from private enterprise and place it under Government ownership, we can only be moving slowly but steadily toward a socialistic state?

Mr. KERR. There can be no doubt that that statement is correct.

Mr. SYMINGTON. I thank the able Senator from Oklahoma. That is the reason I intend to support the bill, believing in free enterprise. I believe in the capitalistic system. Regardless of any successes achieved by countries that have other economic systems, I prefer the system which has made this country the greatest Nation in the world today.

Mr. KERR. I appreciate what the distinguished Senator from Missouri said about the Senator from Oklahoma, the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. SPARKMAN], and the Senator from Washington [Mr. MAGNUSON].

I am especially grateful to the distinguished majority leader and the distinguished minority leader for their support of the proposed legislation.

I pay special tribute to the distinguished Senator from Rhode Island [Mr. PASTORE] who is not able to be in attendance in the Senate today, but who,

together with other members of the Committee on Commerce, spent many weeks in hammering out the language of the bill. Although he is not able physically to be here, he is present in spirit; and the work which he has so ably helped to do as chairman of the subcommittee of the Committee on Commerce is reflected in the excellent provisions of the bill. I know the Senator from Missouri joins with me in paying tribute to the Senator from Rhode Island for his work on the bill.

Mr. SYMINGTON. I surely wish to pay tribute to the great Senator from Rhode Island, who not only wholeheartedly supported the bill in the Committee on Commerce under the able leadership of the distinguished Senator from Washington [Mr. MAGNUSON], but also had the courtesy to sit with the distinguished Senator from Oklahoma [Mr. KERR], the chairman, and the rest of the members of the Committee on Aeronautical and Space Sciences, to fully understand the bill, this before he gave it his unqualified approval.

Mr. KERR. The Senator from Missouri is correct. The distinguished minority members of both those committees and also of the Committee on Foreign Relations gave their undivided attention and wholehearted cooperation and support to the bill through the contribution of their great intellects. They participated in the discussion and helped to fashion the bill. I am grateful to them.

I observe in the Chamber the distinguished senior Senator from Wisconsin [Mr. WILEY], the ranking Republican member both of the Committee on Aeronautical and Space Sciences and the Committee on Foreign Relations, who made a distinct contribution to the drafting of the bill.

Mr. GORE. Mr. President, will the Senator from Oklahoma yield?

Mr. KERR. I yield.

Mr. GORE. I have enjoyed the colloquy between the distinguished senior Senator from Missouri and the distinguished Senator from Oklahoma.

Mr. KERR. I am especially happy to have contributed to the enjoyment of the Senator from Tennessee.

Mr. GORE. The enjoyment of the colloquy was slightly diminished by the fact that I have previously read such catechisms published by the U.S. Chamber of Commerce and the Republican National Committee.

Mr. KERR. The Senator has a broader range of reading information than I had been aware of. He does not often give evidence of it.

Mr. GORE. I am glad that now and then I can recall something I have read and recognize the similarity in the catechisms.

Mr. KERR. Does the Senator from Tennessee reassure the Senator from Oklahoma that there is nothing offensive in the word "catechism" as applied to this subject?

Mr. GORE. Speaking as one good Baptist to another, I can give such reassurance.

Mr. KERR. I thank the Senator from Tennessee.

Mr. GORE. Everything the Senator from Oklahoma has said with respect to the interpretation of subsection (6) of section 201 relates exclusively to the availability of the communications system. The Senator did not refer to the requirement that the President take all necessary steps to insure the utilization of the communications satellite system for such general governmental purposes as do not require a separate communications system to meet Government needs. I submit that any reasonable interpretation of that language is that the President must take all necessary steps to insure that the facilities of the corporate satellite system be used for such general governmental purposes as do not require a separate communications satellite system to meet unique governmental needs. The Senator from Oklahoma in his interpretation has not made reference to that. As I understood him, he said that the purpose of this section was to assure the availability of the system for Government use.

Mr. KERR. The Senator from Oklahoma helped to write this language. He knows what was intended by the committees which reported the bill to the Senate. The intention is contained in the reports. It is contained in the statement which the Senator from Rhode Island made to the Senate. It is contained in the statement made by the Senator from Oklahoma to the Senate.

The Senator from Tennessee can build up a strawman out of his imagination or his own interpretation and attack it all he desires. That still does not change the interpretation of this section as it is understood by the committees which wrote it and reported it to the Senate, and the interpretation which the Senator from Oklahoma now gives it.

The Senator from Oklahoma further says that if there is any possibility of a misunderstanding on the part of the majority of the Members of the Senate that the language means exactly what the reports and what the Senator from Rhode Island and the Senator from Oklahoma have said, he will be happy to accept clarifying language to make it abundantly clear to the distinguished Senator from Tennessee, whose sincerity he does not doubt, but with whose interpretation of the language he does not agree.

I repeat, if language is needed to make the intent abundantly clear, the Senator from Oklahoma would be glad to recommend that it be accepted by the Senate, just as he is now recommending the acceptance of the amendment offered by the Senator from Idaho [Mr. CHURCH] and the Senator from Ohio [Mr. LAUSCHE], provided those who seem to favor it will permit the Senate to have an opportunity to approve it.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Idaho [Mr. CHURCH] and the Senator from Ohio [Mr. LAUSCHE].

The amendment was agreed to.

Mr. KUCHEL. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from California will state it.

Mr. KUCHEL. Has time now begun to run under the unanimous-consent agreement?

The PRESIDING OFFICER. Time has begun to run on the Kefauver amendment.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Tennessee will state it.

Mr. KEFAUVER. Did the time consumed by the Senator from Colorado come out of my time or his time?

The PRESIDING OFFICER. The time of the Senator from Tennessee begins to run now. How much time does the Senator from Tennessee yield himself?

Mr. KEFAUVER. I yield myself 10 minutes.

Mr. President, what has just happened in taking out a provision which any reading of the English language would indicate to mean that the President had to work with the corporation in seeing that all governmental business, except unique uses, such as coded messages, went through the corporation is typical of about 25 other sleepers in the bill which ought to be corrected and amended, but which will not be if the bill is pushed through.

The Committee on Commerce said that the language meant that the Government had to let all business, except "unique" business, pass through the corporation. We hear the ballyhoo about the public being able to buy stock; but that would apply only to the original issue. The corporation could issue $1,000 worth of stock, of which the public might get $500, and then issue all the rest of the stock as nonvoting stock, in which the public would have no participation whatsoever.

I shall now discuss the amendment I have offered.

The recent Russian feat of placing two astronauts in orbit shows the kind of competition with which we must contend. We want to be first in communications satellites. We must be first. The surest way not to be first is to pass the bill and leave to a private corporation the decision as to the kind of system which will be built, whether a low-orbit system or a high-orbit system.

We all know that in the years to come a low-orbit system—at least all the witnesses say so—will be the kind that will orbit the earth. That is the kind on which the Soviet Union is working. Yet under the bill—and admittedly so—no flexibility is provided. What the corporation decides upon will be the kind of system we will have. The President, by a directive in the bill, is required to see to it that the system is compatible with existing facilities—in other words, a low-orbit system.

Dr. McMillan, head of research and development, and all the people from A.T. & T., which will dominate the corporation, have already filed their statements with the FCC and have said that they are committed to a low-orbit system; that they are plugging for a low-orbit system.

The high-orbit system has been criticized by Dr. McMillan, who now is

working for the Air Force. He went there directly from A.T. & T.

Frankly, Mr. President, this bill is for a low-orbit system. That means that if the bill as it now stands is passed, we shall never have the best kind of system and we shall not have the necessary flexibility in connection with the system to be used.

The only part of the bill which refers to a governmental agency's having anything to do with the determination of the kind of system to be used is section 201, subsection (c), paragraph (6), as follows:

> (6) approve technical characteristics of the operational communications satellite system to be employed by the corporation and of the satellite terminal stations; and

However, Mr. President, the FCC witnesses have testified that in their opinion that provision will not enable them to make a decision which would require the corporation to change from a low-orbit system to a high-orbit system. They have testified that this provision applies only to the "technical characteristics". In short, we would be stuck with whatever system the corporation decided to use.

Furthermore, the A.T. & T. witness, Mr. Dingham—whose testimony is to be found on page 203 of the hearings held before the Commerce Committee—stated:

> Taken alone, however, this language would not seem to empower the FCC to compel the abandonment of an operational system approved by it and the substitution therefor of another system.

So, Mr. President, there can be no question that, in the first place, the power and the authority provided by the bill would make possible the use of an inferior system; and in view of the fact that the only facilities now existing are based on a low-orbit system, it is obvious that we would be tied to a low-orbit system before work on a better system could be started; and under the provisions of this bill, neither the President nor anyone else would have power to order a change from a low-orbit system to a high-orbit system.

Mr. President, this amendment is most essential. All it seeks to do is authorize the President of the United States, when he deems it to be in the national interest, to order a change from one type of system to another. Such a provision is supported by every thoughtful report which has been made. For example, the Rand report to NASA states, on pages 58 and 59, that we ought to have flexibility both as to the type of ownership and the type of system.

On page 104, the Rand report specifically states:

> Therefore, the more flexible the initial arrangements are, the better.

That statement appears on page 104 of the Rand report, one of the volumes submitted to the National Aeronautics and Space Administration.

Furthermore, in the report of the Committee on Aeronautics and Space Sciences we find the statement:

> However, the Government must retain maximum flexibility.

Mr. President, what kind of a situation would we be in if the corporation decided that for its own purposes of profit, for the purpose of making the biggest possible profit, it wished to have one kind of system, even though in the national interest it would be important to have an international system by means of which we could reach all the nations of the world, and also if the President, the FCC, and all other Government authorities were convinced that we should use a high-orbit system, but were powerless to do anything about having a high-orbit system used? Are we going to leave the development of this most important communications system in the hands of a private corporation, without any power on the part of the FCC or the President or any other part of the Government to order a change to a better system?

So, Mr. President, I believe that the least we can do is provide that there shall be lodged with the President of the United States the power to order—if he deems it desirable to do so in the interest of the United States—a change of system, so we can be first in this development.

Mr. CARROLL. Mr. President, will the Senator from Tennessee yield?

Mr. KEFAUVER. First, Mr. President, let me ask how much time remains available to me.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Nine minutes out of the 10 the Senator from Tennessee previously yielded to himself, and 21 minutes in all out of the 30 minutes available to the Senator from Tennessee on his amendment.

Mr. KEFAUVER. Mr. President, I yield 6 minutes to the Senator from Colorado.

The PRESIDING OFFICER. The Senator from Colorado is recognized for 6 minutes.

Mr. CARROLL. Mr. President, previously I stated on the floor of the Senate that I have been absent for 2 weeks, because of illness, and therefore I did not hear all the earlier debate on this bill.

Two things about the bill have worried me. One of them is called, I think, the first Gore amendment—an amendment which had to do with lodging in the Department of State complete power in regard to foreign relations. I discussed that at length, and also I discussed the Federal aviation statute and the Supreme Court decision arising under it, with the able senior Senator from Oregon [Mr. MORSE].

I believe that as a matter of law and as a matter of logic the Senate made a mistake in rejecting the Gore amendment in that respect, because I think that leaves a so-called no man's land area in the bill.

Specific authority enumerates in great detail what the President could do and what he could not do. Nevertheless it was brought under attack in the Waterman case. I have already cited this for the RECORD, so there is no use going over it again at this time.

I commend the Senator from Oklahoma [Mr. KERR]. I think that as a result of the amendment of the Senator from Idaho [Mr. CHURCH] and the Senator from Ohio [Mr. LAUSCHE] and as a result of the colloquy which occurred between the Senator from Oregon [Mr. MORSE] and the Senator from Illinois [Mr. DOUGLAS] there has been a clarification.

In my opinion there is not the slightest doubt that the statement of policy did not square with (6) of subsection (c) of section 201, and therefore I felt that that correction was a necessary and good one.

It is my opinion that the statements made by the able senior Senator from Oklahoma [Mr. KERR] have clarified certain problems about this bill. Certainly they have helped clarify my thinking about it. As I understood the statement made by the Senator from Oklahoma, it was that we in the Congress should not, as we pass this bill, close the door on other courses in the future. After all, we could not do so even if we wished.

However, I believe there should be in the bill a statement which will specifically place power in the hands of the President.

I wish to state to the able Senator from Tennessee that we have been working on an amendment, and in that connection I have called for assistance from the American Law Division of the Legislative Reference Service in the Library of Congress.

I wanted to test the constitutionality of the proposed amendment. In connection with the opinion which the Library of Congress gave me, it called to my attention the Federal Aviation Act, about which I have already spoken. The Legislative Reference Service pointed out to me that under my proposed amendment the power that would be given the President would be, in some respects, narrower and in other respects broader than that given the President over air transportation in section 801 of the Federal Aviation Act of 1958.

In commenting on the constitutional issues raised in my proposed amendment the Legislative Reference Service had the following to say:

> It is narrower in the sense that it is a simple veto power rather than a power of approval as well. Acts of the corporation, or the administration or the Commission would be effective without his approval and indeed without his knowledge. Under the Aviation Act applications are to be submitted to the President before any hearings are held, and decisions must be approved by him before they are published.
>
> It is broader in the sense that the President's veto power under the Satellite Act would embrace every act of the corporation or the Government, even those dealing with domestic matters such as rates for transmission to and from points in the United States, while his power under the Aviation Act embraced only matters of oversea and foreign transportation. This difference presents constitutional issues not raised by the provisions of the Federal Aviation Act. In the very short time we have had to weigh them, however, they would not seem to require a determination that it would be unconstitutional for Congress to give the President the proposed powers.
>
> In the Waterman case the Court commented on the propriety of providing stricter regulations of air commerce than had been provided for earlier forms of transportation:
>
> "We find no indication that the Congress either entertained or fostered the narrow concept that airborne commerce is a mere

outgrowth or overgrowth of surface-bound transport. Of course, air transportation, water transportation, rail transportation, and motor transportation all have a kindship in that all are forms of transportation and their common features of public carriage for hire may be amenable to kindred regulations. But these resemblances must not blind us to the fact that legally, as well as literally, air commerce, whether at home or abroad, soared into a different realm than any that had gone before. Ancient doctrines of private ownership of the air as appurtenant to land titles had to be revised to make aviation practically serviceable to our society. A way of travel which quickly escapes the bounds of local regulative competence called for a more penetrating, uniform, and exclusive regulation by the nation than had been thought appropriate for the more easily controlled commerce of the past. While transport by land and by sea began before any existing government was established and their respective customs and practices matured into bodies of carrier law independently of legislation, air transport burst suddenly upon modern governments, offering new advantages, demanding new rights, and carrying new threats which society could meet with timely adjustments only by prompt invocation of legislative authority. However useful parallels with older forms of transit may be in the adjudicating private rights, we see no reason why the efforts of the Congress to foster and regulate development of a revolutionary commerce that operates in three dimensions should be judicially circumscribed with analogies taken over from two-dimensional transit.

"The 'public interest' that enters into awards of routes for aerial carriers, who in effect obtain also a sponsorship by our Government in foreign ventures, is not confined to adequacy of transportation service, as we have held when that term is applied to railroads. *Texas* v. *United States*, 292 U.S. 522, 531. That aerial navigation routes and bases should be prudently correlated with facilities and plans for our own national defenses and raise new problems in conduct of foreign relations, is a fact of common knowledge." 333 P.S. 103, 107–08 (1948)

It is certainly arguable that the entire concept of a communications satellite system is so global in its nature that no decision with respect to any of its components is or can be of a purely domestic character, that every move may have significance in relation to our foreign policy. The Constitution makes the President our national agent in the conduct of foreign affairs.

My proposed amendment was drafted in such a way as to make it possible for the President to disapprove the acts or actions of the corporation or of agencies of the Government, whenever necessary, in order to obtain full compliance with national policy regarding communications through space satellites. The amendment would give the President this power. It would really be a veto power.

Under the Federal Aviation Act, the President had the power of approval—a much broader power, of course.

But what disturbs me about the amendment is that when the amendment refers to "all acts or actions," I realize that many acts could be initiated by the private corporation in connection with contracts domestic in nature; and I am afraid that that provision is too comprehensive and might not be constitutional.

However, Mr. President, my chief concern now about the bill is that there would be no real Presidential control over the corporation.

But, it may be said, the membership of 3–6–6 is a measure of control. My prediction is that in the next year and a half the low-orbit system will be established. This is free enterprise. We know they are going to operate for profit when they create it, and we intend that they shall make a profit. It is a monopoly. Under the law it is entitled to a profit. What I am afraid of is that they can become set in their ways, and once they have a low-orbit system, the question arises whether we can force them to adopt a higher orbit system if it becomes necessary in the national interest.

I think in some way that power should be reposed in the bill. It may be argued, "Why can Congress not act? If it can create this piece of legislation, why can it not create another one providing for a higher orbit system?"

We know how difficult it is even today to get full debate on these amendments. There are powerful pressures on us.

The PRESIDING OFFICER. The time of the Senator has expired.

Mr. KEFAUVER. Mr. President, I yield 5 additional minutes to the Senator. Will the Senator yield for a question?

Mr. CARROLL. I yield.

Mr. KEFAUVER. If this legislation were enacted, freezing the system into a low-orbit system, which is done in several provisions of the bill, and 5 years from now we passed a bill providing that there should be a high orbit system, that would be equivalent to eminent domain, and the Government of the United States would have to pay the A.T. & T., and possibly other corporations, all the damage they might be subjected to, as would be true under eminent domain, because the system was changed from one to the other. But if such a provision were written into the law, and if the company were ever entitled to go on with the program, under the bill, they would know there was power in the President to change the system and that they would have to accept it under those circumstances.

Mr. CARROLL. There is considerable merit in the contention of the Senator from Tennessee, but I like to believe that people in a private corporation, even with the 3–6–6 setup, will be looking ahead. I know they will have great experience. This is why I think the legislation is premature; and particularly in view of what happened yesterday, we ought to take another look at this legislation for a few months.

As I stated the other day, I am not one of those who advocate public ownership, but I do advocate that more Government control be provided in the bill.

Who is going to operate the system? Suppose we set up a Government commission comparable to the Atomic Energy Commission? Suppose we set up a space commission? There is not the slightest doubt in my mind that A.T. & T. would have to operate the system under a lease or contract. I expect it to play a major role.

I repeat what I said about Government control. This is not the time to slip or rush legislation through. I have been studying the question because I wanted to find out more about this legislation. At the time there was debate on the floor of the Senate on nuclear energy, the issue arose as between civilian and military control. As I studied the debates and a book on the subject, I learned that it was months before a decision was reached.

I cast no aspersions on the motives of Senators who worked on the bill. They are all experienced legislators. I raise this simple point, this one question. I think the men who are to operate the private corporation have expressed a deep concern as to whether we are going into a low-orbit system or a high-orbit system.

I have expressed myself on the Gore amendment. I think a mistake was made in rejecting it, and I cited the law to sustain my position.

I saw the amendment of the Senator from Tennessee this afternoon. I liked the general idea of reposing in somebody—and I mean the President of the United States—the authority to distinguish between a lower system and a higher system, and, more than that, having the power to act. The President of the United States represents all the people. We represent the States. We have State interests and regional interests, but, in the words of ex-Presidents, only one man represents the whole people, and I would be willing to repose that power in his hands.

I do not have the slightest doubt this evening that this amendment will be rejected overwhelmingly, but we are making a record, and I think the record will be read. I think the bill is going to be passed. I want to be very candid.

The PRESIDING OFFICER. The additional 5 minutes yielded to the Senator have expired.

Mr. CARROLL. May I have an additional minute?

Mr. KEFAUVER. Mr. President, I yield to the Senator from Colorado 1 more minute.

Mr. CARROLL. I think I can conclude my remarks in 1 more minute.

I know the work that has been devoted to this bill by able Members of this body. I do not impugn any Senator's motives. I think the question of control is vital, and perhaps there will be greater evidence of that than has been shown; but I believe we are making a record which will be beneficial to those who are going to operate the corporation and the public bodies and the men the President selects as his representatives, and I hope they will pay attention to the relative merits of the two systems, about which there is great dispute.

Mr. KERR. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KERR. Who has control of the time in opposition?

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. KERR. I yield myself 10 minutes.

In opposing this amendment, I want to make it definitely and distinctly clear what the amendment proposes to do. It adds a new subsection on page 24, after line 25. This is under the section of the bill which sets forth the powers and the duties of the President. It would make this additional responsibility incumbent upon the President to "decide whether the communications satellite corporation authorized under title III of this Act shall initially utilize a synchronous or nonsynchronous system and may decide at a future date that the corporation shall change from one system to the other."

We have a great Defense Department, which has been working for years to develop a system of communications satellites. We have the great National Aeronautics and Space Administration, which has grown out of other activities and out of research agencies of this Government, and now has certain responsibilities in connection with development of communications satellites. We have great corporations in private industry either spending money under Government research contracts or study contracts, or on their own, trying to find the most efficient, the most workable, and the most available system of communications satellites possible.

I do not see why these agencies and corporations do not cease their efforts and ask certain Members of the Senate what to do. Why should the Department of Defense spend hundreds of millions of dollars, or even tens of millions of dollars, in experiments with low-orbit communication satellites, medium-range communication satellites, or high-altitude satellites known as synchronous satellites, when all their problems could easily be solved by a whisper from certain Members of the U.S. Senate.

The distinguished Senator from Colorado said, "Somebody should have the power to act."

Mr. President, the Senator from Colorado ought to read the bill. Then he would learn that it gives somebody the power to act. Can Senators imagine a private corporation spending hundreds of millions of dollars of its money in an effort to develop as rapidly as possible, a highly efficient system of communications satellite, if there were a provision in the bill that any morning they might be awakened by the receipt of a special delivery letter from the White House, saying, "You must discard all you have done. You must eliminate and do away with all your experimentation, scientific progress, and effort, and substitute something directed by the President of the United States, in lieu of what the corporation has done by the expenditure of its own money."

That will be especially meaningful, Mr. President, when men understand the rigorous gantlet the corporation will have to run in order to be permitted even to spend its own money.

The Senator from Colorado said, "Somebody should have the power to act."

I advise the distinguished Senator that, under existing law, and under the bill, somebody has the power. It is the Federal Communications Commission. The Senator should read the bill.

He complimented those who did, and I appreciate it. I wonder why he did not follow their example. He would have learned by reading pages 26, 27, 29, 30, and 37 that the bill specifically sets forth the power which somebody has in connection with the question referred to in the amendment.

On page 37 of the bill, under title IV, in section 401, there is language beginning on line 16:

> The corporation shall be deemed to be a common carrier within the meaning of section 3(h) of the Communications Act of 1934, as amended, and as such shall be fully subject to the provisions of title II and title III of that Act.

Therein is the language which provides that somebody has the power, and designates who has the power.

I ask Senators to refer to the Communications Act of 1934, as amended, to see what that power is, in part.

Section 308(b) of the Communications Act of 1934, as amended, contained in the edition revised to September 30, 1960, reads in part as follows:

> The Commission, at any time after the filing of such original application and during the term of any such license, may require from an applicant or licensee further written statements of fact to enable it to determine whether such original application should be granted or denied or such license revoked.

Section 307(d) states in part:

> No license granted for the operation of a broadcasting station—

In view of the fact that this paragraph, in another sentence, refers to the restrictions to which the corporation would be subject, I ask Senators to listen:

> No license granted for the operation of a broadcasting station shall be for a longer term than three years and no license so granted for any other class of station shall be for a longer term than five years, and any license granted may be revoked as hereinafter provided.

Mr. President, the first gauntlet the corporation has to run is to be licensed by the Federal Communications Commission. It cannot be licensed for a period of more than 5 years, and the license can be revoked by the Federal Communications Commission under the rules of its procedure when in its discretion such revocation should occur.

I ask Senators to look at page 27 of the bill.

The PRESIDING OFFICER (Mr. PEARSON in the chair). The 10 minutes the Senator yielded have expired.

Mr. KERR. Mr. President, I yield myself 5 more minutes.

The PRESIDING OFFICER. The Senator is recognized for an additional 5 minutes.

Mr. KERR. Mr. President, on lines 6 to 9 on page 26 Senators will find this language:

> The National Aeronautics and Space Administration shall advise the Commission on technical characteristics of the communications satellite system;

The Commission is the Federal Communications Commission.

On page 27, begining in line 7, it is provided, as follows:

> The Federal Communications Commission, in its administration of the provisions of the Communications Act of 1934, as amended, and as supplemented by this Act, shall—

On page 29, in subparagraph (6) it is provided, as follows:

> Approve technical characteristics of the operational communications satellite system to be employed by the corporation and of the satellite terminal stations;

On page 30, beginning in line 10, it is provided, as follows:

> Require, in accordance with the procedural requirements of section 214 of the Communications Act of 1934, as amended, that additions be made by the corporation or carriers with respect to facilities of the system or satellite terminal stations where such additions would serve the public interest, convenience, and necessity; and

In other words, Mr. President, the bill would make the corporation a common carrier subject to the regulation and order-making authority of the Federal Communications Commission. Under the provisions of the bill and the Communications Act of 1934, as amended, with the advice of the National Aeronautics and Space Administration—which it actually would not be bound by, but which it would have the benefit of—the Federal Communications Commission would have full authority to grant the license, to specify the equipment, to approve the application which set forth the equipment to be used, to amend it, to prescribe certain changes, and to limit the license to not to exceed 5 years, which would be revocable under the rules of the Commission; and the Commission, to begin with, further could direct the corporation to submit a satellite system which it approved, and also could require, in accordance with the procedural requirements of section 214 of the Communications Act of 1934, as amended, "that additions be made by the corporation or carriers with respect to facilities of the system or satellite terminal stations where such additions would serve the public interest, convenience, and necessity."

Mr. President, I yield myself an additional 5 minutes.

In other words, under the bill and under existing law the authority which the amendment of the Senator from Tennessee would vest in the President is already vested in the Federal Communications Commission, except that the Federal Communications Commission would issue its orders in accordance with existing law. It would let the corporation know ahead of time whether it approved its investments or not. Therefore, it would not be likely, and, in my judgment, would not leave it dangling with the sword of Damocles above its head in the realization that regardless of how much money it might have spent in the development of a communications satellite system which had

been approved by the Federal Communications Commission, at any morning it might wake up with the knowledge that the President of the United States had ordered it to junk everything it had and to install another system, with reference to which it might not even have access, or know about, or be prepared to pay for, or operate if it could and did pay for it.

Therefore, I say, that either the bill or the amendment ought to prevail. If the bill has any significance, the amendment is ridiculous. If the amendment has any significance, it would destroy the bill. I, therefore, urge its defeat.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry

The PRESIDING OFFICER. The Senator will state it.

Mr. KEFAUVER. What time remains?

The PRESIDING OFFICER. The Senator has 9 minutes remaining.

Mr. KEFAUVER. Mr. President, I have heard many fine speeches by the distinguished Senator from Oklahoma [Mr. KERR], but I frankly must say that his speech tonight is the most remarkable presentation I have ever heard.

Mr. KERR. I thank the Senator.

Mr. KEFAUVER. He has stated how horrible it would be for the President of the United States, the head of our Nation, to have the power, after getting all necessary information from NASA, the FCC, the Defense Department, and the State Department in consideration of our foreign policy, to direct what kind of satellite system we should have in our best national interest. It would be a terrible thing for him to have that power.

Yet at the same time he has said that the Federal Communications Commission already has the power, and that it is perfectly all right for the Commission to have it. It would be a terrible thing for the President to change the system or to direct the system, but the bill would give the power to the Federal Communications Commission.

Mr. Dingman, the witness for the American Telephone & Telegraph Co., does not think that the Federal Communications Commission has the right to change the system. If the Senator will look at page 203 of the Commerce Committee hearing, he will see that in answer to a question, that is what Mr. Dingman said.

The Senator has talked about section 214 of the Act of 1934, under which the FCC is supposed to be able to require the A.T. & T. to install additional faciilties. Nobody is more familiar than is the Senator from Oklahoma with the fact that never in the history of the Federal Communications Commission has the FCC, under that section, been able to get A.T. & T. to install service in the rural areas of our country where telephone service is needed. They will only go where the service is profitable, and profitable in a big way.

Finally we had to pass the Rural Telephone Act, because the Commission would not and could not make A.T. & T. extend its facilities to the rural sections of the country.

The witnesses who have testified on the subject, the I.T. & T. witnesses and others, have said that if facilities are to be put into the developing nations of the world, there will have to be a Government subsidy. The Federal Communications Commission has never been able to force the A.T. & T. to abandon any facilities.

Mr. President, here is the point: The FCC has never been able to make the company go into the rural sections of the United States. The witnesses have not said, the bill contains no provision, and there is no provision of the Federal Communications Act which states that the FCC has the power to make the proposed corporation adopt the best system so that we can keep ahead in the field of communication satellites. We must have that power if we are going to keep ahead.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. KEFAUVER. I am happy to yield.

Mr. CARROLL. The Senator from Tennessee has touched on the heart of the matter, which the able Senator from Oklahoma [Mr. KERR] skirted. The real question is, What power exists in the Government to control after the corporation has initiated a program? Under the bill it is true that the corporation would be a common carrier. It is true that NASA would have something to do with it. But it is also true that once the license was issued—we are now talking about administrative law—the FCC would have a right to reexamine or to reissue.

Let us assume that the proposed corporation would adopt the low-orbital system. Let us assume that it has an investment of $100 million. Does any Senator think that the FCC could deny the corporation a license in 3 years? Oh, no.

The courts would throw out such a case very fast. Why? It would be based upon an arbitrary and capricious use of the licensing power.

The able Senator from Tennessee has only a few minutes remaining, and I shall make my statement quickly.

Once the low-orbital system is installed, should the Government decide it is in the national interest to go to the higher system in 3 or 4 years, who would have control? Nobody.

Mr. KEFAUVER. Nobody would have control, and A.T. & T. would not want to make the change because such action would make their investment in the low-orbit system obsolete.

Mr. CARROLL. That is possible. I am hopeful that they will be more intelligent. I am hopeful they will not invest their money in any system until they ascertain the best system available. Even if the Senator's amendment is not agreed to—and I expect it will not be—it ought to alert the corporation to the fact that it should not put their money into a system until we get the best. I do not believe we will get the best system until we get the high orbital system. I think the real purpose of the Senator's amendment is to issue a warning. But of course, we shall continue to try to have the amendment agreed to if we can.

Mr. KEFAUVER. Mr. President, I thank my distinguished colleague from Colorado. I call attention to the fact that other thoughtful groups are considering the bill today. I have a statement by the AFL–CIO Executive Council on the Communications Satellite Act of 1962, which I ask unanimous consent to have printed at this point in the RECORD.

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

STATEMENT BY THE AFL–CIO EXECUTIVE COUNCIL ON COMMUNICATIONS SATELLITE ACT OF 1962, AUGUST 13, 1962

Labor hails the unbelievably rapid advance of communications technology, particularly in the new field of achievement of global communications through the use of space satellites.

Already it is predicted that this technology will revolutionize both domestic and international communications, make it possible to exchange messages between any two spots in the world, enhance peaceful contact between the peoples of the world, increase communications and interchange of ideas among peoples, aid under-developed nations, and, in addition, develop into a business which will return untold billions of dollars annually.

Satellite relays have already been dramatically demonstrated in relationship to television broadcasting by Telstar. In addition satellite communications will also involve voice messages, meteorological communications, aircraft and aerospace, radio, astronomy and further research into other fields, and in ways which have already begun to change the everyday aspects of our lives, and promise to bring more changes in the near future.

In the face of these revolutionary achievements, labor must call attention to proposed legislation before the Senate of the United States which in its present form would undertake to write into law a mistaken national policy under which space communications would be carried out.

The U.S. Government has invested almost $25 billion in the overall orbit and space programs, for defense and peaceful uses which have made it possible at this time to consider turning over the program to private business. Out of this colossal outlay of American taxpayers' money, about $500 million has gone into the space communication satellite program. Moreover, all future programs will find the U.S. Government as the largest user, the leader in research and developmental activities, the judge of where ground stations should be located, the furnisher and owner of launching vehicles, crews and facilities, the regulator of private activities, to mention several of its most important continuing activities.

In view of these considerations labor urges the defeat of H.R. 11040 unless its monopolistic features are removed by drastic amendment. We urge that the most essential amendments include:

1. Government ownership and control of the communications satellite program but with private operation.

This will achieve the needed flexibility and assure maximum progress in this vital field. The approach of combining Government ownership and control with private operation will make it possible to draw fully on the genius of American Government which combines the efforts of both Government and private groups.

2. There should be added to the bill a provision which would require NASA to contract with private companies to operate the program under cost-plus-fixed-fee contracts in the public interest. This kind of policy has prevailed for many years between the Atomic Energy Commission and its private contractors but control and ownership of the program has remained in the hands of the Federal Government through agency of the Commission. It has been in the public interest and would be of particular benefit

to labor in maintaining its established collective bargaining arrangement with management in the communications industry.

The advantages to the national interest of continued Government ownership and control at this time are numerous. In the research field it will foster competition and protect against monopolization, it will enable quicker and more flexible programing, remove the threat of having our foreign policy decisions interfered with by a private consortium and, by no means least, it will aid the potentially vast revenues of this program to accrue to the people of the United States.

Under this program a White House policy study of the economic, social and foreign implications of the space age could proceed in a more relaxed atmosphere and provide much needed opportunities for free and full discussions which will underlie America's future and well-considered response to the challenge of the new age of space.

We hope this study will be directed to the utilizing and combining of the knowledge of private and Government resources.

Mr. KEFAUVER. That is what those of us who are in favor of any part of governmental ownership advocate. We do not advocate a great working force, but a system under Government control, which would then lease out facilities by contract and permit private companies to run it. Mr. President, we are going to get the second best again. The Government cannot protect itself, or be assured that we shall have the best system unless it has the final decision as to what kind of orbital system we will have. Under this bill we place our destiny in the hands of a private corporation with no direct controls or direction over it. The provisions that the Senator from Oklahoma has referred to, relating to additional facilities, do not apply to this situation, according to the testimony of the witnesses themselves.

Mr. KERR. Mr. President, does the Senator yield back the remainder of his time?

Mr. KEFAUVER. I yield back the remainder of my time if the Senator does likewise.

Mr. KERR. I yield back the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment offered by the Senator from Tennessee [Mr. KEFAUVER]. The absence of a quorum has been suggested, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KERR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on the amendment offered by the Senator from Tennessee [Mr. KEFAUVER]. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. METCALF (when his name was called). On this vote I have a live pair with the junior Senator from Idaho [Mr. JORDAN]. If he were present and voting, he would vote "yea"; if I were permitted to vote, I would vote "nay." I therefore withhold my vote.

The rollcall was concluded.

Mr. MANSFIELD. I announce that the Senator from North Dakota [Mr. BURDICK], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Ohio [Mr. LAUSCHE], the Senator from Missouri [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Utah [Mr. MOSS], the Senator from Maine [Mr. MUSKIE], the Senator from Rhode Island [Mr. PASTORE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Massachusetts [Mr. SMITH], and the Senator from Georgia [Mr. TALMADGE] are absent on official business.

I further announce that the Senator from Arizona [Mr. HAYDEN], the Senator from Pennsylvania [Mr. CLARK], and the Senator from New Mexico [Mr. ANDERSON] are necessarily absent.

On this vote, the Senator from Utah [Mr. MOSS] is paired with the Senator from Arizona [Mr. HAYDEN]. If present and voting, the Senator from Utah would vote "yea," and the Senator from Arizona would vote "nay."

I further announce that, if present and voting, the Senator from New Mexico [Mr. ANDERSON], the Senator from Virginia [Mr. BYRD], the Senator from New Mexico [Mr. CHAVEZ], the Senator from Connecticut [Mr. DODD], the Senator from Mississippi [Mr. EASTLAND], the Senator from Arkansas [Mr. FULBRIGHT], the Senator from Alabama [Mr. HILL], the Senator from Minnesota [Mr. HUMPHREY], the Senator from Missouri [Mr. LONG], the Senator from Oklahoma [Mr. MONRONEY], the Senator from Maine [Mr. MUSKIE], the Senator from Virginia [Mr. ROBERTSON], the Senator from Rhode Island [Mr. PASTORE], the Senator from Massachusetts [Mr. SMITH], and the Senator from Georgia [Mr. TALMADGE] would each vote "nay."

I further announce that, if present and voting, the Senator from Pennsylvania [Mr. CLARK] would vote "yea."

Mr. KUCHEL. I announce that the Senator from Maryland [Mr. BUTLER], the Senator from Utah [Mr. BENNETT], the Senator from South Dakota [Mr. BOTTUM], the Senator from Arizona [Mr. GOLDWATER], the Senator from New York [Mr. JAVITS], the Senator from Idaho [Mr. JORDAN], the Senator from Kentucky [Mr. MORTON], and the Senator from New Hampshire [Mr. MURPHY] are necessarily absent.

The Senator from Nebraska [Mr. HRUSKA] is absent on official business.

The Senator from Massachusetts [Mr. SALTONSTALL] and the Senator from North Dakota [Mr. YOUNG] are detained on official business.

If present and voting, the Senator from Utah [Mr. BENNETT], the Senator from Nebraska [Mr. HRUSKA], the Senator from New Hampshire [Mr. MURPHY], the Senator from Massachusetts [Mr. SALTONSTALL], and the Senator from North Dakota [Mr. YOUNG] would each vote "nay."

The result was announced—yeas 14, nays 54, as follows:

[No. 157 Leg.]

YEAS—14

Bartlett	Gruening	Morse
Carroll	Kefauver	Neuberger
Church	Long, Hawaii	Proxmire
Douglas	Long, La.	Yarborough
Gore	McNamara	

NAYS—54

Aiken	Fong	Mundt
Allott	Hart	Pearson
Beall	Hartke	Pell
Bible	Hickenlooper	Prouty
Boggs	Hickey	Randolph
Bush	Holland	Russell
Byrd, W. Va.	Jackson	Scott
Cannon	Johnston	Smathers
Capehart	Jordan, N.C.	Smith, Maine
Carlson	Keating	Sparkman
Case	Kerr	Stennis
Cooper	Kuchel	Symington
Cotton	Magnuson	Thurmond
Curtis	Mansfield	Tower
Dirksen	McCarthy	Wiley
Ellender	McClellan	Williams, N.J.
Engle	McGee	Williams, Del.
Ervin	Miller	Young, Ohio

NOT VOTING—32

Anderson	Goldwater	Morton
Bennett	Hayden	Moss
Bottum	Hill	Murphy
Burdick	Hruska	Muskie
Butler	Humphrey	Pastore
Byrd, Va.	Javits	Robertson
Chavez	Jordan, Idaho	Saltonstall
Clark	Lausche	Smith, Mass.
Dodd	Long, Mo.	Talmadge
Eastland	Metcalf	Young, N. Dak.
Fulbright	Monroney	

So Mr. KEFAUVER's amendment was rejected.

Mr. DIRKSEN. Mr. President, will the Presiding Officer repeat the result of the vote?

The PRESIDING OFFICER. On this vote there are 14 yeas and 54 nays. The amendment is not agreed to.

Mr. KERR. Mr. President, I move that the Senate reconsider the vote by which the amendment was rejected.

Mr. DIRKSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. DIRKSEN. Mr. President, I should like to inquire of the distinguished majority leader about the program for the remainder of the evening. Of course, the procedure tomorrow will be more or less automatic. Is a further session contemplated tonight?

Mr. MANSFIELD. So far as I know, the Senator from Alaska [Mr. GRUENING] will make a speech. I do not know whether other Senators will make speeches. If so, I should like to be informed.

Mr. MORSE. Mr. President, will the Senator from Montana yield?

Mr. MANSFIELD. I yield.

Mr. MORSE. I intend to make comments, but I should like to ascertain from the majority leader when it will be possible for us to offer amendments. Some Senators wish to offer amendments and have them considered. I have some amendments to offer.

Mr. MANSFIELD. A number of Senators have left the Senate, I believe under the impression that there would be no further voting tonight. They were not told that by me.

Mr. MORSE. Certainly they were not told by me.

Mr. MANSFIELD. Then do I correctly assume that further votes may be desired?

