REFUSAL OF CERTAIN STEEL COMPANIES TO RESPOND TO SUBPENAS ISSUED APRIL 12, 1962

HEARING

BEFORE THE

SUBCOMMITTEE ON ANTITRUST AND MONOPOLY

OF THE

COMMITTEE ON THE JUDICIARY

UNITED STATES SENATE

EIGHTY-SEVENTH CONGRESS

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PURSUANT TO

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REFUSAL OF CERTAIN STEEL COMPANIES TO RESPOND TO SUBPENAS ISSUED APRIL 12, 1962

FRIDAY, AUGUST 31, 1962

U.S. SENATE,
SUBCOMMITTEE ON ANTITRUST AND MONOPOLY
OF THE COMMITTEE ON THE JUDICIARY,
Washington, D.C.

The subcommittee met, pursuant to notice, at 10:05 a.m., in room 2228, New Senate Office Building, Senator Estes Kefauver (chairman) presiding.

Present: Senators Kefauver, Carroll, Dodd, Hart, Long of Missouri, Dirksen, and Hruska.

Also present: Horace L. Flurry, counsel; Bernard Fensterwald, Jr., staff director; Peter N. Chumbris, counsel for the minority; James E. Bailey, counsel for the minority; Ronald D. Raitt, counsel for the minority; Dr. John M. Blair, chief economist; Paul S. Green, editorial director; and Miss Kathryn Coulter.

Senator KEFAUVER. The Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee will come to order.

The proceedings today will be recorded and faithfully typed for the subcommittee by Miss Ruth Taylor, of Ward & Paul, duly authorized reporters for this committee.

I have been advised that other Senators are on their way. So as to give them an opportunity of getting here, we are going to have a 15-minute recess. In the meantime, any witnesses who may be here will remain until the committee reconvenes 15 minutes from this time. If there is no objection from anyone, we will stand in recess for 15 minutes.

Without objection, we will be recessed for 15 minutes to enable the Senators to get here, and the witnesses, if any, who are here are cautioned not to leave.

(A short recess was taken.)

Senator KEFAUVER. The committee will resume.

Let the record show that on yesterday unanimous consent was given in the Senate for this committee to meet today, notwithstanding the fact that the Senate is in session.

Let the record show that Senators Carroll, Hart, Long, Mr. Flurry, and the chairman are present. Other Senators expect to be here later.

This is a hearing where it is not required that we have a quorum unless objection is made by one of the witnesses. But we do have a quorum notwithstanding.

(At this point Senator Hruska entered the hearing room.)

Senator KEFAUVER. The subcommittee is meeting today to have appear before it the subpenaed witnesses and to receive from them the returns of separate subpenas duces tecum issued on August 21,

1962, and served on Bethlehem Steel Corp. and Mr. A. B. Homer, as its chairman and chief executive officer, Mr. Edmund Martin, as its president, and Mr. Frank R. Brugler, as its comptroller; on Republic Steel Corp., and Mr. Thomas F. Patton, president, Mr. George M. Feiel, as its vice president and comptroller; on National Steel Corp., and Mr. Thomas E. Millsop, as its chairman of the board of directors, and Mr. George Stinson, as its secretary; and on Armco Steel Corp., Mr. Logan T. Johnston as its president, and Mr. D. E. Reichelderfer, as its vice president, finance.

Each of these subpenas requires the corporation and the individual named therein to appear before the subcommittee this morning and to bring with it or him and to produce to the subcommittee certain specified records and documents as described in the subpena, or in lieu thereof certain cost data.

The subcommittee is entitled to have compliance, that is by personal appearance, or refusal to comply in the manner directed by the subcommittee in its subpenas. One reason for this requirement is that the subcommittee wishes to inform the individual witnesses fully and personally as to its jurisdiction, the subject matter of its inquiry, and the pertinence of the subpenaed matter to this inquiry.

Further, it wishes to hear personally from the witnesses any possible grounds of objection or misunderstanding in order that further clarifying explanations might be made by the subcommittee to the individuals.

Previously, on April 12, 1962, I, as chairman of the subcommittee, with the written approval of 4 other members of the subcommittee, issued subpenas duces tecum to the 12 largest steel companies, including the 4 heretofore named. The date of compliance was extended from May 14 to June 14 and subsequently to August 14. The records and documents called for by those subpenas duces tecum were identical with those described in the subpenas issued August 21. However, the forms for cost data offered by letter of July 2 to the 12 companies in lieu of producing the records and documents were also made a part of the August 21 subpenas. Thus, under those subpenas the four named companies and their officers were given the choice of producing the records, in lieu thereof the cost data set forth in the April 12 subpenas, or the data as described in the letter of July 2.

Compliance today with either of the three methods will be accepted as meeting the requirements of the subpenas. The July 2 letter also included a grouping of companies and plants and other proposed means of preserving the confidentiality of the cost data of individual companies. This was worked out by agreement with Mr. Joseph Campbell, the Comptroller General of the United States, as will be described later. He would make the grouping, if the companies issued the material and records, and immediately return the documents to the individual companies.

I am advised that Mr. Owen Kane of the General Accounting Office, representing Mr. Joseph Campbell, the Comptroller General, is present and ready and willing to receive in compliance with the agreement with Mr. Campbell any data that may be brought in by any witnesses or by any companies today.

The chairman believes that these proposals are fair and will reasonably accomplish the preservation of such confidentiality.

The action of April 12 was further confirmed on July 25, 1962, by the majority vote of the subcommittee, in session with a quorum present, against a motion to quash the subpenas.

After working out the shorter and simpler forms for cost data and offering them to the 12 companies as acceptable compliance, 8 companies have agreed to comply although expressing their objections. The four named companies refused to make compliance.

In view of this refusal, the subcommittee met on August 21 with a quorum present to consider these refusals. It was agreed that a printed record of that meeting, including the matters relating to these subpenas and a statement of the jurisdiction of the subcommittee, the legislative purpose and the pertinency of the information sought to those purposes, should be made as soon as possible; and that the printed record should be sent to the members of the Judiciary Committee and to all of the steel companies.

In order to furnish the earliest possible information to the four refusing companies, on August 24 I mailed to the four companies and their officers by registered airmail a printer's galley of the record of of the subcommittee meeting and the statement of jurisdiction, legislative purpose, and pertinency. The entire printed report was received on August 29 and mailed to them on the same day, and to all members of the Judiciary Committee. Without objection the entire printed record is made a part of this hearing and incorporated therein as though fully read as appendix A. Copies of the printed record have been sent to members of the Judiciary Committee.

(The documents referred to, including the committee print, "Refusal of Certain Steel Companies to Respond to Subpenas" issued April 12, 1962, and containing the record of the subcommittee meeting of August 21, 1962, were marked "Appendix A" and will be found in the files of the subcommittee.)

Senator KEFAUVER. My statement and the report of the meeting of the Antitrust and Monopoly Subcommittee held on August 21 undertook to explain in detail the jurisdiction, legislative subject matter, and the pertinency of developments. However, I believe that the following quotations from my statement make clear the legislative subject matter and the pertinency of the records called for in the subpenas to that subject matter, and there are other parts in the printed record which deal with and bear upon the same problem. I will read as follows from the statement:

In order to determine whether section 2 of the Sherman Act with respect to monopoly and monopoly power should be revised (for example, the application to existing concentration of the test of legality applied in section 7 of the Clayton Act), it is necessary to understand the relationship of size to efficiency. Otherwise, legislation may result in the dissolution of companies with injury to efficiency contrary to the best public interest. The documents listed in the subpena are sought in part to aid the subcommittee in performing this legislative purpose.

The documents are needed to apprise the subcommittee of the existence, if any, of greater efficiency in the steel industry in relation to larger size of the companies; whether such variations in efficiency are substantial; and whether, in fact, there is no such relationship of size to efficiency or that smaller units have lower production costs per ton of steel. The information contained in the documents will aid the subcommittee in determining whether large concentration is in the public interest due to lower costs or serves only monopoly purposes.

In relation to legislation for the purpose of strengthening the Sherman Act with respect to pricing practices, the documents will assist the subcommittee in showing whether costs form a reasonable basis for identical prices or such prices result from highly concentrated power in the industry. The documents will aid

in indicating whether prices are responsive to lower costs or are arbitrarily determined. This throws light on the need for legislation making illegal pricing practices which are now legal, such as follow-the-leader practices, under proper circumstances, as, for example, where prices are not responsive to varying costs.

Further quoting from the statement of August 21:

In determining the need for and the nature of legislation revising our antitrust laws with respect to foreign commerce cost information, as called for in the subpena, is of great value to the subcommittee. In the steel industry, during the period 1953–59, there was a 20-percent loss in real exports of steel and iron products. It is necessary to consider the causes of such losses, including too high prices to compete in the foreign market, costs as the possible cause of inability to compete, unwillingness to compete due to understandings contrary to our antitrust laws, undue restrictions on such commerce under our antitrust laws, and other causes. The relationship of cost of production of steel to export prices is basic to an understanding of the causes of such losses in foreign trade and whether antitrust legislation is appropriate to a solution of this loss of exports.

In considering cost of production of finished steel products within the legislative purpose of treating undue concentration, monopoly power, efficiency related to size, and pricing practices in domestic trade as well as in foreign commerce, the elements of such cost is necessary. The subcommittee must know that it is dealing with true costs rather than costs built upon arbitrarily imputed values. It is necessary to consider the effect of costs of the elements entering into costs of finished steel products in order to arrive at a realistic appraisal of the effects of integration of large concerns on efficiency; where in such operations any measures looking to dissolution may be applied without impairing efficiency; and the advantages or pressures which may be exerted by dominant and highly integrated companies to curb price competition by the smaller and less integrated companies.

I should also point out that within the statement of August 21 it was noted that the subcommittee has a bill before it to amend the Sherman Act so as to make it easier to secure dissolution where it would not adversely affect efficiency. Also that the subcommittee has been considering for some length of time the advisability of requiring notice of price increases in certain administered price industries, and indeed has had a bill on that subject by former Senator O'Mahoney before it, and other matters of pertinency as set forth in the statement of August 21.

The subcommittee also adopted on August 21 a motion approving the issuance of new subpenas to the four noncomplying corporations and their executive officers, calling for the identical records described in the April 12 subpenas, the same "in lieu" compliance option and the "in lieu" forms offered on July 2, 1962, returnable in 10 to 12 days from August 21.

The subpenas issued to the companies with the return of the duly authorized U.S. Marshal, showing service thereof upon the four companies and the individual officers enumerated previously in my statement, will be made a part of the record as appendix B, with appropriate subnumbers.