Mr. MORSE. I expect to offer some amendments. I hope the Senate will have the good judgment not to adopt the cloture petition tomorrow, in view of the number of amendments that are awaiting action. We have had a wonderful debate today.

Mr. MANSFIELD. The majority leader has received his answer. That is the best he can state at this time.

Mr. YARBOROUGH. Mr. President, will the majority leader yield?

Mr. MANSFIELD. I yield.

Mr. YARBOROUGH. I should like to offer amendments, but not to present them tonight. I do not desire to ask for votes on them tonight. I simply ask that they may be eligible to be offered.

Mr. MORSE. Does the majority leader have any objection to my submitting an amendment and ask that it be made the pending business?

Mr. MANSFIELD. None at all.

Mr. MORSE. Mr. President, I send to the desk an amendment in the nature of a substitute and ask that it be made the pending business.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment designated "8-11-62—FFFF."

Mr. DIRKSEN. Mr. President, would the distinguished Senator from Oregon object if the further reading of his amendment in the nature of a substitute were dispensed with?

Mr. MORSE. Copies of the amendment have been made available. I will cover the purpose of the amendment when I speak on it.

Mr. DIRKSEN. Mr. President, I ask unanimous consent that the further reading of the amendment be suspended.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered. Without objection, the amendment will be printed in the RECORD.

The amendment is as follows:

Strike out all after the enacting clause and insert in lieu thereof the following: "That this Act may be cited as the 'Communications Satellite Act of 1962'.

"DECLARATION OF POLICY AND PURPOSE

"SEC. 2. (a) The Congress hereby declares that it is the policy of the United States to establish, in conjunction and in cooperation with other countries, as expeditiously as practicable a communications satellite system, as part of an improved global communications network, which will be responsible to public needs and national objectives, which will serve the communication needs of the United States and other countries, and which will contribute to world peace and understanding.

"(b) The new and expanded telecommunication services are to be made available as promptly as possible and are to be extended to provide global coverage at the earliest practicable date. In effectuating this program, care and attention will be directed toward providing such services to economically less developed countries and areas as well as those more highly developed, toward efficient and economical use of the electromagnetic frequency spectrum, and toward the reflection of the benefits of this new technology in both quality of services and charges for such services.

"AUTHORIZATION FOR ESTABLISHMENT OF COMMUNICATIONS SATELLITE SYSTEM

"SEC. 3. (a) Pending further legislation by the Congress, the National Aeronautics and Space Administration is authorized and directed to take such action in conformity with the provisions of this Act as may be required to prepare plans and conduct research and development for, and place in operation at the earliest practicable time a space satellite communications system.

"(b) For the purposes of this Act, the Administration, in conformity with the provisions of the National Aeronautics and Space Act of 1958 may allocate its functions, by contract, lease, or otherwise, to public agencies and to private corporations in such manner as it shall determine to be best calculated to advance the national interest, except that no proprietary interest in any part of the system (including ground terminal stations and associated equipment and facilities) may be vested in any individual, partnership, corporation, association, or other business entity.

"(c) The Administration shall transmit to the Congress on January 1, 1963, and once in each period of six calendar months thereafter, a full and complete report concerning its activities under this Act and its progress in the accomplishment of the purposes of this Act.

"APPROPRIATIONS

"SEC. 4. There are hereby authorized to be appropriated to the Administration such sums as may be required to carry into effect the purposes of this Act."

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. Is the amendment a substitute for the entire bill now pending before the Senate?

Mr. MORSE. That is correct.

Mr. DIRKSEN. Does the distinguished Senator expect to discuss his amendment at length tonight?

Mr. MORSE. Not at great length, but I intend to discuss it.

Mr. DIRKSEN. Does the Senator expect to ask for the yeas and nays?

Mr. MORSE. I always like to have the yeas and nays on very important amendments. This is a very important amendment.

Mr. DIRKSEN. I should like to have a really responsive answer.

Mr. MORSE. I shall ask for the yeas and nays. I ask for them now.

The PRESIDING OFFICER. The yeas and nays have been requested. Is there a sufficient second?

The yeas and nays were not ordered.

Mr. MORSE. I may be able to get the yeas and nays later in the morning.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Idaho.

Mr. CHURCH. Mr. President, earlier in the day, the Senate adopted an amendment sponsored by myself and the Senator from Ohio [Mr. LAUSCHE]. We find now that the purpose intended to be served by that amendment is not carried out in a grammatically valid way by the amendment as it was adopted, although there is no dispute as to the intent of the amendment.

Upon a closer examination, the amendment is found to contain a defect in grammatical construction. Therefore, I ask the consent of the Senate to have substituted for the language of that amendment the language that ought to have been adopted at the time, in order to serve the intent of the amendment.

Mr. KERR. Mr. President, the purpose of the Senator from Idaho can be accomplished by striking out about three words of the language of the bill prior to the point where the amendment was inserted; and I would construe that act as a purely technical change in order to implement the purpose of the amendment.

Mr. CHURCH. I thank the Senator from Oklahoma very much.

The PRESIDING OFFICER (Mr. HICKEY in the chair). Is there objection?

Mr. CARROLL. Reserving the right to object, Mr. President——

Mr. CHURCH. Mr. President, for the record, will the Senator from Colorado permit me to read the language as the section then would read?

Mr. CARROLL. First, will the Senator from Idaho yield for a brief question?

Mr. CHURCH. I yield.

Mr. CARROLL. In view of the colloquy which established the legislative history, would the legislative history remain the same following this technical change?

Mr. CHURCH. Nothing would be changed either with respect to the intent of the amendment, the purpose to be served by the amendment, or the legislative history in regard to the policy made prior to the making of the change.

Mr. CARROLL. And the prior colloquy is in line with the technical amendment now offered, is it?

Mr. CHURCH. It is, indeed, as the Senator will find when I read the amendment now proposed.

Mr. KERR. Will the Senator agree that the correct answer to the question of the Senator from Colorado is that the prior colloquy would be as applicable to the technical amendment the Senator is now suggesting as it was to the amendment which was adopted?

Mr. CHURCH. That is a correct statement of the case.

Mr. President, with this amendment, section 201(a)(6) of the act would read:

Take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for general governmental purposes except where a separate communications satellite system is required to meet unique governmental needs, or is otherwise required in the national interest; and—

If the amendment contains this language, it will accomplish the intent of the Senate at the time when the other amendment was adopted.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Illinois will state it.

Mr. DIRKSEN. The other amendment was adopted, was it not?

The PRESIDING OFFICER. That is correct.

Mr. DIRKSEN. Then the action taken by the Senate on that amendment would have to be vacated before the new amendment could be offered; is not that correct?

Mr. CHURCH. Mr. President, I ask unanimous consent that this language

be substituted for the language of the amendment as adopted.

Mr. DIRKSEN. First, it would be necessary to vacate the prior action.

Mr. CHURCH. Then, Mr. President, I ask unanimous consent that the action taken by the Senate in adopting the previous amendment be vacated.

The PRESIDING OFFICER. Is there objection?

Mr. CAPEHART. Mr. President, reserving the right to object, let me ask whether we are to understand that one slight amendment was finally adopted, but those who were sponsoring it now have found that a mistake in the language of the amendment was made.

Mr. CHURCH. The amendment was adopted; but afterward it was found that there was a mistake in the language, with the result that the intent would not be accomplished.

Mr. CAPEHART. In other words, after one tiny little amendment was adopted, its sponsors found that there was a mistake in it?

Mr. MILLER. Mr. President, will the Senator from Idaho read the language which would be included if his wishes were carried out?

Mr. CHURCH. I shall be glad to do so. Section 201(a)(6) would then read as follows:

> Take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for general governmental purposes except where a separate communications satellite system is required to meet unique governmental needs, or is otherwise required in the national interest.

This amendment would merely preserve to the Government its right to establish an alternative system if "unique" governmental needs or other considerations in the national interest were to require it.

Mr. MILLER. I see.

The PRESIDING OFFICER. Without objection, the corrected amendment is agreed to.

Mr. CHURCH. I thank the Chair.

Mr. DIRKSEN. Mr. President, I still think that in the interest of proper parliamentary procedure, a motion should be made to vacate the action taken by the Senate on the other amendment, and the new language should then be offered, for approval by the Senate.

The PRESIDING OFFICER. The Chair is advised that the amendment may be reconsidered, for the purpose of making a correction, without offering a motion to that effect; that is, by unanimous consent.

Mr. DIRKSEN. Mr. President, I move that the prior action be reconsidered.

Mr. KERR. Mr. President, I ask unanimous consent that the Senate reconsider the vote by which the amendment was agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHURCH. Mr. President, I now withdraw my previous amendment, and submit the amendment which I now send to the desk.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. On page 25, in line 21, in lieu of subparagraph (6), it is proposed to insert the following:

> Take all necessary steps to insure the availability and appropriate utilization of the communications satellite system for general governmental purposes except where a separate communications satellite system is required to meet unique governmental needs, or is otherwise required in the national interest; and * * *.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Idaho. Without objection, it is agreed to.

Mr. CHURCH. Mr. President, I move that the vote by which this amendment was agreed to be reconsidered.

Mr. MANSFIELD. Mr. President, I move that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. YARBOROUGH obtained the floor.

Mr. KERR. Mr. President, I rise to propound a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oklahoma will state it.

Mr. KERR. What is the pending question?

Mr. YARBOROUGH. Mr. President, I have the floor; I have been recognized.

Mr. MAGNUSON. Mr. President, I rise to a parliamentary question: What is the pending question?

Mr. YARBOROUGH. Mr. President, I am not trying to prevent the making of such an inquiry; I merely wish to point out that I have the floor.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment of the Senator from Oregon [Mr. MORSE].

Mr. KERR. Mr. President, will the Senator from Texas yield, so that I may propound a unanimous-consent request for a limitation of time on debate on the Morse amendment?

Mr. YARBOROUGH. Yes; if I may do so without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MORSE. Mr. President, let me say to the Senator from Oklahoma that I will not agree to a limitation of time on the debate in connection with my amendment.

Mr. KERR. Will the Senator wait until I submit my request?

Mr. MORSE. I thought the Senator from Oklahoma was asking me to yield.

Mr. KERR. No; I asked the Senator from Texas to yield.

Mr. MORSE. I shall be glad to hear the request, but I want the Senator to know what my answer will be.

Mr. KERR. Mr. President, I ask unanimous consent that debate on the Morse amendment be limited to 30 minutes to a side.

The PRESIDING OFFICER. Is there objection?

Mr. MORSE. I object.

Mr. KERR. Mr. President, will the Senator from Texas yield long enough to permit me to make an inquiry?

Mr. YARBOROUGH. I yield, if I may do so without losing my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KERR. Would the Senator from Oregon agree to a request for a longer period of time as a limitation on the time available for the debate on his amendment?

Mr. MORSE. No; I would not want to agree to anything of the sort until I consulted my colleagues.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry. What is the pending question?

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Oregon.

Mr. DIRKSEN. And who has the floor?

The PRESIDING OFFICER. The Senator from Texas.

Mr. YARBOROUGH. Mr. President, I send to the desk two amendments, and ask that they be considered as having been read and be filed.

The PRESIDING OFFICER. Is there objection?

Mr. DIRKSEN. Mr. President, I reserve the right to object, only in order to ask whether I am correct in understanding that, following the addition of these two amendments, the total number of amendments will now be 228.

Mr. YARBOROUGH. The total I will offer will be eight.

Mr. DIRKSEN. However, I believe the total will be 228.

The PRESIDING OFFICER. Without objection, the amendments of the Senator from Texas will be received, will be considered as read, and will be printed in the RECORD.

The amendments submitted by Mr. YARBOROUGH are as follows:

> On page 25, line 20, immediately after the semicolon insert the word "and".
>
> Beginning with line 21, page 25, strike out all to and including line 26, page 25.
>
> On page 26, line 1, strike out "(7)" and insert in lieu thereof "(6)".
>
> Beginning with line 21, page 25, strike out all to and including line 26, page 25, and insert in lieu thereof the following:
>
> "(6) take all necessary steps to insure the availability of the communications satellite system for use by any department or agency of the United States whenever that department or agency determines such use to be necessary or desirable for the performance of any of its functions; and".

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD a letter addressed to me by C. M. Richards, general vice president and secretary-treasurer of the Southwestern Division of the Commercial Telegraphers' Union, of Dallas, Tex. The letter is in strong opposition to the pending bill.

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

SOUTHWESTERN DIVISION,
COMMERCIAL TELEGRAPHERS' UNION,
Dallas, Tex., August 7, 1962.

Hon. RALPH YARBOROUGH,
U.S. Senator,
Senate Office Building,
Washington, D.C.

DEAR SENATOR YARBOROUGH: As general vice president and secretary-treasurer of the Commercial Telegraphers' Union, AFL-CIO, I respectfully urge you to reject Senate bill

S. 2814. This bill as presently written will create a satellite communication system that will come under the inevitable domination of the competition-destroying American Telephone & Telegraph Co.

Those of us who have tried to live under the monopoly of the A.T. & T. in the communications industry can readily and clearly see what will happen to competition in the communication field if the Senate passes this bill.

The U.S. taxpayer will ultimately invest about $25 billion in the research and development of the outer space satellite communication system. I do not believe the Senate should, through bill S. 2814, hand this satellite communication system to the monopolistic A.T. & T. at the very moment the Justice Department is engaged in its antitrust campaign, aimed at restoring a free, competitive communications industry.

The A.T. & T. is apparently not satisfied with its ironclad telephone monopoly, it has been moving steadily into the telegraph business for many years. It has now become a large domestic telegraph carrier in addition to a telephone monopoly.

The Federal Communications Commission reports on the Bell System's invasion of the telegraph field as follows:

"During 1945–60, Western Union's share of total domestic telegraph communications revenues declined from 80.7 percent to 58 percent, while Bell's share increased from 19.3 percent to 42 percent."

A.T. & T. is already the biggest corporation in the world and Senate bill 2814, as it is presently written, will make it an even more gigantic communications monopoly, in both the domestic and international communications field.

Please, Senator, on behalf of the members of our union, I respectfully urge you to reject Senate bill 2814 and keep the new satellite communications system free from monopoly by the monolithic A.T. & T.

Sincerely yours,

C. M. RICHARDS,
General Vice President, Secretary-Treasurer.

Mr. YARBOROUGH. Mr. President, I also ask unanimous consent to have printed at this point in the RECORD a letter addressed to me by David C. Fullarton, executive manager of the National Telephone Cooperative Association, of Washington, D.C. This letter also is in very strong opposition to the pending bill.

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

NATIONAL TELEPHONE COOPERATIVE ASSOCIATION,
Washington, D.C., August 7, 1962.

Hon. RALPH YARBOROUGH,
U.S. Senate, Washington, D.C.

DEAR SENATOR: The National Telephone Cooperative Association is the national service organization for telephone cooperatives throughout the country.

At our annual meeting held last January in New Orleans, La., our members passed the following resolution:

"Whereas the space program was instituted and has been developed by the Federal Government: be it

"*Resolved,* That NTCA request the Congress to formulate and pass legislation to insure that benefits related to the communications phase of the space program be properly distributed to all segments of the communications industry."

Pursuant to this resolution, the National Telephone Cooperative Association now urges that passage of the Communications Satellite Act of 1962 (S. 2814) be deferred until such time as the public has had opportunity to indicate their feelings to the Congress, and until the effects of the bill on our foreign policy and foreign relations are fully and completely understood.

The National Telephone Cooperative Association has opposed the Communications Satellite Act of 1962 before the Senate Commerce Committee and the Anti-Trust and Monopoly Subcommittee of the Senate Judiciary Committee, and others on the above basis.

We feel it is in the best public interest that the bill not be acted upon this session, and we ask your help in this matter.

Sincerely yours,

DAVID C. FULLARTON,
Executive Manager.

Mr. YARBOROUGH. Mr. President, I ask unanimous consent to have printed at this point in the RECORD sundry letters and telegrams which have come to me from Houston, Austin, Denton, and Terrell, Tex.—all in opposition to this measure.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

HOUSTON, TEX., *August 11, 1962.*

Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.:

Congratulations on strong opposition to space giveaway bill, continue the good fight.

DARRELL B. CARTER.

AUSTIN, TEX., *August 8, 1962.*

Senator RALPH YARBOROUGH,
U.S. Senate,
Washington, D.C.

DEAR MR. YARBOROUGH: Thank you for helping to hold up the bill to set up a corporation to develop and operate communications systems that utilize space satellites. I think that such a trend-setting bill as this should be discussed widely before it or a substitute is passed.

Very truly yours,

DELORES K. MALOF.

DENTON, TEX., *August 8, 1962.*

Hon. RALPH W. YARBOROUGH,
Senate Office Building,
Washington, D.C.

DEAR MR. YARBOROUGH: As an employee of a small communications company, I urge you to vote against Senate bill 2814 which would give American Telephone & Telegraph Co. monopolistic control of the proposed satellite communication system.

Many of our employees have already lost their jobs as a result of American Telephone & Telegraph Co. monopolizing the communications business.

Yours respectfully,

ROBERT J. WALKER,

TERRELL, TEX., *August 9, 1962.*

Senator RALPH YARBOROUGH,
Senate Office Building,
Washington, D.C.

DEAR SENATOR YARBOROUGH: We are enthusiastic backers of your bill for public ownership of the space communications satellites.

You are to be commended for supporting a measure that is mindful of the interests of great numbers of our citizens rather than one small segment of our population.

Thank you for sending us copies of your weekly newsletter.

Sincerely yours,

WALTER P. BELL,
Retired Hospital Chaplain.

Mr. YARBOROUGH. Mr. President, I have before me a number of other letters in opposition to the bill. One of them comes from the president of the Texas State AFL–CIO; another comes from Newtonville, Mass., and is dated August 10; another comes from Monroe, N.C.; and I have received sundry other communications, all of them are in opposition to this bill. However, at this time I have merely stated the substance of the letters, rather than read them in full into the RECORD. I have done this in the interest of saving the time of the Senate.

I now yield the floor.

Mr. GRUENING. Mr. President, in rising to speak on the satellite bill, I wish to call the attention of the Senate to the fact that this is only the second opportunity I have had to speak on this bill.

On June 21 I took the floor to express my objections to this bill and to urge that it be referred to the Senate Foreign Relations Committee to clarify the position of the President of the United States in the conduct of foreign relations.

I stated at that time:

> It is my opinion, Mr. President, that we already have too many diverse Federal agencies operating in foreign countries. We cannot, and we should not, delegate the conduct of our foreign policy to a private agency which would not even be under the control of the Department of State.
>
> I strongly urge that this bill be referred to the Senate Foreign Relations Committee, so that we may have the benefit of the views of all the members of that committee and any recommendations as to how a private corporation could be placed in charge of the operation of the communications satellite and agreements negotiated with foreign powers without jeopardizing the conduct of our foreign relations.

I wish to ask of the distinguished Senator from Oregon at this point whether he knows if the report of the Foreign Relations Committee—that is, the report and the minority views—has as yet been made available to the Senate?

Mr. MORSE. I understand they were presented for printing today. That is all I know.

Mr. GRUENING. Does not the Senator think it shocking, when we have gone to the effort of referring the bill to an important committee, when the committee has had hearings on it for a week, and we are waiting for the report, that tomorrow we are to be faced with a vote on cloture?

Mr. MORSE. My answer is that the entire handling of the bill by the leadership of the Senate is shocking.

Mr. GRUENING. I would like to address a question to the distinguished ranking member of the Foreign Relations Committee, the Senator from Alabama [Mr. SPARKMAN]. Has the report of the Committee on Foreign Relations, as well as the minority views, been made available to Members of the Senate?

Mr. SPARKMAN. The report was held up pending receipt of the minority views. They were supposed to be available today. I have not seen a copy of them.

Mr. GRUENING. Has the report of the committee itself been made available?

Mr. SPARKMAN. No; because the minority views were to be printed along with the majority report. As the Senator knows, the hearings have been

available ever since Friday. They have been on our desks.

Mr. GRUENING. Yes. I had the pleasure of reading the 456 pages over the weekend.

Mr. SPARKMAN. The majority report was ready at the same time the hearings were made available, but the report was held up in order to permit the minority views to be prepared. I understood they were to be ready Saturday. If they had been, the full report together with the minority views would have been made available at noon today. But I have not seen the minority views, and I assume, therefore, that the minority views were not ready.

Perhaps the Senator from Oregon can enlighten us on this aspect.

Mr. GRUENING. I will ask the Senator from Alabama, who has had vast experience in such things as cloture, if he does not think it extraordinary that we should have cloture fastened upon us within a few hours, even before we receive the report of the committee. Is that not an unusual procedure?

Mr. SPARKMAN. I may say to the Senator from Alaska that the invoking of cloture is no part of mine. I have not had anything to do with it.

Mr. GRUENING. I trust the Senator will not have anything to do with it tomorrow.

Mr. GORE. If the Senator will yield, the minority views were filed.

Mr. SPARKMAN. I was informed on Saturday that if the minority views were received Saturday they could be printed and available today.

Mr. GORE. The agreement was that if they could be submitted by noon Monday——

Mr. SPARKMAN. That is what I say. If they had been submitted Saturday, they would have been here.

Mr. GORE. The agreement was that if they could be submitted by noon Monday, they would be printed along with the majority report.

Mr. SPARKMAN. That is correct. All I am saying is that if they were not submitted, they could not possibly be printed.

Mr. GORE. Is the majority report available?

Mr. SPARKMAN. No, it could not be, because the two would go together.

Mr. GORE. The point is that the Senate is proceeding to act before either the majority report or the minority views are available.

Mr. SPARKMAN. It is not the fault of the majority that the report is not here, because the majority report was ready to be printed last Friday. It would have been printed last Friday, but the minority asked for time to file their own views. If they were not filed until noon today, of course, the report cannot be available until tomorrow; but it is not the fault of the majority.

Mr. GRUENING. I would not ascribe any blame to or censure anyone for the delay, but I would like to ask for information of a Senator much senior to me, who has vastly more experience, whether it is an unprecedented procedure that, before we receive the report of an important committee to which the Senate referred a bill, we are expected to vote on cloture. Has the Senator from Alabama known of such a thing to happen before with such speed?

Mr. SPARKMAN. I cannot say. I have not reviewed the various cloture petitions that have been considered. I rather think there have been times when cloture petitions have been filed before anything was before the Senate, certainly before any committee report was before the Senate. In fact, we have complained many times about being forced to a consideration of a question when we did not have a committee report to consider and when we had absolutely nothing on our desks on the subject.

Mr. GRUENING. I trust the Senator does not approve of such procedure.

Mr. SPARKMAN. I am not defending it. I was critical then, and I am critical now, of that kind of procedure.

Mr. GRUENING. I am glad to hear that statement.

Mr. SPARKMAN. I believe in bills being referred to committees and considered by committees.

Mr. CARROLL. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. CARROLL. The Senator from Alabama has made it crystal clear that he was not a party to the motion for cloture. I commend him for that. We will wait until tomorrow to see the report.

This has been a very illuminating discussion, and the able Senator from Alaska has put some very penetrating questions. I can remember many occasions when this question arose in the Senate Judiciary Committee. At one time, when I was really on the other side of the issue, they stood steadfastly against any action being taken without having the report.

I was amazed to hear about this procedure tonight. I did not know about it. I had not had an opportunity to check with my office. I have been in the Chamber for many hours. I did not know that the reports were not available.

I commend the able Senator from Alaska for calling this fact to the attention of the Senate. I thank the able Senator from Alaska. Especially do I thank him now for bringing this important point before this body immediately before the cloture vote.

Mr. GRUENING. I thank the Senator from Colorado. I wish to make it clear that nothing improper was said or implied or even remotely thought. In addressing my question to the distinguished Senator from Alabama, I was merely seeking information. I was happy that the colloquy brought out the point that we are dealing with an unprecedented procedure, so far as I am able to ascertain. Never before has an important bill been rushed to passage under the club of cloture, when Senators do not even have a report from one of the important committees which heard the evidence on the bill.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield.

Mr. MORSE. Does the Senator recall any time in his service in the Senate when the leadership of the Senate followed a course of action seeking to impose cloture before the Senators even had an opportunity to present a series of amendments. Some of us in all sincerity, dedicated to the public interest, think the amendments ought to be fully debated on the floor of the Senate, in the interest of trying to improve the bill.

Mr. GRUENING. I appreciate that the distinguished Senator from Oregon has made every effort to avoid this precipitate, unprecedented, unwarranted haste in considering one of the most important bills—perhaps the most important bill—to come before the 87th Congress.

Mr. MORSE. Does the Senator from Alaska think the voters of America will overlook the conduct of the leadership of the Senate on both sides of the aisle with respect to the handling of this bill when the election vote occurs on November 6?

Mr. GRUENING. I think the voters of America will wake up and be shocked to think that this important bill was railroaded through in behalf of a vested interest without due consideration in the public interest.

Mr. President, I continue my remarks.

I was pleased when the bill, in accordance with my urging, was referred to the Senate Foreign Relations Committee. I was sorely disappointed, however, when an unrealistic time limit was imposed upon that committee.

I was shocked when last Saturday, the day after the deadline, before we had had an opportunity to read, let alone digest, the 456 pages of testimony before the Senate Foreign Relations Committee, before the majority report and minority views of the members of that committee were before us, before many Members of the Senate had an opportunity to make their views known, a cloture petition was filed.

This bill has not been adequately debated.

The speed with which it is sought to rush the bill through Congress is frightening.

In my remarks on June 21, I referred to the remarks of Mr. Samuel M. Barr, vice president of Western Union Telegraph Co., before the Senate Antitrust and Monopoly Subcommittee when he was asked what he would do if he had $200 million to spend on a communications satellite right now. Mr. Barr replied:

> Well, for an appreciable period of time it would sit on its hands. Deferral of this legislation until next year will not delay the development of a space satellite communications system in any degree.

With such a statement before us, how can the unseemly haste to enact this bill be justified?

Such haste can be justified, Mr. President, only on the basis that those who seek its enactment want to perpetuate a monopoly and fear that delay will enable the people of the United States to learn the facts and demand the enactment of legislation precluding any such monopoly in this vital, new field.

Eight years ago, during the Senate debates on the atomic energy patents, there was a similar attempt to rush a bad bill through the Senate. Through the valiant efforts of the distinguished senior Senator from Oregon, the then able Senator from Connecticut, Brien McMahon, and many others, the bill was greatly amended.

My colleague, the able and distinguished junior Senator from Utah [Mr. Moss], in a brilliant speech on Friday, August 10, urging us to go slow in the enactment of this legislation, reminded us of the statement made by the distinguished senior Senator from Oklahoma [Mr. KERR], who said:

> Mr. President, I ask, why rush, in the closing days of this session, to give it away? We shall still be sovereign when we return in January. If, when we return our hearts are pierced with regret that we have let pass this great opportunity to give this away, we could rectify that next January; we could give it away then.
>
> But, Mr. President, I remind Senators of this irrefutable fact: If we give it away this July, we cannot recapture it next January.
>
> So why all this hurry, Mr. President? We have done pretty well this session in the field of giving things away.

I ask the same question now: Why the hurry to give the satellite system to A.T. & T.—the same question the Senator from Oklahoma asked 8 years ago when it was sought to give away atomic energy patents.

The fact is there is no real need for rush. Let us take it to the people. Let the people speak.

I wish to devote myself today to an examination in depth of the lack of effective control by the Department of Justice over the antitrust and monopolistic activities of A.T. & T.

Mr. President, A.T. & T. has a long history of using its research and development to block new competition and strengthen existing monopolies. Research and development by A.T. & T. is to a great extent carried on in areas other than telecommunications. The reason for this is to insure that A.T. & T. has something to trade off to competitors who threaten A.T. & T. in telecommunications—something which threatens the major area of activity of the would-be competitor. In this connection, I noted with great interest an A.T. & T. memorandum on this very point, reprinted in the FCC report on A.T. & T. of 1939. It says:

> If the American Telephone & Telegraph Co. abandons its activity in the commercial competitive field and other potentially competitive interests continue their activities, it means that they will carry their offensive right up to the wall of our defense and our trading must be in our major field against activities in their outlying commercial fields. The nearer the trading can be carried to the major field of our competitors the more advantageous trading position we are in. * * *
>
> This indicates the desirability of our retaining control over the activities that lie between our respective fields.
>
> For example, our position in the submarine telegraph and telephone cable fields and our control over transoceanic communication may at a future date prove to be an effective instrument in regulating the relationship with the International [Telephone & Telegraph Co.].

In a great number of instances this technique of blocking competition—that is, the controlling by A.T. & T. of "no man's land"—have been effectively used. Many are chronicled in the 1939 FCC report. Such noncommunications areas Vitaphone, phonograph, race-timing apparatus, hearing aids, and movie sound tracks are things of the past as far as A.T. & T. is concerned.

But new areas of commercial interest have been found to replace them—electrolarynxes, municipal fire alarm systems, public address, microwave, data transmission, and so forth.

I call the Senate's attention to the fact that most of these activities are not on the vanguard of modern science and technology. They are merely applications of existing techniques. For example, municipal fire alarm systems built by A.T. & T. are applications of ordinary telephonic and other electronic techniques.

Some of these new areas of commercial activity are byproducts of Bell Laboratory research. Examples are the commercialization of transistors, solar batteries, electrolarynxes, and so forth.

This emphasizes an important point; A.T. & T. does not always move into commercial, noncommunications areas of operation solely for the purpose of preempting its communications competitors. More often than not its motive is a much more prosaic one, to wit—to make money. Potentially profitable ventures, compatible with the know-how and expertise acquired by A.T. & T. in its communications operations, are consistently invaded.

When happens when A.T. & T. invades a nontelephone market? What does it mean to existing competitors in the invaded market? What is it like to compete with A.T. & T?

I could put before the Senate any number of examples of A.T. & T.'s use of oppressive, anticompetitive techniques—resulting from its gigantic monopoly power.

I have before me a pile of papers 9 inches high, containing letters from all parts of the country, which tell the story. I expect to introduce a few of them into the RECORD at the conclusion of my remarks.

I have in my possession nearly a hundred complaints by small intercom manufacturers, giving specific facts and incidents. These hundreds—if not thousands—of pages of complaints allege that A.T. & T., by refusing to interconnect to its telephone lines with any intercom systems except its own, has destroyed competition in the intercom industry. Dozens of small, intercom manufacturers face economic extinction because of A.T. & T.'s tactics.

I am, however, going to take as an example the municipal fire alarm industry. Senators know the devices which this industry produces and installs. They include the familiar red fire alarm boxes that can be seen on almost every street corner in every city in America, police callboxes, and so forth.

This is an industry which has nothing to do with public telephone communications. Some police callboxes have telephones inside them, but these are strictly for the use of municipal policemen and not the public. Fire alarm boxes typically do not contain telephones, but rather transmit an electronic, telegraphlike signal to the nearest fire station, which indicates on a master board in the station from which box the alarm was sent.

Now the reasons I have chosen the municipal fire alarm industry as an example of what it is like to compete with A.T. & T. in a nontelephone area of manufacturing and selling, are these: First, municipal fire alarms are a small industry, made up largely of small businessmen. It is an industry intimately involving the protection of property and, therefore is highly charged with the public interest. As a longtime believer in protecting the legitimate rights and interests of small business, I am particularly concerned about their preservation and encouragement, especially ones which so deeply involve the public good as fire alarm manufacturing.

Secondly, there has come into my possession, a copy of a confidential memorandum prepared for the Department of Justice by Gamewell Co., of Newton Upper Falls, Mass.

This memorandum prepared only last year, is entitled "The Effect on Competition in a Free-Enterprise Industry Created by the Entry of the American Telephone & Telegraph Co and its Subsidiaries: A Case Study of the Municipal Emergency Reporting Business."

The municipal fire alarm industry is a rough and tumble, competitive industry. It is characterized by a good bit of hard selling and sometimes at least apparently devious practices, resulting from the intense desire of its members to sell to various municipalities. Because the products are sold almost exclusively to municipal governments, there are sometimes opportunities for influence peddling.

Until the entrance of A.T. & T. into the municipal fire alarm industry in 1953, Gamewell was by far the leading seller, competing with 8 or 10 other manufacturers of comparable equipment.

The competitive situation changed a good bit, to say the least, when A.T. & T. entered the industry in 1953. Eight years thereafter, A.T. & T. had installations accounting for more than 9,000 boxes, located in well over 100 cities in the United States and Canada such as Syracuse, N.Y.; New Orleans, La.; Indianapolis, Ind.; New Haven, Conn.; Springfield, Ill.; and Roanoke, Va., to mention only a few.

I am sorry that the distinguished Senators from some of the States in which A.T. & T. has invaded in private business are not here. I should like to call to the attention of the two distinguished Senators from California the fact that it has happened in their State in Sunnyvale, Fallbrook, Arvin, San Leandro, Arcadia, Compton, Sacramento, Downey, Fairfield, Huntington Park, Placerville, Whittier, Redondo Beach, and Vernon.

In Colorado it has happened in Pueblo. In Connecticut it has happened in New Haven, Westport, West Hartford, and Windsor.

I am sorry that the two distinguished Senators from Florida are not present. It happened in Miami, Miami Beach, Orlando, Pensacola, Coral Gables, Hialeah, Hollywood, and West Palm Beach.

In Georgia it has occurred in Augusta and Atlanta.

In Illinois it has occurred in Rockford, Evanston, Glencoe, and Skokie.

In Indiana it has occurred in Muncie, Indianapolis, and Bloomington.

In Iowa it has happened in Des Moines.

In Kansas it has happened in Topeka. They have picked out some of the largest and best communities for the invasion.

In Kentucky it happened in Owensboro.

In Louisiana it occurred in New Orleans and Covington.

In Maryland it occurred in Towson.

In Massachusetts it happened in Lowell, Peabody, Methuen, and Fitchburg.

In Michigan it happened in Bay City, Sault Sainte Marie, Grand Rapids, Wyandotte, Kalamazoo, Riverview, Warren, and Pontiac.

In Missouri it happened in Springfield.

In Nebraska it occurred in Omaha.

In New Jersey it happened in Highland Park, Lyndhurst, Phillipsburg, Princeton, Hasbrouck Heights, North Arlington, North Bergen, Matawan, and Union Beach.

In New York it occurred in East Meadow, Floral Park, Lynbrook, Massena, Solvay, Syracuse, Troy, Mount Kisco, Spring Valley, Brooklyn, Levittown, and North Bellmore.

In Ohio it happened in Maple Heights and Youngstown.

I am happy to see that Oregon has suffered only one such casualty—in Oregon City.

Mr. MORSE. That is one too many.

Mr. GRUENING. In Pennsylvania it happened in Nanticoke, Turtle Creek, Wilkinsburg, Canonsburg, Clearfield, and Duquesne.

In South Dakota it occurred in Sioux Falls.

In Texas it happened in Victoria.

In West Virginia it occurred in Huntington.

In Wisconsin it happened in Cudahy, Sheboygan, Lake Geneva, Eau Claire, Whitefish Bay, Marinette, South Milwaukee, Stevens Point, Green Bay, and Oshkosh.

In Virginia it happened in Roanoke and Portsmouth.

It has been quite an invasion of many of our important communities in which our small growing businesses are practically put on the rocks by the invasion of this corporate monster.

In 1957, it was reliably estimated that A.T. & T. controlled about 60 percent of the market, the remaining 40 percent being divided among Gamewell and 8 to 10 other companies.

The Gamewell memorandum gives a pretty clear picture of how this radical change in the industry occurred; the types of pressures A.T. & T.—because of its vast size and wealth—was and is able to apply to municipal councils and purchasing agents; the power A.T. & T. has—by virtue of its ability to offer interconnections between its telephones and its fire alarm system and to refuse such interconnections to competing companies—to suppress competition; and the actual techniques it has used to drive out competition.

The brutal power to kill off small competitors which A.T. & T. possesses does not always result from any overtly illegal act on its part. Basic problems result from four other sources: First, A.T. & T.'s enormous size and wealth; second, its deeply entrenched position in almost every community and market by virtue of its control over communications facilities; third, the lack of any truly effective regulation of it by the FCC and State regulatory bodies; and fourth, the failure of State and Federal Governments to prevent it from competing in all areas other than the furnishing of telephone communication services, its so-called natural monopoly.

The memorandum shows exactly what can and does happen when all the sources are combined by A.T. & T. in a drive to get nontelephone business away from infinitesimal competitors.

But even more important is the role of the Department of Justice in this anti-small-business and anticompetitive situation. Here are the facts, with respect to the Department of Justice:

Section V of the A.T. & T. consent decree of 1956 provides, as follows:

> The defendant A.T. & T. is enjoined and restrained from engaging, either directly, or indirectly, through its subsidaries other than Western Electric and Western's subsidaries, in any business other than the furnishing of common carrier communications services; provided, however, that this section V shall not apply to (a) furnishing services or facilities for the plaintiff [that is, the U.S. Government] or any agency thereof, (b) experiments for the purpose of testing or developing new common carrier communications service, (c) furnishing circuits to other communications common carriers, (d) for a period of 5 years from the date of this final judgment, leasing and maintaining facilities for private communications systems, the charges for which are not subject to public regulation, to persons who are lessees from defendants or their subsidiaries of such systems 45 days after the date of this final judgment, (e) directory advertising, (f) advice, or assistance to other communications common carriers, or (g) businesses or services incidental to the furnishing by A.T. & T. of such subsidiaries of common carrier communications services."

Now a layman might well be led to believe, from the wording of this section, that it would keep A.T. & T. out of the fire alarm, as well as a good many other industries.

Obviously, however, from the very start, President Kappel, of A.T. & T., saw just how wrong one would be if one thought section V had any meaning at all, for he advised his people, right after the decree was entered:

> Don't brag about having won victory of getting everything we wanted. Antitrust suit disposed of, but still have politicians, to think of.

While I am glad that he did not completely count me out and that he is still thinking of me, I am quite willing to admit that had I, at the time, contended that the seemingly tough wording of the decree required A.T. & T. to mind its telephone business and leave other industries to free and open competition, I would have been dead wrong and Mr. Kappel would have been dead right.

Now, we come to the Gamewell memorandum. Bear in mind that until consent decree negotiations were approaching completion, 4 years after the original complaint was filed, A.T. & T. had not even entered the fire alarm industry. They did, however, enter. Gamewell believed that section V of the consent decree would, if the matter were put before a Federal court, prevent an A.T. & T. takeover of the municipal fire alarm industry. This belief turned out to be totally incorrect.

A.T. & T. not only stayed in the industry, it rapidly became by far the dominant firm in that industry, using techniques which I will come to in a minute.

Well, then, what was Gamewell to do in this situation? They did what appeared to be the only course left to them, other than just lying down and letting A.T. & T. bury them.

Gamewell gathered together all the facts which they—without the compulsion of subpena power—were able to ferret out, and turned them over to the Department of Justice in the form of a memorandum, case study.

I had planned, Mr. President, to read the entire Gamewell report to the Senate. However, in view of the cloture position, I have time only to list briefly the 50 charges—relating to the municipal fire alarm industry alone—of illegal, predatory, anticompetitive conduct by A.T. & T. Many of these charges name names and specific incidents. It charges as follows:

First. A.T. & T. has improperly influenced municipal governments by swamping municipal meetings with A.T. & T. representatives.

Second. A.T. & T. has improperly influenced municipal meetings by entertaining city officials in order to induce them to favor A.T. & T. over its competitors.

Third. A.T. & T. sales personnel have engaged in extensive missionary work with city officials which is uneconomic and cannot be matched by competitors.

Fourth. A.T. & T. has deluged municipal meetings with charts, slides, and literature, unmeetable by competitors.

Fifth. A.T. & T. uses public officials who are former A.T. & T. employees to influence municipal government decisions.

Sixth. A.T. & T. uses promises of local construction and favors in order to influence city officials.

Seventh. A.T. & T. threatens not to engage in new construction if cities do not "cooperate"; that is, take the A.T. & T. fire alarm system rather than one of its competitors', who have no such leverage.

Eighth. A.T. & T. requires its employees to be active in civic affairs for the specific purpose of influencing municipal matters of importance to A.T. & T.

Ninth. A.T. & T. uses the taxes it pays to municipalities as an argument why it

should be given favored consideration over its competitors.

Tenth. A.T. & T. attempts to influence municipal affairs by making financial contributions to community activities.

Eleventh. A.T. & T. provides free vacations for key city employees, thinly disguised as "educational trips."

Twelfth. A. T. & T. refuses to interconnect its telephone lines with a municipal fire alarm system if that system is not purchased from A.T. & T.

Thirteenth. A.T. & T. threatens refusal to interconnect, if its system is not purchased, in order to silence the objections of key city employees, such as fire chiefs, at times when bids are being received.

Fourteenth. A.T. & T. uses its large advertising expenditures in order to influence the press to favor its fire alarm system over those of its competitors.

Fifteenth. A.T. & T. plants key personnel in local, influential civic groups for the specific purpose of influencing official municipal decisions.

Sixteenth. A.T. & T. threatens oppressive legal actions, financed by its vast resources, against cities which purchase a fire alarm system from its competitors. These legal actions have nothing to do with the question of who will receive the fire alarm system bid.

Seventeenth. A.T. & T. offers side inducements to cities, contingent on its bid being successful. Such inducements having nothing to do with fire alarm systems.

Eighteenth. A.T. & T. engaged in predatory tying arrangements in violation of section of the Clayton Act.

Nineteenth. A.T. & T. engages in full line forcing in violation of section 3 of the Clayton Act.

Twentieth. A.T. & T. prohibits users of Bell wires to purchase equipment from anyone except Western Electric.

Twenty-first. A.T. & T. sells equipment below cost in order to suppress competition, in violation of the Sherman Act, Federal Trade Commission Act, and Robinson-Patman Act.

Twenty-second. A.T. & T. extends its regulated monopoly power into nonregulated area by using its control over duct space to repress fire alarm system competitors, in violation of the antitrust laws.

Twenty-third. A.T. & T. uses and abuses its position as a consumer in order to advance its monopoly power, in violation of the Sherman Act.

Twenty-fourth. A.T. & T. has conspired to monopolize competitive communications industries in, among others, the space communications field and the public utility telegraph field, particularly, with respect to the latter, through its Telpak service and its efforts to block broad channel communications.

Twenty-fifth. The, excessive noncompetitive earnings of Western Electric result from the monopoly power of A.T. & T. and the absence of effective regulation.

Twenty-sixth. A.T. & T. engages in discriminatory price cutting in violation of the Robinson-Patman Act.

Twenty-seventh. A.T. & T. suppresses manufacturing competition by its foreign attachment rule.

Twenty-eighth. A.T. & T. falsely and deceptively advertises the newness and uniqueness of its fire alarm equipment.

Twenty-ninth. A.T. & T., if permitted to continue its present course of conduct, will untimately eliminate all competitors in the municipal fire alarm system industry.

Thirtieth. A.T. & T. planted an article in the Readers' Digest for the specific purpose of disparaging and suppressing competitors.

Thirty-first. A.T. & T. uses unfair and uneconomic advantages in the fire alarm system field, including a sales force which is 30 times larger than all the rest of the industry combined; unmatchable institutional advertising; influential employees in almost every community; and the ability to lease wires—which its competitors cannot afford to do—by virtue of its telephone monopoly.

Thirty-second. By virtue of one of its Bell executives also being a city councilman in Sheboygan, Wis., A.T. & T. improperly applied pressure which led to Sheboygan signing a fire alarm system contract with A.T. & T., despite a ruling by the city attorney that the contract would be invalid because of the conflict of interest involved.

Thirty-third. A.T. & T. encourages city officials to avoid the political risk of bond issues, required to finance the purchase of fire alarm systems from A.T. & T.'s competitors, by simply leasing facilities from A.T. & T.

Thirty-fourth. A.T. & T. has been directly responsible for radically increased selling expenses throughout the fire alarm industry.

Thirty-fifth. A.T. & T. discourages investment and expansion by its competitors.

Thirty-sixth. A.T. & T. influenced the Department of Justice, through the former Attorney General himself, in such a way as to receive favored treatment in the 1956 Consent Decree.

Thirty-seventh. A.T. & T. denied cities access to poles and ducts and charged them rent for such poles and ducts in a predatory manner and with unlawful objectives, in order to facilitate its monopolistic aspirations and to "punish" cities for actions unfavorable to A.T. & T. in 15 named cities.

Thirty-eighth. A.T. & T. forecloses competitors from vital public information in its possession in such a way as to suppress competition.

Thirty-ninth. A.T. & T. placed eight named employees of A.T. & T. subsidiaries in public office where they exerted influence on behalf of Bell, in direct conflict of interest with their employment position.

Fortieth. Identified, highly placed A.T. & T. subsidiary employees have been involved in other conflicts of interest.

Forty-first. A.T. & T. directly influenced officials of the National Fire Protection Association so as to obtain a relaxation of standards established for fire alarm equipment.

Forty-second. A.T. & T. threatened not to build its new Bell office building in New Haven, Conn., and thereby seriously cripple the New Haven urban redevelopment program, if the city's fire alarm system contract was not awarded to A.T. & T. New Haven Fire Chief Thomas Collins is alleged to have admitted in this connection that he was given no choice but to go along with A.T. & T.

Forty-third. Similar charges are made in the memorandum against A.T. & T. involving Steubenville, Ohio, and Augusta, Ga.

Mr. MORSE. Mr. President, will the Senator yield?

Mr. GRUENING. I yield to the Senator from Oregon.

Mr. MORSE. Does the Senator agree with me that some of these nefarious practices of A.T. & T. can best be described as blackjack or blackmail practices?

Mr. GRUENING. I believe that would be a fair appraisal.

Forty-fourth. A.T. & T. includes the costs of advertising fire alarm equipment in the charges to users of its telephone services.

Forty-fifth. A.T. & T. purchases existing facilities from cities at such high prices that the effective cost of a new Bell fire alarm system is reduced below actual cost.

Forty-sixth. A.T. & T. charges noncompensatory rates for its mobile radio and Telpak facilities.

Forty-seventh. A.T. & T. offers jobs to identified relatives of identified influential public officials, in order to influence the selection of A.T. & T. fire alarm systems over those of its competitors.

Forty-eighth. A.T. & T. has attempted to pursuade an identified city official to cancel contracts made by the city with competitors of A.T. & T.

Mr. President, these are shocking charges.

It is hard to believe we are being asked to turn over control to A.T. & T. of anything which so vitally touches and concerns the public welfare as does the space satellite communications system.

This memorandum was filed in 1961. The Department of Justice, at that time, apparently had already committed itself to reopening the consent decree and trying to do something about the manufacturing monopoly of Western Electric and the selling monopolies of A.T. & T. in a whole host of other, nontelephone industries.

One might reasonably have been led to suppose that the allegations contained in the Gamewell memorandum would constitute an important new element in the arsenal of evidence already gathered by the Department of Justice. The memorandum names names and incidents. It is not unreasonable—let me restate that—it is highly reasonable to assume that the Department of Justice would check out each and every fact in the memorandum, get the FBI's fine antitrust investigators and lawyers to work on the job, and see just how much of the story could be effectively documented. This assumption is particularly reasonable because of the very reasonableness and credibility of the facts which the memorandum, itself, sets forth.

Yet, the hard fact of the matter is that no full checkout of the Gamewell memorandum has even been made by the Department of Justice. Nor has the FBI been employed to find out whether all

the potentially highly illegal acts which it catalogs are supported by valid evidence.

What has happened is that this memorandum has been permitted to gather dust in a file drawer in the Department.

Mr. President, so long as we are on the subject, let me put another hard fact before you. There is not one attorney at the Department of Justice today who is devoting even the majority of his time to the A.T. & T. consent decree—let alone all of his time. There are lawyers devoting a majority of their time to cases involving crushed gravel, Icecapades, brazing alloys, kosher bakeries, and innumerable other small industries.

I certainly do not want to give the impression for 1 minute that I am opposed to keeping other sectors of our economy free from antitrust violations. So I hope no roll baker in this country will think ill of me if I ask the question: Which is more important to the economic strength of our great Nation; keeping illegal monopoly power out of the roll baking and Icecapades industries or out of the communications system of the entire country? Which warrants more careful scrutiny and continuous study: the Bronx, Manhattan & Long Island Delicatessen Dealers Association, Inc., or the world's largest monopoly, the American Telephone & Telegraph Co.?

These questions may sound rhetorical and indeed they should.

Mr. President, the only attorneys at the Department of Justice who are currently giving even the slightest consideration to the possibility of reopening the most astonishing and shocking antitrust sellout of the decade are one senior trial attorney who, in fact, devotes most of his time to lobbying—or I should say, "following"—the very bill we are considering, and two young men whose primary duties are to devote their time and talents to electronic techniques for data retrieval in legal cases.

This is a project of great worth and one which I know is very close to the heart of our distinguished Assistant Attorney General, Lee Loevinger; but one which is, nonetheless, rather far removed—to say the least—from the problem of A.T. & T.'s burgeoning monopoly power.

The Department of Justice appears to care so little about anything having to do with A.T. & T.—except passing H.R. 11040—that it does not even have a full-time attorney, let alone a staff, working on it.

I think Congress is entitled to an explanation of this. The Department of Justice ought either to tell us that it no longer believes that the possession of A.T. & T. of monopoly power in a great number of nonregulated, nontelephone industries is a violation of the antitrust laws, or else get on with the job of reopening the consent decree.

I think the Department of Justice should tell us, immediately, whether or not it supports the amendment to H.R. 11040, submitted by the distinguished Senator from Louisiana [Mr. LONG], which directs the Federal Communications Commission to conduct and report on a full-scale investigation of competition in the communications industry.

I trust the Attorney General will reply as promptly to these questions, as he has acted in support of the numerous, different versions of H.R. 11040 which make possible so much control over our country's space satellite communications by A.T. & T.

Mr. President, I fail to understand why the administration is so much more eager to assure that our Nation's space communications system can come under the control of A.T. & T., than it is to investigate the charges which I have read.

At the risk of being repetitive, let me state again that I believe the Department of Justice owes Congress and the people of the United States an explanation. I have today sent to the Attorney General a copy of these remarks and have asked for an immediate explanation for the delay in investigating thoroughly the Gamewell Co.'s charges.

Mr. President, I ask unanimous consent that a small selection of a few thousand of the letters which have been received complaining against these abuses be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

TERRYPHONE CORP.,
Camp Hill, Pa., June 14, 1962.

Mr. CLARENCE A. MCKEE,
President, Private Communications Association, Senate Antitrust Committee, Old Senate Office Building, Washington, D.C.

DEAR CLARENCE: This will confirm the verbal authorization I gave you by phone last night to turn over copies of the material we have previously furnished the Justice Department, and to the Senate Antitrust Committee. Included among this material are numerous, well-documented instances of what we feel are violations of the consent decree. These are all too familiar to bother repeating in this letter.

However, among the material I have furnished to the Justice Department were about five or six instances of what we considered to be obviously unfair competitive tactics, which amount to an illegal restraint of trade. These include the refusal by C. & P. of Virginia to permit us to share conduit with them at the Republican national headquarters, Washington, D.C., which resulted in a considerable loss to us—even though they finally retreated from this indefensible position because, when they did so, they did it in such a manner as to thoroughly scare the customer by saying that undoubtedly our wiring would interrupt his Bell service and if that were the case, they would not be responsible for service and would remove their wires from the conduit and run them around the moldings of the rooms;

A similar refusal by the Bell operating subsidiary handling the Cincinnati, Ohio, Airport was only finally resolved by the customer's installing at its own expense, separate conduit for the Terryphone installation; the blunt threat by the president of the Cincinnati Bell to James M. Hutton III, of W. E. Hutton & Co., to the effect that if W. E. Hutton & Co. kept Terryphone, Cincinnati Bell and its officers would cease doing business with W. E. Hutton & Co.; the communicator packing pricing tariff in Missouri which requires the customer to pay for intercommunication facilities, even though he does not wish them or use them, which effectively tends to freeze out competition and which has resulted in specific losses to us as detailed in my letter of November 16, 1961, to Attorney John James of the Justice Department; Ohio Bell's arbitrary refusal to supply leased lines at Lockborne Air Force Base, which has increased the cost of communications to the Air Force and taxpayers—again, this is detailed in the letter just referred to; the protective equipment harassment we suffered in Illinois; the flagrant conduct of Southwestern Bell in Kansas City, Mo., with regard to the Westfall GMC truck request for a leased line as detailed in my letter of January 17, 1962, to John James; and other incidents of similar sort too numerous to list specifically.

Recently, we have run into numerous cases in the Pittsburgh, Pa., area, where Pennsylvania Bell has deliberately and knowingly sold customers 756-type automatic switchboards when equivalent facilities could have been provided by the use of a simple switchboard with secondary dialing behind the board and direct lines for outgoing calls on all or as many telephones as the customer wished at a cost of between $75 and $150 per month less to the customer. In other words, Bell told the customer the only solution to their communication requirement was a 756 when in fact, this was not the case and the 756 cost the customer considerably more than equivalent Bell facilities. Naturally we feel that a far superior job could have been done by the use of simple telephone company switchboards and Terryphone or other private internal communication systems.

Three specific instances of this practice involve the Commercial Bank of Parkersburg, Parkersburg, W. Va.; James H. Matthew Co., headquarters building, W. Liberty Avenue, Pittsburgh, Pa.; Air Reduction Co., Parkway Office Building, Green Tree Office Center, Pittsburgh, Pa. As you probably are aware, in Pennsylvania the 756 switchboard is installed on a 1-year contract with a $200 installation charge, but in West Virginia, it is installed on a 5-year contract with a $1,000 charge, payable $200 per year.

Last week we were bidding on a new building under construction in Cleveland, Ohio, and planned to install our wires in the communication conduit, Ohio Bell told the customer that they could not have any other wires in the communication conduit, except telephone company wires and that if they did install other wires, the telephone company would no longer assume responsibility for service and the customer would have to pay for all service required on his telephone system and that this is what their tariffs provided. I have a call in for our Cleveland sales manager to get the name of the company and the name of the Bell representative. We are also attempting to get Bell to put this in writing and we will get a copy of the tariff, if any exists. If I have this information by tomorrow, I will send this to you by separate cover.

In going through my files, I find I have accumulated a number of new violations of the consent decree, including an interesting one in Norfolk, Va., at Norfolk Motors, where C. & P. of Virginia has installed six telephones that are not connected in any manner to the outside telephone system, but are used strictly for internal use—in other words, it is an internal communication system. We do not have the exact price being charged the customer, but believe it to be between $10 and $15 per month.

If we can be of any further assistance, please don't hesitate to call. We are willing to bring all of our files on Bell's method of operation and as many witnesses as necessary to Washington to testify at any time.

Incidentally, while we have succeeded gradually in cracking the leased line barrier you will no doubt recall the tariff, as filed by Bell in various States where they have filed tariffs on leased lines, limit the provision of these leased lines to two or more noncontingent properties owned or used by the same customer. There is no legitimate reason for this limitation since Bell themselves provide off-premises extensions between different

subscribers all the time. We recently had a customer here in Harrisburg, Valley Transportation, a public utility (a bus company) request from Pennsylvania Bell Telephone a leased line to be used to connect two Terryphone systems—one at Valley Transportation and the other at Valley Sales & Service, a truck dealership owned by the same people, but admittedly a separate corporation, located about one-half mile away. This request was refused by the telephone company on the grounds the tariff only permitted the provision of leased lines as mentioned above between remote premises of the same subscriber. We are presently conducting a survey among our sales personnel to establish whether a need for the service exists and if it does, we contemplate beginning a campaign to have these tariffs changed.

That seems to be all my thoughts for the moment.

Good luck.

Regards,

H. M. EATON,
Secretary and Chief Counsel.

PRIVATE COMMUNICATIONS ASSOCIATION, INC.,
New York, N.Y., March 1, 1961.

Mr. ALBERT S. LEVENSON,
President, Detroit Communications Corp., Detroit, Mich.

DEAR MR. LEVENSON: I am very sorry for the delay in answering yours of February 11.

The first instance with Michigan Typesetting—it should be determined first if the dial system installed by Michigan Bell is entirely free of outside connections. If so, this is a violation. If it has outside connection and can dial out on "9," this can be connected to a privately owned paging system. This is not a violation.

The paging system at Pfeiffer Brewing is a definite violation and we have forwarded your letter to our attorney who will forward it along with other complaints to the Justice Department.

We are presently annoying the life out of the Justice Department with a letter campaign via the Senators and Congressmen, and Justice, in reply, has admitted that they are now making an investigation of why Bell has not pulled out on January 24.

I think the answer is a stopgap until the new head of the Antitrust Division is finally confirmed.

You asked for an application which is enclosed, together with an invoice for your business records.

We will be pleased to welcome you to PCA and anytime you are in New York, please phone me.

Sincerely,

——— ———.

DETROIT COMMUNICATIONS CORP.,
Detroit, Mich., February 11, 1961.

Mr. CLARENCE A. MCKEE,
President, Private Communications Association, Inc., New York, N.Y.

DEAR MR. MCKEE: We have recently encountered two instances of apparent violation of the article V of the consent decree on the part of the Michigan Bell Telephone Co.

The first appears to be an intent to violate this decree. Within the Michigan Typesetting Co., a Detroit firm, there is now installed a private automatic exchange, leased from the Michigan Bell Telephone Co. at standard monthly charges. There is also installed a privately owned voice paging system, which is used by the switchboard operator while she is on duty to locate persons, for various purposes. At present, the Michigan Bell system has no access to voice paging.

On January 30 I visited the premises of the Michigan Typesetting Co. and was informed that Michigan Bell had offered to make voice paging available through the Bell instrument, by connecting to the privately owned system. Tariff for this service, apparently on file with the Michigan Public Service Commission, is $15 per month.

The second instance is a continuing violation at the Pfeiffer Brewing Co., also a Detroit firm. Here, a voice paging system, operated by the switchboard operator continues to be leased and maintained by the Michigan Bell system. In addition, an autocall system, with access through the public utility instrument, is also leased and maintained.

Of further interest is the fact that in neither case is management of these two companies aware that these services are in violation of the Department of Justice consent decree.

In pursuing this matter further, I would appreciate being informed of any steps which are contemplated being taken.

Thank you for your consideration of this matter.

Very sincerely,

ALBERT S. LEVENSON,
President.

DETROIT COMMUNICATIONS CORP.,
Detroit, Mich., February 11, 1961.

Mr. CLARENCE A. MCKEE,
President, Private Communications Association, Inc., New York, N.Y.

DEAR MR. MCKEE: Thank you very much for your prompt reply to my letter and for your interest in the situation here in Michigan. Both are very much appreciated.

As you requested, I am enclosing two copies of a letter addressed to you which explains the two instances of violation we have encountered to date. Both of these violations were discovered in our program of evaluating these companies' communications needs. Needless to say, both of these may have direct bearing upon our ability to install a privately owned system.

We would appreciate knowing of any contemplated steps, before, if possible, they actually take place.

We would also like you to consider this an application for membership in your association and we look forward to many years of mutually profitable relationship. Would you be so kind as to submit a bill to us covering initiation fee and membership?

Thank you again for your prompt attention. I trust I will have the pleasure of visiting your offices and meeting you personally on my next trip to New York.

Very sincerely,

ALBERT S. LEVENSON,
President.

P.S.—The name of the other official representative is C. A. Nutting, Jr.

TELEPHONE SALES & SERVICE CO.,
New York, N.Y., June 15, 1962.

Mr. CLARENCE MCKEE,
President, Private Communications Association, Senate Antitrust Committee, Old Senate Office Building, Washington, D.C.

DEAR MR. MCKEE: In reference to our telephone conversation of June 15, 1962, I am happy to repeat the matters we discussed relative to the present practices of the New York Telephone Co.

On September 20, 1961, I contacted Mr. L. DeLalio of Filtors, Inc., at 30 Sagamore Hill Road, Port Washington, Long Island, N.Y., to discuss intercommunications for their contemplated new plant in Commack, Long Island, N.Y. He referred me to his assistant, Mr. J. Carlin, with whom I subsequently initiated preliminary studies of their requirements.

At later dates, my associate, Mr. A. Cannon, and I met with Messrs. Aspinwall (president of Filtors, Inc.), Carlin, and Deitches (comptroller) for final discussions of our proposal. On March 4, 1962, we were awarded a contract for a Private Interior Communication System as evidenced by exhibit A.

Discussions with Filtors' personnel brought the fact that New York Telephone Co. representatives made a traffic survey of Filtors' existing facilities approximately in late September 1961 or early in October 1961. As a result of this survey, the telephone company representative, Mr. M. N. Shock, tendered a proposal to Mr. Carlin dated November 2, 1961 (see exhibits B and B-1).

Please note that at this time the New York Telephone Co. recommended a 2 position operators switchboard and a total of 20 operating trunks plus 5 auxiliary lines. At this time, Filtors was operating with 15 trunks with 2 auxiliary lines.

At this point, I would like to stress a most important fact: on the dial system as presently used by Filtors and the various ones proposed by New York Telephone Co., all of the trunks cannot be used two ways; i.e., incoming and outgoing. On a pure manual type system, trunks are automatically two way since they are operator controlled.

You will note in exhibit C that in a proposal to a prospective customer, the New York Telephone Co. shows that approximately 26 percent fewer trunks are required on a manual type system in comparison to a dial system. This is a result of more efficient use of trunks (two way versus one way).

Curiously enough, some time after March 12, 1962, the New York Telephone Co. submitted another proposal (exhibit D).

Without any additional surveys having been made, they now stated that Filtors could operate with only 12 trunks and a one-position operators' switchboard. It is believed that the New York Telephone Co. was now aware that we either had an order or that they had competition. To further examine this proposal, we find that they had reduced the switchboard so that at least 15 extension users now had no way of accepting incoming calls.

It should also be noted at this time that representatives of Filtors stated that only 40 or a maximum of 45 extension users had a requirement for either initiating or receiving outside calls over New York Telephone Co. facilities.

At the request of Filtors, we prepared an analysis of exhibit D as answered in our letter of April 2, 1962 (exhibit E). Each item should be examined, one by one, to see the inaccuracies. At a later meeting with Filtors personnel, our analysis was accepted in its entirety, and Mr. Deitches, of Filtors, made a remark to the effect that New York Telephone accountants who might have prepared this analysis were obviously inaccurate. In the event that their present tariffs are based on such accounting procedures, then they should be investigated without delay.

Some time after exhibit D had been delivered to Filtors, Inc., Mr. Romo of the New York Telephone Co. and two of his associates, met with Mr. DeLalio of Filtors and stated that if they went private with a manual system for common-carrier service, they would need a two-position switchboard with at least two operators. We immediately received a call from Filtors to meet with them to discuss cancellation of our order. Mr. A. Cannon and I met with Mr. Carlin and Mr. Deitches of Filtors, along with Mr. Romo and his superior from the New York Telephone Co., at the offices of Filtors, Inc.

Mr. Carlin had a tape recorder set up to transcribe the meeting, but we have been unable to secure a copy as yet.

At this meeting, Mr. Romo and his associate made many untrue statements and other statements which we believe to be untrue.

1. "The New York Telephone Co. in the New York metropolitan area always furnishes their subscribers with the latest equipment available." For the veracity of this statement, all one has to do is visit the

Hotel New Yorker in New York City and they will find that almost all, if not all, guestrooms are equipped with No. 200 style telephone instruments. These instruments were superseded with the No. 300 style prior to 1941 and the No. 300 style was then superseded by the No. 500 style now in use since 1948 or earlier.

Recently, in our own office, when we changed our New York telephone system, we were furnished No. 530 type instruments which are a halfbreed, in that they are piece parts of the old No. 300 style enclosed in a facsimile No. 500 style case with a new handset handle.

If more documentation is required for these type examples, we will be happy to furnish same.

2. In answer to a question addressed to Mr. Romo regarding the basis for the statement that two operators would be necessary if Filtors took a private system with a manual Bell System, he stated that it was based on their latest survey (taken in the fall of 1961). It was then asked, "How many incoming calls were there during the busiest period?"

Answer: "28 incoming calls." This averages out to less than one incoming call every 2 minutes.

Question: "How many times was there an all-busy condition on the outgoing dial trunks and how many direct outgoing calls during the busiest period?"

Answer: "We did not tally this."

Question: "How many intercommunication calls were made during the busiest period?"

Answer: "We did not tally this."

In spite of this, the New York Telephone Co. representative insisted that the traffic showed that a manual system would require two operators.

At this time, it was admitted that the survey was done visually and not with the appropriate meters that most operating telephone companies employ to take accurate surveys. It has been learned that a subsequent survey was taken; again, visual only, without meters as normally employed for accuracy. It is our contention that such surveys are of no value and can be altered without any method of checking for accuracy. The implication was made that since we (Mr. Romo and his superior) are "Bell" we must be right since we are bigger.

It was further stated that the New York Telephone Co. gives all their subscribers same-day maintenance service (except, of course, for disasters). This is untrue as can be documented by service reports on my own personal home telephone last fall. On a Saturday morning a friend attempted to call me; the line was reported as nonworking. My friend called repair service for me as he felt that I was unaware of the condition. Repair service said that they would take care of it right away. At 11 p.m. that same evening, the telephone was still inoperative and my friend had to drive to my home in order to get in touch with me. On Sunday morning, I reported the trouble again from a pay telephone; service was promised for the same day. Service was not restored on my telephone until 4 days later, Thursday.

In view of the untruths concerning service and the latest equipment that are being made to the public, I believe that public retractions in all New York newspapers should appear without delay so that the public is aware of the unethical practice as stated.

The completely unfair competitive edge given to the Bell System over the private communication industry as granted by public tariffs must be stopped. I refer to the use of unfair installation costs for installation and/or relocation of telephone instruments and related equipment. The representatives of the Bell System will state in their presentations that they charge less than those of us in competition with them for installation and/or moves and changes. For example; in the State of New York, to install or move a telephone instrument, the charge is only $3.75, whether it be a business or residential telephone. If you were to examine any time sheet records for this, it would become quite obvious how ridiculous these charges are in relation to their true costs.

On June 15, 1962, the writer spoke with a Mr. Leary of the New York Telephone Co., in New York City via telephone. In answer to my question regarding number of instruments in use in the State, he replied; "As of the close of 1961 there were 1,861,000 residential extensions, 5,100,000 business lines (this is trunks only, but many more actual extensions), and 1,530,000 other (hospitals, schools, hotels)." Anyone remotely acquainted with the industry knows that the highest percentage of moves and installations fall in the business category. For instance, when was the last time you had a telephone moved? Consequently, we residential subscribers are underwriting these apparent losses by paying higher rates for service. We pay two ways: higher rates and subsidize our competition.

With the advent of Centrex in New York City we will be asked to subsidize our competition again. Since the Bell System will be renting space to house their equipment, whether it is 10 or 100 percent used, all nonusers of Centrex will be paying for those that do.

To cite a comparison all we have to do is examine costs of installation of dial equipment at Filtors, Inc. Since our dial equipment has outside trunking facilities, it should be less expensive. Since we both have to use union labor, hourly costs would be comparable. Yet, our cost to Filtors, Inc., will exceed New York Telephone's, and our net profit is less than New York Telephone's.

Our cost (labor and construction material): $4,800.

New York Telephone Co. cost (exhibit D): $1,621.25.

The conclusion should be quite obvious that Bell tactics where competition is concerned remains unchanged, only the method. I quote from the "Story of Independent Telephony," by Harry B. MacMeal published by the Independent Pioneer Telephone Association, page 63: "In Norwalk, Ohio, the Central Union (Bell) cut its rates to $1 a year. The Independent Harrison Co. had rates of $30 for business telephones and $18 for house instruments. The Central Union slashed its prices to $18 and $12 and then to $1."

You can rest assured that other Bell subscribers were even then subsidizing the losses incurred by Central Union. Our learned representatives in Washington could learn much of Bell practices by the reading of the history of intrigue.

To show further their intimidation of subscribers, I cite a recent case: Public Juniper Corp., Oakdale, Long Island, N.Y.

At our request, the customer installed a ¾-inch conduit to accommodate our cable (14 conductor) and necessary lines for their Bell instruments. When it came time to install our lines, the New York Telephone Co. had jammed the conduit with a 25-pair cable. This cable is more than would ever be required in the event the customer had put in a six button key telephone with five lines and lights, etc. At the very most, they would only require an 11-pair cable. The customer had the Bell man come out to discuss the jamming and they refused to pull out the cable or permit us the usage of unnecessary pairs. As a result, the customer ran a trench for us so that he could be in immediate service rather than wait for the settling of the dispute.

To just elaborate on the subsidation of labor, let us compare the breakdown of the New York Telephone charges of installation per exhibit B, $1,621.25. Since we only have the New York Telephone Co.'s "Preloading of installation orders by labor units" for installation of telephone instruments, this will only cover that phase of the cost: 95 extensions, $356.25 or $3.75 each.

According to their "preloading labor" factor, the allowable time for an extension is 2.85 hours and according to the latest information available, installer's minimum rate is $3.37 per hour, which does not include company fringe benefits and/or company overhead. Without these latter items, we now have an actual cost of $9.60 per extension plus fringe benefits, overhead, and all construction materials (wire, drive rings, etc.). Who then is paying for the difference between the chargeable $356.25 and the actual cost of $921? Again, this is before the other true costs are added. The answer is simple, yet the unfair competitive advantage given over competition is disastrous.

It is our sincere hope that our congressional investigators will correct these competitive evils so that we may have a true competitive economy and not one of subsidation.

Very truly yours,

EDGAR ZIMONT.

PRIVATE COMMUNICATIONS ASSOCIATION, INC.,

New York, N.Y., October 24, 1961.

Re installation of intercommunication equipment, Bayonne, Hudson County, N.J.

Mr. JAMES M. MILLER,

Assistant Solicitor, Office of the Solicitor, U.S. Department of Labor, Washington, D.C.

GENTLEMEN: Thank you very much for your letter of September 13, clarifying the application of the Davis-Bacon Act as it applies to the installation of intercommunication equipment.

Perhaps the problem raised in our original letter might be more clearly understood if the phrase "in construction" were clearly defined as regards the installation of an intercommunication system.

For example, one of our member companies is a full-time authorized distributor of a particular brand of communication equipment. This company maintains a full-time force of installation and servicemen on the payroll year around. They have installed numerous similar intercommunication systems for various branches of the Federal Government without such work having been interpreted as "construction work." Such work is done in a similar manner and price quotations are based on the same formulas for private industry.

Perhaps further light might be reflected on this problem if consideration is given to the differences between an intercom installer and an electrician. For example, very little of the intercom installer's work is concerned with conduit, none of it is concerned with high voltage installation, it is not as hazardous and in many respects the working conditions in the field are probably better. Perhaps a new classification should be established and a proper rate based on prevailing rates? In this case, these rates would, we imagine, be comparable to those paid by the telephone company and other people engaged in installation of equipment similar to that of our member company.

However, if an installation of an intercommunication system is a part of a general building contract for a construction of a new building, its expansion or a major renovation, then such installation must be done by electricians in the employ of the electrical contractor. In this case, the price quotations are, of course, on an entirely different basis and the member company's installation personnel can only provide supervision since their personnel are not union electricians.

The question then arises whether the installation of an intercommunication system in an existing building unaccompanied by

any other work should be defined as work performed in construction.

By its very nature, the construction industry relies on various trades who are hired by the day or week, very few of such workers enjoying the security and steady income of a yearround, everyday job. Under these circumstances, it would appear that the U.S. taxpayer is footing the bill unnecessarily for a higher cost of installation than necessary.

If, in your opinion, there is some possibility of clarifying and defining this subject along the lines mentioned in this letter, please let me know and I will be glad to put you in touch with the particular member company concerned who will be in a position to discuss in detail a concrete example which brought this problem to light.

Thank you very much for your courteous interest.

Very truly yours,

CLARENCE A. MCKEE,
President.

CLARK WALTER & SONS, INC.
Newark, N.J., October 10, 1961.

Re Installation of intercommunication equipment, Bayonne, Hudson County, N.J.

Mr. JAMES M. MILLER,
Assistant Solicitor, Office of the Solicitor, U.S. Department of Labor, Washington, D.C.

GENTLEMEN: Thank you very much for your letter of September 13, clarifying the application of the Davis-Bacon Act as it applies to the installation of intercommunication equipment.

Perhaps the problem raised in our original letter might be more clearly understood if the phrase "in construction" were clearly defined as regards the installation of an intercommunication system.

For example, one of our member companies is a full-time authorized distributor of a particular brand of communication equipment. This company maintains a full-time force of installation and service men on the payroll year around. They have installed numerous similar intercommunication systems for various branches of the Federal Government without such work having been interpretated as "construction work." Such work is done in a similar manner and price quotations are based on the same formulas for private industry.

Perhaps further light might be reflected on this problem if consideration is given to the differences between an intercom installer and an electrician. For example, very little of the intercom installer's work is concerned with conduit, none of it is concerned with high voltage installation, it is not as hazardous and in many respects the working conditions in the field are probably better. Perhaps a new classification should be established and a proper rate based on prevailing rates? In this case, these rates would, we imagine, be comparable to those paid by the telephone company and other people engaged in installation of equipment similar to that of our member company.

However, if an installation of an intercommunication system is a part of a general building contract for a construction of a new building, its expansion or a major renovation, then such installation must be done by electricians in the employ of the electrical contractor. In this case, the price quotations are, of course, on an entirely different basis and the member company's installation personnel can only provide supervision since their personnel are not union electricians.

The question then arises whether the installation of an intercommunication system in an existing building unaccompanied by any other work should be defined as work performed "in construction."

By its very nature, the construction industry relies on various trades who are hired by the day or week, very few of such workers enjoying the security and steady income of a year around, everyday job. Under these circumstances, it would appear that the U.S. taxpayer is footing the bill unnecessarily for a higher cost of installation than necessary.

If, in your opinion, there is some possibility of clarifying and defining this subject along the lines mentioned in this letter, please let me know and I will be glad to put you in touch with the particular member company concerned who will be in a position to discuss in detail a concrete example which brought this problem to light.

Thank you very much for your courteous interest.

Very truly yours,

——— ———.

CLARK WALTER & SONS, INC.,
Newark, N.J., October 10, 1961.

Mr. CLARENCE A. MCKEE,
McKee Electric Co., Inc.,
Mount Vernon, N.Y.

DEAR CLARENCE: You forwarded to me a copy of the U.S. Department of Labor's letter of September 13, regarding Davis-Bacon Act application in an intercommunication installation in the naval supply depot in Bayonne.

Enclosed is a draft of a suggested reply to this letter which might bring out another angle and offer some possibility of relief.

Naturally, I appreciate very much your interest in this case and hope that we can solve it to the benefit of our industry.

Best regards,

CLARK WALTER, Jr.

TERRYPHONE CORP.,
January 17, 1962.

JOHN S. JAMES, Esq.,
Antitrust Division,
Department of Justice,
Washington, D.C.

DEAR MR. JAMES: Here is what I believe to be a rather flagrant example of the sort of conduct we have come to expect from Southwestern Bell Telephone Co., and, which I believe to be violative of the antitrust laws. The background:

On July 31, 1961, we obtained the trial installation contract from Westfall GMC Truck, Inc., in Kansas City, Mo. Installation of this system was completed on August 11, 1961, and the customer agreed to keep the system in September on our standard rental agreement for a term of 30 months. The principals of this corporation have another truck dealership in Excelsior Springs, Mo., Clay County Motors, and on August 25, we obtained a trial rental agreement for that business, provided we were able to connect it with Westfall GMC in Kansas City. Ever since that time we have been endeavoring to secure a leased line from Southwestern Bell Telephone Co. Despairing of this, we recently began negotiations with Western Union for a private voice circuit to connect, these two systems; however, in the meantime, Southwestern Bell has put pressure on the customer and as a result, I today received a memorandum from our representative in a Kansas City, outlining the history of the problem and a request that the Clay County Motors order be canceled. You will note about two-thirds of the way through the first paragraph of the memorandum, copy of which is attached, Southwestern Bell sent a member of their purchasing department to discuss their lists of new trucks they intended to purchase this year with our customer. During this visit, he casually mentioned they were refusing the leased line requests. Our customer is anything but stupid and he immediately got the point. As is evidenced by the statements they made to our representative, they recognize this is blackmail, pure and simple. For your information, as mentioned above, I am enclosing photostatic copies of our sales representative's memorandum, together with copies of a letter written by Southwestern Bell's general manager to the Missouri Public Service Commission to our customer in which the Southwestern Bell letter was enclosed. You will note that nowhere in the Southwestern Bell letter to Missouri Public Service Commission do they indicate they had satisfied the customer. They hint at it, but that is a damn lie.

I would appreciate your adding this to your list of complaints and, incidentally, what, if any, progress is being made and are you in a position to forecast whether any action will be taken.

Yours very truly,

H. M. EATON,
Secretary and Chief Counsel.

TELE-NORM CORP.,
Woodside, N.Y., December 8, 1961.

Mr. CLARENCE MCKEE,
Private Communications Association,
Mount Vernon, N.Y.

DEAR CLARENCE: During the last meeting you asked me to give you the name of the apartment house on which the New York Telephone Co. is bidding.

I am enclosing a copy of a letter which the New York Telephone Co. wrote to the builders. Until now they have at least charged for some installation and now they are even going to pay.

It is a 350-line dial system under consideration and I assume other members of the association are also bidding on the project.

I thought this would be of interest to you.

Best regards.

Sincerely yours,

BERND CLAUSS,
Project Engineer.

SEPTEMBER 6, 1961.

Mr. BERNARD SPITZER,
200 Central Park South, Inc.
New York City, N.Y.

DEAR MR. SPITZER: I wish to confirm discussions between you and Mr. Azarik of this company with respect to the furnishing of communications services and facilities for the apartment building which you are planning to construct at 200 Central Park South.

It is our observation that more and more occupants of apartment buildings require multiple telephone installations. In order to minimize installations of exposed wires or cables in apartments, this company has arranged to furnish, on a trial basis, special cable which will be placed on the floor of each apartment prior to the time the concrete flooring is poured.

It is contemplated that the telephone cables will be looped through the telephone portion of the dual wall outlet boxes in which the electric cables are to be terminated.

The New York Telephone Co. agrees to furnish all of the telephone cables without charge to your company or its contractor. This company will retain ownership of all telephone cables but there shall be no obligation on the part of this company to remove the cables when their use shall have been permanently discontinued. It is agreed that upon discontinuance of such use by this company, the cables shall become the property of the owner of the building.

Your company would be responsible for the laying of the cables in the floors, the installation of the dual wall outlet boxes, and the looping of the telephone cables through the boxes. As to each such outlet box, installed by mutual agreement of our companies, through which cable has been looped and is found to be in good working order for this company's purposes, the New York Telephone Co. agrees to pay your company $3.75.

We are glad to be able to submit this proposal, believing that this cable system will contribute significantly to the attractiveness of residential buildings and the avoidance of telephone service interruptions.

In order that we may proceed with the necessary planning for the furnishing of the cable, will you kindly note your agreement to this proposal by signing the duplicate copy of this letter in the space provided therefor and returning it to me at your earliest convenience.

Yours very truly,

_____ _____,

General Plant Manager.

PRIVATE TELE-COMMUNICATIONS, INC.,

November 8, 1961.

Re private communications installed by Illinois Bell Telephone Co.

LEE LOEVINGER, ESQ.,

Assistant Attorney General, Antitrust Division, U.S. Department of Justice, Washington, D.C.

DEAR MR. LOEVINGER: May we bring the following case to your attention.

In the summer of 1961 we were called to plan a private communication system for the McMaster-Carr Supply Co., 640 West Lake Street, in Chicago. The requirements consisted of providing facilities for a number of buyers and city desk clerks, sitting at individual desks, to communicate with a number of stockroom people. The latter ones were to hear the communication through a loudspeaker and reply, without operating any buttons or switches, or without lifting a telephone. The buyers and city desk clerks should use a telephone instrument.

The system is strictly for internal use and inventory control and under no circumstances will an outside call be permitted to go directly into the stockroom.

Our engineers went to work and laid out a system. Copies of the plan, our quotation, our traffic chart and our print are attached. We were advised that the system was under serious consideration and that we had a good chance of obtaining the order.