(The documents referred to were marked "Appendix B".)

Senator KEFAUVER. So at this time we will call the roll of those who have responded and those who have not.

Is any officer or representative who is authorized to respond to the subpena by the committee of the Bethlehem Steel Corp. present and ready to appear and to respond?

Let the record show that no one appears on behalf of the Bethlehem Steel Corp. and the corporation does not respond.

Is Mr. A. B. Homer, the chairman and chief executive officer of Bethlehem Steel Corp., present and ready to appear and to respond to subpena served upon him requiring him to appear?

Let the record show that Mr. A. B. Homer does not appear and does not respond.

Is Mr. Edmund Martin, who was duly subpenaed, present and ready to appear and to respond to the subpena served upon him?

Let the record show that Mr. Edmund Martin does not appear and does not respond.

Is Mr. Frank Brugler, the comptroller of the Bethlehem Steel Corp., present and ready to appear and respond to the subpena served upon him?

Let the record show that Mr. Brugler does not appear and does not respond.

Is any officer or representative of the Republic Steel Corp. who is authorized to respond to the subpena to that corporation present and ready to appear and respond?

Let the record show that no officer or representative of the Republic Steel Corp. appears or responds.

Is Mr. Thomas F. Patton present and ready to appear and respond pursuant to the subpena served upon him requiring him to appear and respond?

Let the record show that Mr. Thomas F. Patton does not appear and does not respond.

Is Mr. George M. Feiel, upon whom a subpena was served requiring him to appear and respond, present and ready to appear and respond?

Let the record show that Mr. George M. Feiel is not present, does not appear and does not respond.

Is any officer or representative of the National Steel Corp. who is authorized to represent that corporation in response to the subpena to the corporation present and ready to appear and to respond?

Let the record show that no officer or representative of the National Steel Corp. appears and responds.

Is Mr. Thomas E. Millsop present and ready to appear and respond pursuant to the subpena served upon him?

Let the record show that Mr. Thomas E. Millsop does not appear and does not respond pursuant to the subpena served upon him.

Is Mr. George Stinson present and ready to appear and respond to the subpena served upon him?

Let the record show that Mr. George Stinson does not appear and does not respond pursuant to the subpena served upon him.

Is any officer or representative of the Armco Steel Corp. who is authorized to respond to the subpena served upon that corporation present and ready to appear and respond?

Let the record show that no officer or representative of Armco Steel has appeared or responded to the subpena served upon that corporation.

Is Mr. Logan T. Johnston, who is president of the Armco Steel Corp., present and ready to appear and respond to the subpena served upon him?

Let the record show that Mr. Logan T. Johnston does not appear and does not respond.

Is Mr. D. E. Reichelderfer present and ready to appear and to respond to the subpena served upon him?

Let the record show that Mr. Reichelderfer does not appear and does not respond to the subpena duly served upon him.

These are the four companies and the nine individuals upon whom subpenas have been served.

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Mr. Flurry?

Senator CARROLL. Mr. Chairman——

Senator KEFAUVER. Let me finish. I wish the record to show that on yesterday afternoon I was advised by the officials who were subpenaed to personally appear today in response to the subpenas, representing Bethlehem Steel Corp., Republic Steel Corp., and Armco Steel Corp., that in addition to refusing to produce under the subpena, they would not appear before the subcommittee as commanded in the subpenas. I am told that National Steel Corp. also made a public announcement to that same effect, but I have not received any such message from National Steel Corp., nor its officers. Personally I am amazed that such representatives of these large steel companies completely ignore a duly constituted committee of the U.S. Senate and flaunt their defiance of such a duly constituted committee of the U.S. Senate and its processes. This contumacious conduct of men of business standing comes to me as amazing under the circumstances.

Subpenas for cost information were issued to the 12 largest steel companies. The United States Steel Corp. sent its general counsel and its comptroller to see if a bona fide arrangement could be worked out which would beyond any doubt protect both interests of the subcommittee and those of the steel companies. The United States Steel officials have worked long and diligently and in good faith with members of the subcommittee staff, and Mr. Tennant, who is the general counsel for United States Steel, was in touch from time to time with counsel of other steel companies duly subpenaed. The result was a much shorter and more easily complied with form of providing the information.

Secondly, an arrangement for the submission of the data to the General Accounting Office without the subcommittee or staff ever seeing it was permitted. The General Accounting Office, by agreement with Mr. Campbell, would make groupings of data from individual companies and only in such groupings would any information come to the subcommittee. This was in line with the original plan of notice to the subcommittee in issuing the subpenas.

This arrangement was made available to all the steel corporations.

I wish to call attention to the fact that on April 13, in a press release which I will make a part of the record at this point, this arrangement with Mr. Campbell, the Comptroller of the United States, was made public. This will be appendix C.

(The document referred to was marked "Appendix C".)

Senator KEFAUVER. Notice of this arrangement was sent to the officials of all these steel companies. The subcommittee or its staff would never know any of the companies' individual data, although I want to say categorically that in my opinion a duly constituted committee of the Senate does have the right to get and see individual cost data, but an arrangement was worked out as a matter of protection and accommodation and we thought it would be satisfactory to the steel companies.

We believe that this would fully protect the confidentiality of such data furnished. After such groupings the forms would be returned immediately to the companies furnishing them.

(At this point Senator Dodd entered the hearing room.)

Senator KEFAUVER. The United States Steel Corp. and seven others agreed to furnish the data under the plan to the General

Accounting Office, although preferring not to do so. It was our understanding, or at least mine, that information on negotiations was communicated by Mr. Tennant of the United States Steel Corp. to the attorneys for the other companies except one which, however, has agreed to supply the data under the plan. Bethlehem, Republic, National, and Armco Steel refused and failed to respond to the subpenas on August 14, that being the date for return.

The subcommittee then by majority vote with quorum present authorized me as chairman of the committee to issue the subpenas of August 21 to the four corporations and their executives. They now have failed and refused to respond or to appear today.

Let the record show that the distinguished Senator from Illinois has joined the subcommittee.

At no time during the pendency of the April subpenas, during negotiations or during the pendency of the last subpenas, has anyone representing Bethlehem, Republic, National, or Armco suggested or made known to me or the staff any desire or interest in working out with us any matter to which they object. This was a course of obstinate refusal to comply with subpenas in any manner and without any expressed intention of considering compliance in any form. Armco's president in his telegram of yesterday boldly stated:

> We understand fully, as your telegram suggests, that noncompliance by August 31 constitutes default under the subpenas.

My telegram to him stated:

> Failure to appear as commanded will be considered by me as contempt under the subpena.

And I indicated that I would so recommend to the committee.

The chairman is happy to note that Senator Dodd has joined the committee.

I understand Senator Wiley is in Wisconsin in connection with a matter of great importance to him, and his absence, of course, is noted.

It thus appears to me that refusal to appear and respond to the subpenas by these officials and corporations are willful and premeditated contempt of Congress and the processes of its duly authorized committee.

In view of this, I shall proceed to completion of the record by asking Mr. Horace Flurry, our very able senior and chief counsel, to supply any public documents for the record.

Mr. FLURRY. Mr. Chairman, for the record, a letter of August 24, 1962, from Armco Steel Corp. signed by Logan T. Johnston, president, to you, as appendix D.

Senator KEFAUVER. That will be made a part of the record as appendix D.

(The document referred to was marked "Appendix D".)

Mr. FLURRY. It says:

> Served this morning were three substantially identical subpenas duces tecum, one addressed to Armco Steel Corp., one to Mr. D. E. Reichelderfer, vice president responsible for maintenance of the accounting records of our company, and one to me. All three subpenas call for production of much the same sort of cost data as did the subcommittee's prior subpena dated April 12, 1962.
>
> Our company's recent letter to you of August 10, explained in detail the reasons why it respectfully declined to produce the cost data. Accordingly, with all due respect to the subcommittee, this reaffirms for Armco Steel Corp., Mr. Reichelderfer, and myself the company's position that it must decline to produce the confidential information called for by these latest subpenas, unless and until

required to do so through established judicial procedures. Counsel's advice that refusal to supply the most valuable and secret information in the possession of our company constitutes the only legal course by which its rights may be protected is a matter of deep regret.

Since this is a matter of such vital importance to us, I am taking the liberty of sending copies of this letter and of our company's August 10 letter to each member of the Senate Judiciary Committee.

Sincerely yours.

I offer next telegrams by Senator Estes Kefauver, chairman, to Mr. Logan T. Johnston, president of Armco Steel Corp., and an identical telegram of August 27 to Mr. D. E. Reichelderfer, vice president of Armco Steel. Each of the telegrams reads as follows:

Regardless of the expression of your intention not to comply with subpena directed to you, the subpena commands your personal appearance before the Subcommittee on Antitrust and Monopoly in session August 31, 1962, at 10 a.m., then and there to make compliance. As chairman of the subcommittee, I shall consider your failure to so appear as contempt under the subpena.

Senator KEFAUVER. That will be made appendix E, without objection.

(The document referred to was marked "Appendix E".)

Mr. FLURRY. Next I offer a letter of August 24, 1962, signed by Mr. T. E. Millsop of the National Steel Corp. to Senator Kefauver, chairman.

Senator KEFAUVER. All right. Read it.

Mr. FLURRY (reading):

Yesterday I was served with a new subpena issued by your subcommittee, this time addressed to me personally, requiring me to produce at a hearing before your subcommittee on August 31 virtually the same cost information required by the prior subpena. Similar subpenas were issued at the same time to Mr. Stinson, secretary of our company, and to the corporation itself. Incorporated in the present subpenas is the identical procedure for compliance as set forth in your letter to us dated July 2, 1962.

I wrote you fully on August 11 our reasons for declining to furnish the information requested. The issuance of these new subpenas does not alter the circumstances which are set forth at length in that letter. I am advised by my counsel that there is no way of testing our rights to maintain the confidential character of our costs except by refusing to obey the subpena. For that reason I respectfully decline to comply with the subpena unless ordered to do so by a competent court. Mr. Stinson, secretary of the company, is of course acting under the directions of the executive committee, who have decided to take the same stand as that which I am taking and, consequently, he will not produce the records requested under either the subpena addressed to the corporation or to him personally.

This is such an important matter to the steel industry and to the country generally that I am sending a copy of this letter to all of the members of the Senate Judiciary Committee, together with a copy of my letter of August 11 explaining our reasons in more detail.

I consider, Mr. Chairman, for the record at this point that the letters referred to in these letters are already in the printed record of the meeting of August 21.

That will be appendix F.

(The document referred to was marked "Appendix F".)

Senator KEFAUVER. The same telegram was sent to——

Mr. FLURRY. The telegram that was just read was sent to Mr. Thomas E. Millsop and Mr. George Stinson.

Senator KEFAUVER. Let the telegrams be made appendix G.

(The telegrams referred to were marked "Appendix G".)

Senator KEFAUVER. The date of Mr. Millsop's letter was August 24. The date of the telegrams was August 27. The telegram was sent immediately upon receipt of the letter.

Mr. FLURRY. That was also true in the *Armco* case.

Senator DIRKSEN. Mr. Chairman, I suggest now that there be read into the record a letter directing attention to the fact of the text of the subpenas.

Senator KEFAUVER. The subpenas have been made a part of the record.

Senator DIRKSEN. Yes, but I think inasmuch as there was a letter explaining the intention, that it be read into the record.

Senator KEFAUVER. The subpenas were signed by me and sent out as signed, and the subpenas of April were put in the record. The subpenas served in August are made a part of the record today.

Senator DIRKSEN. Yes, but there is emphasis on the fact that the gentlemen to whom the subpenas are directed are not before the committee this morning. This was a modification of the text of the subpenas and I think it is highly important that their response and the companies' be made part of the record since we are building a complete record.

Senator KEFAUVER. The subpenas were served on them as issued. We will read into the record all letters and telegrams that we have in connection with the subpenas and make them exhibits.

Senator DIRKSEN. But at this particular point, Mr. Chairman, I think it is important that this be read. I didn't have a copy.

Senator KEFAUVER. All right.

Senator HRUSKA. Will the chairman yield just briefly? I would like to say I would like to be informed on this, Mr. Chairman. I understand there has been a great deal of exchange of correspondence between these companies and the chairman of the subcommittee, including some telegrams, and we haven't had copies. I haven't had copies of them so that I could be informed as to what is going on.

Senator KEFAUVER. The telegrams just arrived this morning.

Read the telegram, Mr. Flurry.

Senator DIRKSEN. Suppose we read this letter first because I think it ought to appear at this point in the record.

Mr. FLURRY. Letter of August 30, 1962, signed by A. B. Homer, chairman, to——

Senator KEFAUVER. I am advised that we haven't received that letter of August 30 from Mr. Homer. This copy has been furnished by Senator Dirksen. We will read it. The subcommittee has received no such letter.

Senator DIRKSEN. Well, now, this copy was—let's get this record straight. That copy was handed to me just this minute and this is the first time I have seen it, but taking a look at it, I think it is highly important that it be included at this point in the record.

Senator KEFAUVER. Very well.

Senator DIRKSEN. You must have it in your files somewhere.

Senator KEFAUVER. August 30 is only today.

Senator DIRKSEN. Yesterday. Unless things happen pretty fast around here.

Senator KEFAUVER. Very well. Let's read the copy that Senator Dirksen has furnished us and note that it was furnished to Senator Dirksen. Read it, Mr. Flurry.

Mr. FLURRY (reading):

Re your telegram to effect that subpena directed to me——

Senator KEFAUVER. It is addressed to me.

Senator DIRKSEN. What date?

Mr. FLURRY. August 30, 1962. [Continues reading:]

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.:

Re your telegram to effect that subpena directed to me as chairman of Bethlehem Steel Corp., commands my personal appearance before subcommittee on August 31 then and there to make compliance. I have been advised by counsel that the effect of striking from the form of subpena served on me the words "to testify what you may know relative to the subject matters under consideration by said committee" was to make such subpena purely a subpena duces tecum which does not require me personally to come before the subcommittee since, as you have been advised by letter dated August 29, compliance with the subpena by the production of cost and profit data is not to be made. Counsel further advise me that in order not to prejudice our attempt to secure a final determination of the propriety and validity of the subpena, I should not recognize it for any purpose. Accordingly, I shall not appear.

A. B. HOMER, *Chairman.*

(The document referred to was marked "Appendix H".)

Senator DIRKSEN. I think that there is in the record a facsimile of the subpena which is exhibit 14. The committee print should also be included because this is the first time I have seen this and the language is stricken from the subpena "to testify what you may know."

Senator KEFAUVER. The subpena that you are referring to, reprinted on page 86 of the committee print of the meeting of August 21, is the subpena of April 12, 1962. A new subpena was issued, and frankly a different form was used.

Senator HRUSKA. Have we facsimiles of those that were issued in August?

Senator KEFAUVER. They are in the record.

Senator HRUSKA. Where in the record? We haven't seen them. I haven't seen one to this day.

Senator KEFAUVER. They have been put in today.

Senator HRUSKA. I see. I haven't seen it. May I see it?

Senator DIRKSEN. Now I know we are moving awfully fast. But this is the only one I have seen.

Senator KEFAUVER. Read the telegram, Mr. Flurry.

Mr. FLURRY (reading):

AUGUST 30, 1962.

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.

Regarding your telegram to effect that subpena directed to me as chairman of Bethlehem Steel Corp. commands my personal appearance before subcommittee on August 31 then and there to make compliance, I have been advised by counsel that the effect of striking from the form of subpena served on me the words "to testify what you may know relative to the subject matters under consideration by said committee," was to make such subpena purely a subpena duces tecum which does not require me personally to come before the subcommittee since, as you have been advised by letter dated August 29, compliance with the subpena by the production of cost and profit data is not to be made. Counsel further advise me that in order not to prejudice our attempt to secure a final determination of the propriety and validity of the subpena, I should not recognize it for any purpose. Accordingly, I shall not appear.

A. B. HOMER,
Chairman, Bethlehem Steel Corp.

Senator KEFAUVER. We will make that Appendix I.

(The document referred to was marked "Appendix I.")

Senator KEFAUVER. Is the other letter and the correspondence made a part of the record? They are in substance——

Senator DIRKSEN. Mr. Chairman, now we ought to make your new subpena a part of the record because——

Senator KEFAUVER. It has been made a part of the record.

Senator DIRKSEN. I know, but you just made part of the record the April subpena.

Senator KEFAUVER. No. The April subpena has been made a part of the record in the committee print.

Senator DIRKSEN. Yes, but it was observed here a moment ago that I was referring to the April subpena. Now I discover that the August subpena is like the April subpena in that the language "to testify what you may know relative to the subject matters under consideration by said committee" has also been deleted from the subpena.

Senator KEFAUVER. The subpena speaks for itself.

Senator DIRKSEN. Surely.

Senator KEFAUVER. It was made a part of the record. Let me say, as I explained in the beginning, that we do not want to go into detailed analysis of the steel industry at this time. We wanted the officials to appear and present the documents and make any explanations that they wanted to as to why they didn't feel they should produce them, or ask any questions and also to be apprised by the committee of the jurisdiction and pertinence of the inquiry that we were making, and of the reason for issuance of the subpenas.

Senator DIRKSEN. I quite agree with you. I just want the record to show that the subpenas of April and August are identical with respect to the deletions from the subpena.

Senator KEFAUVER. Yes.

Senator DIRKSEN. So if you just put it in——

Senator KEFAUVER. They have been put in the record. The ones of April are in the record and this one has been made a part of the record.

Senator DIRKSEN. This one, the one dated August 21.

Senator KEFAUVER. It has been.

Now, Mr. Flurry, you have other documents——

Senator CARROLL. Mr. Chairman, offered in evidence here is appendix H which is the mysterious copy of a "letter" identical with appendix I, both of which are merely copies of the telegram. This is the telegram. You read them. They are identical. It is not a letter at all. It is merely a copy of a telegram.

Senator DIRKSEN. So, query, where is the letter?

Senator CARROLL. It isn't a letter. That is a copy of telegrams that have been distributed, I assume, to somebody.

Senator DIRKSEN. OK.

Senator KEFAUVER. Apparently the letter read was a copy of the telegram.

Senator CARROLL. My point is, I didn't want the record to look as though somebody was withholding copies of a letter. It is merely a copy of a telegram. File both of them together.

Senator KEFAUVER. Mr. Flurry, let us identify other material that is to be put in the record.

Mr. FLURRY. As appendix J, copies of letter to the four steel companies named in the subpenas of August 21 enclosing to them a printed galley of the record of the meeting of August 21 of the subcommittee and a galley proof of the statement of jurisdiction, legislative subject matter, and pertinent data thereto.

Senator KEFAUVER. This is now in printed form called committee print, under the title: "Refusal of Certain Steel Companies to Respond to Subpenas Issued April 12, 1962."

Mr. FLURRY. The statement of jurisdiction is exhibit 8 in the appendix to the record of the meeting of August 21.

Senator KEFAUVER. Let the letters and the registered return receipts be made appendix J.

(The documents referred to were marked "Appendix J".)

Mr. FLURRY. Next is a letter to the four companies and their officers who were subpenaed, under date of August 29, 1962, from the chairman of the subcommittee re the printed record of the meeting of the subcommittee of August 21.

Senator KEFAUVER. We will make that appendix K.

(The document referred to was marked "Appendix K".)

Mr. FLURRY. Next is a letter of August 29, 1962, from Republic Steel Corp. signed by T. F. Patton, president, T. F. Patton, as president, and G. M. Feiel, vice president and comptroller, to the chairman of the subcommittee, and attaching a letter of August 10 which is in the record of the proceedings on August 21. Also, letter of same date from A. B. Homer, chairman, Bethlehem Steel Corp.

Senator KEFAUVER. That will be made appendix L.

(The document referred to was marked "Appendix L".)

Senator HRUSKA. Mr. Chairman, may I ask—will the chairman yield for an inquiry?

Senator KEFAUVER. Yes.

Senator HRUSKA. May I ask how long it will take to compile this record and——

Senator KEFAUVER. I think Mr. Flurry is about through, Senator Hruska.

Senator HRUSKA. We have a vote coming up at 11:30. I have a brief statement I would like to make and an observation.

Senator KEFAUVER. I think in about 2 minutes we should be through.

Senator HRUSKA. Very well.

Mr. FLURRY. Next is an identical telegram from the chairman to the representatives of Bethlehem Steel Corp., and of Republic Steel Corp. in reply to their letters of August 29, 1962. These are identical to the chairman's telegrams to the Armco and National Steel representatives.

Senator KEFAUVER. Let that be made appendix M.

(The document referred to was marked "Appendix M".)

Mr. FLURRY. Next is a telegram dated August 30, 1962, to the chairman from Mr. F. R. Brugler, comptroller, Bethlehem Steel Corp.