Yesterday we were advised that the Illinois Bell Telephone Co., had designed a special private communication system for the use of the McMaster-Carr Supply Co. A similar private communication system had been furnished previously by the telephone companies. Inasmuch as the public utility will provide this private communcation system, the prospective customer did not want to deal with a private communication concern.

To our knowledge there is no tariff for such a system in Illinois. Even if there were such a tariff it appears strange that a private communication system and private communication equipment becomes common carrier equipment solely by the fact that Illinois Bell or any other Bell company is ready to supply it. We have a letter, dated July 17, 1961, in our files from Mr. Horace Moulton, general counsel of A.T. & T., copy of which you have in your file, in which he states that a system will be supplied by the telephone company if a tariff exists.

Here is a perfect example of a strictly internal communication system which is furnished by the telephone company under this contention, to the loss of the small business and private enterprise.

We solicit your help and consideration in this matter.

Very truly yours,

RONNEY L. HARLOW.

AUGUST 30, 1961.

MCMASTER-CARR SUPPLY CO.,

Chicago, Ill.

Attention: Mr. Ronald W. Murphy.

GENTLEMEN: We think you for your interest in our equipment and are pleased to submit, herewith, our recommendations and quotations for a Fonex Intercommunication, Tele-Reply and sound distribution system.

Functions: The basic functions of this system are as follows:

FONEX INTERCOMMUNICATION

1. Direct communication facilities between 11 telephone instruments as per the attached intercom layout plan.

2. To call another station, the handset is lifted and the button corresponding to the name of the party desired is depressed. The button will lock in place.

3. The ring key is depressed and if the ring tone is heard, the call is going through.

4. The person being called, hearing the buzzer sound, lifts the handset to reply. No switch operation necessary.

5. Conference calls can be made between three or more stations.

6. All conversations are absolutely and fully private. No calls can be overheard accidently.

7. When a station being called is busy with another conversation, the next caller will receive a busy signal and cannot break in until the first conversation is completed.

TELE-REPLY

8. Eleven instruments will be equipped to call all or a group of nine stockroom areas as per attached intercom layout plan.

9. Fonex Intercom unit selects the stockroom, tests for busy conditions and talks to the stockroom area.

10. Conversation is controlled by a pushbutton in the handset. No other switches to be operated.

11. Stockroom personnel does not have to operate any buttons or switches to reply.

12. Facing the speaker/microphone and talking in a normal tone of voice transmits the reply to the calling instrument.

13. Crisp, clear, intelligent voice reproduction in all stockroom areas.

14. Multichannel operation permits conversation between all Fonex Intercom units plus up to three simultaneous conversations with three stockrooms.

SOUND DISTRIBUTION

15. Microphone pickup at switchboard.

16. High fidelity sound distribution over all loudspeaker equipped areas.

17. Facility to control volume of one speaker.

18. Available power of 40 watts, including sufficient reserve power for additional speakers if later desired.

Equipment: To meet these functions the following equipment is required:

FONEX AND TELE-REPLY

Ten No. 415L1S director stations, one No. 423L1S director station, ten No. PT19 junction boxes, one No. PT27 junction box, one No. P24 power supply, three No. LS7A relay units, three No. M102 amplifiers, nine No. 2109 speaker/microphone: nine No. 208 speaker transformers, eleven No. PBHS key switches, eleven busy lights.

SOUND DISTRIBUTION

One No. M305 amplifier, one No. 1246BL microphone, one No. 1124 switchboard stand, one No. 1102S footswitch, one No. R1012 transformer, twenty-nine No. 3408A ceiling speakers, twenty-nine No. 3408ABD mounting boards, twenty-nine No. 208 speaker transformers, one No. 220 volume control.

SPECIFICATIONS

The director stations are distinctive in styling, with cabinets of heavy gaged steel, finished in gray, moss green, or light beige. A black plastic handset is cradle mounted at the side of the cabinet. The buttons are of clear lucite illuminating from the rear. They restore automatically when the handset is replaced .

The No. 1246BL microphone is a high-fidelity-low-impedance unit, equipped with switchboard stand and footswitch. It is finished in satin chrome.

The No. M102 amplifier and No. 3408A speaker are described on the enclosed technical data sheets.

COST: The cost of this system is as follows:

FONEX AND TELE-REPLY

10 No. 415L1S director stations at $126	$1,260.00
1 No. 423L1S director station	140.00
10 No. PT19 junction boxes at $5.20	52.00
1 No PT27 junction box	6.00
1 No. P24 power supply	60.00
3 No. LS7A relay units at $160	480.00
3 No. M102 amplifiers at $69.50	208.50
9 No. 2109 speakers at $27	243.00
9 No. 208 transformers at $4.50	40.50
11 No. PBHS key switches at $6	66.00
11 Busy lights at $7.50	82.50
Cable	370.00
Installation	960.00
Total	3,968.50

SOUND DISTRIBUTION

1 No. M305 amplifier	154.50
1 No. 1246BL microphone	42.50
1 No. 1124 switchboard stand	15.00
1 No. 1102S footswitch	19.00
1 No. R1012 transformer	17.50
29 No. 3408A speakers at $13.50	391.50
29 No 3408ABD mounting boards at $2.50	72.50
29 No. 208 transformers at $4.50	130.50
1 No. 220 volume control	5.00
Cable	45.00
Installation	360.00
Total	1,252.50

GUARANTEE

The above system is unconditionally guaranteed as to material and workmanship for a period of 1 year from date of installation.

We hope to be favored with your order and assure you of our best service at all times.

Very truly yours,

RONNEY L. HARLOW.

SEPTEMBER 27, 1961.

Mr. WILLIAM V. KAHLER,

President, Illinois Bell Telephone Co., Chicago, Ill.

DEAR MR. KAHLER: One of your employees has again taken it upon himself to hurt the private communication industry.

We have been in touch with Mr. Angus, manager of Friden, Inc., at 407 South Dearborn Street, since June with regard to the installation of a private telephone system in their new space on Wacker. An appointment had been arranged between Mr. Angus and one of our field engineers for yesterday, September 26.

The appointment was canceled because Mr. Angus advised that the representative of the Bell Telephone Co. had insisted not to waste the Bell Telephone Co.'s time by also seeing the private communication industry and seeking prices from them. He suggested that nothing good would result from a conversation between Friden and the private communication industry representative.

We feel constrained to express our deep disappointment over this new violation of business ethics and of the position the telephone company maintains as a public utility. We are impatient with such actions and may say that apologies from the Illinois Bell Telephone Co. and A.T. & T. do no good. It is easy to say that this is a human error. Such human errors must not occur.

It is useless to ask that we get in touch with you should such an occurrence repeat itself. A public utility must not act repeatedly in a manner that will hurt the private enterprise system.

Please let us know how you wish to proceed with this matter. Thank you for your immediate attention.

Very truly yours,

RONNEY L. HARLOW.

AUGUST 25, 1961.

Mr. R. PARKER SULLIVAN,
Care of Telephony, Chicago, Ill.

DEAR MR. SULLIVAN: The August 19 issue of Telephony included part IV of an article under your byline entitled "Marketing Makes Money." It was most interesting to read your views, but I wish to point out that your views contain a basic error. You say that this "outside competition is developing in the field of communications." May I point out to you, Mr. Sullivan, that private communications have existed for many, many years. Fortunately for the American public private communications have helped develop communications as a whole and it does not behoove the telephone company to place itself on a pedestal and "protect our present position." In a fair competitive situation the private communication industry would, I am sure, be glad to compete. But you must remember that the telephone industry as a utility prevents in this country the private communication industry to connect to its lines. Private industry therefore jealously guards its rights in the private communications field and must employ its efforts to prevent the telephone companies from "taking over" this field developed with the money and effort of the private communication industry.

If the telephone industry would permit the private communication industry to connect to its lines, then there could be free competition for the benefit of the public at large, but until such time the telephone industry must confine its activities to common carrier communication service. Any efforts by the utility to enter into this private communication field without permitting the private communication industry to connect with its lines, cannot be considered free competition, and must be avoided.

Thank you for taking my point of view into consideration.

Very truly yours,

RONNEY L. HARLOW.

JULY 28, 1961.

Mr. HORACE P. MOULTON,
American Telephone & Telegraph Co., New York, N.Y.

DEAR MR. MOULTON: Thank you for your letter of July 17. It was most interesting to receive this communication and it was interesting to learn how, in your opinion, devices become common carrier communications solely by the fact that they are connected to a telephone. Does that mean, in your conception, that a data processing machine or a dictating machine if connected to a telephone system becomes a common carrier service?

Secondly you state that, in your opinion, anything and everything is common carrier communication service, according to the final judgment of January 24, 1956, if it is communications services and facilities, the charges for which are subject to regulation. My dear Mr. Moulton, does that mean if you or anyone of your subsidiaries files a tariff for telephone operators, for dictating machines, for data processing machines or any other type of service that this then, by virtue of your having filed a tariff, becomes a common carrier communications service?

As a customer, as a supplier and as a stockholder of the American Telephone & Telegraph Co., I suggest that the private communication industry be authorized to tie into telephone company lines; mind you, not private lines but regular telephone lines. In this way there could be competitive efforts in the communication industry without impairing the very fine service that A.T. & T. and its subsidiaries have given over the years.

On the other hand, as long as the private communication industry is not authorized to connect its equipment to the telephone company lines, then the telephone companies should refrain from furnishing devices and services that are now furnished by the private communication industry. It is incongruous that the telephone companies should be able to furnish private communication devices and tie these into their lines but that the private communication industry cannot tie such devices into the telephone company lines.

It will be most interesting to hear from you further.

Very truly yours,

RONNEY L. HARLOW.

WARWICK COMMUNICATIONS, INC.,
Cleveland, Ohio, June 15, 1962.

Mr. CLARENCE MCKEE,
President, Private Communication Association, c/o Senate Antitrust Committee, Old Senate Office Building, Washington, D.C.

DEAR CLARENCE: Here is a copy of what was sent Lee Loevinger plus a little miscellaneous which has been accumulated since I saw you in New York. Had I more time I could detail the following:

1. No attempt on the part of Bell to leave their existing P.A. business, unless forced.

2. New pressures through the use of conduit in new construction to prevent private system sales.

If I can supply any further information just give me a call. I will be flying in from Quebec on Saturday and if it would help and you let me know I'll route back through New York and meet with you as time permits at the airport.

Cordially,

R. A. KUEHN,
Vice President.

REGULATORY REVIEW

No. 27928: The commission dismissed the complaint of the Mid-America Telephone Co., 4222 Stilmore Road, South Euclid, Ohio, versus the Ohio Bell Telephone Co., 750 Huron Road, Cleveland, Ohio, regarding the furnishing of private telephone system.

On November 22, 1960, the commission overruled the motion of Ohio Bell to dismiss the proceeding. On March 22, 1960, the commission ordered that private telephone system tariffs granted to Ohio Bell be declared illegal and void; that Ohio Bell be directed to withdraw all private telephone systems from lease and operation to and for any and all private and public persons, companies, and organizations; and that Ohio Bell be prohibited from offering for lease private telephone systems to any private or public persons, companies, or organizations.

The question involved is whether the service offered by Ohio Bell under its P.U.C.O. No. 3, General Exchange Tariff, section 24, second revised sheet No. 1, is a public utility service subject to the jurisdiction of the commission. Now, the commission's view is that private-systems service appears to be in the gray area between public utility and nonutility services. It is distinguishable, in part, from those types of service which are implanted obviously with public utility characteristics, such as local and message toll services. On the other hand, private-systems service does represent a communication service which is allied closely to the services required to be rendered by a telephone utility; and, the offering of such private-systems service by a filed tariff makes such arrangements available to the general public without discrimination, subject to regulation by the commission. The regulated offering of this service by utilities does not preclude competitive enterprises from entering the private communications or private-system business which they may do without being subject to regulation. (Mid-America Telephone Co. is now out of business after unsuccessful attempts to sell service and lease private telephone intercommunication systems.)

The Commission found that Ohio Bell's "private-systems" service is offered to the public without discrimination, subject to regulation, and ordered that such service may continue to be offered by Ohio Bell pursuant to provisions of section 24 of its general exchange tariff, P.U.C.O. No. 3, second revised sheet No. 1.

No. 30299: The Commission in regards to the application of the Paulding Telephone Co. for authority to increase its rates and charges for telephone service furnished to its subscribers and to file its tariff, P.U.C.O. No. 11, approved a 1-year period ending December 31, 1960, as the test year for accounting purposes. The Commission ordered that nothing contained in this entry shall in any way restrict or limit the Commission from requiring the production of such additional data as may be deemed necessary.

No. 30315: The Commission granted the application of the Ohio Bell Telephone Co. to revise its exchange rate tariff, P.U.C.O. No. 2, section 3—Columbiana, Leetonia, Lisbon, and New Waterford. The change approved is the revision of company's exchange rate tariff to provide for the furnishing of 2-party line residence service in the above exchange areas. The revision did not increase any existing rate, joint rate, toll, classification, charge or rental.

No. 30313: The Commission granted the application of the Ohio Bell Telephone Co. to revise its general exchange tariff, P.U.C.O. No. 3. The change approved is the revision of section 8, "service connections, moves and changes" of company's exchange rate tariff to provide that no service connection charges apply when an existing off-premises extension station is converted to a main station, and vice versa, provided that locations involved are in the same central office. The revision did not increase any existing rate, joint rate, toll, classification, charge or rental.

No. 30314: The Commission granted the application of the Ohio Bell Telephone Co. to revise its general exchange tariff P.U.C.O. No. 3. The change is the revision of section 27, "connection with subscriber-owned voice recording equipment" of Ohio Bell's general exchange tariff to provide for exceptions to the regulations governing the connection of subscriber-owned voice recording equipment with the company's facilities for the recording of telephone conversations in order that such connections may be made for fire calls and other emergency reports under certain circumstances without using equipment which produces a recorder tone. Ohio Bell represented that such exception is necessary to prevent distortion of essential information. The revision did not increase any existing rate, joint rate, toll, classification, charge or rental.

THE OHIO BELL TELEPHONE CO.,
Cleveland, Ohio, October 6, 1961.

M. R. A. KUEHN,
Vice President, Warwick Communications, Inc., Cleveland, Ohio.

DEAR MR. KUEHN: Mr. Sparling has requested that I reply to your letter of September 20, 1961, in which you question our move charges and our position in connection with bids.

The $3.50 move charge to which you referred is a part of our service connection, move and change charge schedule which is on file with the State regulatory body, and applies to establishment, moves and changes of telephone service, lines or equipment.

If one of our sales engineers made the statement referred to in your letter, I would

suppose that he was referring to the fact that this company is a public utility subject to the jurisdiction of State and Federal regulatory bodies.

Since we are a public utility, the rates which we charge for an installation are those set forth in our filed tariffs. Therefore, in regard to the bids for the school board, whether or not the bid you were making was known to our company could not have affected our price quotation.

I trust that the above comments satisfactorily answer your questions.

Very truly yours,

W. H. CHASE,
Vice President.

WARWICK COMMUNICATIONS, INC.,
September 20, 1961.

Mr. WALTER SPARLING,
Ohio Bell Telephone Co. Cleveland, Ohio.

DEAR MR. SPARLING: During the normal course of our business, which does compete with your service in the field of internal communication, two questions have been asked me. Since I could not satisfactorily answer either one, I thought you may be able to help me with these:

1. In work standardization charts used by A.T. & T. operating companies, 2.8 hours are allowed an installer to move a standard telephone set and 6.2 hours to move a key telephone set. For this a flat fee of $3.50 is charged. How is it possible to justify such a charge on the basis of allowed time.

2. In an instance when two private communication companies submitted sealed bids on the leasing of an internal telephone system to a local school board, your sales engineer was allowed to study these bids before submitting a price. When questioned about this, he stated, "Ohio Bell does not have to submit a bid because it is a bona fide communications company." Mr. Sparling, just what is a bona fide communications company and why are all companies bona fide in the internal communications field?

I would like to thank you for your help in answering these two puzzling questions.

Cordially,

R. A. KUEHN,
Vice President.

WARWICK COMMUNICATIONS, INC.,
July 12, 1961.

Mr. LEE LOEVINGER,
U.S. Department of Justice, Antitrust Division, Washington, D.C.

DEAR MR. LOEVINGER: The information contained in this letter is supplemental to section III of my letter of June 20th, concerning certain practices of Ohio Bell Telephone Co. division of American Telephone and Telegraph in the Greater Cleveland area. Specifically, this relates to section V, part D of the 1956 consent decree signed by Western Electric Co. Inc., American Telephone & Telegraph.

It would be my understanding that this section specifically prohibits the Bell operating companies in their capacity as common carriers to provide separate leased intercommunication systems for use by their subscribers. The specific instance I am about to outline is very similar to the second case under section III of my previous letter.

The case began approximately June 1 and concerns the General Electric Co.'s quartz plant in Willoughby, Ohio. A proposal consisting of approximately 20 phones on a private internal telephone system was made by our office to Mr. Hugh Zion, of General Electric Co., which outlined a clear and discernible saving which would be available through the removal of the present leased Bell Telephone intercommunication system and the installation of a Kellogg private internal system.

This savings was primarily available due to the removal of push button or key equipped telephone instruments and replacing these with standard telephones. With the installation of a separate internal telephone system the push buttons needed primarily for intercom traffic handled through the same instrument were unnecessary. In order to save this sale, the telephone company's local representative, a, Mr. Johnson, proposed that a completely separate intercom system, in no way connected to the outside, be leased from the local utility. This system consisting of 20 phones on an automatic switchboard was then ordered by General Electric and subsequently installed.

Again, may I reiterate that this type of business seems to fall far from the common carrier communication field.

I am looking forward to hearing from you regarding my previous letter and this additional information. Thank you for your attention to this matter.

Cordially,

R. A. KUEHN.

WARWICK COMMUNICATIONS, INC.,
June 20, 1961.

Mr. LEE LOEVINGER,
U.S. Department of Justice,
Antitrust Division,
Washington, D.C.

DEAR MR. LOEVINGER: This letter is written to document certain practices of the American Telephone & Telegraph Co.'s Bell operating company in the Greater Cleveland area. It is prepared in conjunction with the U.S. Department of Justice's present investigation of the American Telephone & Telegraph Co. and its compliance with the spirit and letter of the consent decree issued by the New Jersey Federal District Court in 1956.

Warwick Communications, Inc., is the authorized distributor for Kellogg division, International Telephone & Telegraph in the Greater Cleveland area. As such, competition is consistently carried on with the local Bell operating company. During the course of this competition many measures of unfair practices have come to light.

It is the purpose of this report to outline and document as many of those practices as possible, which we believe to be unfair, either because of the large size of Bell exerting pressure, or areas infringing on the consent decree. At the same time, it will be shown to the best of our ability, those areas in which the local operating company is in violation of, if nothing more, the spirit of the consent decree. In order to best pursue this further, it is well that the Justice Department understand the writer's definition of both common carrier and the areas specifically violated by the consent decree.

Any telephone operating company is franchised by the local public utilities commission or the department of public service to act as a common carrier of either voice or written messages from point to point. Therefore, it would be apparent that his franchise calls for the establishing and maintaining of communication channels between two points on different properties suitable for the transmission of telephone or telegraph signals. It is evident that this common carrier licensed to transmit the spoken or written word between two points at various locations on separate properties is of necessity placed in the intercommunication business as an adjunct to their providing of common carrier equipment.

However, it is also believed that as an adjunct this intercommunication or noncommon carrier business should be relegated to secondary status. At the same time, the Consent Decree issued in the U.S. District Court of New Jersey against Western Electric Co., Inc., and American Telephone & Telegraph Co., specifically outlines in section 5, point D, that "The defendant A.T. & T. is enjoined and restrained for a period of 5 years from the date of this final judgment of leasing and maintaining facilities for private communications systems, the Charters of which are not subject to public regulation, to persons who are lessees from the defendants or their subsidiaries of such systems 45 days after the date of this final judgment."

In all too many cases, the local operating company has either circumvented this Federal court order or taken the attitude that regardless of any such order, if the local governing body will approve tariffs at a State level, the Federal order is nullified.

This report will endeavor to show certain areas which specifically fall into the private communication system class which through methods of circumvention, the Bell operating companies are presently engaged actively in soliciting business which rightfully should not come under their domain.

This report will be divided into three sections:

1. Advertising and literature of the Bell operating companies in violation or unfair competition status.

2. Various equipments provided by the operating companies in violation or disregard of the court order.

3. Various unfair or monopolistic practices of the local Bell operating company.

This section, devoted to advertising and literature of the Bell operating companies which would appear to be in violation or to fall into an unfair competition status, could easily be made much more extensive. However, only two examples will be used; these two are taken from current magazines of wide circulation.

To begin with, these would fall into several categories, the first of which you will notice entitled "If You Have a Problem in Intercommunication."

It should again be reiterated that the intercommunication segment of any operating telephone company, while it is an excellent source of revenue, is not of prime or chartered purpose. This equipment or service is made possible through the addition of costly equipment on the subscriber's instruments and on his premises. At the same time, this field is extremely lucrative for any telephone company. It can be easily proven that in the Greater Cleveland area, the Ohio Bell Telephone Co. established system rates to recover the cost of equipment and installation within a 5-year period.

It should be added that while this equipment, which is used for internal purposes, also partially functions on an external basis, it again would be of secondary nature to that of the prime function of providing access to common carrier channels. Advertising of this type by the Bell telephone systems is extremely costly and would be prohibitive for any internal communication equipment supplier to undertake.

[Advertisement]

"IF YOU HAVE A PROBLEM IN INTERCOMMUNICATION

"And you know that one company 'wrote the book' on all kinds of communications.

"A company which offers every type of communications equipment and service.

"And has settled more business communications problems for more customers than any other company in the world.

"Which requires no capital investment on your part and provides dependable maintenance service at no extra cost.

"Doesn't it make good sense to discuss your intercom problem with your communications consultant? Just call your Bell Telephone business office for this free consulting service.—Bell Telephone System, the one source for all business communications."

The second example is one showing the Bell telephone system's "call director" stating "On your desk two telephones can't live as cheaply as this one." Again, it is readily apparent this is directed at the private internal

communication business and a simple computation of costs on the pictured unit proves the ad itself to be false.

Based on the present rate structure of Ohio Bell, the "call director" shown would be charged for in this way: $12.50 per month for the desk unit; $4 per line picked up and held with lights. There are 17 lines to be used on this unit which would indicate a cost of $68 per month plus $12.50 giving a total monthly cost for the unit of $80 per month plus Federal excise tax.

I am sure that without further explanation you can readily see that any two telephones (be one private and one leased monthly from the telephone operating company) can live on your desk more cheaply than this one.

[Advertisement]

"ON YOUR DESK * * * TWO TELEPHONES CAN'T LIVE AS CHEAPLY AS THIS ONE

"Why burden yourself with the capital investment and maintenance headaches involved in owning and operating your own system for interoffice and in-plant communications? One integrated Bell telephone system is all you need to handle both inside and outside calls.

"Intercom and interoffice telephone facilities can be incorporated in your regular Bell installation. This one system is more flexible and more practical than two separate installations. Through one instrument, you can communicate across the hall or across the country. You can set up telephone conferences with key people, internally and externally. You can keep outside lines free to take incoming calls. The system is tailored to your exact needs, and can be changed as your needs change—with no capital investment on your part.

"Let a Bell system communications consultant take a look at your present installation. His advice may save you money or make you money, or both. Just call your Bell Telephone business office for this free consulting service. No obligation.

"BELL TELEPHONE SYSTEM,
"The one source for all business communications."

At this point, we will endeavor to enter three fields which can more readily be shown to be in direct violation of the consent decree of 1956. These points will be taken in three separate categories, each one respectively explained. They will be:

1. Home and farm interphone systems.
2. Mobile telephone service.
3. Bellboy pocket pagers.

On the following page you will find literature describing the Bell System's "home interphone" internal communication system. This system is designed specifically for use as a voice intercom over a common talking channel throughout the home.

Its advantages are obvious; it eliminates going to the door to answer a caller and it enables you to page an individual party throughout the house to answer the telephone. However, it should be pointed out that this ability to page throughout the house is in direct violation of both A.T. & T.'s order to the Bell operating companies and the consent decree respecting voice paging and noncommon carrier equipment.

It is realized that the Bell System can argue the legality of the "home interphone" system primarily because of its attachment to the telephone. This attachment is nothing more than a two-position rotary selector key which enables the user to select between a present trunk line and a separate channel with no connection to the outside, which is utilized for home internal communication. It would seem that this "home interphone system is in direct violation to the consent decree.

For detailed explanation of operation and the selection between one line outside and your "interphone" or intercom line, see the enclosed bulletin entitled "How To Use Home Interphone."

Actually, with the exception of a common run line connecting all telephones in a home to voice paging speaker boxes and an amplifier unit, there is no connection between this phone necessary for common carrier or outside communication and the "Home Interphone" system.

This same basic home internal communication system has been readily available to the homeowner for years; yet no manufacturer has had the funds for the national advertising campaign undertaken by A.T. & T. As a result, many will be forced from the field.

Again, section V of the 1956 consent decree specifically prohibits the Bell operating companies engaging in noncommon carrier or private communication field. With the inception of the consent decree, the Bell companies divested themselves of all mobile telephone services not directly connected to their lines. For example: base-to-mobile-unit systems which they were then leasing to subscribers.

However, in order to again enter this field, Ohio Bell immediately placed on the market a mobile telephone service operating in the following manner. It is possible to call from your mobile unit only to a base unit located on the premises of your factory or office location. However, at the same time, it is possible to only receive messages placed from any telephone throughout the Bell system. It is not possible to place messages to any telephone in the Bell system.

This would definitely appear not to be a violation of the letter of the consent decree, but certainly that of its spirit. It would seem apparent that a unit which can only receive common carrier communication but cannot place them except to a base station is an internal or private unit for private use.

Last, is a unit not presently employed in the Greater Cleveland area, but used rather extensively throughout the Pennsylvania Bell Telephone operating area.

This unit, a Bellboy pocket pager operates in the following manner. If a man is absent from his office, should he subscribe to this service, it is possible to call a central number at the local telephone company. At this number, a signal is sent out via the airwaves which will sound an annunciator in a pocket paging unit carried by the individual. At this point, he then procedes to a telephone to call either his office or the local telephone company office to find out the nature of the call.

It should be readily apparent to all, that this unit falls far from the field of common carrier communications.

The following will attempt to outline three cases of many involving unfair or monopolistic practices regarding the local Bell operating company.

Example No. 1, that of the Carnegie Body Co., of Cleveland, Ohio: The following facts took place approximately 2 years ago and this is used just to cite a practicing example. After the presentation of a proposal to the Carnegie Body Co., which outlined a very definite dollars and cents savings over a 5-year period through the lease-purchase of Kellogg Internal telephone equipment versus that supplied for internal communicating purposed by the local utility the following was told to the customer. In order to install this private communication system, the customer (in this case Carnegie Body) must supply a completely separate set of conduit to house any cabling. It was impossible from the standpoint of cooperation to install the internal system's cabling with that of the equipment cabling used for Bell's external system.

After careful investigation through the electrical contractor, it was further found out that the installation of such conduit would cost the ultimate user approximately $300. It should be pointed out at this time that the original conduit installed to house the cabling of the Bell company is paid for by the owner, not the utility. Therefore, it was Warwick's position that the local utility has no control over what is run in that conduit.

However, this obvious statement to eliminate the possibilities of installing a private system was made by the utility and held to in spite of objections on the part of both the user and Warwick. The outcome of this case was that the user, Carnegie Body Co., did install a separate set of conduit and the private internal telephone system; however, this was an extra burden placed by Bell on our customer. After following this through further with the local utility, this provision that no foreign lines may be run in the conduit supplied them in spite of the fact that equipment being manufactured under a patent interchange with Western Electric Co. was used in the private system, has been dropped as a sales point on the part of the utility.

The second case in point is that of the Shaker Club Apartments owned by Keyes-Treuhauft, Inc. This apartment building actually has two telephone systems. The first, that of private trunk lines entering each particular apartment unit, just the same as would be placed into any home. Secondly, a separate telephone instrument utilized only for internal communication between the apartment unit and the front and rear doors or the garage area.

This consists of approximately 150 instruments and when the fact that a separate internal telephone system was in violation of the 1956 consent decree was pointed out, it was then suggested by the utility that the single instrument in the manager's office be provided with key equipments enabling him to have both his trunk line and his internal line on the same instrument, thus alleviating any consent decree violation because the system is utilized in common carrier communications. It should be pointed out and evident that where this then complies with the letter of the consent decree, it certainly is in violation of spirit.

The third case is that of the Euclid Board of Education and one of pure pressure placed by size, rather than any other factor. You will see inserted an article from the Cleveland Plain Dealer explaining the results of a board meeting as to the decision to lease the internal segment of their communications between all schools from the local Bell utility.

"RICHMOND HEIGHTS APARTMENT CENTER URGED

"A proposal for a $7 million apartment center was presented to the Richmond Heights Planning Commission last night. It got preliminary approval.

"Irwin Marmorstein, the developer, asked rezoning of 45 acres off Chardon Road to erect the 700-suite development. Richmond Heights has no apartments.

"It was a big night for the commission, which also received plans for a second shopping center proposal at Wilson Mills and Richmond Roads and for a $180,000 medical center.

"The medical facility would be on Chardon Road across the street from the Richmond Heights General Hospital, now under construction, and in the same area as the apartment project.

"Marmorstein's plans now go to council for the actual zoning decision.

"The builder said the development, to be known as Whiteacres, would have 13 one-story ranch-type buildings, 15 two-story buildings with row houses and 37 two-story buildings with apartment suites.

"The commission also gave preliminary approval to the other two zoning requests. The proposal for the medical center was presented by Robert Stakich, a builder.

"The other request—for rezoning of 260 acres on the south side of Wilson Mills for commercial use—came from Henry Petti of Hilltop Realty, Inc. The adjoining 400 feet, extending to the corner of Richmond, is already zoned for business.

"Petti said he plans to build a $1 million shopping center on the two parcels. He said the development would include a commercial bank and a drive-in restaurant. Several buildings now on the property would be torn down.

"Sudden opposition to Petti's plans came from 60 residents who came to protest rezoning for a $3.5 million center on the north side of Wilson Mills. The plans had been presented by Claude H. Whipple at a council meeting last month. He did not appear at the commission meeting and the request was not discussed.

"Euclid asks ruling on intercom lease

"The Euclid school board decided to obtain a legal opinion before signing a new contract with the Ohio Bell Telephone Co.

"Law Director John F. Ray will be asked to advise on the legality of the contract which calls for a 5-year lease of intercom equipment and a monthly telephone bill of $1,539 plus overcalls.

"The school system plans to increase trunk facilities and eliminate 67 private lines to cut down on a telephone bill which has run as high as $2,000 a month.

"The board heard protests from Leonard F. Zaller, president of Electronic Products & Equipment Inc. He asserted that his bid of $3,000 to sell Euclid the intercom equipment met all the specifications and would cost less than the lease agreement.

"Board President Dale E. Mansperger said the board's decision to contract with Ohio Bell was not based on cost alone, but rather on considerations of service and convenience as well as a tax-factor. Ohio Bell pays $105,000 a year in utility taxes."

In this article, it is clearly evident that pressure was brought to bear regarding the number of employees of Ohio Bell Telephone Co. living in the city of Euclid and also the tax money paid to the city to support the school system. It should in addition be pointed out in this paragraph that the net savings available to the Euclid Board of Education through the installation of a private internal telephone system would have been a minimum of $5,000 per year.

This was a simple case of numbers. At the final board meeting any private internal telephone system supplier was completely outnumbered by the Bell Telephone representatives and in no position to apply the tax pressure or the resident-employee pressure which was used.

This is just three examples of many heard from people, whom we call on daily, who are afraid of the problems resulting from going against the Bell operating company and installing private internal communication equipment, problems such as loss of business they are presently doing with the telephone company, unwillingness on the part of the telephone company for prompt service calls or prompt equipment changes.

We sincerely hope that this information will be of some value to you in your study of the American Telephone & Telegraph complex. Should we be able to supply you with any further information and data regarding these cases mentioned, or any other data regarding the practices or experiences in this area, we would be more than happy to do so.

Cordially,

R. A. KUEHN.

APRIL 16, 1959.

MICHIGAN BELL TELEPHONE CO.,
Detroit, Mich.

GENTLEMEN: Please find attached our invoice in the amount of $1,599.60, representing treble the amount of credit for an installation of private communication equipment returned by Sears, Roebuck & Co. from their store site, Fort Street and Grand River Avenue, Port Huron, Mich.

Sales to stock area systems have been furnished by us to Sears for a long time.

When it became known that "where there is a requirement for integrated operation to meet customer needs, arrangements can be made to connect customer-owned loudspeaker paging equipment to Bell Telephone Systems" (the Bridgeport Telegram, Aug. 22, 1958), Sears bought such equipment from us for their Port Huron store.

Subsequently, we were advised that you had not seen fit to make arrangements for such connection and that you would furnish the equipment for the operation yourself. Our equipment was returned to us for credit.

The consent decree entered in the U.S. District Court of New Jersey, dated January 24, 1958, states in section V, in part "The defendant A.T. & T. is enjoined and restrained from engaging, either directly, or indirectly through its subsidiaries other than Western and Western's subsidiaries, in any business other than the furnishing of common carrier communications service." It is our opinion that the sales to stock area system is not a common carrier communication service.

We will, therefore, appreciate receiving payment for our attached invoice.

Very truly yours,

"PRITEC",
RONNEY L. HARLOW.

EXAMPLES OF SOME BELL SYSTEM UNFAIR SELLING METHODS AND OF UNAUTHORIZED ENCROACHMENT INTO THE FIELD OF INTERNAL COMMUNICATIONS, PREPARED BY ALBERT A. JACOBS CO., INC., MILWAUKEE, WIS.

1. WILKINSON CLINIC, OCONOMOWOC, WIS.

In May 1961 this firm signed a contract for an internal telephone system to be installed by the Albert A. Jacobs Co., Inc. in their new building.

On August 7, 1961, Robert J. Kuemmin, from the Jacobs Co., Jack Reuter, a sales representative for the telephone company, James F. Dowd, business manager for Wilkinson Clinic, and a "Cass", the electrician for Salter Electric, met at the jobsite to survey the building and jointly decide on installation methods to be used and the proper conduit runs to be installed.

Previously, while still competing for the internal portion of the entire communication package, Mr. Reuter, or another Bell System salesman, stressed to our prospect that Bell would not allow any other wires to be run in their conduit. On August 7 Mr. Reuter again explained he did not believe the telephone company would allow us to run our wires in the same conduit with theirs, but that he would check with his engineers. About a week later he confirmed this by notifying Mr. Dowd that they would not allow it and, therefore, Jacobs Co. wires should be run out of conduit or a second set of conduits would be necessary.

(NOTE.—The conduits involved were short runs of no more than several feet each of 1-inch thinwall. The telephone company cable and the Jacobs wire combined would use no more than half the cross-sectional area of the conduit and no bends were involved.)

About August 15, 1961, Mr. Dowd, of Wilkinson, called Mr. Reuter in Watertown, who was on vacation, and was referred to Mr. Jay West, probably his supervisor, in Janesville, Wis. When asked to spell out the telephone company's refusal to run their wires in adequate conduit runs, along with low d.c. voltage telephone wires for the Jacobs Co. internal system, Mr. West offered to send someone from the Oconomowoc area Wisconsin Telephone Co. office to look at the building again. This time the telephone company agreed to work with Jacobs Co. wires in the same "Wilkinson Clinic conduits."

2. STOLPER INDUSTRIES, INC., MENOMONEE FALLS, WIS.

On September 13, 1961, R. Kuemmin from the Jacobs Co. learned that Dick Libby, a Wisconsin Telephone Co. Bell System salesman, had told Mr. Kampschroer, office manager for Stolper, that no wires the Jacobs Co. would run, if Stolper decided to use an internal telephone system installed by this firm, could be run in our conduit with telephone company wires.

Mr. Kampschroer explained, however, that he then pointed out to Mr. Libby that the conduit belonged to Stolper and other wires could be run in them.

Mr. Libby, who is trying to sell Stolper on buying an automatic dial PBX system which will provide direct internal dialing between phones, then explained that one of the reasons the Bell System did not want this was that other wires run with Bell wires could carry high voltages which could be shorted onto their lines which could electrocute one of their men working in a manhole outside the building. Of course, Jacobs Co. telephone wires will never carry high voltages and doubly insulated, as are telephone company wires. Also, all telephone company wires are fused as they enter or leave any building, so no high foreign potentials can pass either way.

Mr. Libby also implied, and this is now a major fear on the part of our prospect, that Stolper could expect annoyances arising from bickering between the two communications firms if our system was installed. He indicated that neither firm would take responsibility for a trouble on a line and the result would be poor service.

This has not happened before where the Jacobs Co. was involved, and is a clear case of intimidation of a prospect for competitive reasons.

(NOTE.—These are simply two of many instances involving the same subject. It would seem that each salesman was not, therefore, acting innocently and independently on this score but with the training and sanction of their supervisors and the local Wisconsin Telephone Co. Sales Department.)

3. PRECISION MOLDED PRODUCTS DIVISION, REPUBLIC INDUSTRIES, INC., GREENDALE, WIS.

In February 1958 through February 1959 calling on Lance Wikkerink, president. Talking about six phones—Select-O-Phone. Telephone Company trying to sell their intercom. Mr. Wikkerink for us, especially because he could page over his public address system from our phones, something the telephone company could not, at that time, do and had no tariffs for. However, the telephone company salesman showed him how to hook up his public address system so could page from telephone company phones and intercom line, which he did and is still using at no cost even though a tariff has now been set up to cover connecting arrangement to make this possible. The tariff rate for this from button phones is a minimum of $7.50 per month plus tax.

4. A. O. SMITH CORP., MILWAUKEE, WIS.

In November 1958, we started talking with Ed. Ryczek, assistant to Clarke Woodward, safety director, concerning an emergency communication system for the service building and annex. Our competition was the telephone company whose representative, Roy Engelking, and his supervisor, recommended a system using separate telephone company phones tied in in the same way to the switchboard system.

5. RANK & MOTTERAM CO., MILWAUKEE, WIS.

In February 1959, we demonstrated Select-O-Phone for Robert and James Rank hoping to sell a system to them for their new quarters at 217 East Wisconsin Avenue. H. W.

Brown Co., Inc., which they had just purchased, was currently occupying those quarters. The Brown Co., now under Rank management, was using a separate DuKane Flexifone voice intercom system rented from the telephone company and Rank had grown to like the separate intercom facilities and so were thinking in our direction until the telephone company offered to install a completely separate intercom telephone system. This was never done, but the promise of it delayed the signing of our contract long enough to permit the prospect to cool on our idea.

6. NATIONAL SAVINGS & LOAN ASSOCIATION, MILWAUKEE, WIS.

In December 1960, I called on Louis Fons, Jr., vice president, and Alois Fons, president, to talk with them about the possibilities of using our telephone and paging system in their new offices at 829 West Mitchell Street. They had already signed a contract for a 740E dial PBS system from the telephone company but were willing to listen to our story.

They were surprised during our interviews to learn that their monthly payments to the telephone company were not just the amount shown on their contract, which covered just basic equipment, but much higher when extensions, pushbutton phones, conference equipment, etc., were included—all necessary equipment for doing what they were told by Ken Munger, the telephone company salesman, they could do with the system.

They subsequently cancelled their telephone company contract. But later, Ken Munger and his supervisor, Frank Saber, sold the Fons Bros. on the idea of paging through the Jacobs Co. public address system using the switchboard operator's headset as the announcing station rather than our microphone. Here again, being led to believe this was free, National Savings & Loan agreed. Later upon being informed by R. Kuemmin, of Jacobs, Co., that this would cost them $5.50 per month forever, the equipment was removed.

This is typical of many instances of unfair and unethical selling practices where prospects receiving bids on competing equipment from private suppliers are swayed toward the telephone company system because, by deliberate understatement or omission of cost information covering all costs and all equipment necessary to do the promised job, the prospect believes telephone company monthly rental charges will be less than they really would be.

From training in 1955–57 in the Wisconsin Telephone Co. sales division of the commercial department, I know that though it is not written into practices, it is the unofficial practice of sales management to encourage sales personnel never to quote prices, including tax, and never to put anything but what is absolutely required into writing.