Senator KEFAUVER. Appendix N.

(The document referred to was marked "Appendix N".)

Mr. FLURRY. Next a telegram of August 30, 1962, to the chairman of the subcommittee from Mr. Logan T. Johnston, president, Armco Steel Corp.

Senator KEFAUVER. Let that be appendix O.

(The document referred to was marked "Appendix O".)

Mr. FLURRY. Next is a telegram dated August 30, 1962, to the chairman of the subcommittee from Mr. E. F. Martin, president, Bethlehem Steel Corp.

Senator KEFAUVER. That will be appendix P.

(The document referred to was marked "Appendix P.")

Mr. FLURRY. That is all.

(At the request of the chairman the documents marked "Appendix Q" and "Appendix R" will be entered into the record.)

Senator KEFAUVER. Is there anything else to be offered for the record?

Senator CARROLL. Mr. Chairman, I sought recognition a while ago.

Senator KEFAUVER. Senator Carroll.

Senator CARROLL. To clarify the record, I wish the record to show that at the time the chairman was calling the witnesses to respond to the subpenas, there was a quorum present. The chairman was here as were Senators Dirksen and Hruska. Senator Dodd came in subsequently. He is here now, as are Senator Long, Senator Hart, myself and the chairman. The record ought to show we were all present at the time the witnesses were called and failed to respond.

Senator KEFAUVER. Thank you, Senator Carroll. That was the situation.

Senator DIRKSEN. Let the record show that Senator Wiley is out of town.

Senator KEFAUVER. I expect he is in Wisconsin on very important business.

Anything else? Senator Long? Senator Dodd?

Senator DODD. No.

Senator KEFAUVER. Senator Hruska, you wish to be heard?

Senator HRUSKA. Yes. Briefly, Mr. Chairman, I have no prepared statement. The statement of the chairman was quite extended. I had hoped that inasmuch as there was anticipated a great deal of the nature of the testimony rather than a statement, we would get a copy in advance but we weren't so favored.

Senator KEFAUVER. If I may make an explanation, it was just prepared last night, Senator Hruska.

Senator HRUSKA. That is understandable, Mr. Chairman, with your very, very busy schedule, but the purpose of this hearing relates to the return on subpenas requiring certain witnesses and companies to come here and bring with them certain records and documents pertaining to prices and costs and profit on certain of their products.

Mr. Chairman, I would like to observe that the Congress has very broad and great powers of inquiry and investigation and of subpena but it is not an unlimited power. I don't recall, and I am sure that I am right on this, that generally it has been regarded that trade secrets, confidential records, and especially if the disclosure thereof would be harmful to the witness, have never been subject to subpena by a committee of this kind or any congressional committee, nor in situations involving lack of legitimate and proper legislative objective or purpose does the power of inquiry or the power of subpena extend.

Now, on this situation I do believe that all four of these elements are present. They are confidential records. They are trade secrets. The disclosure thereof would be harmful to the witnesses that are

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called upon by these subpenas, and there is a lack of legitimate legislative purpose or objective.

That is the position which some of us took when these subpenas were originally authorized in executive meeting of the Subcommittee on Antitrust and Monopoly of the Judiciary Committee.

Now, I do believe we are making a mistake by insisting that the companies come forward with this information because certainly it is offered to them in their individual capacities in competition among each of them. It is harmful in world competition. It is harmful in their competition domestically—as to foreign imports, and it cannot be said very logically nor reasonably that the mere anonymity of the company furnishing statistics will be preserved in any promulgation of those statistics because all the foreign competitor has to know is just about where American companies have their prices and their expenses and their costs and their profits and they have got it made.

Now, business is staggering. Business is faltering. Business needs a lack of harassment. Business needs some token of willingness to give it confidence and assurance to go ahead, and this certainly is not doing any of those things.

Now, this is not the first time that this type of thing has been presented to the Antitrust and Monopoly Subcommittee. We have wrestled with it before with other products in other hearings and on other occasions, and frankly I for one welcome this opportunity which we have presented here which sort of brings to issue the legality of inquiry by this type of subcommittee of the Congress into matters and information of this kind. The record is good. Mr. Flurry has made a splendid compilation in the booklet which we have before us, "Refusal of Certain Steel Companies To Respond to Subpenas Issued April 12," concerned with the meeting of the subcommittee on August 21, and this morning the exhibits that are put in the record will complete the record. Maybe there will be other items that should be included. But I do believe that we have reached a point here, Mr. Chairman, where we can with profit follow this item to a conclusion as a legal proposition to determine where we do stand with our ability to make inquiry into matters of this kind, and with that in mind I move, Mr. Chairman, that the staff be instructed to prepare an adequate transcript of this hearing and all related proceedings and that the chairman of this subcommittee transmit this transcript to the Judiciary Committee for its consideration and order as to what further action in the premises may be proper.

Senator KEFAUVER. Senator Hruska, this is a hearing for purposes of receiving witnesses. I think we should have an executive session shortly.

Senator HRUSKA. I am aware of that, but I do feel that inasmuch as there have been many declarations of what will be done and what should be done and all that, I do believe at this time I should like to make a motion and have it made of record and I think it makes sense, it is very good commonsense, and frankly I see no objection to proceeding here and now, but if the chairman has other ideas, I will be willing to defer to his judgment.

Senator KEFAUVER. I had suggested a resolution to be presented in executive session. I think we should have an executive session.

Senator HART. Mr. Chairman——

Senator CARROLL. Will the Senator yield?

Senator KEFAUVER. Anything further? Senator Dirksen, do you have anything?

Senator DIRKSEN. I just want to make a comment, Mr. Chairman, on a few words that appeared in your last statement. You say here with respect to their failure to respond that this was "an obstinate refusal to comply."

Now, Mr. Chairman, I don't know why a Senator of a committee has to reflect upon our citizens by talking about an obstinate refusal. If they feel that they are within their rights, why should we demean them? It would be enough to say they have refused to comply.

Now, there is another statement in here that refers to their contumacious conduct. I don't believe it is contumacious conduct if a citizen feels that he is within his rights and indicates in the assertion of those rights why he does not respond. Why do you put a brand on him? Why do we have to go into these? If the staff has done it, then the staff——

Senator KEFAUVER. Let me say that I take full responsibility for the statement, Senator Dirksen. I think it is an obstinate refusal and I think their conduct is in contempt of the committee and the Senate.

I think I might point out at this time that I have had the experience of serving on quite a number of investigating committees, in one of which we didn't have some of our very best citizens before us, in 1950 and 1951, and I was at one time chairman of the Juvenile Delinquency Subcommittee, at which time on occasions we didn't have our best citizens before us. I have noticed also that Senator McClellan has had on occasion before his committee some who are not outstanding citizens, but at least they all appeared when they were directed to appear. If they didn't want to furnish the information that might be required in a subpena duces tecum, they could refuse to do so and take their chances on contempt. Also if they didn't answer any questions as they frequently have not, they could avail themselves of the fifth amendment.

But in my 24 years in the Congress, this is the first time that I have experienced a situation where a witness has been subpenaed to appear and didn't even appear.

Now, we didn't want to go into detailed study of the steel industry at this time because we are not prepared to do so, and we have to get the material. We were entitled at least to the appearance of these officials, to see if they were the custodians of the records, to see what excuses if any they had for not bringing in the material, to ask them any questions that we wanted to with reference to their refusal to furnish the material, and to fully comply to the greatest degree with the decisions of the courts.

I felt that they should appear so that we could fully show beyond a peradventure of a doubt the jurisdiction of the committee and the pertinency of the inquiry. But they have refused to appear at all. And I think also I called Senator Hruska's attention to the fact that the committees of the Senate, and the committees of the House, have secured information on unit profits in the automobile inquiry a number of years ago.

In the bread inquiry we secured unit cost data, and it was handled by the Department of Agriculture in very much the same manner as was proposed here, only the material was not immediately returned.

In the drug industry we secured information on bulk sales which we used as cost data.

Senator HRUSKA. And under very unhappy circumstances, I might say, Mr. Chairman, and that is a matter of the printed record. I hope we will not repeat anything of that kind again.

Senator KEFAUVER. And I know that in the counterpart of this committee in the House, Congressman Celler has received detailed information bearing on costs as to the United Stated Steel Corp.

And I think I should call the attention of the Members of the Senate to the fact that this is only for the purpose of securing information. As to what use the committee would make of it, that is a matter to be decided upon in the judgment of the committee at a later time.

I am sure that if the grouping of the information would reveal anything that would be damaging competitivewise to the companies, before the use of that part of it that might be harmful, the matter would be brought before the committee and it would be at the committee's discretion as to whether it be made public or not be made public, or whether it might be presented in some way which would make it of no value to foreign competitors.

The data would be for several purposes, and we might want to use part of the data for one purpose, and we might want to use part for another. But this would be decided later by the committee.

Senator DIRKSEN. I hope you are not invidiously trying to compare these people with the people you had before your crime committee or the people who came before the McClellan committee.

If you want to say that they haven't come, that is all right, but why do you have to say that they were obstinate and contumacious, and this was a bold refusal? That looks to me like a reflection, and it is one of the criticisms I have had of congressional committees both in the House and in the Senate over a long period of time.

Senator KEFAUVER. Senator Dirksen, as to a person's constitutional rights, whether he is president of Bethlehem Steel Corp., or whether he is just John K. Citizen, I think their rights ought to be protected.

Senator DIRKSEN. Right. There sits the press out there; that puts the brand on them.

Senator KEFAUVER. I am not putting the brand on anyone. I call attention to the fact that I have been the chairman of committees and we have had a lot of people come in who didn't want to testify and refused to give information, but they at least appeared.

Senator CARROLL. Mr. Chairman.

Senator KEFAUVER. Senator Carroll.

Senator CARROLL. I wish to be heard on this issue.

If there is any contumacious conduct on this, the basis of the resolution under discussion would, I assume, be what court was going to stand on what issue. The issue is not whether the steel company executives appeared here, but whether we have the right and jurisdiction to obtain these records.

Now, if the court should hold that we do have this right, then when the steel company executives produce the records, they would purge themselves from contempt. I believe that would be the rule of law.

I get the impression from the remarks of the Senator from Nebraska that after we have made the record in this case, the steel company executives would be willing to let the court decide this question.

As I read the letters from the companies themselves, this is what they seek; they say our last legal resort is to go to the courts; if the courts sustain us in our subpenas and say we are entitled to this cost data, and we get it, there is no contempt.