Whereas the private supplier, in his unfavored initial position, must always put his costs completely and accurately in writing in order to get business, few ever question the telephone company representative because of his company's past history as the "only place to go for information on communications."

7. MILWAUKEE SCHOOL OF ENGINEERING, MILWAUKEE, WIS.

In May 1961, the Jacobs Co. sold a voice paging system to this firm. At the switchboard a high quality microphone was installed as the prime announcing station for the system. Before it was installed, Dan Tetzlaff, a telephone company sales representative, mentioned that the telephone company could hook up the operator's headset so paging could be originated through the headset rather than the microphone. Heinz Werwath, Milwaukee School of Engineering vice president, agreed that this should be installed under the assumption that this service was free, or its cost negligible. Upon learning from the Jacobs Co. that not only was paging from this carbon granule transmitter inferior to a good microphone, but that it would cost him $5.50 per month forever (including tax) or $66 every year.

Here again was a case of no misstatement of information, simply a careful and deliberate omission of information in order to get an order. No private supplier could possibly get away with this.

Since then, it has been necessary for Milwaukee School of Engineering to rent some wire circuits from the telephone company to permit paging into outlying buildings. It took about 1 month and many phone calls to get the telephone company to put these in. Now that they are in, these circuits are of the poorest quality, carrying much interference, including music from WFOX and other unnecessary noises.

8. PEOPLES SAVINGS & LOAN ASSOCIATION, MILWAUKEE, WIS.

In March 1961, Dan Tetzlaff, a telephone company representative, in an effort to confuse our prospect and to keep them from buying an internal telephone system from the Jacobs Co., inaccurately computed charges of a less expensive system the prospect would still be renting from the telephone company if they used our internal system. This was to minimize the savings claimed by the Jacobs Co. representative.

9. ALLEN D. EVERITT KNITTING CO., MILWAUKEE, WIS.

On August 1960, the Jacobs Co. proposed to Mr. Allen W. Everitt, president, that he have Jacobs install a private internal telephone and voice paging system in his plant when he consolidated another of his enterprises and this operation together in this building in the future.

In order to compete, the telephone company got the job by offering and installing a "high-powered speakerphone" system which is, of course, a voice paging system with another name.

In February 1961 Mr. Everitt said the telephone intercom system and this high-powered speakerphone system would be going in with about eight speakers or more, to permit voice paging from the Bell System phones via their intercom lines. He was not clear at all what the cost would be but felt they would be very small, which is definitely not so.

10. STANLEY J. BROWN CO., INC., MILWAUKEE, WIS.

In July 1961, the Jacobs Co. proposed to install an internal telephone system in their building which was undergoing renovation. The Jacobs Co. representative accurately pointed out the reduction in their telephone company monthly rental bill they could expect by deleting certain intercom facilities from the Bell System equipment.

However, probably feeling somewhat obliged, Stanley J. Brown, president, called Mr. Day, manager of the telephone company publicity department, for whom the Brown Co. had previously made displays, for his opinion.

As a result, a few days later a telephone company salesman called on Eugene C. Dick, office manager for this firm, and inaccurately computed the savings claimed by the Jacobs Co. representative and spoken of above, causing the Brown Co. to not sign the Jacobs Co. contract for their services.

The telephone company salesman left no notes with Mr. Dick, as usual, for anyone to question or compare, just a few scribbled figures and accusation by implication which, backed by the telephone company's past and possibly Mr. Brown's fear of loss of future business, caused this firm to discount the Jacobs Co. figures on expected savings.

11. NACKIE PAPER CO., MILWAUKEE, WIS.

In January 1960, the Jacobs Co. installed a voice paging system in this firm's new building. After control equipment had already been installed for paging from a microphone at the switchboard, the telephone company persuaded Mr. McNaab, president of Nackie Paper, to hold up our installation and to have the microphone equipment removed (and replaced by paging through the operator's headset instead). This was done before any tariff had definitely been established on such a telephone company service in Wisconsin and was done at a considerable inconvenience and expense to the Jacobs Co.

The very idea is, of course, a clear circumvention of the intent of the 1956 consent degree against the Bell System and an infringement into the area of internal and private communications.

12. DWIGHT BROS. PAPER CO., MILWAUKEE, WIS.

In November 1961, this firm signed a contract for an internal telephone and voice paging system to be installed by our firm, the Albert A. Jacobs Co., Inc., in their new buiding. After a lively competition with the Wisconsin Telephone Co., a subsidiary of the Bell System, and many sales contracts with the customer on both sides over a period of several months, we finally managed to sell them our system. Of course, Bell got the lion's share of the order with their outside telephone system, as they always do. Nevertheless, the competition for the minor portion, the intercom part of the system, was vigorous. One big obstacle we had to overcome was the Bell System insistence they would not allow us to go in their conduit. Their argument was that we might damage their wires pulling ours in, and that if later any trouble developed it might be difficult to pin responsibility on either supplier and that, therefore, there might be trouble for the customer.

The results of this are interesting and point out the trend of intimidation, which has been used by the Bell System to beat us, especially during the last year. The customer, thinking they might at some future date get business from the telephone company and fearing possible reprisal for antagonizing Bell, compelled us to install additional conduit runs paralleling those already installed for telephone purposes at our own expense or possibly lose the order. The firm has about 20 phones with double conduit runs coming to each location. The conduit run housing the Bell System wires was paid for by the customer and is about 2 inches by 3 inches conduit laid in the floor with one cable in it about three-eighths inch in diameter which is looped from pushbutton phone to pushbutton phone. Our wires, to the phone requiring the most number of conductors in our system, bunched together, would form a cable also of about three-eighths or one-half inch diameter.

It strikes us that the conduit in the first place belongs to the customer and, as you can see, has room for half a dozen telephone system or more, with certainly little prospect of anyone hurting anyone else's wire through pulling and this, in our book, is a clear-cut case of intimidation by a Bell representative to crowd out competition, if possible. I am sending with this report a photocopy of a letter sent to the customer by the Bell System representative covering conduit idea.

13. C. J. KOENIG CO., INC., MILWAUKEE, WIS.

In March, this year, this company agreed to have us install a 13 station internal telephone system. Competition was Bell and included a joint meeting between the customer, our representative, and two Bell System representatives. Part of the Bell System competitive selling arguments centered around the fact that they, too, could supply a separate intercom system on separate phones from the outside phones. It hap-

pened that this was a desirable feature because the customer, by not having his intercom feature use up the last button on the right on each of his six button telephones, could instead install another outside line on that button and not have to go to call directors, which are a larger type of pushbutton instrument having a basic cost in Wisconsin of $7.50 per month instead of the 75 cents per month for the six-button set. We got the job but, here again, as always, month after month, year after year, Bell is receiving by far the lion's share of the revenue, anyway. Where does a common carrier company stop? Apparently they want all the business and no one else to have any.

WISCONSIN TELEPHONE CO.,
Milwaukee, Wis., November 1, 1961.

Mr. DON COLEMAN,
Dwight Brothers Paper Co.,
Milwaukee, Wis.

DEAR MR. COLEMAN: Your concern over the sharing of conduit and ductwork is not without precedent or justification.

Our construction advisers have talked with your building contractor, as I have talked with you. Out of genuine concern—concern for the liability and expense you may incur if people are injured or equipment damaged.

The following are some of the reasons for our reluctance to share facilities.

Safety is an important factor. Without control or knowledge of our telephone facilities, our people may be subject to injury. We may then, at our option, elect to run the entire cabling exposed to minimize hazard and facilitate any future repairs.

The fact that our repair service is only minutes away, skilled, and free, we are usually the first to be called when a communication problem exists. Experience over the years has shown the trouble is quite often in the private system. As a result we are forced into the role of consultants, advisers, and repairmen for our competition which, if continued, can only lead to higher telephone rates for you, our customer.

Cross talk, hearing your private paging system on our telephone lines, has occurred in the past. We have requested the paging system be removed from the conduit.

Our corporate purpose is to give you the finest communications service possible. Adapting our equipment to that of our competitors would render our corporate purpose unattainable.

We adopt and tailor our communications for you, our customer. Communications is not a sideline with us, it is our sole intent and purpose, the very reason for our existence.

Knowledge, matured by years of research and experience is offered to give you a communication system which is, and will continue to be, as flexible and modern as tomorrow."

Yours truly,
DANIEL G. WINTERS,
Communications Consultant.

14. BLOOMBERG LEATHER GOODS CO., MENOMONEE FALLS, WIS.

In March 1961, one of our representatives stopped in on a cold sales call, only to learn that this firm had been sold what is known as a 755 type automatic switchboard from the telephone company. This switchboard is designed to handle up to 20 phones and 4 outside lines. All the phones are pushbutton type and there is no console at which a switchboard operator sits. Incorporated with it, and terminating on the last button to the right on each six-button telephone, is a three private channel intercom with two-digit dialing.

Menomonee Falls, the exchange in which this firm operates, had just been cut over to dial by the Wisconsin Telephone Co., and the Menomonee Falls exchange had just been purchased by the local Bell System company 1 year before. As a consequence, all the phones then in operation were being replaced with Bell phones and, of course, many new systems from Bell went in. This customer was informed that the only thing that would suit his needs would be this automatic switchboard system. The strange thing was that this customer was only putting in four phones and had for many years gotten along with no intercom whatsoever, and all of the phones were in the office area within a few feet of each other and, if anything at all was necessary it would have been simply the single party line intercom offered by Bell.

The interesting point here is that this representative, imbued with the idea of aggressive selling from his 2-week training course, did a fine job of overselling. This is typical of many, many cases which we have come across here in Wisconsin within the last 2 years.

We would like to point out that here is a very clear-cut case of where private competition, such as ourselves, benefited this customer. Upon informing the customer that he had been oversold, he investigated and found this was not all he had to have and, although we dropped the case, we found out just this morning, upon calling the customer, that he had not installed the automatic switchboard. In so doing, he has saved himself about $30 a month, or $360 a year.

15. SPLAINE & FREDERICK, INC., MILWAUKEE, WIS.

In April 1962, our firm installed an 11-station internal telephone and voice paging system for this firm. Our first contact with the firm was through a man who does business with us intermittently by supplying us with leads. This person indicated that he knew the firm, that they were expanding their operations and that they had been given a very high price by the telephone company for expanding their telephone system.

After talking with Mark Splaine, chairman of the board, of this stock and bonds brokerage business, we found that the telephone company had indicated that his only choice for expanding his system from about 8 phones to 11, with 7 outside lines and about 6 private lines, would be an automatic dial switchboard system known technically as the 756A system. This would have cost approximately $120 a month more than the firm is already paying for their telephone service. No alternatives were offered.

We offered a proposal to the firm for installing our system and using a pushbutton type call director system for handling their outside calls, at a considerable savings. The interesting point here is that after this, and not until we had been there and made our proposal, the telephone company came back with no fewer than three different alternative proposals, each at a lower cost. It seems to us that it is hard to mistake the intent here. The intent as it appears here was to sell the customer a high revenue system. How could the customer possibly object since he was not aware that any alternatives were possible until after we had injected competition into the picture? Mark Splaine will verify these claims.

16. STANDARD UNIT PARTS, INC., MILWAUKEE, WIS.

This wholesale dealer in automotive parts moved to a new location in May 1962. During March and April, 1962, our firm and the telephone company competed for the internal portion of this firm's communications business. After many calls, Mr. Tom Emerson, Jr., vice president of this firm, was about to sign our contract. However, he then received a call from the telephone company representative, Don ——— saying that the telephone company had just come out with a new intercom system which would only cost him $30 a month and which had six channels of communications, rather than the two channel system they had proposed previously, which from previous conversations Mr. Emerson understood would cost him in the neighborhood of $80 a month.

Mr. Emerson then informed me that it was such a good proposition that he could not afford to pass it up and, therefore, would probably not be taking our system. Upon further investigation, however, which I pursued, I found that the $30 a month actually meant $30 a month more than the two channel system previously proposed. This Mr. Emerson had not understood and, of course, as always, nothing was ever put in writing other than very scribbled notes at the time of the contract which were never left by the telephone company representative with the customer.

In my presence, Mr. Emerson then called the telephone company representative and found out that my assertions were correct. He then signed our contract and we have installed our system for him in his new building.

The important point here is that an error of omission was committed. Since the telephone company representatives are trained not to write letters if they can avoid it, all of their proposals are simply scribbled notes and verbal. It is next to impossible to pin anything down, and any statement such as the one this telephone company representative made, can always appear as a mistake. Mr. Emerson's comment at the time was, however, that it certainly seemed to him that the telephone company's representative had lied to him by deliberately omitting part of the information.

17. CONCORDIA COLLEGE, MILWAUKEE, WIS.

Concordia College is a well-known Wisconsin school for the training of young men to be ministers. Early this year we were called in by Mr. Robert Wuebben, business manager of the college, to discuss his internal communications. It turned out that Mr. Wuebben was quite irritated with the telephone company because of a bill he had received from them asking him to pay for equipment which they claimed he had been using for 3 years but not paying for. No explanation of the bill was given.

Upon further inquiry, Mr. Wuebben asked for a detailed description of the equipment he was supposed to be using and not paying for and received a letter to this effect. The letter pointed out that certain stations had been installed and had never been added to the monthly rental. However, in many instances, the letter simply stated that the phones had been in for an unknown period of time and, therefore, the retroactive billing would go back to the time when that particular system was installed, approximately 3 years ago. Mr. Wuebben told me that some of these phones had only been installed about 6 months ago, and yet the telephone company was trying to bill him for the entire period that that particular system had been in operation.

Now, this could be an error in bookkeeping on the part of the telephone company and no one could complain of that. However, what other firm but a monopoly could possibly send such a bill to their customers and expect to be paid? The telephone company, of course, can threaten to discontinue service if a bill of this nature is not paid. Of course, then, since no one else can, by charter, supply outside telephone service, this customer would have been in a very bad spot. The point, and it is a very strong one, that competition is needed in the communications field as it is in every other field to keep the entire situation clean and healthy.

18. W. J. KUHN SALES & SERVICE, INC., AND W. J. KUHN WAREHOUSE SALES, INC., MILWAUKEE

These two companies under the same ownership are using what is known as the farm inner phone system from the telephone com-

pany. Each branch is paying about $16 to $17 per month for this feature. The feature is a talk-back speaker arrangement where origination is accomplished from a telephone instrument, the voice being heard over a speaker and the party in the warehouse area hearing the question can respond from anywhere within the area without going to a phone. The answer comes back through the earpiece of the originating phone. Here is a situation where Bell has stepped into an area which is extremely far afield from common carrier. Its only connection in one case, is that one phone has a turn button on it and in one position the button picks up an extension off the switchboard and in the other position it picks up the inner phone system. The only connection with the common carrier part of the business is entirely superficial. This would seem like a deliberate attempt to beat out competition and to flaunt the intent of the 1956 consent decree. This farm inner phone system, particularly in this business use, is no more than a small voice paging system cleverly disguised to look like something else. Furthermore, when this was first brought before the Public Service Commission of Wisconsin, it was presented as being something for the farm and seems to have been approved on that basis. This, of course, is a business use, not a farm use.

19. WAUWATOSA STATE BANK, WAUWATOSA, WIS.

This bank, within the last 4 months, has signed a contract and started to use the telephone company 756A switchboard. This is a switchboard which has a small consolette, or call director, type instrument at the operator's desk rather than a tall upright console at which she sits. It is cordless and entirely automatic internally and to the outside. They are using 33 dial extension lines from the common equipment and have about 18 to 20 phones. The common equipment, for which they are paying $175 a month according to an itemization on their first bill, is only 40-line equipment. The tariff in Wisconsin reads that the 40-line equipment should run $160 a month and that the 60-line equipment should run $175 a month. I am sending with this report a photocopy of this itemization. The point here is that this bank is still not aware of this error in billing and probably would not be aware of it for a long time. We have not had a chance to get back to talk to them about it, but we will shortly and it does prove, once again, that private competition is an absolute essential in the communications business.

20. CUTLER-HAMMER, INC., MILWAUKEE, WIS.

In about November 1958 our firm succeeded in showing Cutler-Hammer that by discontinuing their plant paging system which was rented from the telephone company and covered about 460,000 square feet in their north side industrial plant, that they would stand to save about $140 per month for 5 years and over $300 a month after that. This meant that we would install a voice paging system to cover this same area for much less money, including maintenance, and also that our system would have 1,000 watts of audio power rather than 500, high quality dynamic paging microphones rather than telephone handsets, and electrovoice sound diffraction projectors, which were far superior and have proven to be so, to the metallic reentrant type horns the telephone company was using. In other words, we were charging much less, giving a much better system, and making a good profit at it. The import here is that the telephone company certainly was not charging rates according to their cost of providing service but rather whatever the trade would bear. An example of this would be the rates they were charging, and still do charge, for a 50-watt DuKane booster amplifier. The telephone company rate for such an amplifier, and for that matter for any amplifier above 25 watts is $10 a month forever. It so happens that DuKane is the brand we are franchised to distribute in this area, and we are able to buy this same amplifier from our manufacturer for $65. The telephone company was able to buy that same amplifier for just about that price or perhaps a very slight amount more. The point here is, then, that within 7 months the cost of the amplifier was paid, and certainly within a year all overhead would be paid off on that piece of equipment, and then during the next 9 years the telephone company would make $1,080 revenue on that one piece of equipment. Our revenue, or gross profit as we call it, would probably have been about $65 plus perhaps another $65 over a 10-year period for maintenance and carrying charges. How can these rates possibly be based upon costs? It seems very apparent that private competition in this field is a very vital thing and in the interest of all users of any form of voice type communications.

Recently Cutler-Hammer asked us to come in and look at another quite small voice paging system they were still renting from the telephone company in one of their offices and give a quote on replacing it with one of our systems since the Bell System apparently appeared to be getting out of the voice paging business. January 24, 1961, of course was the date they were supposed to be out, according to the consent decree, and yet at this date, June 18, 1962, they have just gotten around to sending their remaining voice paging customers letters (some of the letters went out as early as February) that these customers could buy these paging systems from Bell or, if they preferred, they could go on renting them until June of 1965, at which time Bell would have to relinquish control. It would seem that not only is this letter over a year late, but that the continued operation of these systems through 1965 is a violation again of the consent decree. Apparently consent decrees and court orders are only a challenge for Bell to get their attorneys busy to outmanuever wherever possible any such court action.

There are many systems still operating and apparently will go on operating until June of 1965 simply because it is not economically inviting for a firm such as ours to take over at practically no profit a system somebody else installed, just for servicing purposes.

21. LOUIS ALLIS CO., MILWAUKEE, WIS.

About the same time that our firm installed the system for Cutler-Hammer, we also installed a similar system for the Louis Allis Co. The conditions were the same. They replaced a Bell system paging system. Recently Louis Allis called us in for consultation on the possibility of installing a telephone type centralized timekeeping system, possibly using tape type recording machines in the central area and telephone handset type instruments as originating or announcing stations spotted throughout the shop in strategic locations. They had also received a proposal (not in writing) from the local Bell company system on a system to be rented from them. This, too, would be separate in its use from common carrier or outside telephone usage. Its sole purpose would be for communications between reporting workers and the centralized recording station. However, by using the same centralized common equipment and selectors required, the telephone company can make it seem as if this too is part of an integrated internal-common carrier system—which it is not.

22. A. O. SMITH CORP., MILWAUKEE, WIS.

About 2 years ago the Jacobs Co. installed an emergency reporting telephone system for A. O. Smith. Red dialist wall phones at strategic locations on each phone of the Science Building can report to a centralized emergency station. From a central point, then, an attendant can give simultaneous instructions to each "warden" who are listening on their emergency telephones which we have installed. This is a strictly separate system and has nothing to do with common carrier. However, here again Bell offered a proposal for this purpose to A. O. Smith.

23. FAIRHAVEN HOME FOR THE AGED, WHITEWATER, WIS.

Here is a situation where the architect has informed us that the telephone company indicated to him that we would not be able to go into the same conduit with their wires. Many buildings and much territory is involved here and a great deal of cost would be incurred to the customer if a paralleling and duplicate set of conduit runs should be installed for a private internal system. This would be about like the problem we are having now with duplicated railroad tracks running between various points. The architect wanted to know what kind of conduit would be needed for our system and implied that our system probably would be out if separate conduit was necessary and the expense was large. Here the Bell System has deliberately attempted to keep private competition out through the use of causing the customer to believe it was absolutely impossible for anything else to be done but separate conduit run if a private system were used at considerable additional expense to him.

24. E Z PAINTR CORP., MILWAUKEE, WIS.

About 3 years ago E Z Paintr had the Jacobs Co. install about a 30-station automatic internal telephone system and voice paging system. At that time one of our representatives helped Mr. Jack Quinn, controller, survey their present Bell System equipment for the purposes of comparing it with their bill. Some discrepancies were noted, as usual on the high side, and itemization of equipment charged for was asked from the telephone company. About 2 weeks later, when the itemization arrived, it was found that E Z Paintr had been paying for some time for equipment which had never been installed. E Z Paintr was able to get a check from the telephone company for $200 or $300 for this error. E Z Paintr was also able to reduce the amount it was paying to the telephone company for special pushbutton telephone and light and visual illumination features which even if they had not purchased our internal system would not have been necessary. They believed it was the only thing that could be done. This again points up the need for private firms working in the communications field. Every other field has competition and it is important that the private communications firms be allowed to compete on an equal basis with their huge competitor.

It might be of interest here to note that this same thing happened at Cutler-Hammer and Louis Allis. A survey of their speaker systems before they were taken out, when compared with an itemization from the telephone company of their monthly bill for their speaker system showed again a discrepancy on the high side. Each firm received a check for several hundred dollars from the telephone company as a result of this survey which was only made possible because of a firm competing with Bell in the private communications field. It would seem from here that the importance of keeping private suppliers healthy and within an area in which to work is important to every American business.

25. WACHTEL TREE SERVICE CO., MILWAUKEE, WIS.

About a year and a half ago our firm installed an internal telephone system for this firm in conjunction with certain talk-back speaker arrangement which would be located at the outside door. Our competition is always with the telephone company who had a similar service to offer at a very

low price. It was very difficult to compete. However, we succeeded in selling this firm our services. The question here is that should the Bell System, which had nearly a virtual monopoly in the common carrier field be allowed to spread its gigantic arms into noncommon carrier areas? The fact that their prices on the home interphone system are so low for the services offered, whereas they are so high in other noncompetitive areas would seem to indicate that Bell is capable, by virtue of its very size, to run all other competitors out of any business they wish to through the manipulation of rates.

26. JACK WINTER, INC., MILWAUKEE, WIS.

Early this springg, 1962, we competed with the telephone company for the internal portion of their telephone communications business. They had signed a contract with the telephone company for their automatic dial switchboard which was offered as the only thing available for them. No alternative had been offered. We succeeded in showing them that we could offer more for less money covering the internal portion of their communications and also offered them an alternative switchboard system for handling their outside calls which, of course, would be rented from Bell. The Bell System salesman then promptly informed Jack Winter, and this has happened many times, that this board was an obsolete type. This, of course, is ridiculous since the board has recently been installed in many institutions and business operations and, for that matter, has only been on the market for about 7 or 8 years. Furthermore, when we tried to show precise figures of cost savings to Jack Winter, Inc., through the use of detailed itemization of equipment charges, Bell System representative indicated that these figures probably were not correct and implied that Jack Winter probably should not take stock in them because they were undoubtedly dealing with a second rate firm. What the Bell System representative never did, however, even upon request was to submit anything in writing to back up his claims. All of his claims and implications were verbal and could never be completely pinned down.

It is important here to note that the Jacobs Co. nearly lost this order because the customer, finding it hard to believe that anyone but the Bell System could possibly know anything about their rates, or any other area of telephone communication and that, certainly, the Bell system representative would not fool them.

27. WISCONSIN TITLE SERVICE, MILWAUKEE, WIS.

Several years ago our firm installed a small internal telephone system for Wisconsin Title Service using about seven phones. They are probably using a push type telephone system for handling their outside calls. Early in April, this year, our firm was called in again to consult with them concerning their communications needs when they moved into their new building a few blocks away. Mr. William Hoyer, Sr., president of the firm, indicated to me that he had called in the telephone company several times and had thought of going along with their suggestion of throwing our system out and putting in an internal system from the telephone company but, that, after several calls he was thoroughly confused. A salesman named Gerald Aschenbrenner had called on him and suggested a two channel intercom system to be used in conjunction with their pushbutton telephone setup in the place of our internal system. However, Mr. Hoyer indicated that he really did not understand the system nor the rates very well and could we explain them and could we do something better for him. We offered a proposal on expanding our system and reinstalling it in the new building, which he seemed ready to accept. Mr. Aschenbrenner then came back with a Mr. Daniel Winters, who probably was his immediate firstline supervisor, and proposed a new type of six channel intercom system which we have since come to know as the "20–40 dial pack" which would apparently only cost $30 a month more than they were paying. Here again, the implication, as with the Standard Units Parts Co., had been left that this six channel intercom would only cost $30 a month. This, of course, was false since what was really meant was that it would cost $30 a month more than the two channel intercom, or a total of around $100 a month. After further discussion, Mr. Hoyer agreed to use an operator controlled 555 type switchboard from the telephone company for handling outside calls, and our internal telephone system for internal calls. He then called the telephone company about the middle of April and specifically ordered a 555 switchboard with 13 phones to be installed in his new building with all the outside lines required on June 1, 1962. A few days later, Mr. Aschenbrenner returned to the Wisconsin Title Service Co. to show them pictures and explain the operation of a new type of manual switchboard known as the 608, or Universal 80-type switchboard, which had just come on the market. He explained how it operated and apparently felt that Mr. Hoyer approved of its operation and, therefore, ordered that switchboard for Mr. Hoyer instead of the 555 switchboard.

On June 4 a 608 switchboard was delivered at the new location and the next day cable was strung across and on top of a false ceiling and then dropped down through a hole in the ceiling, completely exposed, and this is a large cable, directly to the switchboard with no attempt being made to conceal it. Furthermore, without really understanding what he was doing, Mr. Hoyer was caused to sign a 5-year contract for an improved type of conference jack arrangement with a penalty for taking it out prior to the 5 years. The board came equipped with this jack. On June 5, one of our representatives stopped in to see how the installation of our internal system was coming and noticed the board. Upon asking Mr. Hoyer about it, he said "Why, that's the 555 board which I ordered." Of course, it was not true.

A call to Mr. Aschenbrenner then uncovered the fact that Mr. Aschenbrenner had assumed that Mr. Hoyer indicated that he approved of the way the 608 board operated and that that was the board he wanted. Therefore, ordered that board rather than the 555 board. The new 608 board, of course, runs $70 a month, whereas the 555 board ran $26 a month, and the new conference jack, which he had signed a contract for ran $12.50 rather than a conference jack for the 555 board which ran $4 a month and did not require a contract.

Finally, through a series of telephone calls and threats to go to the Public Service Commission, Wisconsin Title Service got the 555 board installed and the 608 taken away and, at our suggestion, the customer insisted that the telephone company run the cable to the new board a different way so it would not be exposed and hanging down from the ceiling. Finally, this system was installed. However, each phone installed was not the new 500 style but the old square base style and old used phones. Now, of course, there is nothing wrong with this except that it is just not being done in major offices in Milwaukee any more since the new phone is much superior and the handset is lighter and more desirable.

The import of this, of course, is that every attempt was made, it would seem, by the telephone company to install high revenue equipment instead of low revenue equipment and to make the customer sorry in any way possible that he ever considered any other idea except the telephone company's idea. This, of course, would have considerable and damaging effect on any of our prospects who might be asked to contact them in the future. These prospects, finding that going against the Bell System ideas would cause them grief, would be tempted sorely to not use our system.

In fairness, it should be noted here, that we have since heard that the salesman is no longer working for the telephone company. However, it should also be noted that on one call previously noted, he was with his immediate supervisor and on another call, according to the customer, he was with his second line sales manager, Alfred F. Braun. The customer even remarked to our representative at one time that he could see where the salesman could make a mistake, but that he was amazed that his supervisor who had accompanied him had not set him straight.

It should be noted here that it is our feeling from the many cases we have run into similar to this one, that this salesman's manager did know what was going on and although he did not specifically authorize it, did nothing to impede this activity. We believe that Wisconsin Telephone Co., which has become extremely aggressive in its competitive activities, has imbued its salesmen throughout their training courses with a somewhat over-zealous and over-aggressive competitive feeling to beat private competition. The pressure within the telephone company sales department to sell is very great and it is well understood that promotions are based upon one's ability to bring in revenue. This, of course, is a far cry from the telephone company pictured in the minds of most who, without question, depend upon and believe everything the telephone company representatives tell them.

28. GENERAL

The telephone company may argue that private suppliers cannot serve their customers well. Certainly not as well as the telephone company can. Recently there have been a number of cases where this has been strongly implied by the telephone company representatives and in several our prospects have been asked to call a number of our customers to get the "bad" word on our service. Unfortunately, however, for the telephone company, in the case of Splaine & Frederick, whose case has been described previously, Mark Splaine, who called several of our customers, received very good reports from them and in the case of one of them we have recently installed and enlarged a new system to replace the smaller system they had been using for many years. The problem here, however, is that since the Bell System is regarded by many as being their wholly benevolent counselor, and as the next thing to a nonprofit organization as they could possibly be, will believe their allegations without checking and simply write any private organization which approaches them off as being a bad risk. This is strictly unfair and is possible only because of the hold the Bell System has on the entire communications field.

Bell System often argues that private communications suppliers are not serving their customers well because they do not come to see every prospect when he is about to move or make a change and, therefore cannot offer their services and really serve the customer. This is partly true, perhaps, but only true because being a monopoly in the common carrier field, Bell is always called in by every customer whenever a move or change is made, strictly because of the common carrier part of the business and not because of the internal part of the business. Here is a situation where this could well be believed by those who do not compete with the telephone company every day as we do. Even such esteemed people as Senators might,

like most other users who have had telephone company public relations people, visit their grade schools and Kiwanis Clubs since they were 6 years old, on up, with glowing stories of colored motion pictures of the greatness and grandeur and benevolence of the Bell System, believe that absolutely the only concern the Bell System has is the interest of the customer and that the furthest thing from their minds is a profit motive.

This is sort of a wolf in sheep's clothing idea which is very useful in keeping down any sales resistance to any suggestion at all the telephone company might make, for example: 50-percent control of the space satellite communications system.

29. GENERAL

There have been so many cases, especially in the past 2 years, that have come to our attention because we are competing with Bell each day, of what we feel are unfair trade practices definitely an attempt to restrain trade and eliminate competition in any area of the communications field that these attempts do not seem incidental to us. These instances have occurred all over Wisconsin and with many different salesmen handling different areas and with different supervisors that we cannot help but feel that their attitudes and methods are the result of their training and definitely reflect the attitude of their supervision of the sales department within the Wisconsin Telephone Co. and of the entire Bell System attempt to increase revenue.

No one objects to fair trade practices and to good clean stiff competition. Every other field of business has this. No one objects to the telephone company making money for we all know it must remain strong to serve well. However, what we do and what everyone should object to is the Bell System or any other company which is so large that by its very bigness it tends to gobble up all other businesses and spread its area of influence into every avenue within its field of operation and others. Because of its very bigness and its apparent overpowering need for revenue, the Bell System appears to be destined to continue to try to operate through methods which necessarily restrain trade and which are unfairly competitive. A typical example of one of its less well-known methods is one which will be described as follows. This method might be entitled "The 20–40 dial pack intercom system."

30. FONS & CO., MILWAUKEE, WIS.

Our firm recently lost a sale of an internal system to the telephone company when a new Bell System intercom was introduced into the Milwaukee area on a trial basis. It is our understanding from another user who is trying it that there are only six operating in the country right now, three in Boston and three in Milwaukee.

Temporary rates have been filed with the Wisconsin Public Service Commission covering monthly charges and final rates are expected to be filed shortly.

This intercom system and its rates appear to be a further attempt by Bell to crowd out smaller businesses supplying intercom facilities.

This intercom is a 6-channel, 40-extension-number private intercom to be used with standard or pushbutton phones. A call director type attendant's (operator's) unit is used as an answering device. Its features are as follows:

1. Every phone in the system can use a free intercom channel to call every other phone.

2. By use of an add-on feature the operator can transfer an incoming outside call via an intercom channel to a phone which is not ordinarily equipped to handle a call on that outside line. Six add-ons are included as a basic feature. That means six incoming calls can be transferred via intercom channels by the operator, to phones which would not otherwise pick up calls on those outside lines.

3. Three universal or conference (more than two phones can converse at a time) features are included in the basic price package.

4. Holding and illumination on central office lines associated with add-on (see 2 above) (up to six). These are the lights which go on under the clear buttons on pushbutton phones to indicate an incoming call or a call taken or being held. These illuminations are per outside line and not per phone and indicate on each phone in the system which has a button picking up that line simultaneously when a call is on that line.

5. Charges for this system are $62.50 per month for all features plus $2 per intercom extension number.

5a. The total monthly charge for a 20-phone system with this 6-channel intercom would be:

Basic intercom equip	$62.50
20 intercom extension numbers	40.00
	102.50

By comparison a two-channel intercom system in use for the past 3 years with only two add-on's included, no attendant's (operator's) answering unit, two conference circuits and no illumination would cost per month.

Basic intercom common equip	$43.00
1 Call Director (answering unit-attendant's)	7.50
4 Add-on's (additional)	8.00
6 Illuminations	18.00
20 Intercom extension numbers	38.00
1 Conference (additional)	2.00
Total	116.50

In other words the 6-channel intercom with many more features and greater capacity is less than the earlier two channel, from about two phones on.

This new intercom hits us right in the breadbasket and seriously threatens to put us and every other private supplier out of business by making the few crumbs (orders) which fall from the table so small and infrequent as to make our business unprofitable and so we will get out of it.

The common equipment which operates and is the heart of this intercom system is a modification of that which operates the expensive 756A automatic switchboard system renting for $160 per month for common equipment plus $1.15 for each extension number in use.

A 20-phone system would cost $160 plus $23 or $183 per month.

This equipment is much more elaborate than that supplied for the two channel intercom and costs less.

The features (internal portion) are more similar in operation and price to private systems and yet the common equipment used is very elaborate and costly (and Bell has never before been competitive where cost was a factor).

The point here is that Bell has deliberately reduced the price of equipment in a competitive area to eliminate competition but of course offers integrated features previously only available with an automatic switchboard system (at higher cost) which no noncommon carrier supplier can provide because they are not allowed to tie into common carrier lines.

From paragraph above on the Wisconsin Title Service Cast it is apparent on the other hand that Bell can and does raise rates in noncompetitive areas. The new No. 608 manual switchboard console costs $70 per month and the similar 555 board with nearly as much equipment in it runs only $26 per month. No one, of course, competes in this area.

However when there's any extra profit in it Bell is happy to have so-called foreign equipment connected to their lines, e.g.: Telephone, television, facsimile, teletype, data transmission, centralized dictating, voice paging equipment, and almost anything else noncompetitive and where a dollar can be made. What's benevolent or fair about this?

Although these rates are shown in the Wisconsin Tariffs as temporary during my conversation of June 15, 1962, with two men, John Walsh and Ed Baldwin of the Wisconsin Telephone Co., commercial rates and codes division, I learned from them that the final rates, soon to be filed, will be about the same and probably a little less for this six channels 20–40 dial pak intercom.

31. UNIVERSITY OF WISCONSIN, MADISON

Wanted to put in Centrex service to their dormitories and other buildings to allow intercommunication and inward dialing from the outside to any inside phone.

Bell quoted a very high price. When asked whether something couldn't be done to lower the price Bell said, "No, that's the package." Russ Pavlot, the State's communication expert, then complained to the Wisconsin Public Service Commission about it and pressure caused Bell to offer four-party service at a lower price.

32. PRIVATE SUPPLIERS THREATENED BY BELL SYSTEM MONOPOLISTIC TACTICS

Attached is a photocopy of excerpts cut from the Wisconsin Telephone News for May and June 1961 showing that there are a quarter-million firms in this country using non-Bell intercoms. It would seem that this then is an important part of American business and of value to everyone. This copy also shows Bell is going to do something about it.

The new 20–40 dial pak is a very serious threat to private suppliers at the rates filed here in Wisconsin. And yet paradoxically Bell would never have produced it without competition.

Why should Bell be allowed in the intercom field at all? Most of their intercoms are strictly separate and only incidentally connect to outside phones on one of the buttons on the phone and have nothing to do with common carrier service in any way.

According to this Telephone News article, adding all the intercom systems in the country would only add 1 percent to their annual revenue and yet it would deprive everyone from the benefits of any competition in the field of communications.

It doesn't seem wise to us to let Bell encroach in any way into the intercom (internal telephone or other) field. No one will really benefit and all competition could easily be wiped out to everyone's loss.

In an article dated August 21, 1958, from the Milwaukee Journal, the Bell System was quoted as saying, "a survey indicates, the company said, "that other suppliers now can furnish such equipment." This referred as the rest of the article explains to loudspeaker paging systems and was used as a reason for the American Telephone & Telegraph Co. to get out of that phase of communications.

If that therefore is the reason for their vacating this field there is even stronger reason for their quitting the intercommunicating, noncommon carrier field based on the same reasoning, for it is apparent by their own admission that private intercom suppliers have been very busy and aggressive in supplying intercom, noncommon carrier facilities (see Wisconsin Telephone News, May-June issue, excerpts included with this report).

ALBERT A. JACOBS, INC.,
ROBERT J. KUEMMIN,
Sales Manager.

WINTRONICS LTD.,
New York, N.Y., June 14, 1961.

W. WALLACE KIRKPATRICK,
Acting Assistant Attorney General Antitrust Division, U.S. Department of Justice, Washington, D.C.

DEAR MR. KIRKPATRICK: Enclosed are two copies of letters which we have sent to A.T. & T. and the two replies received from that company.

Initially, we requested A.T. & T. to lease a Telpak A service to our customer, but were denied for the reason that the A.T. & T. tariff forbids a termination on telephone company circuits in our PAX equipment. In the second instance, we requested the same service for one of our customers utilizing land lines. Here again, as you can see by the enclosed, a refusal was received.

At this point we see the big Bell System monopoly at its worst. First they stifle the growth of private microwave companies by noncompensatory tariffs, secondly they refused to lease to our customers Telpak or land line circuits for termination in PAX equipment. Such grossly unfair practices may well cause the failure of our switchboard enterprise and then, in addition to enjoying a monopoly on telephone transmission circuits, the A.T. & T. will also protect the market for switching equipment which is exclusively provided for them by their 99-percent owned manufacturer—Western Electric Co.

It is imperative that a service such as we requested for our customers be made available to them. We have been approached by several large industrial concerns with multistate operations and even though we can design a more efficient system at a saving, in each plant, we are unable to compete because we are not now able to interconnect these systems.

I do not understand why this giant does not grant these facilities to us except for the fact that we are in direct competition. They grant lease lines to people in other fields such as music, data, etc., they will not however, lease voice grade circuits to us.

If we are to survive the granting of this service is imperative.

Very truly yours,
LIONEL A. WINSTON, *President.*

KANSAS HEARING CENTER,
Wichita, Kans., October 8, 1960.

Mr. E. E. HUTH,
General Manager,
Chicago, Ill.

DEAR MR. HUTH: I am writing to express my opinion regard the new electrolarynx to be produced by Bell Telephone, which I understand is to be sold at about manufacturing cost (as a public service).

Why should this product be singled out as a public service feature any more than say, eyeglasses, hearing aids, or telephones? This is clearly an infringement on rights, and I do not believe that any manufacturer has the moral right, no matter how big he might be, to operate in a manner which is hurtful to other smaller independent businesses.

Unfortunately, as the Bell System is a monopoly in its field, we cannot retaliate in any way.

I do feel, however, that this matter should be brought before the proper Government authority for consideration: Persons who have speech afflictions and who need these devices also need places, such as ours, which are operated and maintained at considerable cost, where they can obtain help and advice, where they may come for mechanical adjustments, batteries, and the various personal services which cannot be maintained by a nonprofit organization (the telephone company?).

At any rate, service, counsel, and assistance, locally and personally, are a necessity to those who need a speech device. If sufficient publicity is given to the low cost of the Bell product we will be forced to discontinue the sale of such products as the Aurex electro-larynx, and the user will be deprived of the services he needs. No one will gain, except that Bell might hold itself up as a public benefactor (?).

I hope that you can present these facts, and more, equally important but difficult for me to put into a letter, to those persons in authority who might see that there are no "free" services anywhere, in the final analysis. A large company, making huge sums of money, can conceivably invade someone else's field, and as a gesture, produce an item at cost, for its advertising value, writing off the loss as a tax deduction.

It is my understanding that this is contrary to the Government's own policy of fair-play in industry, aside from the questionable "ethics" involved.

Very truly yours,
C. W. HOFMANN.

S. H. COUCH CO., INC.,
North Quincy, Mass., June 15, 1962.

Mr. CLARENCE A. MCKEE,
President, Private Communications Association, Inc., care of Senate Antitrust Committee, Old Senate Office Building, Washington, D.C.

DEAR CLARENCE: On June 20, 1961, Mr. Cameron wrote a letter to the Honorable Lee Loevinger, Assistant Attorney General of the Antitrust Division in the Justice Department in Washington, D.C., and a copy was sent to you. I believe this letter clearly and explicitly sets forth the problem of competition we are experiencing from the Western Electric Co. and American Telephone & Telegraph Co. which, we feel, is in violation of a judgment entered in the U.S. District Court of New Jersey on January 24, 1956.

To supplement this letter, I call to your attention a few specific instances of competition. The S. H. Couch Co.'s private apartment house telephone system was specified in the Marine Apartments in Chicago, Ill., and the Highland Towers Apartments in Pittsburgh, Pa. On the basis of an inducement to incorporate the charges for this service as a part of their regular telephone monthly rental, the telephone companies were able to have this portion of the electrical contract deleted from the building contract.

Similarly, the telephone companies have engaged in furnishing internal fire detection systems for the school district of the Borough of North Braddock, Pa. These specifications were so prepared that the equipment to be furnished would have to make use of existing Bell Telephone commercial facilities, which are not available to any other manufacturers of this class of equipment.

In the hospital field they have promoted equipment to perform the function of a nurses' call system, which normally has no connection whatsoever with the commercial telephone system. We would like to cite two hospitals using this type of equipment: Haverford Mental Hospital in Haverford, Pa., and the Eastern State Hospital in Ben Salem Township, Pa.

If this continues, it will seriously affect not only our operations, but all companies engaged in the manufacture of private telephone systems, local fire alarm systems, and hospital signaling systems.

Very truly yours,
KENNETH J. RITCHIE,
Vice President, Sales.

THE DIXIE NETWORK,
Jackson, Tenn., July 23, 1959.

Senator ESTES KEFAUVER,
Senate Office Building,
Washington, D.C.

DEAR ESTES: I am again writing you concerning a matter of grave importance, not only to us but to upward of 500,000 people who depend on WDXI-TV for primary television service.

As you know, American Telephone and Telegraph rates for television transmission service is out of all reason, but to add to this situation, the service we are receiving is terrible. Since early in July we have received practically no service. The picture has been interrupted countless times because of poor transmission from Memphis to Jackson. In addition, the picture has streaked thousands of times. We cannot hold an audience or advertisers with this type of service, yet they will not give us any assurance that the situation will improve.

We have had this happen before, in fact during the Democratic and Republican conventions in August 1956. At this time, we protested payment for the month of August as we had not received satisfactory service. In spite of the fact that the service was wholly unacceptable this monopoly forced us to pay almost $5,000 for such service. Under the present FCC tariff they will only give you credit for the actual amount of time lost. For instance, say that 20 interruptions lasted a total of 40 minutes, you only receive a few dollars credit for the total amount of time lost, yet you have lost your audience as well as your revenue for the entire evening. Some of these interruptions have lasted as long as 10 minutes. You well know that no one is going to watch a show with constant interruptions in service. Sometimes as many as 8 or 10 in a 30-minute show.

When we went into television we wanted to build our own microwave system from Memphis to Jackson. The FCC would not allow us to do this as public carrier service was available. We could have built our own system for less than $70,000, yet we are forced to pay A.T. & T. in excess of $50,000 per year. In addition, they dictate the number of hours daily we are to buy. We can't buy 4 hours per day. They make us buy 8 hours per day whether or not we use the service.

Talking about a giant and dangerous monopoly, this is certainly one. About a year ago the FCC changed their rules so as to allow stations to build their own microwave systems. Naturally, we looked into this as the payment to A.T. & T. was and is breaking our back financially. After investigation, we found that we could build our own system all right, but here is the clincher. A.T. & T. refused to furnish service or connect a privately owned system into their system. There again you are stymied at every point.

You possibly read Drew Pearson's column the other day relative to the exorbitant costs of A.T. & T. transmission service to television stations. He stated that the FCC had been holding, without any action since 1953, a proposal to investigate the exorbitant cost of A.T. & T. transmission service. When a 77-mile jump from Memphis to Jackson costs in excess of $50,000 per year on a $70,000 investment, someone certainly should investigate. Then in addition to this tremendous cost be forced to accept the rotten service we are getting is out of all bounds of reason.

We believe A.T. & T. should be forced to sell service at reasonable rates and that a station should not be forced to buy any more time than they can use. We also believe that a station should not be forced to pay for service which is wholly unacceptable.

The Atlanta headquarters of A.T. & T. are entirely indifferent about the situation. They take the attitude that "we are doing the best we can. If you don't like it, you will still pay." In other words, "to hell you with you."

As you are looking into monopolies, you will not find a better example than this outfit, who have us over a barrel and in a hostile and arrogant manner informs us to take

what they give us or go somewhere else. Unfortunately, we have nowhere else to go.

This is such a critical matter both from a standpoint of service and of costs, I'm sure you will go all out in trying to provide some relief for us.

I hope this letter finds you well and getting in good shape for a campaign to beat "Frankie-Boy" next year. In talking with "Tip," I don't believe he will oppose you. I believe he has too much judgment to run against you when he has such a good shot at the governorship 4 years from now.

With best regards, I am,

Cordially,

AARON B. ROBINSON,
President and General Manager.

ATOMIC SOUND EQUIPMENT CO.,
Oklahoma City., Okla., July 29, 1958.

Hon. ESTES KEFAUVER,
U.S. Senate,
Washington, D.C.

DEAR SIR: I understand that you are strongly in favor of the Justice Department taking some action against A.T. & T. regarding their monopolistic practices.

The Southwestern Bell Telephone Co. in Oklahoma is competing with us in the installation of loudspeaker type intercommunication and paging systems on a rental basis which, you can see, will eventually put all small electronics people out of business and they will have the field to themselves.

I thought at one time the Justice Department had made some type of consent decree advising A.T. & T. to stop this practice, as it is certainly not a part of their telephone type communication. I am wondering what has happened.

The telephone company has just installed two systems in the last week in Oklahoma City, one of which was one of our customers and now they are figuring with another of our customers for the same type of service.

Will appreciate your advising me if I can be of any assistance to you or anyone else to try and stop this monopoly.

Very truly yours,

C. E. FRIEDLANDER.

TAYLORED SOUND, INC.,
Albany, N.Y., March 17, 1960.

Mr. KENT BROWN,
General Counsel,
N.Y. State Public Service Commission,
Albany, N.Y.

DEAR MR. BROWN: We are negotiating with the Amsterdam Printing & Lithographing Co., of Amsterdam, N.Y., for installation of an internal dial telephone system.

Yesterday we met with the principals and their architect and they told us that they preferred our system for internal service over the service offered by New York Telephone Co. During the conversation with these people it was reported to us that the representatives of New York Telephone Co. stated that it would be a violation of a law if we installed our wiring in the same ducts as their wiring would be in. It was further stated that if at a later date Stromberg-Carlson equipment was installed in the same ducts, and this was found to be so while servicing Bell equipment, New York Telephone Co. would then remove their wiring from those ducts and install new exposed wiring at their expense.

We would appreciate your quoting that section of the law which prohibits this.

An immediate answer from you would allow us to conclude negotiations.

Very truly yours,

S. F. MYERS, *Treasurer.*

STATE OF NEW YORK,
PUBLIC SERVICE COMMISSION,
Albany, March 21, 1960.

TAYLORED SOUND, INC.,
MR. S. F. MYERS, *Treasurer,*
Albany, N.Y.

DEAR MR. MYERS: In response to your letter of March 17, 1960, this is to advise you that there are no provisions in the public service law which relate to the problem you have raised, namely, whether other wiring can be installed in the same ducts in which the New York Telephone Co.'s wiring is installed.

There has been no attempt to determine whether any other provisions of law might apply or what provision of law the representatives of the telephone company had in mind.

Further, this letter does not pass on the right of the telephone company to remove its wiring from said ducts in the event that other equipment is installed therein.

This letter also assumes that you do not have reference to underground conduit with regards to which the telephone company has filed tariff provisions.

Very truly yours,

KENT H. BROWN,
Counsel.
By LAWRENCE M. DEVORE,
Assistant Counsel.

HIRSH ELECTRONICS,
Memphis, Tenn., June 5, 1962.

Mr. CECIL MACKEY,
Assistant Counsel, Subcommittee on Antitrust, U.S. Senate, Washington, D.C.

DEAR MR. MACKEY: Answering your letter of May 22 regarding instances where A.T. & T. through its subsidiaries have engaged in practices injurious to the interests of small independent competitors.

The enclosed list is a few users of communication equipment whose business we solicited and lost to the Southern Bell Telephone Co. or Southwestern Bell Telephone Co.

Various reasons were given to us by the prospects as to why they prefer to do business with the Bell company. These reasons include but are not limited to lower rates; no capital investment; monthly fixed rates; 24-hour and very prompt service; use of one telephone instrument to serve a number of functions; income tax factors; they are also often confused as they cannot break down the total rate into the cost per function, and so forth.

Almost any functions desired by these users, except public carrier service, can be provided by us and hundreds of other people in our type of business. We cannot compete with the Bell System in many ways and a great many of these handicaps are due to factors completely beyond the ability of a small company. It is our opinion these factors are available to the Bell company because of the basic revenue allowed to them by virtue of exclusive franchises granted to them for certain functions. Many of the communication functions can be provided by concerns, such as ourselves, but we are essentially noncompetitive because the Bell people combined these subsidiary functions with functions for which they are granted their franchises.

The enormous prestige and guaranteed income of the Bell System places them at an advantage in so many respects that competition with them is often impractical.

We specifically go on record that we have no grievances against the Bell System because of the size alone.

We also agree that the basic functions of citywide and nationwide communication concerns such as the Bell companies should be protected by exclusive franchise. What we are trying to emphasize is that small independent concerns should not be handicapped as a result of franchises for purposes which we consider proper, per se, but which are extended to other purposes not proper.

Yours very truly,

B. W. HIRSH.

1. Joint Administration Building, 200-line board, Memphis, Tenn.
2. Federal Building, 400-line board, Memphis, Tenn.
3. Memphis City Hall, 200-line board, Memphis, Tenn.
4. Central Police Station, 100-line board, Memphis, Tenn.
5. Ellis Bagwell Drug Co., automatic telephone system, Memphis, Tenn.
6. Memphis Compress & Storage Co., automatic telephone system, Memphis, Tenn.
7. Infirmary, Blytheville Air Force Base, Ark., Southwestern Bell furnished DuKane intercom system on rental basis.
8. Plough Broadcasting Co., Memphis, Tenn.
9. Humko Co., Memphis, Tenn.
10. C. F. Works & Sons, Memphis, Tenn.
11. Brewer and Schews, architects, Clarksdale, Miss.
12. Chapman Chemical Co., Memphis, Tenn.

COMMUNICATION EQUIPMENT & ENGINEERING CO.,
Chicago, Ill., August 17, 1962.

Senator JOHN O. PASTORE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR PASTORE: I am writing you with regard to H.R. 11040. In the Chicago Tribune, Sunday, August 5, I read a quotation by you stating that you believed there was no monopoly in it. Like you, I believe in free enterprise. However, I am sure that if you had studied the history of the A.T. & T. Co. you would realize that that organization has been cited by the Government several times for monopolistic practices and has been compelled to divest itself from certain organizations engaged in manufacture of equipment not associated with telephone plant, or operation. The A.T. & T. Co. has also been compelled to recognize independent telephone companies and cooperate with them in service to the public. In 1956 the A.T. & T. Co. signed a consent decree which we in the independent and private communication field felt was just and reasonable. In part, the consent decree required the A.T. & T. Co. to discontinue the furnishing of private communication services to utilities and other organizations. We feel that the intent of the decree in regard to private communication systems was simple and understandable. It meant that the A.T. & T. Co. could not furnish communication which was not associated directly with the operation of telephone service to the public. In other words, it could not furnish a private loudspeaker service, for example, in a powerplant or in an industrial factory where the loudspeakers were not connected to the lines of the A.T. & T. Co., or its switchboard, or used in connection with telephone service normally furnished to such customer. Another example, the A.T. & T. Co. was required to discontinue private radio communication service for power companies where the radio system was not associated with the telephone plant used by the power company and general public. The A.T. & T. Co. lived up to the consent decree in this respect by giving up the service it furnished the Consumer's Power Co. in Michigan which was taken over by another organization and, I understand, is entirely satisfactory as now being operated.

I believe you have received a telegram from Mr. Clarence A. McKee, national president of Private Communication Association, Inc., stating that the A.T. & T. Co. is flagrantly violating the 1956 consent judgment. Mr. McKee has a record of many cases in his files. I wish to tell you of two other instances which in my opinion are violations of the intent of the consent judgment. No. 1, the A.T. & T. Co. through the Bell System has installed and leased to the Federal Aviation Authority at Atlantic City several devices known as simulators.

This equipment has nothing to do with the telephone system and is entirely separate from the communication service furnished over telephone lines to the FAA. Similar equipment was furnished to the FAA in Oklahoma City. At this location the equipment is used solely for the training of controllers who guide aircraft. Prior to the time the telephone company entered this field, we had furnished equipment to the FAA which, so far as I know, was entirely adequate for their requirements and has been and still is working satisfactorily. After the A.T. & T. Co. entered the field, we were not even requested to bid on the project even though they were similar to what we had previously furnished and which we had cooperated in the engineering.

No. 2, the A.T. & T. is now taking over through its subsidiary company, the Southern Bell, the entire private communication system of the Florida East Coast Railroad. This includes equipment and circuits to transmit information such as hotboxes on railroad cars, train movements, etc., which have absolutely nothing to do with telephone service. There is some doubt in my mind whether or not they are even capable of furnishing such service as will be required for the protection of the public and railroad employees. To my knowledge, such service has never been furnished before by the A.T. & T. Co. or any of its subsidiaries.

As I said before, I believe in free enterprise. I also have a great deal of respect for the engineering ability of the A.T. & T. Co. and its subsidiary, the Bell Telephone Laboratories. With proper governmental supervision, I believe that the telephone company is best suited to operate the long-distance communication facilities in the United States and jointly operate with companies in Hawaii and Alaska. Likewise, cooperative operation should be had with companies on foreign shores; however, until the purely monopolistic practices of the A.T. & T. Co. are restricted and adequate safeguards established in connection with Telstar, I feel that H.R. 11040 should be kept in committee for study and revision.

Respectfully yours,

R. A. CLARK, Jr.,
President.

CORPORATION COMMISSION,
COMMONWEALTH OF VIRGINIA,
Richmond, Va., April 25, 1961.

Subject: Installation of private home intercommunication systems by the Chesapeake & Potomac Telephone Co. of Virginia.

GENTLEMEN: Enclosed is a full page advertisement from the April issue of the American Home and a quarter page advertisement from the April 3 issue of the Norfolk Virginian Pilot soliciting the installation of private home interphone systems by the Bell Telephone System and its associated companies. These ads are typical of those currently appearing in the principal national consumer magazines and local newspapers. Extensive coverage is also being given this new service by the telephone company through local radio and television services.

Also enclosed are sales brochures of the Bogen-Presto Co., Paramus, N.J., and the Talk-a-Phone Co., Chicago, Ill., describing home intercom and interphone systems which have for many years been available to the public through their distribution system of local distributors, dealers and servicemen. These brochures describe equipment typical of that now being offered by numerous manufacturers, distributors, and dealers to all who desire and are willing to purchase or lease this equipment for their personal convenience or pleasure.

There is no public demand for this personal private service that cannot be met by the existing facilities of independent manufacturers, distributors, dealers and servicemen on a competitive bid basis. There is no justification for the vast expenditure of money, manpower and material required to enter this new field by the Chesapeake & Potomac Telephone Co., a Bell System company chartered as a legal monopoly to provide a public telephone service to the exclusion of all competition.

Should a homeowner desire such a private personal interphone system for his own convenience he should be required to purchase or lease such a system from the existing independent business firms now licensed to provide such services. He should pay exactly what the costs are for his particular installation, not a average installation fee and an average monthly charge, the expense of which and the revenue from which becomes inseparable from the general expenses or revenues of the public telephone service which is the basis for determining the public telephone tariffs.

A consent decree, *United States of America v. the American Telephone and Telegraph Company and associated companies,* entered in the New Jersey court on January 24, 1956, took cognizance of the fact that the Bell telephone companies should restrict their activities to the public telephone field in which they hold a legal monopoly with private communication systems where required or desired by the individual being supplied by independent business firms operating under the free enterprise system. The telephone companies are not exhibiting good faith by now entering into the private home intercom field which as already stated is adequately served by existing facilities. Any gains made by the telephone companies in this new endeavor can only come at the expense of existing small independent business firms who have invested their own time and money in building up a business which the telephone company would now like to take over.

I would appreciate any action that you might consider to restrict the Chesapeake & Potomac Telephone Co. from continuing in the private home intercom field and would further appreciate a listing of the tariffs under which the C. & P. Telephone Co., is now providing private intercom, interphone, public address, and paging systems. The dates on which these tariffs were enacted would also be appreciated.

Very truly yours,
ELECTRONIC ENGINEERING CO., INC.,
LOUIS E. GUY.

ELECTRONIC ENGINEERING CO., INC.,
Norfolk, Va., February 22, 1961.

Mr. CLARENCE A. MCKEE,
President, Private Communications Association, Inc., Mount Vernon, N.Y.

DEAR MR. MCKEE: We wish to advise that the Chesapeake & Potomac Telephone Co. of Virginia is in apparent violation of the consent decree in that they are now leasing the paging system at the Norfolk Municipal Airport to the Port Authority of the city of Norfolk.

Several months prior to this I called the port authority and asked if they were familiar with the provisions of the consent decree and if the telephone company had given any indication canceling their contract for the paging system.

I called again the first week in January and was advised that the telephone company acknowledged the consent decree and had advised the port authority that while they could not expand the system now in use that they intended to continue to lease and maintain the system until further notice. I might add that the airport manager is interested in adding background music to the system but that the telephone company advised that they would not permit the attachment of foreign equipment to the system. Incidentally, we are at present supplying the music source for the Richmond and Newport News, Va., airports. In each of these cases, however, the equipment is owned by the city.

I hope that the above information will be of some help to you in our continuing fight against this overpowering monopoly.

Sincerely,

LOUIS E. GUY.

JANUARY 23, 1956.

Judge RALPH T. COTTERAL,
State Corporation Commission, State Office Building, Richmond, Va.

DEAR JUDGE COTTERAL: I would like to thank you for the opportunity given Mr. Walker C. Cottrell and me to discuss with you our concern over the sales activities of the Chesapeake & Potomac Telephone Co., in the field of private communications.

As stated in our conversation, I feel that the telephone company is taking an unfair advantage of its position and prestige gained in the public telephone industry in which it holds a legal monopoly, to aggressively enter the field of private communications, a field which has been developed and served, almost 100 percent by private nonregulated, competitive firms.

The aggressive entry of the public telephone industry into the private communication field is voluntary and not necessitated by public demand. The private communications field has been adequately served by concerns who are capable of expanding to meet any increased demand for their services.

I recognize the necessity and desirability of maintaining a legal monopoly in the public telephone industry, as duplication of such facilities would not be in the public interest. I recognize also the necessity for average rates in order that all persons be afforded the protection and convenience of a public telephone. I question, however, the entry of the telephone company into the private communication field on an average regulated rate or tariff basis as the installation of a private communication system is for the benefit and convenience of the individual only and can in no way be construed to be a necessary public service.

While on the subject of tariffs, I received the impression while in your office that tariffs had been approved for public address, intercommunication and two-way radio service. I find, however, from examination of the public records, at the Norfolk office of the Chesapeake & Potomac Telephone Co., that while a tariff has been established for public address amplifiers and speakers, no tariffs are listed for intercommunication or two-way radio service. I know, however, that the telephone company is quoting rates for such services.

I further question the good faith of the telephone company in employing its facilities and resources to enter the private communication field in competition with nonregulated private industry at a time when

it is not fulfilling its obligation under its charter to render public telephone service.

To be specific, on December 26, 1955, in a news article in the Norfolk Virginian Pilot, Mr. Wesley E. Vellines, chief engineer of the Chesapeake & Potomac Telephone Co., stated that the Norfolk area had a backlog of 3,435 unfilled telephone orders.

Two days later an article appeared in the same paper reporting an offer by the telephone company to purchase the police radio equipment of the city of South Norfolk for the sum of $2,775.90. This equipment to then be leased back to the city with full maintenance at an annual cost of $275 per mobile radio unit.

As stated above, I question the good faith of the telephone company in its aggressive entry into the private communication field, at a time when by its own admission it is not fulfilling its obligation to provide public telephone service.

If it is in order, I would appreciate your advice on the following points.

As indicated above, a tariff for the installation of two-way radio equipment is not on public record at the Norfolk offices of the Chesapeake & Potomac Telephone Co. of Virginia. How then did the telephone company establish the rate quoted the city of South Norfolk for the purchase and lease of radio telephone equipment?

Have tariffs been granted for the installation and lease of intercommunication equipment separate from that provided by the public telephone?

Specifically, the Chesapeake & Potomac Telephone Co. has been installing and leasing Teletalk amplified intercommunication equipment manufactured by the Webster Electric Co., Racine, Wis. This equipment is in no way connected into the public telephone system, nor is it dependent upon the public telephone system for its effective use. The tariffs for this service are not on public record in the Norfolk office of the Chesapeake & Potomac Telephone Co.

If tariffs for these services have not been established it is requested that the hearings for this purpose be made public. If possible I would appreciate being advised when the hearings would take place.

Enclosed is a copy of the December issue of Sound Merchandising. An article on page 1 of this publication is indicative of the concern felt by the commercial communication firms and the possible steps to be taken in opposing unfair competition by the public telephone industry.

Thank you for your consideration of the above requests.

Very truly yours,

ELECTRONIC ENGINEERING CO., INC.,
LOUIS E. GUY,
Secretary-Treasurer.

MARCH 27, 1959.

Mr. VICTOR R. HANSEN,
Assistant Attorney General, U.S. Department of Justice, Antitrust Division, Washington, D.C.

Re: VRH:WDK—60-9-96-7: *United States* v. *Western Electric Co., Inc., et al.*

DEAR MR. HANSEN: On July 30, 1958, you were kind enough to write to us that you will not relax your efforts to enforce the prohibitions of the consent decree.

Recently, systems for private communications which we have supplied in many instances to one customer are being returned to us for credit and orders have been canceled.

Our customer has described the features of this system to its own branches as follows:

Functions:

1. Permits salespeople to step to nearby phone-type instrument and call the stockroom.

2. Permits stockmen to reply or acknowledge wherever they are in the stockroom without leaving their work.

Advantages:

1. Saves time of salespeople. Eliminates use of outside phones through switchboard to stockroom phone (which may be busy).

2. Relieves switchboard congestion, especially during busy times.

3. Saves time of stockmen. They needn't leave their work to answer the phone.

4. Completes a sale more quickly. The salesperson can wait on the next customer faster.

5. Simple talk-listen switch operation in the phone handset.

6. Greatly simplified installation.

7. Greater stability than package No. 3.

8. Lower cost than package No. 3.

Operations:

1. Salesperson lifts the phone-type handset and listens for a moment.

2. If conversation is heard, line is busy. If nothing is heard, salesperson slightly depresses bar in the handset and releases it. Salesperson now hears the room noise in the stockroom.

3. Salesperson depresses the bar in the handset to talk and releases to listen.

4. Stockman acknowledges from wherever he happens to be in the stockroom.

5. Salesperson hangs up the phone, which clears the line automatically.

Method: On the selling floor there is the convenience and privacy of phone conversation. In the stockroom there is amplified voice-type operation over speakers and pickup microphones."

When in July of 1958 Mr. Hanselman wrote to the operating telephone companies, our customer concluded that the telephone companies would be willing to connect their telephone systems to subscriber-owned special stockroom equipment. Under this assumption, we have received a number of orders for such equipment. Some have been delivered and some are ready for delivery.

Last week we received a telephone call from our customer with the request to cancel the outstanding orders and authorization to return equipment for credit which had been delivered in the past few months.

We were advised that the telephone company has vacillated for several months between their willingness to connect telephones to the subscriber-owned stockroom equipment and their refusal to do so.

Finally, the subscriber has asked the telephone company to have a clear-cut decision made which would affect installations in a number of areas served by three or four Bell operating companies.

A reply came recently through a representative of the Illinois Bell Telephone Co. but with the understanding that this decision was reached in New York and would affect other operating companies as well. It stated:

1. The Bell System will furnish and connect to their equipment, speakers and mike pickups for two-way point to area communication between their telephones on the one end and amplified voice area communication on the other.

2. The Bell System will not furnish speakers to be used solely for paging from their equipment to an area.

3. The Bell System will not connect their equipment to a subscriber owned paging or intercom system.

We feel that a private communication system which meets the requirement of internal communication, such as a sales-to-stockroom area system, does not become a common carrier by the sole virtue of the telephone company connecting it to its instrument.

If the telephone company contends that the stockroom area system is, in reality, nothing other than a hands-free telephone, it must be said that a hands-free telephone is used primarily and, in most instances, exclusively used for internal communications.

The telephone company has furnished one such system in Illinois.

May we ask you to be so kind as to explain to us what the position of the Justice Department is in regard to the supply of systems as described above by the operating telephone companies of A.T. & T.? Thank you sincerely for your prompt reply.

Very truly yours,

RONNEY L. HARLOW.

MERPACO ELECTRONICS,
Montgomery, Ala., May 9, 1957.

EXECUTONE SYSTEMS CO.,
Birmingham, Ala.
(Attention of Mrs. Blevins).

DEAR MRS. BLEVINS: I thought you would be interested in this matter. I know that Executone has been fighting this same problem on a national scale. I have endeavored on several occasions to contact you via long distance to discuss this but have been unable to reach you at the time. Please review the situation as briefed herein and I hope that we shall hear from you favorably.

In the course of our electronics business, we have encountered considerable difficulties with Southern Bell Telephone & Telegraph Co. In fact, we recently lost a very sizable contract regarding the installation of a loudspeaker system in a large plant being constructed nearby. We were notified by our prospective customer that contractual arrangements had been made with Southern Bell, an operating subsidiary of American Telephone & Telegraph Co., to install this loudspeaker paging system on which we had been in negotiation.

We had thought that a sale or lease by Southern Bell of the type of equipment involved in such a loudspeaker system would fall within the scope of a decree of the U.S. District Court for the District of New Jersey in a suit by the United States against Western Electric and American Telephone & Telegraph dated January 24, 1956.

However, Southern Bell has contended that such a paging system service was a "common carrier communications service" and hence not within the prohibitory features of the New Jersey decree.

Apparently this approach on its part is to be a common one in an attempt by the Bell operating companies to avoid the effects of the antitrust judgment.

We do not propose to let the matter drop. We are contemplating several courses of action which we hope will bring us some relief. The purpose of this letter is twofold: To elicit from you information from your own experience or from the experience of others within the scope of your knowledge regarding similar competitive action by Southern Bell, and to know whether you think any common endeavor to relieve the situation would be feasible and if you would be willing to cooperate with us and our attorney in providing the above information and also financial assistance to help defray attorney's fees.

I would appreciate your communicating the requested information to me at your very earliest convenience.

Yours very truly,

IRVIN GASSENHEIMER, Jr.

ACOUSTICON HEARING AIDS,
Lincoln, Nebr., October 7, 1960.

AUNEX CORP.,
Chicago, Ill.

DEAR SIR: We are handling the Aunex electro-larynx speaking instrument mainly because we were asked to by a number of our medical men who wanted a good speaking device and service made available to their patients. Our volume is quite small and our profit from this business is negligible.

It seems that this is a principle involved, however, that could apply to any business. Why should a large company, especially a public utility company, who are making their

profits from something that has become a necessity to the public, sell an item at cost thereby depriving those that are in that business from making a normal profit? Certainly it is unfair competition of the highest order.

Surely we all feel sorry for the people, who of necessity must use this device, and are willing to invest our time and money to be of service to them but still feel that this should not be donated. The doctor who operated on them and the hospital who cared for them certainly made a good profit from their services.

Suppose this situation could be turned about so that the people who make a living from the manufacture and sale of speaking devices could furnish, telephone service at cost? This picture might look differently.

Yours truly,

ACOUSTICON-HANCOCK CO.,
LOUIS M. HANCOCK.

MARCH 6, 1962.

Mr. JOHN JAMES,
Antitrust Division, Department of Justice, Washington, D.C.

GENTLEMEN: On August 2, 1961, we changed our telephone number from Graceland 7-0116 to 477-0300. It was agreed at that time that all calls for Graceland 7-0116 would be terminated to a special operator's desk and be referred to the new number until the yellow pages have been replaced.

Instead, the number Graceland 7-0116 was assigned to another customer with, of course, considerable loss of calls to our corporation. Please note that we were paying money for advertising the Graceland 7-0116 number in the yellow pages.

On December 12, 1961, the attention of the telephone company was drawn to the fact that they had violated our agreement. We received a letter of regret with the indication that arrangements had been made, effective December 15, to start referring any calls to our new number, 477-0300. The only compensation that was offered is according to the attached copies of letters from the telephone company.

Even today our calls are referred to as Central Auto. We are still losing business as we have continuously since September of 1961.

The compounding of errors in this instance is indeed remarkable when compared to the often-referred-to efficiency of the telephone company. We are unfortunately in a position of having to make our living often in competition with the telephone company.

It is hard to understand why the common carrier should be permitted to divert telephone calls destined for a competitor in the private communication field.

What should our course of action be?

Very truly yours,

CENTRAL AUDIO EQUIPMENT CORP.
RONNEY L. HARLOW.

APRIL 11, 1961.

Mr. W. WALLACE KIRKPATRICK,
Acting Assistant Attorney General,
Antitrust Division,
U.S. Department of Justice,
Washington, D.C.

DEAR MR. KIRKPATRICK: It is my understanding that the Antitrust Division of the Justice Department is conducting an investigation of violations by A.T. & T. and the Bell operating companies of the consent decree entered into by them in 1956. Attached is a list of violations in existence on January 24, 1961, or discovered by our representatives since that date.

We are very much interested in this matter, since Bell's violations have cost us business in some instances.

We are also enclosing a second list of violations. This list was made up around January 18, and contains violations discovered prior to that date, which to the best of our knowledge still exist.

Yours very truly,

H. M. EATON,
Chief Counsel.

Date violation discovered: Bell paging installed November 15, 1960.

Bell subsidiary: Ohio Bell.

Bell customer: The Youngstown Buick Co., Youngstown, Ohio.

Type of service: Paging system.

Comments: Bell told this customer this was a violation of their tariff when it was installed, and they would sell the system to them later if they had to.

Bell subsidiary: Pennsylvania Bell.

Bell customer: Penco Division of Alan Wood Steel Co., Oaks, Pa.

Type of service: Bell paging from simple board.

Bell subsidiary: Pennsylvania Bell.

Bell customer: Pennsylvania Lumberman's Mutual Insurance Co., Philadelphia, Pa.

Type of service: paging from 701 board.

Date violation discovered: April 7, 1961.

Bell customer: Available to any.

Type of service: talkback paging system.

Comments: Michigan Bell is now offering the above system which is presently limited to five speakers. We are advised that Bell expects to expand this to at least seven speakers in the near future. The rental for the above system would be approximately $30.

Date violation discovered: March 15, 1961.

Bell subsidiary: New York Bell.

Bell customer: Hickok Manufacturing Co., Lyons, N.Y.

Type of service: There are extensions on the dial intercom that are used for intercom only, along with extensions connected with public exchange.

Date violation discovered: Approximately March 20, 1961.

Bell subsidiary: Pennsylvania Bell.

Bell customer: Peerless Footwear, Souderton, Pa.

Type of service: Dial paging system.

Comments: Terryphone system was removed due to the installation of this Bell dial paging system.

Date violation discovered: Approximately February 28, 1961.

Bell subsidiary: Pennsylvania Bell.

Comments: Bell Telephone of Pennsylvania assumed maintenance responsibility and ownership of the private telephone system of the city of Philadelphia, thereby restraining Terryphone from improving the communications of the Philadelphia International Airport, which is a job we had in progress.

Date violation discovered: Installed June 1960.

Bell subsidiary: Diamond State Telephone Co.

Bell customer: Speackman Plumbing Supply Co., Wilmington, Del.

Type of service: Bell autocall.

Date violation discovered: Approximately February 22, 1961.

Bell subsidiary: Diamond State Telephone Co.

Bell customer: Earnest DiSabitino & Son, Wilmington, Del.

Type of service: Bell paging system.

Date violation discovered: December 22, 1960.

Bell subsidiary: Wisconsin Bell.

Bell customer: Lurie Glass Co., Milwaukee, Wis.

Type of service: Voice paging.

Date violation discovered: December 6, 1960.

Bell subsidiary: Wisconsin Bell.

Bell customer: Humphrey Chevrolet Co., Milwaukee, Wis.

Type of service: Voice paging and paging system using callback over separate speakers similar to no-hands telephone.

Comments: An independent company is putting a central paging system in Humphrey Chevrolet. Bell Telephone will bill the customer and be billed in return by the independent company. Mr. James Gaynor of Bell Telephone told Mr. Schnitz, sales manager of Humphrey Chevrolet, that they would be billed only by Bell.

Date violation discovered: January 17, 1961.

Bell subsidiary: Wisconsin Bell.

Bell customer: Jaeger Oldsmobile Co., Milwaukee, Wis.

Type of service: Voice paging.

Date violation discovered: December 9, 1960.

Bell subsidiary: Wisconsin Bell.

Bell customer: Selling Aids, Inc., Milwaukee, Wis.

Type of service: Signal call, paging by bells.

Comments: This is an autocall, owned and leased by Bell Telephone.

Date violation discovered: December 28, 1960.

Bell subsidiary: Wisconsin Bell.

Bell customer: Charles H. Stehling Co., Milwaukee, Wis.

Type of service: Voice paging connected to a 755-dial intercom.

Date violation discovered: November 15, 1960.

Bell subsidiary: Wisconsin Bell.

Bell customer: Hunter Machinery Co., Inc., Milwaukee, Wis.

Type of service: Voice paging connected to a 740-dial board.

Date violation discovered: January 30, 1961.

Bell subsidiary: Wisconsin Bell.

Bell customer: Pelton Steel Casting Co., Milwaukee, Wis.

Type of service: Voice paging.

Date violation discovered: January 27, 1961.

Bell subsidiary: Wisconsin Bell.

Bell customer: Fiebing Chemical Co., Milwaukee, Wis.

Type of service: Voice paging.

Date violation discovered: January 18, 1961.

Bell subsidiary: New England Telephone & Telegraph.

Bell customer: O'Donnell-Ulsen, South Boston, Mass.

Type of service: Signal call, paging by bells.

Date violation discovered: February 3, 1961.

Bell subsidiary: New York Bell.

Bell representatives: Messrs. Dueel, DuVal & Marshall.

Customer: B. & J. Spring & Equipment Co., New York City.

Comments: Messrs. Duell, DuVal & Marshall of Bell called on B. & J. Spring & Equipment Co., in an attempt to sell them a paging system through their switchboards, in order to knock out a trial installation that we now have installed. The trial installation at B. & J. is not complete, for a leased line has to be installed from their New York office to their Mineola, Long Island, office. This is a distance of about 20 miles. The Bell men told Mr. Rettig, vice president of B. & J. that they would install the leased line, and the only thing to be determined was what the tariff would be, radio line or regular leased line. Our service manager in New York, Mr. Vobis, has talked to Mr. Marshall and Mr. Dueel of Bell about our technical requirements, and they clearly understand that we do not need a radio line.

Date violation discovered: February 2, 1961.

Bell subsidiary: New York Bell.

Bell customer: Crust Products, Bronx, N.Y.

Comments: Installation was completed in February. It was the first installation of this kind, to the best of our knowledge. Paging is accomplished through operator's standard headset, via footswitch and selector

key on the switchboard. Zoning is accomplished via selective dialing to any area, and selective dialing for all page.

Date violation discovered: February 2, 1961.

Bell subsidiary: New York Bell.

Bell customer: Jennings Ford Co., Bronx, N.Y.

Comments: This customer has signed a contract for a system similar to the one mentioned above. They have a service department five blocks away from their main office which is being connected via leased lines. All equipment used on both jobs belongs to the New York Telephone Co.

Date violation discovered: February 15, 1961.

Bell subsidiary: Bell of Pennsylvania.

Bell customer: Gibson, MacElvain Lumber Co., Philadelphia, Pa.

Type of service: Bell paging.

Date violation discovered: February 15, 1961.

Bell subsidiary: New York Bell.

Bell customer: Narlco, Hartman & Leddon, Philadelphia, Pa.

Type of service: Bell paging.

Date violation discovered: February 15, 1961.

Bell subsidiary: New York Bell.

Bell customer: Mohawk Devices, Doylestown, Pa.

Type of service: Bell paging.

Date violation discovered: February 20, 1961.

Bell subsidiary: Southern Bell of Georgia.

Bell customer: B. F. Goodrich Co. warehouse, Atlanta, Ga.

Type of service: Voice paging.

Date violation discovered: April 5, 1961.

Bell subsidiary: Bell of Pennsylvania.

Bell customer: Carl's Hillview (bowling) Lanes, Greensburg, Pa.

Type of service: Internal communication system isolated from common carrier equipment.

Date violation discovered: January 25, 1961.

Bell subsidiary: Wisconsin Bell.

Bell customer: Humphrey Chevrolet, Milwaukee, Wis.

Comments: Our Milwaukee salesman was working on a Terryphone installation for the above company. In an attempt to stop the Terryphone installation, Bell has installed speakers and added them to the customer's 740 automatic board. They set up a dial page to compare to the Terryphone system. These are not Bell speakers, but have been obtained in some way from a local distributor.

PRIVATE COMMUNICATIONS ASSOCIATION, INC.,
New York, N.Y., September 18, 1961.

Mr. JOHN JAMES,
Assistant Attorney General, U.S. Department of Justice, Washington, D.C.

DEAR MR. JAMES: At our last meeting in May I agreed to write you on the subject of telephone lines of competitive systems in the same conduit.

A long, tiresome treatise could be written, going into engineering detail. This would be of little interest to the layman who wishes to determine whether there would be any crosstalk or interference from private intercom dial system telephone lines drawn into the same conduit with telephone lines of a public utility system.

It must be remembered that standard telephone practice calls for balanced telephone lines wherever lines are packed tightly, as in cable and closely associated as in conduits.

The balancing is done by feeding talking battery to both sides of the calling line using a dual relay or repeat coil. Similar type battery feed is used on the called side of the line. This system is used by all leading telephone equipment suppliers—Western Electric, Automatic Electric, North Electric, Kellogg, Stromberg-Carlson, Tele-Norm, and others.

The cable pairs and telephone lines are twisted to decrease the capacity which would cause crosstalk.

All these lines, when connected through in the talking position, are at zero level, and since they are all of one level, no crosstalk will take place.

Since the Bell system provides service to many subscribers in the same cable or conduit, how can they tell such an untruth that equipment of another manufacturer which is identical to theirs, would cause interference or crosstalk if the lines were intermingled or associated with theirs?

This statement is made to scare the prospect and the private communication company loses the order in many cases, as people feel that the Bell company would not tell an untruth.