It is my own belief that when they are subpenaed to come before this committee, just as they would come before a court, it is a matter of courtesy, to come with their counsel and state the same thing before the committee as they have stated in the letter. But we have made their own record for them by putting their communications into the record giving their reasons for not appearing today. I think the chairman of this committee has been very fair; he has made the record for them.

Senator HRUSKA. And on that score, Mr. Chairman, I read the last sentence or next to the last sentence of the telegram signed by A. B. Homer in this case:

> Counsel further advise me that in order not to prejudice our attempt to secure a final determination of the propriety and validity of the subpena, I should not recognize it for any purpose.

Now, here is a legal situation into which he is put, and he is designated as contumacious and very obstinate and so on. He is trying to preserve his legal rights according to the best advice of his legal counsel. And I suggest that the language in the letter of Mr. Johnston, for example, of Armco, is anything but contumacious or objectionable. He says:

> Accordingly, with all due respect to the subcommittee, this reaffirms the corporation's, Mr. Reichelderfer, and myself, the company's position that it must decline to produce the confidential information called for by the latest subpenas, unless and until required to do so through established judicial procedures.

I see nothing contumacious about it or obstinate. It is a voice of a citizen who appeals to the regular judicial court procedures of a land which we, as a judiciary committee, should certainly be cognizant of.

Senator KEFAUVER. Let me say this to the Senator from Nebraska. What is contumacious to me is the refusal to appear, whether they bring records or whether they don't; they don't even appear.

Senator CARROLL. The point I want to make—the able Senator from Nebraska knows this—is that the basis of any contempt procedure is contumacious conduct, whether you only use bold words or legal words. The truth of it is, if the court orders them to produce the records we have requested, and if they don't do it, they will get a fine and be put in jail.

Senator KEFAUVER. Senator Hart wishes to be recognized.

Senator HART. Only for this purpose, Mr. Chairman. Senator Hruska described our pursuit of these records as harassment of business, and that this ought not to be done either. I am not sure we are wise to hang labels on it from either side.

As one member of the committee, I am satisfied that the antitrust laws of this country are terribly outmoded and wholly inadequate. They do not confront the 1960's with any measure of effectiveness. If we are to avoid a disastrous concentration of economic power in this country, we have to be in a position to do some very fundamental revision of the American antitrust law right across the board.

Now, if we were to be in a position responsibly to pursue that effort, we shall have to have just as much information, and in great

detail, as is possible within the law. It is my impression that in the pursuit of these records we do raise a very serious question as to whether it is information that on court review we would be permitted to have.

But feeling as I do, that to be in a position adequately to revise the antitrust laws which don't respond to the kind of competition we have today, we must seek these records in any appropriate situation, and if this isn't an appropriate situation, we will never get them.

Until we determine the extent to which we can get this kind of information, we don't know the extent to which we will have information upon which to proceed, upon which I hope we are all determined, to look at the Sherman and Clayton Acts and say, those were written for a different day, a day when price competition was almost the sole kind of competition. And today that isn't the marketplace at all. So I think instead of arguing who is harrying whom, we should orderly proceed to determine to what extent production cost information is available to us in order that we can wisely then move to overhaul some basic laws in this country.

Senator KEFAUVER. I want to compliment Senator Hart on the excellent statement he has made, and to say publicly that if by any chance any part of the cost data that would be put together and consolidated by the General Accounting Office might be damaging, even though we have not been legally deterred by that fact, and if it would have an adverse effect, I am sure that at least in executive session that information would be helpful, and later a decision could be made as to which parts of it could be put in the public record.

I think the subcommittee could probably devise ways and means to prevent any possible adverse effect. But we don't know what the information is, so we are at a loss to know how to do so.

Senator HART. If I could adjust one point, my only effort here is to suggest that we are seeking to establish a priority among principles. There is a principle that protects business against disclosure of secrets, proper secrets; it is a good principle. If there is a principle in the mind of some of us that may override that, there is an obligation on the Congress to require that information on which it wisely may legislate.

When these two principles come into conflict, which has the priority? That was the purpose.

Senator HRUSKA. That was the purpose of my motion, Mr. Chairman.

Senator CARROLL. May I add to the record at this point that the chairman has said that "cost data have been employed to test power to raise prices and exclude competitors"—from the highest Court of this Nation—"in the *Alcoa* and *Cellophane* cases; to test intent to monopolize in *American Tobacco*"—a Supreme Court case—"to test predatory intent in *A. & P*"—a Supreme Court case—"to test the existence of a price conspiracy in *Pevely Dairy* and *Eli Lilly*."

These are all Supreme Court cases. I think if the witnesses involved in the matter presently before us had responded and if the chairman could have talked to these witnesses along the lines that we have discussed here today with Senator Hruska and Senator Hart, we might have been able to convince them that they were not going to be seriously damaged by getting us the cost data we have requested.

That is one of the reasons, I think, that the chairman's statement is justified under the circumstances.

Senator KEFAUVER. Senator Long.

Senator LONG. No statements.

Senator KEFAUVER. Senator Dodd.

Senator DODD. No statements.

Senator KEFAUVER. We have decided to meet in executive session at 2 o'clock in Senator Dirksen's office.

We will stand in recess until that time.

(Whereupon at 11:35 a.m., the committee recessed, to reconvene in executive session at 2 p.m., this same day.)

APPENDIXES

(Appendix A on file with this Committee.)

APPENDIX B

UNITED STATES OF AMERICA

Congress of the United States

To Bethlehem Steel Corporation

25 Broadway

New York, New York, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub-Committee on Antitrust and Monopoly, Committee on the Judiciary *of the Senate of the United States, on* August 31, *19*62, *at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D. C., *then and there* bring with you the records and documents described in the attached Schedule "A" *to testify what you may know relative to the subject matters under consideration by said* Sub *committee.*

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Kenneth B. Keating

Chairman, Committee on Sub Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States.

8/23/62

Form No. USM 282
Edition 4-22-55

RETURN ON SERVICE OF WRIT

United States of America,
Southern DISTRICT OF New York } ss:

I hereby certify and return that I served the annexed Congressional Subpoena (Writ)
on the therein-named Bethlehem Steel Corporation (Individual, company, corporation, etc.)

by handing to and leaving a true and correct copy thereof with
Mr. Edward Martin, President (Individual or agent of company, corporation, etc.)

personally at 55th Street + Park Ave Waldorf-Astoria (Address—Street number, apartment number, rural route, etc.)
Hotel Tower Apt 29H (Foyer)
at NYC (City) NY (State) in the said District
at 6.00 ~~a. m.~~—p. m., on the 23rd day of August, 1962

Thomas J. Feeney
United States Marshal.

Marshal's fees

Mileage

By Robert J. McLaughlin
Deputy.

U. S. GOVERNMENT PRINTING OFFICE 16—17777-2

SCHEDULE A*

I. Any and all statements, memoranda, reports, analyses and other records and documents (including underlying records, worksheets, supporting papers, tabulating cards and tapes), or copies thereof, made by or for the corporation[1] containing information on, relating to, or showing, for the year 1954 and for the year 1961, costs of production, and all components thereof, (exclusive of selling, general and administrative expense, interest and provisions for income taxes) per net ton for pig iron and each of the carbon steel products listed in Attachment "1" for each plant of the corporation;

II. In lieu of producing the records and documents described in Paragraph I hereof, you may submit the following for the years 1954 and 1961: With respect to each of the finished carbon steel products listed in Attachment "1" for each plant of the corporation all of the cost information called for in the attached Steel Mill Cost Analysis Worksheet No. D, and further showing for each such finished steel product, the costs included in the production thereof of pig iron, ingots and semi finished steel, in the manner set forth on worksheets No. A, No. B, and No. C. Such information must be submitted in a manner, and on forms, identical with attached worksheets for each of the products listed.

1/ As used in this subpoena, the term "corporation" refers to the subpoenaed corporation and any division, subsidiary or affiliate of such corporation, and any firm or company controlled by such corporation.

* Identical attachments were submitted with all subpenas in exhibit B.

III. Or in lieu of submitting the information described in paragraph II hereof, you may submit for the years 1954 and 1961 the following: With respect to iron and ingot for each plant of the corporation, all of the cost information called for in Form I and Form II, respectively, referred to and made a part of Attachment "2" and with respect to each finished steel product shown in the "Listing of Finished Products" all of the cost information for the corporation called for in Form III, referred to and made a part of Attachment "2", all in accordance with the provisions of "Points Relating to Revised Forms I, II and III" contained in Attachment "2".

ATTACHMENT 1

A. Pig iron

B. Ingots and steel castings

C. Blooms, slabs, billets, sheet bars, tin plate bars, tube rounds, skelp, and wire rods

D. Finished carbon steel products

Hot-rolled sheets

Hot-rolled strip

Cold-rolled sheets

Cold-rolled strip

Galvanized sheets

Plates

Bars (other than concrete reinforcing)

Concrete reinforcing bars

Cold-finished bars

Seamless tubing

Electricweld pipe

Buttweld pipe

Plain wire

Galvanized wire

Nails and Staples

Barbed wire

Bale Ties

Tin plate, electrolytic

Rails, standard

Structural shapes

STEEL MILL COST ANALYSIS WORK SHEET	COST SHEET NO. A-
	PERIOD COVERED
	DATE COMPILED

NAME OF COMPANY	PLANT	MILL

COST OF PRODUCING (DESCRIBE)	USED IN THE PRODUCTION OF	AS REPORTED ON COST SHEET
PIG IRON —		B-

ITEM	NET TONS PER TON OF PRODUCT	PER NET TON: RATE (1)	PER NET TON: PRODUCT COST
Ferrous Material:			
Ore — Own		$	$
Purchased			
Flue Dust			
Cinder and Scale			
Scrap			
Gross Material			
Less Iron Scrap			
Less Flue Dust			
Total Scrap Produced (Credit)			
Net Metal (Yield = %)			
Fuel and Fluxes:			
Coke — Own			
Purchased			
Limestone			
Dolomite			
Less Net Credit for Gas			
Total Fuel and Fluxes		$	
Cost Above Material:			
Operating Labor (2)			
Repair and Maintenance (Including Labor and Funding Accounts)			
Provision for Relining Stacks and Stoves			
Steam, Electric Power and Light (This Department Only)			
Refractories and Supplies			
Blowing			
Works Expense			
Auxiliary and Other Service Department Expense (3)			
Other Production Expense			
Total Cost Above Material			
Plant Overhead:	BASIS OF DISTRIBUTION (4)		
Operating Administration Expenses			
Taxes (Social Security and Property) and Insurance			
Depreciation			
Amortization of Emergency Facilities			
Total Plant Overhead			
Total Cost Above Material and Plant Overhead			
Manufacturing Cost — Exclusive of Selling, General and Administrative Expenses, Interest, and Provisions for Income Taxes			$

Statistical Data

	THIS PRODUCT	ALL PRODUCTS	CAPACITY
Production (5)			
	TONS SOLD	NET AMOUNT (6)	PER NET TON
Sales		$	$
			(HOURS PER NET TON) (7)
Total Labor Hours — This Product	x x x x x x	x x x x x x	

Pig Iron

Actual cost of own and purchased iron ore consumed - - - - - - - - - - $ ..... per net ton of ore
Actual cost of own and purchased limestone consumed - - - - - - - - - $ ..... per net ton of limestone
Actual cost of own and purchased dolomite consumed - - - - - - - - - - $ ..... per net ton of dolomite

Coke

Excess of market over cost of own coal used $ ..... equal to $ ..... per net ton of coke
Profit on by-products not credited to cost of coke - - - - - - - - - - - - ..... per net ton of coke
Total man hours (estimated) (7) - ..... per net ton of coke

(1) Prices should be ——rate and costs per net ton should be stated in dollars and cents only.
(2) Include direct department supervision, direct labor and overtime allowances, but do not include labor in other items which is normally included in repair and maintenance, steam and power, fuel and auxiliary, and other service departments, or other production expenses.
(3) Include such departments as: Transportation, Water Pumping, Yard, Laboratory, etc.
(4) State basis for distributing these classes of expenses to products.
(5) All figures should be in full net tons.
(6) F.O.B. mill and after discounts and allowances, including average monthly loss account reclamation; care should be taken not to include any other adjustments of prior period transactions.
(7) Include in this product *all actual hours worked*, beginning with labor in coke, including all labor up to and including this process but exclusive of labor in ore, coal and stone, (estimated basis).

REMARKS:

STEEL MILL COST ANALYSIS WORK SHEET	COST SHEET NO. B-
	PERIOD COVERED
	DATE COMPILED

NAME OF COMPANY	PLANT	MILL

COST OF PRODUCING (DESCRIBE)	USED IN THE PRODUCTION OF	AS REPORTED ON COST SHEET
INGOTS —		C-

ITEM	PERCENT OF NET MATERIAL	PER NET TON: RATE (1)	PER NET TON: PRODUCT COST
Material (Specify Grade, etc.):			
1. Pig Iron—Own Production (Cost Sheet No.) (2)		$	$
2. Purchased			
3. Iron Scrap			
4. Steel Scrap — Own Production			
5. Purchased			
6. Ore, Cinder and Scale			
7. Ferro Manganese			
8. Ferro Silicon			
9. Other Additions			
Gross Material			
Less Steel Scrap (Credit)			
Less Cinder (Credit)			
Less Invisible Loss		x x x x x x	x x x x x x
Total Scrap Produced			
Net Material (Yield = %)	100.00	$	
Cost Above Material:			
Operating Labor (Direct) (3)			
Repair and Maintenance (Including Labor and Funding Accounts)			
Provision for Rebuilding Furnaces and for Moulds and Stools			
Steam, Electric Power and Light (This Department Only)			
Heating (This Department Only)			
Fluxes, Refractories, and Supplies			
Auxiliary and Other Service Department Expense (4)			
Works Expense			
Other Production Expense			
Total Cost Above Material			
Plant Overhead:	BASIS OF DISTRIBUTION (5)		
Operating Administration Expenses			
Taxes (Social Security and Property) and Insurance			
Depreciation			
Amortization of Emergency Plant Facilities			
Total Plant Overhead			
Total Cost Above Material and Plant Overhead			
Manufacturing Cost — Exclusive of Selling, General, and Administrative Expenses, Interest, and Provisions for Income Taxes.			$
Other Overhead Cost:			
Selling, General and Administrative Expense			
Interest on Funded Debt			
Total Cost			$

Statistical Data

	THIS PRODUCT	ALL PRODUCTS	CAPACITY
Production (6)			
	TONS SOLD	NET AMOUNT (7)	PER NET TON
Sales		$	$
Total Labor Hours — This Product	x x x x x x	x x x x x x	(HOURS PER NET TON) (8)

(1) Prices should be —rate and costs per net ton should be stated in dollars and cents only.
(2) If produced by the company, a subsidiary or affiliate, attach a cost sheet showing detailed production cost.
(3) Include direct department supervision, direct labor and overtime allowances, but do not include labor in other items which is normally included in repair and maintenance, steam and power, fuel and auxiliary, and other service departments, or other production expenses.
(4) Include such departments as: Transportation, Water Pumping, Yard, Laboratory, etc.
(5) State basis for distributing these classes of expenses to products.
(6) All figures should be in full net tons.
(7) F.O.B. mill and after discounts and allowances, including average monthly loss account reclamation; care should be taken not to include any other adjustments of prior period transactions.
(8) Include in this product *all actual hours worked*, beginning with labor in coke, including all labor up to and including this process but exclusive of labor in ore, coal and stone, (estimated basis).

REMARKS:

STEEL MILL COST ANALYSIS WORK SHEET	COST SHEET NO. C-
	PERIOD COVERED
	DATE COMPILED

NAME OF COMPANY	PLANT	MILL

COST OF PRODUCING (DESCRIBE)	USED IN THE PRODUCTION OF	AS REPORTED ON COST SHEET

ITEM	PERCENT OF NET MATERIAL	PER NET TON: RATE (1)	PER NET TON: PRODUCT COST
Material (Specify Grade, etc.):			
1. (C. S. No.) (2)		$	$
2. (C. S. No.) (2)			
3.			
Gross Material			
Less Steel Scrap			
Total Scrap Produced (Credit)			
Net Material (Yield = %)	100.00	$	
Cost Above Material:			
Operating Labor (Direct) (3)			
Repair and Maintenance (Including Labor and Funding Accounts)			
Provision for Rolls			
Steam, Electric Power and Light (This Department Only)			
Heating (This Department Only)			
Works Expense			
Auxiliary and Other Service Department Expense (4)			
Other Production Expense			
Total Cost Above Material			
Plant Overhead:	BASIS OF DISTRIBUTION (5)		
Operating Administration Expenses			
Taxes (Social Security and Property) and Insurance			
Depreciation			
Amortization of Emergency Plant Facilities (9)			
Total Plant Overhead			
Total Cost Above Material and Plant Overhead			
Manufacturing Cost — Exclusive of Selling, General and Administrative Expenses, Interest, and Provisions for Income Taxes			$
Other Overhead Cost:			
Selling, General and Administrative Expense			
Interest on Funded Debt			
Total Cost			$

Statistical Data

	THIS PRODUCT	ALL PRODUCTS	CAPACITY
Production (6)			
	TONS SOLD	NET AMOUNT (7)	PER NET TON
Sales		$	$
Total Labor Hours — This Product	x x x x x x	x x x x x x	(HOURS PER NET TON) (8)

(1) Prices should be —rate and costs per net ton should be stated in dollars and cents only.
(2) If produced by the company, a subsidiary or affiliate, attach a cost sheet showing detailed production cost.
(3) Include direct department supervision, direct labor and overtime allowances, but do not include labor in other items which is normally included in repair and maintenance, steam and power, fuel and auxiliary, and other service departments, or other production expenses.
(4) Include such departments as: Transportation, Water Pumping, Yard, Laboratory, etc.
(5) State basis for distributing these classes of expenses to products.
(6) All figures should be in full net tons.
(7) F.O.B. mill and after discounts and allowances, including average monthly loss account reclamation; care should be taken not to include any other adjustments of prior period transactions.
(8) Include in this product *all actual hours worked*, beginning with labor in coke, including all labor up to and including this process but exclusive of labor in ore, coal and stone, (estimated basis).
(9) Total cost of emergency plant facilities covered by Certificates of Necessity on which amortization is based is $. The amount distributed for the month is based on 60 months' amortization.

REMARKS:

STEEL MILL COST ANALYSIS WORK SHEET	COST SHEET NO. D-
	PERIOD COVERED
	DATE COMPILED

NAME OF COMPANY	PLANT	MILL

COST OF PRODUCING (DESCRIBE)		

ITEM (2)	PERCENT OF NET MATERIAL	PER NET TON	
		RATE (1)	PRODUCT COST
MATERIAL (Specify)			
1.		$	$
2.			
3.			
4.			
5.			
Gross Material			
Less Steel Scrap			
Total Scrap Produced			
Net Material (Yield= %)			
		$	
Cost Above Material:			
Operating Labor (Direct) (3)			
Repair and Maintenance (Including Labor and Funding Accounts)			
Provision for Rolls			
Steam, Electric Power and Light (This Department Only)			
Heating (This Department Only)			
Works Expense			
Auxiliary and Other Service Department Expense (4)			
Other Production Expense			
Total Cost Above Material			
Plant Overhead:	BASIS OF DISTRIBUTION (5)		
Operating Administration Expenses			
Taxes (Social Security and Property) and Insurance			
Depreciation			
Amortization of Emergency Plant Facilities (9)			
Total Plant Overhead			
Total Cost Above Material and Plant Overhead			
Total Cost of Production	Exclusive of Selling, General and Administrative Expenses, Interest, and Provisions for Income Taxes		$
Other Overhead Cost:			
Selling, General and Administrative Expense			
Interest on Funded Debt			
Grand Total Cost			$

Statistical Data

	THIS PRODUCT	ALL PRODUCTS	CAPACITY
Production (6)			
	TONS SOLD	NET AMOUNT (7)	PER NET TON
Sales		$	$
			(HOURS PER NET TON) (8)
Total Labor Hours — This Product	x x x x x x	x x x x x x	

(1) Prices should be —rate and costs per net ton should be stated in dollars and cents only.
(2) If produced by the company, a subsidiary or affiliate, attach a cost sheet showing detailed production cost.
(3) Include direct department supervision, direct labor and overtime allowances, but do not include labor in other items which is normally included in repair and maintenance, steam and power, fuel and auxiliary, and other service departments, or other production expenses.
(4) Include such departments as: Transportation, Water Pumping, Yard, Laboratory, etc.
(5) State basis for distributing these classes of expenses to products.
(6) All figures should be in full net tons.
(7) F.O.B. mill and after discounts and allowances, including average monthly loss account reclamation; care should be taken not to include any other adjustments of prior period transactions.
(8) Include in this product *all actual hours worked*, beginning with labor in coke, including all labor up to and including this process but exclusive of labor in ore, coal and stone, (estimated basis).
(9) Total cost of emergency plant facilities covered by Certificates of Necessity on which amortization is based is $. The amount distributed for the month is based on 60 months' amortization.