Another obstacle in the way of the private contractor is to find room in the conduits which, incidentally, have been installed by the owners. The Bell companies pull in large cables to fill up the conduits, even though only one telephone line is required in order to prevent a private system being installed. The cost of the cable is charged to the rate base and waste of cable is of no concern to Bell.

In my 40 years in the telephone business I have been responsible for the installation of several thousand lines of private dial telephones, the great majority of which are in the same conduit with Bell system lines.

The Bell system tries to insist that a separate conduit system be installed just to make the cost prohibitive.

This, in my opinion, is determined by the top brass and is in restraint of trade.

Very truly yours,

CLARENCE A. MCKEE,
President.

MEMORANDUM

AUGUST 13, 1962.

To: All Senators.

From: Senator ESTES KEFAUVER.

Never in the history of the Senate, in my opinion, has there been a group of Senators, conscientiously opposed to a bill and desirous of an extended educational debate, who have been fairer or more considerate in their willingness not to block the vital business of the Senate and the Nation, than the group which now opposes H.R. 11040.

I call your attention to the following facts:

1. Though H.R. 11040 was first called up nearly 2 months ago, there have been only a few days of full debate. Continuity has been completely lost by the opponents.

2. On June 21, we had the manpower (and womanpower) to block vital emergency bills by extended debate. At the request of the leadership, we refrained from so doing.

3. On July 23, we acceded to a unanimous-consent request by Senator MANSFIELD that the Finance Committee be permitted to sit for the entire remainder of the session, thereby eliminating any interference with progress on the tax, tariff, and other vital measures in the President's program.

4. On July 27 we acceded to a unanimous-consent request by Senators HUMPHREY and HAYDEN to take up and pass a Senate resolution extending all Federal appropriations until August 31, 1962.

5. On August 1 we acceded to a unanimous-consent request by the majority leader that H.R. 11040 be referred to the Foreign Relations Committee, even though the time allotted was far too short.

6. On August 1 we acceded to a unanimous-consent request by Senator MANSFIELD, that, on August 10, H.R. 11040 become the pending order of business, even though many of our group had not had an opportunity to make even one speech on the motion to take up. This agreement was in response to Senator HUMPHREY's repeated plea that debate be on the bill itself, not on the motion to take up.

7. On the evening of July 27, Senator YARBOROUGH deferred to the promise Senator HUMPHREY had made that there would be no live quorum calls, despite the fact that such a call might well have found an adjournment.

8. We refrained throughout the debate from exercising many of the rights guaranteed us by the Senate rules, with the exception of a single request that the Journal be read, and this after the majority leader used the admittedly unusual procedure of trying to bring up a major bill during the morning hour.

9. We allowed gaps in debate from June 21 to July 27 and from August 1 to August 10 which completely destroyed the continuity of our attempt to put our case before the Senate and the American people.

In return for these concessions and attempts to be fair and reasonable, we have been rewarded with:

1. Unprecedented Saturday sessions.

2. Sessions beginning early in the morning and ending late at night.

3. Repeated criticism and abuse as a "little band of willful men."

4. Only 2 days of debate (one on a Saturday) since H.R. 11040 became the pending business of the Senate.

5. Denial of several Senators' right to give so much as one speech on H.R. 11040.

6. A gag cloture petition, filed before the report of the Foreign Relations Committee has even been filed.

I am compelled to state that I believe Saturday's cloture petition to be unwarranted and unfair treatment of a group of U.S. Senators attempting to follow their deepest convictions. This is particularly true in light of the great lengths to which my colleagues and I have gone to be fair and reasonable with the leadership.

Mr. GRUENING. Mr. President, I suggest the absence of a quorum. It will not be a live quorum.

Mr. MORSE. Mr. President, will the Senator from Alaska withhold his suggestion of the absence of a quorum?

Mr. GRUENING. I shall be glad to withhold it.

Mr. MORSE. Has the Senator finished his speech?

Mr. GRUENING. I have finished my speech.

Mr. MORSE. If the Senator from Alaska does not mind, I should like to proceed with my speech without a quorum call.

ICC RULE UNFAIR TO AMPUTEES

Mr. CARROLL. Mr. President, Senators know well my interest in improving the safety record on our highways. I have often on this floor deplored the outrageous carnage that occurs on our Nation's highways.

One important approach to reducing our highway accident rate is to improve and to enforce the standards required for driver licenses.

It is important that the standards be set intelligently and enforced fairly and justly. The Federal Government and the Interstate Commerce Commission have a responsibility to lead the way in establishing sound licensing procedures.

By and large, the Commission's regulations for the licensing of drivers in interstate commerce are fair and responsible.

There is, however, an exception.

The Interstate Commerce Commission now denies—totally and absolutely—permission to drive in interstate commerce to anyone who has suffered the loss of a limb.

I should like to bring to the attention of the Senate today a case in which, in my opinion, a serious injustice has been done and is still being done to a rehabilitated amputee because of this regulation.

This rule was brought to my attention by the case of Mr. Harold Hunter, a driver for the Shupe & Yost Trucking Co. in Greeley, Colo. Mr. Hunter lost his left leg in an accident in 1950. For over 6 years, he has driven a truck without accident of any kind. He has now lost his job because of regulation 191.2 of the Interstate Commerce Commission.

According to my information, there is no question as to Mr. Hunter's ability to handle a truck effectively and safely.

It appears to me that such a regulation as this works what appears to be an unnecessary hardship upon those who, already physically handicapped, are attempting to return to a normal and productive life.

Mr. President, I have had considerable correspondence on this matter, which I should like to bring to the attention of the Senate. I ask unanimous consent that my letter to the Interstate Commerce Commission on his subject, and the reply of the Commission, and a letter from Mr. Chester C. Hadden, of Denver, be included in the RECORD at this point.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

JULY 18, 1962.

Mr. RUPERT L. MURPHY,
Chairman, Interstate Commerce Commission, Washington, D.C.

DEAR MR. MURPHY: I am enclosing for your information an article written by the widely read Denver columnist, Pasquale Marranzino, which was published in the Denver Rocky Mountain News on July 13, 1962.

This article outlines the difficulties of Mr. Harold Hunter, a driver for the Shupe & Yost Trucking Co. Mr. Hunter lost his left leg in an accident in 1950. He has for the last 6 years, and until recently, driven a truck in interstate transport.

He has now lost his job because he is unable to obtain an interstate permit due to regulation 191.2 of the Interstate Commerce Commission. This regulation, as you know, denies a permit to anyone who has lost a limb or the use thereof.

In view of the fact that Mr. Hunter has driven for 6 years without accident, it seems unduly harsh on him and his family to prevent him from pursuing an occupation which he apparently does well.

I know that the Commission has, in recent months, been giving much thought and attention to this regulation. It is my information that Congressman WILLIAMS, chairman of the Subcommittee on Transportation and Aeronautics, has introduced a bill (H.R. 4273) which provides that if a doctor certifies that a man's loss of limb will not prevent him from safely operating a vehicle, the Interstate Commerce Commission shall—if he is otherwise qualified—allow him to drive in interstate commerce. I know that you have communicated with the subcommittee on this bill.

I am confident the Commission is anxious to remedy any injustices which may exist in this regulation. I know that the Commission feels that it is of paramount importance to insure the continuance of the very highest possible standards of competence and ability. I completely agree.

It is my understanding that the Office for Vocational Rehabilitation has sponsored a study by the Harvard School of Public Health. This study will be, I believe, the first detailed investigation into the effect of loss of limb upon driving skills.

As soon as this report is complete, I urge the Commission to give its findings and recommendations its most careful and sympathetic attention. As the enclosed article points out, this regulation works what appears to be an unnecessary hardship upon those who, already physically handicapped, are attempting to return to a normal and productive life.

If it is found that amputees are fully capable of driving in interstate commerce, if it is found that safety standards are not lessened by their driving, then surely there can be no excuse for the continuation of this regulation.

Kindest regards.

Sincerely,

JOHN A. CARROLL.

(CC: Congressman WILLIAMS.)

INTERSTATE COMMERCE COMMISSION,
Washington, D.C., July 25, 1962.

Hon. JOHN A. CARROLL,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CARROLL: This will reply to your letter of July 18, 1962, enclosing an article written by Mr. Pasquale Marranzino, published in the Denver Rocky Mountain News on July 13. The article deals with the fact that Mr. Harold Hunter, a driver for Shupe & Yost Trucking Co., fails to qualify under our minimum safety regulations as a driver in interstate commerce because of amputation of his left leg in 1950. He has worked for 6 years and until recently as a truck driver in interstate service.

You mention the fact that Congressman WILLIAMS, chairman of the Subcommittee on Transportation and Aeronautics, has introduced H.R. 4273, a bill to limit the Commission's duty with respect to amputees. You have urged that upon completion of a study by the Harvard School of Public Health, for the Office of Vocational Rehabilitation, the Commission give the findings and recommendations careful and sympathetic attention.

I assure you that the Commission is anxious to maintain safety regulations which impose as little personal hardship as possible. Under section 204 of the Interstate Commerce Act, the Commission is required to prescribe regulations governing the qualifications of drivers of commercial vehicles in interstate and foreign commerce. In doing this, it must give overriding consideration to the public interest. The Commission adopted the present regulation, as to amputees, in 1937. Thus, it has been in effect 25 years. It is important to emphasize that the regulation has not in the past, and does not now, prohibit the driving of vehicles in local operations, such as in a city, or the commercial zone thereof.

This is the area in which commercial firms ordinarily operate small vehicles. The limitation runs to vehicles in intercity service, most of which are large, travel long distances and at sustained speeds. Those amputees who are competent drivers can be employed in the operation of small vehicles in local service where the hazard to them and the general public is very much less than in long-distance high-speed operations.

When the results of the Harvard study are made known, careful examination of the findings and recommendations will be made to determine if they furnish a sufficient basis for review of our regulations, in view of the special nature of the Commission's responsibility.

I appreciate your expression of interest in this problem. We will continue to maintain regulations relating to the safety of interstate commercial vehicles, to the best of our ability, which are adequate to their purpose and as reasonable as is consistent with that purpose.

Sincerely,

RUPERT L. MURPHY,
Chairman.

(CC: Hon. JOHN BELL WILLIAMS.)

GAINES ORTHOPEDIC APPLIANCES, INC.,
Denver, Colo., July 23, 1962.

Hon. JOHN A. CARROLL,
U.S. Senator, Senate Office Building, Washington, D.C.

DEAR SENATOR CARROLL: I am enclosing herewith some newspaper clippings relative to one Harold Hunter, Evans, Colo. As you know Evans is a small community located near Greeley.

Mr. Hunter had been driving for the firm of Shupe & Yost in Greeley for 7 years, averaging about 100,000 miles a year and had never had any kind of an accident. In spite of this, he, like many hundreds of others throughout the Nation have been fired arbitrarily because of ICC regulations. I was hoping, following my telephone conversation with you of a couple of weeks back, that possibly his employers might not follow the ICC instructions and would keep him on. As a matter of fact, they did keep him on 3 weeks longer than the ICC told them they could keep him.

Your files will show as mine do, this fight started with the ICC back in 1957. General Maas has been carrying on as a good soldier always carrys on, in trying to battle this but is getting no place so far as I know. I would like to quote from a letter I received from you dated July 16, 1957, in which you said, "I would be the last one to suggest any weakening in the rules of the Commission with regard to highway traffic safety, however, if it can be demonstrated as seems to be the case of Mr. Winn that a physically handicapped person can and has operated a truck through the aid of an artificial limb without impaired safety then I would like to respectifully suggest that your honorable body consider a modification of its rules to make employment of such individuals as Mr. Winn possible." Shortly after this date the American Academy of Orthopedic Surgeons, who should be in probably the best position of any group of medical men in the world to evaluate physical disability, passed a resolution condemning the ICC procedures as being completely unscientific and morally wrong. In spite of all we have done we are about in the same position that we were in, in 1957.

The Office of Vocational Rehabilitation has given a grant to Harvard University to study the situation and a final report on this grant is not yet available and I cannot tell you how soon it will be but it is obvious to me at least the Interstate Commerce Commission has no intention of changing their attitude unless it is done through legislative action. I believe that there is a bill in the House at the present moment which would relieve to some degree this situation and it would be my sincere hope that you will lend all of the prestige of your office in seeing that this bill gets out of committee and on the floor so that some final determination can be made by the Congress of the United States on this rather ridiculous ICC rule which is certainly not based upon any scientific standards whatsoever.

The following quotation from an article entitled "Administration of the Law", by Simon Sobeloff, chief judge, Fourth Circuit Court of Appeals, seems to me to apply very well to the situation of the Interstate Commerce Commission and their attitude. "So, the thing to remember is that they are not engaged in a mechanical process, but are dealing with people and peoples' rights. Involved in every decision are considerations

of reasonableness, commonsense and fairness to attain sound results, the administrator must not concentrate on the ends and disregard the means—neither should he consider the means without regard to the ends to be reached. He must be sensible to both."

It appears from the article in today's Rocky Mountain News that you are on the side of the truck drivers and I hope that you will use all the influence that you possibly have in this regard. If there is anything that happens locally that I think will be of importance to you I will certainly forward it to you by air mail and if there is anything that you think I might do locally to help the situation please do not hesitate to call upon me.

Sincerely,

CHESTER C. HADDAN.

(CC: Gen. Melvin J. Maas.)

Mr. CARROLL. Mr. President, I also request unanimous consent that an article by the widely read columnist, Pasquale Marranzino, an editorial, and two news stories from the Rocky Mountain News be included in the RECORD at this point.

There being no objection, the articles and editorial were ordered to be printed in the RECORD, as follows:

ICC TRUCK RULE CUTS LEG FROM UNDER DRIVER

(By Pasquale Marranzino)

Harold Hunter will be 30 on Saturday.

It's a birthday he probably will remember all of his life because as a special present he is getting the sack.

He will drive his transport truck into the Greeley garage of Shupe & Yost Trucking Co. where the pink slip will be waiting. His bosses love him, he has an unblemished record of 6 years as a driver, he is well thought of in his farm community of Evans near Greeley.

Hunter has three children—10, 8, and 5 years old. He has a house and an automobile and was getting along fine until he was dismissed. But he hasn't a leg to stand on.

That's not a figure of speech, that's a fact.

TRACTOR MISHAP

In 1950 Harold was driving a tractor on his father's farm and there was a mishap. The tractor mashed his left leg and it had to be amputated above the knee.

The strapping young man recovered from his injury quickly. "By beet time," he smiled, "I was out helping dad with one leg."

Then Harold ran into Chet Haddan, who runs Gaines Orthopedic Appliances in Denver. Chet thought Harold could be as good as new with a prosthetic device—an artificial leg. Harold thought he'd stay on his crutches. Then Chet whacked his own left leg with one of the crutches. Harold hadn't realized that Chet was in the same boat.

DRIVER'S TEST

Harold threw away the crutches and pretty soon was out playing ball with the kids on his artificial leg. He passed his regular driver's license test and threw away the hand brake he had fixed on his steering wheel.

Then he applied for and passed the test for a chauffeur's license and began driving for the trucking company.

He hauled grain from the Greeley area to Salt Lake City for poultry feed. Then he hauled a truckload of salt back. This is what's called interstate driving. He drove 100,000 miles a year.

And back in Washington is a little old bureau called the Interstate Commerce Commission. Like all little old Washington bureaus, the ICC is hogtied with mountains of regulations.

NOTE TO BOSS

One of these is regulation 191.2 wherein the Commission decrees that anybody without part of any limb cannot wheel trucks in interstate commerce.

The Commission found out about Harold and sent a note to his boss, Harvey D. Shupe, pointing out that his truck line was in violation of regulation 191.2 and that he better get straight.

Shupe told the district ICC office that Hunter was a man with 6 years of unblemished record—a competent, trustworthy, and capable driver whose artificial leg was no handicap at all.

Washington was unrelenting. Drivers with artificial limbs pose a menace to interstate highway travel. Sack Hunter.

So "with regrets," Shupe pulls Hunter off his rig on Saturday.

Hadden, a member of the National Advisory Council to the Secretary of Health, Education, and Welfare, began talking to Washington.

BAFFLING RULE

"The regulation is baffling," Hadden said. "We have letters from the leading insurance companies attesting to the competence of men like Hunter.

"We have a letter from the President's Committee for Employment of the Handicapped recommending he stay. The Civil Service Commission approves the hiring of men and women with artificial legs and arms to drive Government cars," he said.

His appeal reached the ears of Dr. Ross A. McFarland, director of research grants for Health, Education, and Welfare. McFarland responded with the approval of $250,000 for a Harvard research project on the capabilities of drivers with artificial limbs.

The progress report from Harvard is a classic in fiddle-faddle, from the place where fiddle-faddle is the chief export.

It has graphs and statistics which show that a man with two arms and two legs has better reactions than a man with one hand and two limbs missing. This is $250,000 worth of important conclusion.

There it stands. The ICC holds to its regulation. Hunter has to give up a job which paid him as much as $150 a week. Everybody is apologetic all around and Hunter does not have a leg to stand on.

REDTAPE TANGLE

The administrative halls of Washington are chronically tangled in a skein of tape, cobwebbing and other obstacles that forever hinder the cause of efficiency and occasionally justice.

These are caused by reams of regulations, department by department—regulations set up for the honest purpose of policy and direction, but some of them foolish, costly and unnecessary.

Such is the case with the Interstate Commerce Commission which, through a regulation prohibiting drivers with loss of any limb from driving trucks in interstate commerce, has forced the dismissal of a 30-year-old Evans, Colo., trucker.

The driver, Harold Hunter, suffered loss of his left leg in a tractor accident in 1960. For 6 years he has had an unblemished record of driving interstate with a Greeley truckline.

Insurance companies, people interested in employing the so-called handicapped, even one major Government bureau, the Department of Health, Education, and Welfare, have intervened asking that Hunter be an exception to the regulation because of his excellent record.

But the ICC has been adamant. Their refusal to budge certainly kicks the props out from under the hopes of the thousands of limbless who are capable of living normal, productive lives.

THERE IS NOTHING ARTIFICIAL ABOUT HAROLD HUNTER'S HEART

EVANS, July 17.—"It's just one of those things a guy has to face."

Harold Hunter's voice reflected his deep disappointment.

Hunter, a driver for Shupe & Yost Trucking Co. of Greeley, has been forced out of the trucking business because he has an artificial leg.

He piloted the mammonth 10-ton trucks for 6 years for the firm. He had a perfect record.

Saturday night, when he returned from a trip to Salt Lake City, the company informed him he was through with driving.

He can continue on as long as he wants in the workshops. But that isn't what Hunter wants.

"I just can't take that kind of work. It's hard on my leg and besides that I love those big trucks," he said.

Hunter lost his leg in a farming accident in 1950. He was driving a tractor when he engaged a power takeoff and his leg—below the knee—was caught in the tractor machinery.

IN SPITE OF RECORD

"Driving was easy for me," he said, "I never had any trouble and it was easy on my leg."

But in spite of Hunter's record, the Interstate Commerce Commission ruled he couldn't drive any more.

They cited a regulation that demands all drivers have no missing limbs.

The ICC ordered the trucking firm to take Hunter off in 2 weeks after their visit about the first of the month.

"I felt bad for 2 weeks. It was a good livelihood. A good living for me."

Hunter said he plans to relax and think for a while before making any decision about his career.

"The company has been very good to me. I think they were just as disappointed as I was. Henry Shupe and Howard Yost have really been great. I appreciate that," he said.

WET BLANKET

"I'd like to keep on driving but wherever I'd go, the ICC would be all over me like a wet blanket.

"I guess I'll have to drive inside the State. I know I'll find a job somewhere," he said hopefully.

Hunter, his wife, Helen, and their three children, Gary 10, Sherry 8, and Gerald 4, all live in Evans, a small community south of Greeley.

"One thing I know for sure," Hunter declared, "I can drive a truck as good as anybody."

CARROLL RAPS RULING ON AMPUTEE DRIVER

Senator JOHN A. CARROLL, Democrat, of Colorado, has charged that the Interstate Commerce Commission's (ICC) regulation denying a permit to amputee driver Harold Hunter of Evans is "unduly harsh to him and his family."

In a letter to ICC Chairman Rupert L. Murphy, CARROLL said he was "confident the Commission is anxious to remedy any injustice which may exist in this regulation."

CARROLL referred to an article by Rocky Mountain News Columnist Pasquale Marranzino rapping ICC regulation 191.2 which forced the ICC to revoke Hunter's interstate driving permit.

RELUCTANTLY FIRED

Hunter, who lost a leg in a 1950 farm accident, was reluctantly fired by Shupe & Yost Trucking Co. July 14, after a 6-year record of accident-free driving between Greeley and Salt Lake City. He drove 100,000 miles in 1961.

Company appeals were ignored by the ICC which held firm on regulation 191.2 which states anyone missing a limb or any part of a limb cannot drive trucks in interstate commerce.

Chet Hadden, who runs Gaines Orthopedic Appliance in Denver, and a member of National Advisory Council to the Secretary of Health, Education, and Welfare, appealed to Washington. It did no good.

He produced a letter from the President's Committee for Employment of the Handicapped recommending Hunter be retained.

REGULATION STUDIED

Said CARROLL, "I know that the Commission has, in recent months, been giving much thought and attention to this regulation.

"Congressman WILLIAMS (JOHN BELL WILLIAMS, Democrat, of Mississippi), has introduced a bill which provides that if a doctor certifies a man's loss of limb will not prevent him from safely operating a vehicle, the ICC shall—if he is otherwise qualified—allow him to drive in interstate commerce," CARROLL said.

CARROLL reminded Murphy that a study is currently being conducted at the Harvard School of Public Health investigating into the effects of loss of limb upon driving skills.

"If it is found that amputees are fully capable of driving in interstate commerce, and if it is found that safety standards are not lessened by their driving, then surely there can be no excuse for the continuation of this regulation," CARROLL concluded.

Mr. CARROLL. Mr. President, there is pending in the House at this time a bill, H.R. 4273 introduced by Representative JOHN BELL WILLIAMS which provides that if a doctor certifies that a man's loss of limb will not prevent him from safely operating a vehicle, the Interstate Commerce Commission shall, if the driver is otherwise qualified, allow him to drive in interstate commerce.

This is not a new or dangerous provision. The Federal Aviation Agency utilizes a similar system for certified pilots.

I am hopeful that the Commission will of its own accord alter its regulations in this regard and that congressional action upon this bill will therefore not be necessary. I intend to continue to keep close watch on this situation.

TRANSACTION OF ADDITIONAL ROUTINE BUSINESS

By unanimous consent, the following additional routine business was transacted:

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM — AMENDMENTS

Mr. GRUENING submitted amendments, intended to be proposed by him, to the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. YARBOROUGH submitted amendments, intended to be proposed by him, to House bill 11040, supra, which were ordered to lie on the table to be printed.

Mr. MORSE submitted amendments, intended to be proposed by him, to House bill 11040, supra, which were ordered to lie on the table and to be printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, August 13, 1962, he presented to the President of the United States the enrolled bill (S. 2135) to authorize the Securities and Exchange Commission to delegate certain functions.

TAX REDUCTION

Mr. MORSE. Mr. President, the President of the United States tonight made his long-awaited speech on taxes. As Senators know, I have the highest respect and regard for the President of the United States, but I have my responsibilities in the Senate to keep the trust that I believe I owe to the constituents of my State. Therefore, I have to say that in this instance, I thoroughly disagree with the decision of the President of the United States to postpone until the next session of Congress the submission of a tax reduction program.

TAX CUT OVERDUE

In my judgment a tax reduction is long overdue in this country. I think that Congress during this session should have taken action before this upon a needed tax reduction program. I think that, instead of the President suggesting that he will make some recommendations with respect to a tax reduction on January 1 and thereafter, it would have been much better to meet the crying needs of the American people for a tax reduction now. It would have been better if the President had given assurances that immediately following the election in November a special session of Congress would have been called to do those things about which Congress at this session has dillydallied for months, with the result, in my judgment, that it has probably made the poorest legislative record of any Congress in the past 20 years.

One of the great needs of the economy of the country and of the people of the country is a tax reduction program now, not next January, not at some indefinite time in the future.

Mr. GRUENING. Mr. President, will the Senator yield for a question?

Mr. MORSE. I yield.

Mr. GRUENING. Did the senior Senator from Oregon observe that when the President listed all the "must" legislation, the important legislation which he felt it was imperative that Congress pass, he made no mention of a communications satellite bill?

Mr. MORSE. Let me refresh the memory of the Senator from Alaska and the memory of the President of the United States. The Democratic platform of 1960 did not contain a plank requiring communications satellite legislation being vested in a new monopolistic combine, such as the administration's program now before the Senate provides. In fact it does not now have a plank on a satellite communications system.

Mr. President, in my judgment the Democratic Party owes a tax reduction to the American taxpayers now not at some time in the future, after January. The great need of our national economy is expansion. But today the economy is restricted. If anyone has any doubt about that, let him talk to American businessmen, for businessmen from coast to coast will tell us that many of them are seeking to get their businesses "into the black," so they can stop working for the Government at a 52-percent tax rate.

CUT CORPORATE TAX RATES ON EXISTING BUSINESSES

Mr. President, in recent weeks tax authority after tax authority and tax economist after tax economist have been pointing out that the 52-percent corporate tax can be cut to 46 percent, in all economic fairness to American business. Heretofore I have suggested, in several speeches on tax matters, that in my judgment there is no question that this rate could be cut to 50 percent, and that a sound case can be made for reducing it to 48 percent, and that a good prima facie case exists for reducing to 46 percent.

To say to American business, "You must postpone the initiation of an expansion program which a cut in the 52-percent corporate tax would permit" cannot be justified, in view of the economic needs of the country.

We must keep in mind the fact that expansion of the country's economy would not come primarily from new businesses. All of us want new businesses to be established; but, again, the economists point out to us that the largest percentage of the expansion of the economy, when it comes, will come from the expansion of existing businesses whose managements decide that they will increase their employment by expanding their productive power 10 percent, 15 percent, 20 percent, or 25 percent. Investments made by expanding existing businesses would create the greatest percentage of the expansion of the economy. That is sorely needed, Mr. President. I was not impressed with the economic analysis presented tonight in the President's speech, because the actual economic situation of American businessmen persuades me to the contrary. The serious problem of chronic unemployment in many parts of the country rebuts the administration's decision to postpone until sometime in January a tax reduction or consideration of a tax reduction.

He would note the absence from the President's speech that of any bill of specifics as to the nature of the tax-reduction program, if, as, and when one is finally proposed.

INCREASE INDIVIDUAL EXEMPTIONS

Furthermore, the proposal made tonight by the President in the course of his speech offers no hope to the people with small incomes, who at the present time, insofar as their economic needs are concerned, pay taxes really quite out of proportion to the taxes paid by persons of greater wealth, for all of us know that a tax dollar paid by a person of small income means much more to that person than 10 tax dollars paid by persons of great wealth. For a long time

our tax authorities have been telling us—and it is quite obvious—that if the Federal income-tax exemption for the low-income group is increased, the resulting tax savings will flow directly into the cash registers on the Main Streets of the Nation, and will increase purchasing power across the country, in hamlet after hamlet, city after city, and community after community. Such an economics "shot in the arm" is needed now by the Nation's economy.

The record shows clearly that a number of years ago some of us proposed an increase to $1,000 of the personal exemption in connection with the Federal income tax. Finally, we were able to have a vote taken on a proposal to increase the exemption from $600 to $800; and on that proposal we were defeated.

Tonight we are just as sound in making this proposal as we were then. It is generally agreed, by most of the tax authorities, that such a tax reduction should be put into effect. I do not know what we are waiting for. I do not know what further proof the administration needs to justify increasing the Federal income-tax exemption from $600 to $1,000. From the standpoint of doing justice to American businessmen. I do not know what further proof or demonstration or testimony the administration requires as to the economic need, to reduce the corporate tax from the present 52 percent to somewhere between 46 and 48 percent.

INCREASED WEALTH WOULD CUT DEFICIT

It is said by some that such a tax reduction would produce a temporary deficit. So it would; but there are places where the money needed to fill that deficit could be obtained, until the increased purchasing power resulting from such a tax reduction now, with the resulting increased employment it would be bound to bring in its wake, would, in effect, create new wealth, and would create new tax dollars in excess of the losses to be suffered at the present time from any such tax reduction.

WASTE IN FOREIGN AID

Mr. President, for the first time in my 18 years in the Senate I refuse to vote for a foreign-aid bill. I refuse to vote for a foreign-aid bill because I am satisfied that our foreign-aid program is honeycombed with hundreds of millions of dollars of shocking waste. We should have made some savings on the foreign-aid bill.

It was for this reason, I moved that consideration of the foreign-aid bill be postponed for a time, until we could take care of some of our domestic economic problems. When I made my speech at the time I made the motion to postpone the consideration of the foreign-aid bill, I stated that we should grapple first with the tax program, before we pass the bill for a foreign-aid program, which is so greatly honeycombed with shocking waste. I suggested then that we should take care of the appropriation bills and the foreign trade bill, before we decided how much should go into a foreign-aid bill.

I would point out respectfully to the administration that I am satisfied that across the Nation increasing millions of the American people are becoming fed up with the waste in the foreign-aid program of the United States.

NATO POWERS SHOULD PAY MORE

Millions of the American people—in increasing numbers—as I hear from them across the country, want to know when we are going to start insisting upon a foreign-aid program premised upon the proposition that some of the now wealthy nations of the world, which we have helped make wealthy since World War II, start paying a greater share of the cost of protecting freedom around the world.

Take a look at the bills we are paying in NATO, although NATO country after NATO country is now in a financial position which makes it possible for them to pay much more than they have been paying, and we should pay much less than we have been paying.

We fulfilled a great moral obligation when we poured our largesse into Europe under the Marshall plan, the point 4 program, and the Turkey-Greece program. It was right to do this; and I voted for these programs. We kept the faith. We saved Europe from being overrun by communism. That was in our self-interest, too. The important point is that it was essential for the preservation of a free world.

We put those countries in a better economic condition now than they were before World War II. Yet it is interesting to note that they have a reluctance about proceeding to pay, as I think they should, a larger share of the cost of NATO.

Or take a look at the expenditures of the United States in southeast Asia, where freedom is threatened. Of course, we have a great national interest in seeing to it that freedom is protected in southeast Asia, but so do the other free nations of the world, many of which are, in one sense, in a better economic condition to pay then we are. They certainly are in a position to pay more.

U.S. NATIONAL DEBT GREATER THAN ALL OF FREE NATIONS COMBINED

A vital statistic that came to light the other day should be used again tonight in commenting upon the President's speech. The total national debt of the United States at the end of 1961 was $295 billion, but the total national debt of all the other free nations of the world combined was only $209 billion.

The national debt of the United States is greater, by $86 billion, than the national debt of all the rest of the nations of the world combined.

The American people have the right to say to their Government at some point: "There must be a halt." The time has come when contributions to the protection of freedom must be based on ability to contribute. The figures indicate that too many of the free nations of the world are not making their fair share of contributions.

Oh, there are some token contributions. They always seem to make some token contributions. But take a look at southeast Asia. Who is footing the bill? It is the American taxpayer. I think the American people have the right to say to our allies, "What are you doing toward helping protect freedom in southeast Asia?"

FOREIGN AID CUT BACK TO REDUCE DEFICIT

Some of the deficit that would be created by a tax reduction now long overdue the American people could be replenished by cutting back on our foreign aid program, and saying quite frankly, to our allies, "The time has come now for you to pay a greater share, for we have made it possible for you to recover." That was a moral obligation, and also our obligation as an ally in the war.

FREE ECONOMY OUR GREATEST WEAPON

I am very much concerned about the greatest security weapon the United States of America has, and that weapon is not missiles, nuclear weapons, or atomic bombs. It happens to be our free economy. Our free economy is in need of some attention by the Congress of the United States. And, I am convinced that the kind of aid to that economy that a tax reduction program at this time would provide ought to be given by this Congress.

PRESIDENT SHOULD FIGHT FOR TAX REDUCTION

I was very much interested in the language of the President's speech regarding the prospects for tax reduction in this Congress. It may be that we cannot get a tax bill out of the Senate Finance Committee now. It may be that we cannot get a tax bill out of the corresponding committee in the House. But the President, nevertheless, in my judgment, should make a fight for it. He should make this fight because the American people are entitled to it, and the President should make clear, in my judgment, that he is asking for it, and that he proposes to call this Congress back into session immediately following the election to see what the Congress will do after they have faced the American people in the election.

TAX CUT A CAMPAIGN ISSUE

I am certain that, if the President makes the tax issue an issue of the campaign, there is no question what the decision of the American people will be in the campaign. I think they are entitled to have it made an issue in the campaign. I think they are entitled to have the assurance that, immediately following the election, if we do not do the job before the campaign, we will be brought back and tax reduction will be one of the issues we are required to act on.

I am sorry to find myself in disagreement with the President, for on few questions do I find myself in disagreement with him. But I certainly disagree with him on taxes, and I certainly disagree with him on the shocking bill now before the Senate of the United States, known as the communications satellite bill.

On these two issues I part company with him, but in the overwhelming majority of the issues before this Congress he finds me standing shoulder to shoulder with him in my legislative work in the Senate.

Mr. President, under the system of checks and balances, in keeping with our obligation as Senators under the oath we took when we came into this body, if we sincerely believe our Presi-

dent is wrong on an issue, we have an obligation to disagree with him. We owe that to the constituency we represent.

For some time past I have disagreed with the dragging of heels in this session of Congress in connection with a tax reduction program. I have spoken about it in the Senate and across the country on several occasions. I have stood for a tax reform program since 1947 in this body when, in that year, I offered as tax amendment recommendations of the Committee for Tax Reforms. I have battled for them. Some have been adopted, but not very many. But, now we have an opportunity to face the fact that we could lower the corporate tax. We could also increase the tax exemption in the low-income brackets.

TAXPAYERS ARE ENTITLED TO RELIEF

I think the American taxpayer is entitled to that double relief now.

I shall discuss the tax situation in the future, both in the Senate before adjournment and on the campaign platform this fall. It will sadden me to be campaigning on an issue on which I disagree with my President, but I think we owe it to the President now to take the issue to the people in our respective States, to find out what is their thinking, and to make certain that we are right as to the public demand—and I think I am.

Then, in a special session of Congress—if the President, on further reflection, sees fit to call us back for a special tax session, or for a session to take care of other substantive pieces of legislation, for obviously we shall not be able to take care of them all before adjournment—we shall be in a position to advise the President on the basis of our contacts with our own people.

I am satisfied that in his speech tonight the President did not bespeak the will of the overwhelming majority of the American people on the tax issue.

COMMERCIAL COMMUNICATIONS SATELLITE SYSTEM

The Senate resumed the consideration of the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes.

Mr. MORSE. Mr. President, I turn to the bill which is before the Senate. I said earlier this afternoon that on Saturday the staff of our group in opposition to the bill took a course of action which I think they were very wise in taking under the circumstances, because they were not aware as to what the parliamentary situation might be on Monday. They asked the Senator from Louisiana [Mr. LONG]—and in his usual gracious, accommodating, cooperative manner he agreed to oblige—if he would offer, in behalf of the members of the group in opposition to the bill, these amendments had been offered in the Committee on Foreign Relations. We fought for them but they were voted down in the Committee on Foreign Relations.

In that group of amendments there was a series of amendments the senior Senator from Oregon had offered in the Foreign Relations Committee, argued for in the Foreign Relations Committee, and obtained votes on.

I had also made commitments to individuals and groups throughout the country that I would offer amendments on the floor of the Senate even though defeated in the Foreign Relations Committee. I said in the Foreign Relations Committee, after I was defeated on a series of amendments, that I would offer those amendments to the Senate.

This past weekend I was at home. I discussed the satellite communications bill in a series of speeches. In each of those speeches I discussed some of the amendments which I said to my constituents I would offer on the floor of the Senate on Monday. I was not aware that my amendments had been offered through the courtesy and cooperation of the Senator from Louisiana.

Since the amendments were offered by the Senator from Louisiana, of course the RECORD shows that they appear in his name. I feel that I owe it to those to whom I made my promises, and I also feel that I owe it to myself to offer the amendments, so that no one will think I would say one thing in Oregon and then in the Senate, not in fact, offer the amendments. I have looked these amendments over. I have worked them over, Mr. President, and have made some changes and refinements in them.

Mr. President, I send the amendments to the desk, to show that I am offering them in behalf of myself, and in one or two instances in behalf of myself and a colleague; and I ask that the clerk read the amendments.

The PRESIDING OFFICER. The amendments will be stated.

The legislative clerk read as follows:

Following line 13, page 37 of the bill, add the following subsection:

(d) In carrying out the purposes of this Act——

Mr. MORSE. Mr. President, I interrupt just long enough to make a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. I want it to be understood that I am offering the amendments, I am asking to have them read, and I am also asking that they be printed so that they will be available for consideration as I call them up one by one.

The PRESIDING OFFICER. They will be so accepted.

Mr. MORSE. And I ask that they be read.

Mr. SCOTT. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. SCOTT. May we ascertain the number of amendments the Senator has submitted? Does the Senator submit more than one for reference, or only one amendment.

The PRESIDING OFFICER. The amendments are not submitted for reference. The amendments are to be read, so that they will comply with rule XXII.

Mr. SCOTT. Would the Senator be good enough to advise us as to the number of amendments?

Mr. MORSE. I believe there are 13 or 14.

The PRESIDING OFFICER. The clerk will read the amendments.

The legislative clerk reads as follows:

Amendment intended to be proposed by Mr. MORSE (for himself and Mr. CLARK) to the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, viz: Section 305 shall be amended by adding, following line 13, page 37 of the bill, the following subsection:

"(d) In carrying out the purposes of this Act, enumerated in section 305 (a) and (b), the corporation shall not discriminate against any employee or applicant for employment because of race, creed, color, or national origin. With respect both to its own operations and to the operations of any contractor engaged to carry out these purposes, the corporation shall take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, or national origin."

Mr. SCOTT. Mr. President, will the Senator from Oregon yield with the understanding that he will not lose his right to the floor, so that I may make a suggestion?

Mr. MORSE. I shall be glad to do so, with that understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. May I suggest to the Senator from Oregon that if he wishes to have the amendments considered as read there will be no objection.

Mr. MORSE. I am very anxious to have them read.

The legislative clerk read as follows:

Amendments intended to be proposed by Mr. MORSE to the bill (H.R. 11040) to provide for the establishment, ownership, operation, and regulation of a commercial communications satellite system, and for other purposes, viz: On page 34, line 12, insert the following before the period: ", and no such communications common carrier shall at any time own more than 12 per centum of such shares issued and outstanding".

On page 36, between lines 3 and 4, insert the following:

"(g) The limitations applicable to voting stock in the above sections shall also be applicable to all other securities of the corporation."

Mr. MORSE. Mr. President, I interrupt the clerk for a moment to address a comment to the acting majority leader and the acting minority leader.

I would be open for negotiation for a yea-and-nay vote on my NASA amendment. I have tried to make that clear. When the Senator from Oregon merely asked his colleagues to stand up and be counted on a substitute amendment and there was no willingness on the part of his colleagues to give him a yea-and-nay vote, he decided that they might want his company for the remainder of the night. At least, they probably want a little time for dinner.

The senior Senator from Oregon is very serious about this, because the amendments he is offering are not frivolous amendments.

The amendments I am offering represent deep convictions with me.

ENLARGE JURISDICTION OF NASA

The first amendment, which is now pending before the Senate, is the amendment which seeks to enlarge the jurisdiction of NASA. It has been supported

by two brilliant international lawyers who testified before the Committee on Foreign Relations. It suggests another approach to this program, an approach which guarantees the private enterprise system in this country an opportunity to participate in the development of a satellite communications system. It would give to every corporation an opportunity to come in on the ground floor. It has been recommended by some highly qualified authorities in this field.

All the Senator from Oregon asked for was a yea-and-nay vote on that amendment. If the Senate does not wish to stand up and be counted on it, I shall have to discuss it at some length.

Mr. SCOTT. Mr. President, will the Senator yield again with the same understanding that he will not lose his right to the floor?