REMARKS:

Attachment 2

Points Relating to Revised Forms I, II & III

1. The data are to relate only to carbon steel. Data are not to be supplied for alloy and stainless steel.

2. The individual questionnaires are to be submitted directly to the General Accounting Office and are not to be available to the Subcommittee or its staff. Table plans to be followed by G.A.O. will be drawn up by the Subcommittee staff and copies will be furnished to the steel companies. The table plans will be devised to show the data distributed (a) by size and (b) by cost. Any objections or suggested modifications of the plans will be given careful consideration. It is anticipated that the accountants of the G.A.O. will be in touch with the steel companies for the purpose of securing clarification and interpretation of the data submitted.

3. The data are to be submitted by companies for finished steel products, but by plants for iron and for ingots.

4. The cost figures for finished steel products are to represent total costs of producing the specified product; i.e., they are to reflect not merely the cost at the finishing stages but the cost of the earlier stages of production as well.

5. The items for which cost information is to be supplied are as set forth in the attached Form I for iron, Form II for ingots, and Form III for finished steel products.

6. The products for which the data are to be supplied, together with the size classifications to be used in tabulating the data, are as set forth in the attached Listing of Finished Products. In no case will the data for finished steel products be distributed in either the size or cost tabulations by groups containing fewer companies than are shown in the attached Listing of Finished Products.

7. The number of products for which cost information is to be supplied has been reduced from 20 to 14. Two products, cold-finished bars and bale ties, have been eliminated. Hot-rolled strip has been combined with hot-rolled sheet; cold-rolled strip with cold-rolled sheet; galvanized wire with plain wire to constitute drawn wire; and concrete reinforcing bars with hot-rolled bars.

8. While the size classes to be followed for iron and ingots have not as yet been determined, no figures will be presented in groups of less than 3 companies or alternatively 5 plants. In no case will the costs for any individual plant or company be disclosed.

9. Labor costs may be derived statistically by multiplying the number of man-hours times the average employment cost per hour and dividing by the tons produced. The figures used for man-hour and employment costs are to be shown separately. The employment costs for "labor" exclude payments to employees classified in selling, general and administrative activities.

10. Costs of purchased ore, purchased coke and purchased scrap may be derived statistically by multiplying the quantity used times the average price paid therefor, and dividing by the tons of iron or ingots produced. The figures used for the quantities and the average purchase price must be shown separately.

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11. Although most of the items for which cost information is to be supplied should be self-explanatory, comments on a few of the items may be helpful:

Form I. Under "Ferrous material", the item "Other" includes scrap and all other iron bearing materials.

Under "Fuel and fluxes" the item "Other" includes limestone, dolomite, and other minor fluxes such as gravel.

The item "Credits" includes gas, coke screenings, scrap, flue dust, slag and other minor credit items.

Form II. Under "Material", the item "Other" includes charge ore and steel-making additions, such as ferromanganese, ferrosilicon, etc.

The item "Credits" includes scrap and miscellaneous materials.

Forms I, II and III. The item "Selling, General and Administrative" includes all such expenses in both the central office and the field offices; it specifically includes debt service.

Company: _____

Plant: _____

FORM I

Cost per Ton of Iron
1954 & 1961

	1954		1961	
	Per Ton of Iron	Quantity (000 tons)	Per Ton of Iron	Quantity (000 tons)
Ferrous Material: Total	$_____	_____	$_____	_____
Ore	_____	_____	_____	_____
Own	_____	_____	_____	_____
Purchased 1/	_____	_____	_____	_____
Other	_____	_____	_____	_____
Fuel and fluxes: Total	_____	_____	_____	_____
Coke	_____	_____	_____	_____
Own	_____	_____	_____	_____
Purchased 1/	_____	_____	_____	_____
Other	_____	_____	_____	_____
Credits (Total)	(_____)		(_____)	
Labor 2/	_____		_____	
Other Production Costs above Material	_____		_____	
Selling, General & Administrative	_____		_____	
Total Costs	_____		_____	
Sales	_____ 3/	_____	_____ 3/	_____
Production		_____		_____

1/ Computable by multiplying quantity purchased x average purchased price and dividing by tons of iron produced; show: quantity purchased _____, average purchased price_____.

2/ Computable by multiplying man-hours x average hourly employment costs and dividing by tons of iron produced; show: number of man-hours_____, average hourly employment costs_____.

3/ Average realized price per ton sold.

Company: _____

Plant: _____

FORM II

Cost per Ton of Ingot
1954 & 1961

	1954		1961	
	Per Ton of Ingot	Quantity (000 tons)	Per Ton of Ingot	Quantity (000 tons)
Material: Total	$_____	_____	$_____	_____
Iron	_____	_____	_____	_____
Own	_____	_____	_____	_____
Purchased 1/	_____	_____	_____	_____
Scrap	_____	_____	_____	_____
Own	_____	_____	_____	_____
Purchased 1/	_____	_____	_____	_____
Other	_____	_____	_____	_____
Credits (Total)	(_____)		(_____)	
Labor 2/	_____		_____	
Other Production Costs above Material	_____		_____	
Selling, General & Administrative	_____		_____	
Total Costs	_____		_____	
Sales	_____ 3/	_____	_____ 3/	_____
Production		_____		_____

1/ Computable by multiplying quantity purchased x average purchased price and dividing by tons of ingots produced; show: quantity purchased_____, average purchased price _____.

2/ Computable by multiplying man-hours x average hourly employment costs and dividing by tons of ingots produced; show: number of man-hours_____, average hourly employment costs_____.

3/ Average realized price per ton sold.

Company: _____

Product: _____

FORM III

Cost per Ton of Specified Finished Steel Products
1954 & 1961

	1954		1961	
	Per Ton of Specified Product	Quantity (000 tons)	Per Ton of Specified Product	Quantity (000 tons)
Mill Cost: Total	$_____		$_____	
Labor 1/	_____		_____	
Other	_____		_____	
Selling, General & Administrative	_____		_____	
Total Costs	_____		_____	
Profit before Tax	_____		_____	
Profit after Tax	_____		_____	
Sales	_____ 2/	_____	_____ 2/	_____

1/ Computable by multiplying man-hours x average hourly employment costs and dividing by tons of product produced; show: number of man-hours_____, average hourly employment costs _____.

2/ Average realized price per ton sold.

LISTING OF FINISHED PRODUCTS

Products with Size Breakdowns

1.	Hot-rolled sheets & strip	3 largest, next 3 largest, 6 other
2.	Cold-rolled sheets & strip	3, 3, 6
3.	Galvanized sheets	3, 5
4.	Plates	4, 6
5.	Hot-rolled bars 1/	4, 6
6.	Seamless tubing	3, 3
7.	Electricweld pipe	3, 5
8.	Buttweld pipe	3, 5
9.	Drawn wire 2/	3, 4
10.	Electrolytic tin plate	3, 3, 3

Products with No Size Breakdowns

11. Barbed wire
12. Nails & staples
13. Rails
14. Structural shapes, heavy

1/ Including concrete reinforcing bars.
2/ Includes plain wire and galvanized wire.

UNITED STATES OF AMERICA

Congress of the United States

To A. B. Homer, as Chairman and Chief Executive Officer of Bethlehem Steel Corporation, 25 Broadway, New York, New York, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub- *Committee on* Antitrust and Monopoly, Committee on the Judiciary *of the Senate of the United States, on* August 31, *19*62, *at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D. C., *then and there* ~~*to testify what you may know relative to the subject matters under consideration by said committee.*~~ bring with you and produce to the Subcommittee all of the records and other documents of Bethlehem Steel Corporation described in the attached Schedule "A"

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Eastland

Chairman, Sub Committee on Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States

August 27, 195 62

I made service of the within subpena

by serving a copy of the subpoena

the within-named A. B. Homer

personally, *at*

Bethlehem Steel Company, Bethlehem,

Penna.

at 10:30 *o'clock* A *m., on*

the 27th *day*

of August, 195 62

U. S. GOVERNMENT PRINTING OFFICE 84344

JAMES V. RYAN, U.S.Marshal, E.D ofPa

by: John J Gericke

John Gericke, Deputy U.S.Marshal

UNITED STATES OF AMERICA

Congress of the United States

To Edmund Martin, ~~as President of Bethlehem Steel Corporation,~~ 25 Broadway, New York, New York, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub-Committee on the Judiciary *Committee on* Antitrust and Monopoly, *of the Senate of the United States, on* August 31, *19*62, *at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D.C., *then and there* ~~*to testify what you may know relative to the subject matters under consideration by said committee.*~~ bring with you and produce to the Subcommittee ~~all of the records and other documents of Bethlehem Steel Corporation described~~ in the attached Schedule "A"

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Estes Kefauver

Chairman, Sub *Committee on* Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States

of 8/23/62

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Form No. USM 282
Edition 4-22-55

RETURN ON SERVICE OF WRIT

United States of America,
Southern DISTRICT OF New York } ss:

I hereby certify and return that I served the annexed Congressional Subpoena (Writ)
on the therein-named Edward Martin (Individual, company, corporation, etc.)

by handing to and leaving a true and correct copy thereof with him
personal service. (Individual or agent of company, corporation, etc.)

personally at 50th Street + Park Ave. Waldorf-Astoria (Address—Street number, apartment number, rural route, etc.)
Hotel Tower Apt 29 A (Foyer)
at NYC (City) NY (State) in the said District
at 6:00 ~~a.m.~~—p. m., on the 23rd day of August, 1962

Thomas F. Tunney
United States Marshal.

Marshal's fees _____

Mileage _____

By Robert L. McCain
Deputy.