Mr. MORSE. I will yield, with that understanding.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SCOTT. I should like to say, in all good humor, that there are a few things which most of us would prefer to be doing tonight, in contrast to enjoying the company of the distinguished senior Senator from Oregon, but I am not authorized to comment further, although I stand here in some high hopes that those who stand behind me may have something further to say before the evening is over.

Meanwhile, the Senator from Oregon will understand that, somewhat like the cat who took too much medicine, "I'm just filling in."

Mr. MORSE. I wish to make my case on my amendment tonight for the RECORD. Those who wish to read can then read it. Depending on what time the Senate convenes tomorrow, and I should make my argument tonight, I would have no objection to a vote at the end of 30 minutes of debate after we have convened tomorrow, with 15 minutes for each side. But if I cannot get that kind of understanding, then I shall have to use whatever parliamentary rights I have to make my case.

Mr. SCOTT. If the Senator will yield further with the same understanding that he does not lose his right to the floor——

Mr. MORSE. I yield with the same understanding.

Mr. SCOTT. I believe the Senator also holds the opinion that he would have no objection to a vote occurring at 1 o'clock tomorrow on the cloture proceedings, no matter what time we meet?

Mr. MORSE. Of course, I have objection to a vote occurring. But, there is nothing I can do about it because of the cloture petition that has been filed. My understanding is that the vote will be automatic anyway.

Mr. SCOTT. One hour after the Senate convenes. Is that correct?

Mr. MORSE. I do not know what time the Senate will convene. All I am saying is that I cannot stop the cloture vote. However, I hope the Senate will have the good judgment not to vote cloture tomorrow. A group of Senators in all sincerity, and dedicated to the cause for which they stand, have a series of good faith amendments that they think the Senate should consider, debate, and vote upon before there is any end to the consideration of the bill, leaving always the possibility and the prayerful hope that the Senate may exercise the good judgment of ultimately postponing consideration of the bill until after the election.

Mr. DIRKSEN. Mr. President, will the Senator yield?

Mr. MORSE. I yield, with the understanding I do not lose any of my rights to the floor.

Mr. DIRKSEN. Mr. President, the provisions of rule XXII are quite clear. It is within the province of any 16 Senators to sign a cloture petition, and once the petition is signed, 1 minute after 1 the vote becomes automatic. The Senate comes in, and whenever it comes in—and already the order has been entered to come in at 12 o'clock tomorrow—there will be 1 hour of discussion. Thereafter the Chair is mandated to order a quorum call in order to ascertain if a quorum is present. After a quorum has been ascertained, the vote on the cloture petition is not only automatic, but it is mandatory.

Senators are familiar with the rule. Senators knew when the cloture petition was filed that it would have to take its course under the rules of the Senate. To agree now, or to contrive a unanimous-consent request whereby that might be modified or the action on the cloture petition might be postponed for the purpose of obtaining a vote on the substitute, is within the province of the Senate, of course. As I remember the rule, it is possible by unanimous consent to postpone proceedings under the cloture petition. But Senators have been notified, and that is the rule. I know of no reason why we ought to recede. For that reason, I can think of no reason why there should be an intervening vote on the substitute that is presently pending.

Mr. MORSE. Is the Senator laboring under any impression that I am seeking to prevent a cloture vote?

Mr. DIRKSEN. Oh, no.

Mr. MORSE. The Senator is aware of the fact that this afternoon the Senate agreed to rollcall votes on a series of amendments. I asked for a yea-and-nay vote on my amendment and I could not get enough hands to give me a yea-and-nay vote on the amendment. I must do the best I can to educate the public through a rather lengthy speech as to the merits of my amendment. I made the suggestion that 30 minutes after the Senate comes in tomorrow noon, with 15 minutes alloted to each side, we could have a yea-and-nea vote on my amendment, to show my good faith in regard to the situation. But the fact is that a sufficient number of Senators do not want a vote on my amendment by way of a yea-and-nay vote. I merely wish to say that the Senator from Illinois ought to know me well enough to know that when I think as a matter of courtesy, I ought to have a yea-and-nay vote on my amendment, I will do the best I can, either to get the yea-and-nay vote, or to help inform the country as to what the parliamentary situation in the Senate is.

Mr. DIRKSEN. Mr. President, will the Senator yield further without losing his right to the floor?

Mr. MORSE. I yield, with that understanding.

Mr. DIRKSEN. Where the Senator falls in error is that early this afternoon the order for the Senate to come in at 12 o'clock tomorrow was obtained by the majority leader. Any Senator could have risen in his place and objected to the unanimous-consent request. There was no objection. Therefore the Senate formalized the fact that the Senate would convene at 12 o'clock tomorrow in compliance with the rules. Is the Senator now willing to have 30 minutes of debate on each side on his substitute amendment, after which the Senate will vote tonight?

Mr. MORSE. No, I am not.

Mr. DIRKSEN. There we are.

Mr. MORSE. I cannot present my case in 30 minutes. What I sought to do was to get an agreement to vote tomorrow, and then Senators could go home and go to bed, if they wanted to do so, or wherever else they wished to go, and I will make my case for the record. I have certain obligations to the people that I represent and certain obligations to people whom I assured I would offer the amendment and make a case for it. In the Committee on Foreign Relations I made very clear, when I was defeated in that committee, that I would make my case on the floor of the Senate.

Mr. DIRKSEN. Mr. President, if the Senator will yield further without losing his right to the floor——

Mr. MORSE. I yield with that understanding.

Mr. DIRKSEN. The majority leader asked that the Senate come in this morning at 10 o'clock. He allowed plenty of time for debate. I thought he was extremely forbearing under all circumstances. Of course, there was opportunity to get a good many things done, but evidently they were not done this morning. There was an opportunity. But the Senate utilized all the time available to discuss, first, the Church amendment and, second, the Kefauver amendment, so that we went around the clock and before we knew it, 6 o'clock had arrived before any action was finally taken.

I think the leadership has been extremely fair in the matter, and I am sure the distinguished Senator from Oregon will concede that fact.

Mr. MORSE. Mr. President, I am not responsible for what the majority leader requested. I heard the debate this afternoon. I thought it was one of the best debates we have had in the Senate for quite some time. It was a very able debate by those who participated in it.

The Gore amendment was a very fundamental amendment. It represented one of the major contentions of the opposition to the bill. Let the RECORD speak for itself. I ask Senators to read the debate on the Gore amendment today. I think the Senate has a right to be proud of that debate. The same goes

for the debate on the Church amendment.

PHILOSOPHY OF MORSE NASA AMENDMENT

I am offering an amendment on the proposition on which I have stood from the very beginning when I said that I am not for Government ownership and operation. I am for Government ownership, for the time being, and for private operation of the satellite. But I am for giving every corporation that is interested in participating in a satellite communications system an opportunity to work on it. They could do so by entering into contracts, leases, or licenses with NASA. Therefore, I propose to enlarge the jurisdiction of NASA and open the opportunity to all who are interested in a communications development program to come in and to show the country what they want to do. We can then have judgment passed on their capabilities. Let NASA decide whether a contract ought to be let. This amendment is just the opposite program from the one contained in H.R. 11040. Those of us who believe that the alternative way of doing the job ought to be considered believe we should have adequate time to present our case. What do I get by way of an offer from the minority leader? Thirty minutes to present my case. All I am asking is that I may present my case for the RECORD. Senators may go home if they wish to. If they are interested enough in the argument, they can scan the RECORD in the morning and give me an agreement for a yea-and-nay vote on the question. I think the people of America are entitled to a yea-and-nay vote on this issue.

Mr. DIRKSEN. Mr. President, will the Senator yield further without losing his right to the floor?

Mr. MORSE. Without losing my right to the floor, I yield to the Senator from Illinois.

Mr. DIRKSEN. How deep and compelling is the faith of the distinguished Senator from Oregon in the cause that he presents?

Mr. MORSE. Mr. President, I do not know of anything about which I could be more convinced.

Mr. DIRKSEN. Then why is not the distinguished Senator willing to wait until after the vote on the cloture motion? Somehow the conviction that he has expressed, in and out of the Senate, and on the front pages of the newspapers, must necessarily pervade the thinking of Senators, and it could very conceivably have an impact on the first vote that is to come tomorrow under the rule.

Mr. MORSE. Let me——

Mr. DIRKSEN. So we can have a vote on his substitute after we have finished action on the cloture petition.

Mr. MORSE. Let us discuss the vote on the cloture motion for just a moment. Let us assume that the cloture motion is adopted. How much time will we have then after that on the amendment?

Mr. DIRKSEN. My distinguished friend from Oregon and all of his associates in this monumental effort will have exactly 1 hour apiece on the bill and all the amendments and all motions, on everything related thereto. That is the rule. The rule has been evident ever since 1927, when there was the first successful cloture motion. The rule has been evident since the 8th day of March 1917, which is a long time ago. It must be 45 years ago. It was adopted by the Senate by a vote of 76 to 3, with such great worthies and distinguished Senators as Pomerene, Lodge, Norris, Borah, and Poindexter. I could mention a great many others. They were a part of the Senate, and they were just as jealous of the prerogatives of free speech as the day that they voted for the adoption of rule XXII.

Mr. MORSE. The Senator has mentioned several times, as new amendments have been offered, that "the count now is up to 224," and so on.

Mr. DIRKSEN. It is 239 now.

Mr. MORSE. Then, finally, the count was 238. Now it is 239. He has just finished telling me that if he should succeed tomorrow in adopting the cloture motion each Senator will have 1 hour apiece on the bill and the 239 amendments. Is that the Senator's conception of fair debate, fair opportunity to present the point of view of sincere and honest men on these amendments? It must be remembered that bill came out of the Foreign Relations Committee at noon, August 10, and we are still to get the reports of the committee, which will not come until tomorrow, the very day that the cloture petition is to be voted upon.

Mr. DIRKSEN. My friend is familiar with the time factor. He is familiar with the rule and how it operates. He must be familiar, for a very good reason, because amendments to be considered must be presented and read, under the rule. As I understand, 44 of the 239 amendments do not qualify. Somebody had knowledge of that rule and precisely what it would take in order to get these amendments finally offered under the rule, and with the request for a rollcall if the time came. So no one has been imposed upon in the grand entourage, including the Senators' grand strategy commander, for whom I have the greatest affection.

Mr. MORSE. The Senator does not come to grips with the point the senior Senator from Oregon is raising, namely that the cloture tactic is aimed at a shutoff of full and fair debate on a series of amendments offered by sincere and honest colleagues in the Senate. They say, "You ought to provide for adequate time to debate these amendments."

I hope cloture does not succeed. However there is no way of knowing what arrangements have been made, how many absentees there will be, how many Senators have been sent away on special missions. I do not know what the facts are.

However, I trust that the Senate is not going to set a precedent tomorrow when a bill has been out of the Foreign Relations Committee only since noon of August 10, without the committee reports reaching the Senate, when there are amendments which colleagues in the Senate want to adopt in good faith on the floor of the Senate, by putting a gag rule on us, putting a straitjacket on the Senate, because the majority has the power, perhaps, to vote us down and deny us an opportunity to make a record.

Knowing of that possibility, I selected one of my two substitute amendments for the amendment that provides for the enlargement of NASA, so we can apply to the satellite system the contract, lease, and license system, which has permitted the Defense Department to do such a remarkable job with defense contracts and to do the remarkable job just as the Atomic Energy Commission has done, in some instances, with contracts.

Therefore, we ask at least for consideration and debate and a yea-and-nay vote on the application of that same principle, so strongly recommended by some of the witnesses who were brought before the Foreign Relations Committee. What does the Senator from Illinois say as being my only relief?

He says, "We will just wait and see what you can do after cloture is applied, if it is applied." That is not my conception of the way we deal with each other on the floor of the Senate. That has not been my experience for 18 years. We like to say, "Are MORSE, GORE, KEFAUVER, CLARK, GRUENING, BARTLETT, or Mrs. NEUBERGER sincere in their opposition to this measure? Are they in good faith trying to have this bill amended?"

If the answer is not in the affirmative, then by all means what the Senator is doing is what he should be doing. If, on the other hand, the answer is in the affirmative, and if these Senators are acting in good faith, I say most respectfully that the Senator will take advantage of majority power in order to deny to a minority the opportunity that it ought to make its case on this record and to have our colleagues stand up and vote on the amendments on a rollcall vote.

Mr. DIRKSEN. Mr. President, will the Senator yield without losing his right to the floor?

Mr. MORSE. I yield with that understanding.

Mr. DIRKSEN. I am amazed how quickly the Senator from Oregon forgets what he said over and over again on the floor. He said that this bill ought to go over until after election day.

Mr. MORSE. I still say so.

Mr. DIRKSEN. He wanted no vote in this session of the Senate.

Mr. MORSE. I still think so.

Mr. DIRKSEN. He thought we ought to go back and submit ourselves to the people and then come back for action on the satellite bill, at a time when time is crowding in the whole space field. Does the Senator admit that he said that?

Mr. MORSE. I challenge the majority to do that.

Mr. DIRKSEN. He said it. How do we interpret it? To amend the bill? He wanted no vote on the bill. He wanted to stop the bill.

Mr. MORSE. I still do.

Mr. DIRKSEN. That is the issue before the Senate.

Mr. MORSE. I still do.

Mr. DIRKSEN. Having no action at all. We had no choice when the Senator said, "We will use every rule in the rule book and stop you from getting action on this bill." We accepted the challenge.

That is what we are going to do tomorrow.

Mr. MORSE. I will tell the Senator what choice he had. He had the right to apply gag rule after he was satisfied that we had exceeded what he considered to be a fair time for debate on the amendments. The minority leader wants to stop the debate on this amendment. We want to make our record on the amendment. He does not want to stand up and be counted on these amendments.

Mr. DIRKSEN. I must refresh the Senator on the fact that in the House and Senate 358 pages of the CONGRESSIONAL RECORD have been devoted to date on the bill. Between the House and the Senate it has taken 14 days; 3,000 pages of testimony have been taken before the four committees of the Senate. Great conscience. What do we have to do? Do we have to jump off the Washington Monument to get consideration of the bill?

Mr. MORSE. Is the Senator suggesting that we substitute a committee report or a transcript of a record in some committee for debate on the floor of the Senate? Since when do committees of Congress run the Senate?

We take the reports, we discuss the reports on the floor of the Senate, and reach an opinion as to whether the committee did a good or a bad job.

Mr. DIRKSEN. Mr. President, will the Senator further yield, without losing his right to the floor?

Mr. MORSE. I am delighted to yield.

Mr. DIRKSEN. That is not the issue. The Senator from Oregon has served notice on the Senate that he does not want a vote to occur on the bill at this session.

Mr. MORSE. That is correct.

Mr. DIRKSEN. He wants it to go over until November.

Mr. MORSE. That is what ought to be done.

Mr. DIRKSEN. He wants the Senate to come back after the election.

Mr. MORSE. That would be fine.

Mr. DIRKSEN. To pass on the question.

Mr. MORSE. I am all for it.

Mr. DIRKSEN. What are we to take from all that? The Senator from Oregon does not want any action taken on the bill. He does not give a hoot about the 239 amendments; he wants to stop action on the bill. It is as clear as crystal. We are determined that he shall not succeed.

Mr. MORSE. Did the Senator from Oregon say this afternoon that he did not give a hoot for the Gore amendment or the Church amendment? Did the Senator from Oregon discuss them this afternoon, and discuss them with all propriety under the rules of the Senate, to show his good faith?

I have offered an amendment that I wish to discuss tonight. I want to have a vote on the amendment tomorrow.

Mr. DIRKSEN. The Senator from Oregon still does not want action on the bill.

Mr. MORSE. Of course.

Mr. DIRKSEN. He wants to wait until after the election.

Mr. MORSE. This is a shocking bill. When the voters get through, we will know how shocked they are.

Mr. DIRKSEN. We are content. The clock on the wall says it is 5 minutes to 10. It is time for good Christian gentlemen to be in bed.

Mr. MORSE. I can talk until 5 o'clock in the morning.

Mr. DIRKSEN. Does the Senator want to vote now?

Mr. MORSE. I am going to discuss the amendment tonight. I propose to finish my speech against the bill. The Senator from Illinois can get the repose he has been speaking of and then come in tomorrow morning; and 30 minutes after the Senate convenes, with 15 minutes to a side, we can vote.

I do not know why, because it has been said that we are to convene at 12 o'clock tomorrow, we cannot come in at 11 o'clock. It does not follow that the previous arrangement cannot be modified.

Mr. DIRKSEN. The Senator had an opportunity to object.

Mr. MORSE. Developments in the Senate indicate that that would have been a wise course. I am very sorry that I was not here at the opening of the Senate this morning. I was on my way back from Oregon, where in a series of speeches to one Democratic rally after another, on Saturday and Sunday—five in all—I talked about the monstrous satellite bill which is before the Senate. I am satisfied about what the people of my State think about the bill. I am satisfied they believe it is just as bad as I think it is. But it is for the Senator to find out what the people of Illinois think about it. Perhaps they do not think the same way.

All I say is that I am sorry I was not here when the agreement was entered into this morning. I am responsible for my absence. I returned just as fast as the flight could get me here, flying all night. But I do not believe that because an agreement was entered into this morning that the Senate will convene at 12 o'clock noon tomorrow, the Senator from Illinois must take the position that the agreement cannot possibly be changed.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield, without losing his right to the floor?

Mr. MORSE. Certainly.

Mr. DIRKSEN. Other members of the great Oregonian, Macedonian phalanx are on the floor of the Senate. Of course, they are highly skilled, well disciplined, and well drilled. One of its members told me that they were never better organized than they are now. We take them at their word.

If they are so well organized, well disciplined, and well drilled, then we know, of course, with 229 amendments pending, that we will be in the trenches until Christmas. Perhaps it will require Henry Ford's old peace ship to get us out of the trenches. So we accept them at their word. We accept their challenge under the rules of the Senate.

I want to go to bed tonight. It is 2 minutes to 10. I hope the Senator from Oregon will let the Senate recess or adjourn. We will vote on cloture tomorrow. Then, out of the great, consuming faith he has in his cause, for 1 hour he will have an opportunity to express himself in a dramatic fashion such as the Senate has never seen before.

Mr. MORSE. I have two things to say to my good friend. I had a very restful sleep on a double seat of a jet airplane last night, all the way from Portland. I am very much refreshed. But this is what the Senator from Illinois overlooks: Until the vote takes place on the cloture motion tomorrow, it seems to me that all our colleagues, those in the opposition included, ought to have the right to present their amendments; and when there is a major amendment, which goes to the very heart of our case, so far as the substantive proposal is concerned, we ought to have the courtesy of a yea-and-nay vote on the amendment.

Mr. DIRKSEN. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. DIRKSEN. The Senator knows he will get licked. So why make a point of it?

Mr. MORSE. I take much hope from a great statement that came out of Chicago, Ill., today, a statement by the AFL–CIO executive council.

AFL–CIO ANNOUNCES OPPOSITION TO THE BILL

It is some indication that, after all, the people are beginning to find out about the defects of the bill. The statement reads as follows:

Labor hails the unbelievably rapid advance of communications technology, particularly in the new field of achievement of global communications through the use of space satellites.

Already it is predicted that this technology will revolutionize both domestic and international communications, make it possible to exchange messages between any two spots in the world, enhance peaceful contact between the peoples of the world, increase communications and interchange of ideas among peoples, aid underdeveloped nations, and, in addition, develop into a business which will return untold billions of dollars annually.

Satellite relays have already been dramatically demonstrated in relationship to television broadcasting by Telestar. In addition, satellite communications will also involve voice messages, meteorological communications, aircraft and aerospace, radio, astronomy and further research into other fields, and in ways which have already begun to change the everyday aspects of our lives, and promise to bring more changes in the near future.

In the face of these revolutionary achievements, labor must call attention to proposed legislation before the Senate of the United States which in its present form would undertake to write into law a mistaken national policy under which space communications would be carried out.

The U.S. Government has invested almost $25 billion in the overall orbit and space programs, for defense and peaceful uses which have made it possible at this time to consider turning over the program to private business. Out of this colossal outlay of American taxpayers' money, about $500 million has gone into the space communication satellite program. Moreover, all future programs will find the U.S. Government as the largest user, the leader in research and developmental activities, the judge of where ground stations should be located, the furnisher and owner of launch-

ing vehicles, crews and facilities, the regulator of private activities, to mention several of its most important continuing activities.

In view of these considerations labor urges the defeat of H.R. 11040 unless its monopolistic features are removed by drastic amendment. We urge that the most essential amendments include:

1. Government ownership and control of the communications satellite program but with private operation.

Mr. President, that is the Morse amendment now pending before the Senate. That is the amendment I have fought for from the beginning of the debate. That is the amendment recommended by a great international lawyer, a former negotiator for the United States in several international negotiations—Ben Cohen.

I continue to read the message from the labor meeting in Chicago:

This will achieve the needed flexibility and assure maximum progress in this vital field. The approach of combining Government ownership and control with private operation will make it possible to draw fully on the genius of American Government which combines the efforts of both Government and private groups.

2. There should be added to the bill a provision which would require NASA to contract with private companies to operate the program under cost-plus-fixed-fee contracts in the public interest.

In essence, that is the principle of the Morse amendment which is now before the Senate, on which I am even denied the opportunity to have a yea-and-nay rollcall vote. I continue to read:

This kind of policy has prevailed for many years between the Atomic Energy Commission and its private contractors but control and ownership of the program has remained in the hands of the Federal Government through agency of the Commission. It has been in the public interest and would be of particular benefit to labor in maintaining its established collective bargaining arrangement with management in the communications industry.

The advantages to the national interest of continued Government ownership and control at this time are numerous. In the research field it will foster competition and protect against monopolization. It will enable quicker and more flexible programing, remove the threat of having our foreign policy decisions interfered with by a private consortium and, by no means least, it will aid the potentially vast revenues of this program to accrue to the people of the United States.

Under this program a White House policy study of the economic, social, and foreign implications of the space age could proceed in a more relaxed atmosphere and provide much-needed opportunities for free and full discussions which will underlie America's future and well-considered response to the challenge of the new age of space.

I only wish to say for the RECORD that the statement by the executive counsel of the AFL-CIO is only the latest indication that the public is awakening. We have already heard the announcement by the great former President of the United States—the great fighter from Independence, Mo.—Harry Truman. When he arrived in Washington, he stated that he is opposed to the bill, and that it is, in effect, a monstrous giveaway.

FARMERS UNION OPPOSED

Furthermore the Farmer's Union is adopting resolutions against the bill, and in my opinion more and more farmer groups will raise the warning flag of opposition to the bill. As more and more Americans come to understand the bill, although Senators who are in support of the bill may now be a majority in the Senate, they may discover that before long they will not represent a majority of the people of the United States. I am convinced that as the American people come to understand the bill, a majority of the people will leave the majority in the Senate. If I am proven wrong, the people will give me the answer; and I am perfectly willing to run all the risks involved in taking that answer.

As I said in all the places in Oregon which I visited during the past weekend—and over the weekend I traveled approximately 1,000 miles in Oregon and made five speeches there—I would rather walk out of the Senate on November 6 than vote for this bill, because I am convinced that the bill is not in the interest of the American people. In those speeches, I proceeded to discuss the defects of the bill.

So I am perfectly willing to have the voters in Oregon register their decision on November 6; but tonight I am asking for an opportunity to make my case in regard to the type of a substitute which I am sure many of the American people favor. It is a substitute which was recommended to the Foreign Relations Committee by one of the great international lawyers of the country.

I am also asking the Senate to agree to stand up and be counted on a yea-and-nay vote on the question of agreeing to my amendment; and I am asking that tonight I be allowed to make my case for the amendment, and that tomorrow morning the Senate take a yea-and-nay vote on the amendment. However, thus far I have not seen any willingness to extend that courtesy to me, although earlier today I heard no objection when the Senator from Tennessee [Mr. GORE] requested a yea-and-nay vote on the question of agreeing to his amendment—and a yea-and-nay vote was taken on that question; and I heard no objection to the request of the Senator from Idaho [Mr. CHURCH] that a yea-and-nay vote be taken on the question of agreeing to his amendment, and a yea-and-nay vote was taken on that question.

But apparently there must be some difference between my amendment and theirs, insofar as the attitude of the majority is concerned, or—and I am not unaccustomed to it—it may be that they simply do not want to permit a yea-and-nay vote to be taken on the amendment of the senior Senator from Oregon. Of course, that is their privilege.

Mr. KERR. Mr. President, will the Senator from Oregon yield for a question?

Mr. MORSE. I am delighted to yield.

Mr. KERR. Is the Senator from Oregon under the impression that the amendment of the Senator from Idaho [Mr. CHURCH] was voted on by a yea-and-nay vote this evening?

Mr. MORSE. Two yea-and-nay votes were taken this afternoon.

Mr. KERR. I am speaking of the amendment of the Senator from Idaho which was voted on this evening.

Mr. MORSE. I mean the amendment of the Senator from Tennessee [Mr. GORE].

Mr. KERR. Then in that respect the statement of the Senator from Oregon was in error?

Mr. MORSE. Yes, I misspoke.

Mr. KERR. Mr. President, will the Senator from Oregon yield for another question?

Mr. MORSE. I yield.

Mr. KERR. Does the Senator from Oregon recall that earlier this evening, when the Senator from Oklahoma, speaking for the majority leader and the minority leader, requested unanimous consent that there be a limitation of 30 minutes to a side on the debate on the amendment of the Senator from Oregon, the Senator from Oregon objected? Does the Senator from Oregon also recall that thereupon I asked him what time limitation he would like to have, by means of a unanimous consent, in connection with the debate on his amendment, with the understanding that there could be a yea-and-nay vote on his amendment tonight, and the Senator from Oregon replied that he would not agree to any vote tonight? Does the Senator from Oregon recall that?

Mr. MORSE. I think the RECORD will show that I said I would not agree to any limitation on the debate tonight.

Mr. KERR. That would be the only way we could reach a vote tonight, would it not?

Mr. MORSE. Let me say that I think the RECORD will show that I stated that I would not agree to a limitation by unanimous consent on the debate. I want to make a record on my amendment; but other Senators do not have to remain to listen to the record being made.

Mr. KERR. But the Senator from Oklahoma asked what time limitation the Senator from Oregon would agree to, and the Senator from Oregon replied that no limitation would be agreeable to him.

Mr. MORSE. And I say so now. I will not agree to a limitation on the debate tonight. I want to discuss this subject matter tonight. Tonight may be my last chance to make my record against this bill. I do not know what the result of the cloture motion vote tomorrow will be. I hope a good night's sleep will be so helpful to the chemistry of the blood running through the veins of Members of the Senate that tomorrow they will have such calm, sound judgment that they will not vote in favor of the cloture motion.

Mr. KERR. I hope the Senator from Oregon will permit Senators to get a good night's sleep.

Mr. MORSE. I am offering it.

Mr. KERR. But at too great a price.

Mr. MORSE. But I am not getting any takers.

Mr. KEFAUVER. Mr. President, will the Senator from Oregon yield?

Mr. MORSE. I yield.

Mr. KEFAUVER. I think the amendment of the Senator from Oregon is a most important one. It provides an alternative method of having the Government at least control its future and at the same time have private industry by contract and lease do all the work on the ground stations and other facilities, without any Government payroll. The amendment is in line with other recommendations which have been made; and I wish to aline myself in support of the amendment of the Senator from Oregon. I think it should be adopted.

I am sorry that the Senator's request for a yea-and-nay vote on the question of agreeing to his amendment was not complied with. At that time I was temporarily out of the Chamber. I am very sorry I was not present then, so as to be able to join in his request for the yeas and nays on his amendment. I understand that there would be time to have a yea-and-nay vote taken on the question of agreeing to the Senator's amendment if the Senate would agree to meet 20 or 30 minutes before 12, tomorrow.

Mr. MORSE. Thirty minutes would be sufficient. Theoretically, there would be sufficient time for that purpose if the Senate would meet at 11:30 tomorrow morning, instead of at noon. Alternatively, if the Senate meets at noon tomorrow, such a vote could be taken between noon and 12:30. And in the meantime I could be permitted tonight to make my case for the amendment.

Mr. KEFAUVER. I hope the majority leader and the minority leader will give favorable consideration to such a program, because this is an important amendment. There are many important amendments; and I certainly believe we should have an opportunity to vote on this amendment before the vote on the cloture motion is taken.

Mr. MORSE. I think all of us are agreed that it will be the last major amendment on which Senators will have a chance to vote before the vote is taken on the cloture motion. And in view of the fact that the amendment offers a direct opportunity to have an alternative approach taken, I think it desirable and appropriate that Senators have an opportunity to stand up and be counted in connection with a yea-and-nay vote.

I think we have had a delightful, enjoyable, and pleasant debate during the last few minutes.

The Senator expressed the hope that there might be a little consideration of the parliamentary situation. Unless the Senator wishes to say something more——

Mr. KEFAUVER. I merely wish to make clear that the Senator from Oregon is not anxious to hold Senators here, if they wish to go home tonight. Is it not true that it is the hope of the Senator from Oregon that some agreement will be worked out with the majority leader and the minority leader, and then have the vote taken tomorrow?

Mr. MORSE. Let me say, good naturedly, that I would be at a loss to know why Senators would wish to remain here tonight. They can go home and get their rest; and I will make my case tonight for the amendment, and then will go home in due course of time.

Mr. KEFAUVER. Certainly some of us will be here to hear the Senator's speech, because we think the study he has made of this matter is of great importance.

I agree with the Senator from Oregon that public sentiment on the bill is changing rapidly. The Senator from Oregon has said he expects that within a month the Senate majority which now may be in favor of this bill will find themselves in a minority insofar as the people are concerned.

In my candid opinion, if we can have an opportunity of presenting the facts about this bill in debate for 3 weeks, I think a majority of the Senate will have nothing to do with it.

Mr. MORSE. Mr. President, having the floor and having the right to have my amendments read, I now ask that the clerk procede to read my amendments under the procedure to be read to comply with the rule and so they will be in a position to be called up whenever I have an opportunity tomorrow to call them up.

The LEGISLATIVE CLERK. On page 28, line 14, strike out the following: "institute forthwith appropriate proceedings under section 214(d) of the Communications Act of 1934, as amended, to".

On page 30, line 11, strike out the following: ", in accordance with the procedural requirements of section 214 of the Communications Act of 1934, as amended,".

On page 37, between lines 13 and 14, insert the following new subsection:

(d) The corporation may not at any time directly or indirectly acquire, own, or control more than 25 per centum of the share capital or assets of any satellite terminal station situated in any foreign country or any associated equipment and facilities.

On page 27, line 17, insert the following after the semicolon: "by insuring that no manufacturer of such apparatus or equipment shall own any of the voting or other securities of the corporation;".

On page 25, line 20, insert the following before the semicolon: "and for the determination of the most constructive role for the United Nations;".

On page 25, line 13, strike out "or with" and insert in lieu thereof the following: "and with the United Nations and other".

On page 38, strike out lines 3 through 14 and insert in lieu thereof the following:

CONDUCT OF FOREIGN NEGOTIATIONS

SEC. 402. The corporation shall not enter into negotiations with any international agency, foreign government, or entity, without a prior notification to the Department of State, which will conduct or supervise such negotiations. All agreements with any such agency, government, or entity shall be subject to the approval of the Department of State.

Mr. DIRKSEN. Mr. President.

The PRESIDING OFFICER. Does the Senator from Oregon yield to the Senator from Illinois?

Mr. DIRKSEN. The Senator lost the floor.

Mr. MORSE. The Senator from Oregon was on his feet.

Mr. DIRKSEN. I asked for recognition prior to the Senator from Oregon, and the Senator from Oregon lost the floor.

Mr. MORSE. The Senator from Oregon was in conversation with the Senator from Colorado.

Mr. DIRKSEN. I asked for recognition.

The PRESIDING OFFICER. It is the Chair's understanding that the reading of the amendment cannot be interrupted.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry. Did the Senator from Oregon lose the floor?

The PRESIDING OFFICER. The Senator from Oregon has lost the floor.

Mr. MORSE. Mr. President, a parliamentary inquiry. On what basis have I lost the floor?

Mr. DIRKSEN. Under the rule, the Senator from Oregon lost the floor when the amendment was submitted.

The PRESIDING OFFICER. When the amendment was being read.

Mr. MORSE. They have to proceed with the reading of the amendment.

The PRESIDING OFFICER. That is the ruling of the Chair—that they must proceed with the reading of the amendment.

Mr. DIRKSEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. During the reading of the amendment, the Chair is advised, it is not possible to interrupt.

Mr. DIRKSEN. Mr. President, can more than one amendment be read at a time?

The PRESIDING OFFICER. At the conclusion of the reading of the next amendment, the Chair will recognize the Senator from Illinois.

Mr. DIRKSEN. I thank the Senator.

Mr. MORSE. Mr. President, a point of order. The Senator from Oregon will show—and I ask the transcript to be brought to the floor—that the Senator from Oregon offered the whole group of amendments. He asked for permission to have those amendments read to meet the rule so that they would be available at the desk, to be called up seriatim when they were in order tomorrow or thereafter, depending on when I would have the opportunity to call them up.

It is the opinion of the senior Senator from Oregon that he is entitled to have those amendments read through so that they will be at the desk and be in order. It is the only opportunity the Senator from Oregon has to get these amendments at the desk read and put in order. That was the request of the Senator from Oregon. I think the RECORD will show that was the request of the Senator from Oregon. The request was accepted, and the clerk started to read the amendments. We had the interruption as we had the delightful series of colloquies as to whether or not there should be the rollcall privilege granted the senior Senator from Oregon. After we finished the

colloquy I asked the clerk to proceed in accordance with my previous request.

The PRESIDING OFFICER. The Chair certainly understands that during the course of the reading of an amendment it cannot be interrupted, but at the conclusion thereof another Senator may be recognized.

Mr. MORSE. I think we ought to take a look at the transcript, because I think we must go back to the request the Senator from Oregon made. I had permission to introduce them as a group of amendments to be read seriatim, so that they would be available under the rule to be called up tomorrow. We are in a situation that these amendments, so I understand from the Parliamentarian, have to be read tonight. That is the position the Senator from Oregon found himself in. When he found out that was the position, then he made the proposal that they should be offered in a group, to be read one after another, so we would have them out of the way. That is the position in which I found myself. I think I am entitled to have all the amendments read.

I admit that after the last amendment has been read, I have lost the floor temporarily. I will be very interested in seeing what the strategy of the majority will be in giving the senior Senator from Oregon the opportunity to make his argument on the pending amendment.

The PRESIDING OFFICER. The clerk will read the amendment.

The LEGISLATIVE CLERK. On page 37, between lines 13 and 14, insert the following new subsection:

(d)(1) In furnishing telecommunication service through the communications satellite system, the corporation shall give priority of transmission to communications of the United States Government for which priority is requested by the President of the United States—not less than two hours of the daily transmittal time of the satellite communication system. The corporation shall have no power to alter, amend, or edit the form or content of any such communication.

(2) Such transmissions and communications shall, at the request of the President, be carried by the corporaton at a price not to exceed the cost of such service, as computed by the Federal Communications Commission.

On page 37, between lines 13 and 14, insert the following new subsection:

(d) In consideration for the authority conferred upon the corporation by this Act, the corporation, under such regulations as the President shall prescribe, shall provide telecommunication services without charge for communications of a public service nature—not less than 1½ hours of the daily transmittal time of the satellite communication system as such communications shall be defined by such regulations.

MOTION TO ADJOURN

Mr. DIRKSEN. Mr. President, I move that the Senate do now adjourn.

Mr. MORSE. Mr. President, I raise a point of order that the Senator from Illinois is out of order. In my judgment, I am entitled to have the rest of my amendments read.

Mr. DIRKSEN. My request to adjourn is in conformity with the previous order entered—until 12 o'clock.

Mr. MORSE. I raise the point of order that the Senator from Illinois is not entitled to recognition until the amendments have been read. I raise the point of order that the Senator from Illinois is not entitled to recognition to make a motion to adjourn or for any other business until the amendments have been read.

Mr. DIRKSEN. Mr. President, a motion to adjourn is not debatable.

Mr. MORSE. If it is not made in order, it is not before the Senate.

The PRESIDING OFFICER. The question that first occurs is whether or not at the conclusion of an amendment another Senator can be recognized.

Mr. MORSE. The question is whether or not under the request I made at the very beginning—and that is why I asked the Chair to check the transcript of the proceedings—I am entitled to have these amendments read seriatim, without interruption.

The PRESIDING OFFICER. The Chair does not have the transcript before him.

Mr. MORSE. I have called for it.

The PRESIDING OFFICER. I presume it can be obtained.

The Senator from Illinois having been recognized by the Chair, the point of order having been made by the Senator from Oregon, the motion is to adjourn; is that correct?

Mr. DIRKSEN. That is correct; in conformity with the order previously entered.

Mr. MORSE. Mr. President, I want to make clear that I do not recognize the motion.

Mr. DIRKSEN. Mr. President, the motion is not debatable.

Mr. MORSE. I appeal from the decision of the Chair on a point of order, and a point of order is always in order. I make the claim that the Senator is out of order in making the motion to adjourn.

Mr. DIRKSEN. Mr. President, the motion to adjourn is not debatable.

Mr. MORSE. I appeal from the ruling of the Chair on the motion to adjourn. I make a point of order that the Senator is out of order, and I appeal from the decision of the Chair.

The PRESIDING OFFICER. The question is on the motion to adjourn.

Mr. KEFAUVER. Mr. President, a parliamentary inquiry.

Mr. DIRKSEN. Mr. President, the motion to adjourn is not debatable.

Mr. MORSE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll and the following Senators answered to their names:

[No. 158 Leg.]

Carroll	Kefauver	Sparkman
Dirksen	Kerr	Tower
Gore	McGee	Williams, Del.
Hart	Morse	Yarborough
Hickey	Prouty	
Jordan, N.C.	Randolph	

The PRESIDING OFFICER. A quorum is not present.

Mr. KERR. Mr. President, I move that the Senate now stand in adjournment in accordance with the previous order.

Mr. MORSE. Mr. President, a point of order. The Senator cannot move to adjourn on the basis of a previous order. When there is not a quorum present, all the Senator can do is to move to adjourn the Senate, not on the basis of a previous order.

Mr. KERR. I move that the Senate adjourn, Mr. President, until 12 o'clock tomorrow.

The PRESIDING OFFICER. The question is on the motion to adjourn. [Putting the question.]

Mr. MORSE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. MORSE. Am I entitled to a yea-and-nay vote on the question of adjournment?

The PRESIDING OFFICER. The Senator may ask for the yeas and nays.

Mr. MORSE. I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on the motion to adjourn. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

The result was announced—yeas 15, nays 6, as follows:

[No. 159 Leg.]

YEAS—15

Dirksen	McGee	Smith, Maine
Hart	Mundt	Sparkman
Hickey	Pearson	Thurmond
Jordan, N.C.	Prouty	Tower
Kerr	Randolph	Williams, Del.

NAYS—6

Bartlett	Gore	Morse
Carroll	Kefauver	Yarborough

NOT VOTING—79

Aiken	Engle	McNamara
Allott	Ervin	Metcalf
Anderson	Fong	Miller
Beall	Fulbright	Monroney
Bennett	Goldwater	Morton
Bible	Gruening	Moss
Boggs	Hartke	Murphy
Bottum	Hayden	Muskie
Burdick	Hickenlooper	Neuberger
Bush	Hill	Pastore
Butler	Holland	Pell
Byrd, Va.	Hruska	Proxmire
Byrd, W. Va.	Humphrey	Robertson
Cannon	Jackson	Russell
Capehart	Javits	Saltonstall
Carlson	Johnston	Scott
Case	Jordan, Idaho	Smathers
Chavez	Keating	Smith, Mass.
Church	Kuchel	Stennis
Clark	Lausche	Symington
Cooper	Long, Mo.	Talmadge
Cotton	Long, Hawaii	Wiley
Curtis	Long, La.	Williams, N.J.
Dodd	Magnuson	Young, N. Dak.
Douglas	Mansfield	Young, Ohio
Eastland	McCarthy	
Ellender	McClellan	

So Mr. DIRKSEN's motion was agreed to and (at 10 o'clock and 32 minutes p.m.) the Senate adjourned until tomorrow, Tuesday, August 14, 1962, at 12 o'clock meridian.