U. S. GOVERNMENT PRINTING OFFICE 16—17777-2

UNITED STATES OF AMERICA

Congress of the United States

To Frank R. Brugler, as Comptroller of Bethlehem Steel Corporation, 25 Broadway, New York, New York, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub-Committee on the Judiciary *Committee on* Antitrust and Monopoly, *of the Senate of the United States, on* August 31, *1962, at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D. C., *then and there* ~~*to testify what you may know relative to the subject matters under consideration by said committee.*~~ bring with you and produce to the Subcommittee all of the records and other documents of Bethlehem Steel Corporation described in the attached Schedule "A"

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Estes Kefauver

Chairman, Committee on Sub Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States

August 24, 1962

I made service of the within subpena

by Frank R. Brugler

the within-named Frank R. Brugler

personally, *at*

Bethlehem Steel Corporation,

Bethlehem, Pennsylvania

at 11:15 *o'clock* A. *m., on*

the 24th *day*

of August, 1962

U. S. GOVERNMENT PRINTING OFFICE 84344

JAMES V. RYAN, U.S.Marshal

by: John J. Gericke

John J. Gericke

Deputy U.S.Marshal

UNITED STATES OF AMERICA

Congress of the United States

To Republic Steel Corporation

Republic Building

Cleveland, Ohio, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub- *Committee on* Antitrust and Monopoly, Committee on the Judiciary / *of the Senate of the United States, on* August 31, *19*62, *at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D. C., *then and there* bring with you the records and documents described in the attached Schedule "A" ~~*to testify what you may know relative to the subject matters under con-*~~ *sideration by said* Sub/*committee.*

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Kefauver

Chairman, Sub/*Committee on* Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States.

August ~~24~~ 23rd, 1952

I made service of the within subpena

by handing a true and

certified copy of this

subpena with all endorsements

thereon to the within-named Republic Steel

Corporation by Thomas F. Patton

President, at

Republic Bldg.

Cleveland, Ohio

at 10¹⁵ o'clock A m., on

the ~~24th~~ 23rd day

of August, 1952

R. Ben Hasler

U. S. Marshal

by Stanton M. Wiegar

Deputy

U. S. GOVERNMENT PRINTING OFFICE 84344

UNITED STATES OF AMERICA

Congress of the United States

To Thomas F. Patton, as President of Republic Steel Corporation, Republic Building, Cleveland, Ohio, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub-Committee on the Judiciary *Committee on* Antitrust and Monopoly, *of the Senate of the United States, on* August 31, *19*52., *at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D.C., *then and there* ~~*to testify what you may know relative to the subject matters under consideration by said committee.*~~ to bring with you and produce to the Subcommittee all of the records and other documents of Republic Steel Corporation described in the attached Schedule "A".

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Estes Kefauver

Chairman, Committee on Sub Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States.

August 23rd, 1962

I made service of the within subpena by handing a true & certified copy of this subpena with full endorsements thereon to

the within-named Thomas F. Patton as President of Republic Steel Corporation, at Republic Bldg. Cleveland Ohio

at 10:15 o'clock A m., on the 23rd day of August, 1962

R. Ben Hasler
U. S. Marshal
by Stanton N. Weigar
Deputy.

U. S. GOVERNMENT PRINTING OFFICE 84344

UNITED STATES OF AMERICA

Congress of the United States

To George M. Feiel, as Vice President and Comptroller of Republic Steel Corporation, Republic Building, Cleveland, Ohio, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub- *Committee on* Antitrust and Monopoly, Committee on the Judiciary *of the Senate of the United States, on* August 31, *19*62, *at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D.C., *then and there* ~~*to testify what you may know relative to the subject matters under consideration by said committee*~~, to bring with you and produce to the Subcommittee all of the records and other documents of Republic Steel Corporation described in the attached Schedule "A"

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, ~~or any other authorized person~~ *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Chairman, Sub *Committee on* Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States.

August 23, 1952

I made service of the within subpena by handing a true & certified copy of this subpena with all endorsements thereon to

the within-named George M. Dill vice President and Comptroller of Republic Steel Corporation, at Republic Bldg Cleveland, Ohio

at 11:00 o'clock A m., on the 23rd day of August, 1952

R. Ben Hale

U. S. Marshal

by Thurston Allegar Deputy

U. S. GOVERNMENT PRINTING OFFICE 84344

No. 11911

UNITED STATES OF AMERICA

Congress of the United States

To National Steel Corporation

2800 Grant Building

Pittsburgh, Pennsylvania, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub- *Committee on* Antitrust and Monopoly, Committee on the Judiciary *of the Senate of the United States, on* August 31, *1962, at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D.C., *then and there* bring with you the records and documents described in the attached Schedule "A" *to testify what you may know relative to the subject matters under consideration by said* Sub- *committee.*

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Estes Kefauver

Chairman, Sub-*Committee on* Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States

August 23, 1962

I made service of the within subpena

by handing to and leaving a copy thereof with Thomas E. Millsop, Chairman of the Board of Directors of

the within-named National Steel Corporation, *at*

Room 2800 Grant Building

Pittsburgh, Pennsylvania

at 3:10 *o'clock* P. E.D.S.T. *m/, on*

the 23rd *day*

of August, 1962

JAMES R. BERRY, U.S. MARSHAL WD-Pa.

U. S. GOVERNMENT PRINTING OFFICE 84344

By John M. Milanovich
Deputy Marshal

Travel $7.00

No. 11911

UNITED STATES OF AMERICA

Congress of the United States

To Thomas E. Millsop, as Chairman of the Board of Directors of National Steel Corporation, 2800 Grant Building, Pittsburgh, Pennsylvania, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub- *Committee on* Antitrust and Monopoly, Committee on the Judiciary, *of the Senate of the United States, on* August 31, *19*62, *at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D. C., *then and there* ~~*to testify what you may know relative to the subject matters under consideration by said committee.*~~ bring with you and produce to the Subcommittee all of the records and other documents of National Steel Corporation described in the attached Schedule "A"

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Estes Kefauver

Chairman/Committee on Sub Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States

August 23, 1962

I made service of the within subpena

by handing to and leaving a copy

thereof with

the within-named Thomas E. Millsop

personally, *at*

Room 2800 Grant Building

Pittsburgh, Pennsylvania

at 3:10 E.D.S.T *o'clock* P. *m., on*

the 23rd *day*

of August, 1962

JAMES R. BERRY, U.S. MARSHAL WD-Pa

U. S. GOVERNMENT PRINTING OFFICE 84344

By John M. Mlamovich

Deputy Marshal

1911

UNITED STATES OF AMERICA

Congress of the United States

To George Stinson, as Secretary of National Steel Corporation, 2800 Grant Building, Pittsburgh, Pennsylvania, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub- *Committee on* Antitrust and Monopoly, Committee on the Judiciary, *of the Senate of the United States, on* August 31, *19*62, *at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D.C., *then and there* ~~*to testify what you may know relative to the subject matters under consideration by said committee.*~~ bring with you and produce to the Subcommittee all of the records and other documents of ~~National Steel Corporation~~ described in the attached Schedule "A".

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Estes Kefauver

Chairman, Committee on Sub Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States

August 23, ~~19~~62

I made service of the within subpena

by handing to and leaving a copy

thereof with

the within-named George Stinson,

personally, *at*

Room 2800 Grant Building,

Pittsburgh, Pa.

on August 23, 1962 at 3:10 P.M. EDST.

~~at~~ ~~o'clock~~ ~~m.; on~~

~~the~~ ~~day~~

~~of~~, ~~195~~

JAMES R. BERRY, U.S. MARSHAL WD-Pa.

U. S. GOVERNMENT PRINTING OFFICE 84344

By John M. Milanovich

Deputy Marshal

UNITED STATES OF AMERICA

Congress of the United States

To Armco Steel Corporation
703 Curtis Street
Middletown, Ohio, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub- *Committee on* Antitrust and Monopoly, Committee on the Judiciary *of the Senate of the United States, on* August 31, *19*62, *at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D. C., *then and there* bring with you the records and documents described in the attached Schedule "A" *~~to testify what you may know~~ relative to the subject matters under consideration by said* Sub *committee.*

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two.

Kefauver

Chairman, Sub *Committee on* Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States

August 24, 1962
Middletown, Ohio, 195

I made service of the within subpena

by personally handing ~~XX~~ a copy to

the within-named Armco Steel Corporation

, at

703 Curtis St., Middletown, Ohio by

handing to Logan T. JOHNSTON, President,

Armco Steel Corp. in his office.

at 9.05 *o'clock* A *m., on*

the 24th *day*

of August *, 195*62

Fred F. Hoh

U. S. Marshal, OHIO-S

Robert A. Sack, Chief Deputy

U. S. GOVERNMENT PRINTING OFFICE: 1962

UNITED STATES OF AMERICA

Congress of the United States

To Logan T. Johnson, as President of Armco Steel Corporation, 703 Curtis Street, Middletown, Ohio, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub-Committee on the Judiciary *Committee on* Antitrust and Monopoly *of the Senate of the United States, on* August 31, *1962, at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D. C., *then and there* ~~*to testify what you may know relative to the subject matters under consideration by said committee.*~~ to bring with you and produce to the Subcommittee all of the records and other documents of Armco Steel Corporation described in the attached Schedule "A"

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two

Estes Kefauver

Chairman, Committee on Sub Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States

August 24
Middletown, Ohio, 1962

I made service of the within subpena

by personally handing ~~to~~ a copy to

the within-named Logan T. JOHNSTON

President, Armco Steel Corp., *at*

his office located at 703 Curtis St.,

Middletown, Ohio

at 9.05 *o'clock* A *m., on*

the 24th *day*

of August, 1962

Fred F. Hoh
U. S. Marshal, Ohio-S

Robert A. Sack, Chief
Deputy

UNITED STATES OF AMERICA

Congress of the United States

To D. E. Reichelderfer, Vice President, Finance, Armco Steel Corporation, 703 Curtis Street, Middletown, Ohio

, **Greeting:**

Pursuant *to lawful authority, YOU ARE HEREBY COMMANDED to appear before the* Sub- *Committee on* Antitrust and Monopoly Committee on the Judiciary *of the Senate of the United States, on* August 31, *1962, at* 10:00 *o'clock* a. *m., at their committee room* 2228 New Senate Office Building, Washington, D.C., *then and there* ~~*to testify what you may know relative to the subject matters under consideration by said committee.*~~ bring with you and produce to the Subcommittee all of the records and other documents of Armco Steel Corporation described in the attached Schedule "A"

Hereof fail not, *as you will answer your default under the pains and penalties in such cases made and provided.*

To the U.S. Marshal, or any other authorized person *to serve and return.*

Given *under my hand, by order of the committee, this* 21st *day of* August, *in the year of our Lord one thousand nine hundred and* sixty-two.

Estes Kefauver

Chairman, Sub-Committee on Antitrust and Monopoly, Committee on the Judiciary of the Senate of the United States.

August 24, 1962
Middletwon, Ohio, 195

I made service of the within subpena

by personally handing ~~XX~~ RA a copy to

the within-named D.E. REICHELDERFER
Vice President, Finance, Armco Steel
Corporation
, *at*

the office of the Prseident, Armco

Steel Corporation located at 703 Curtis

St., Middletown, Ohio

at 9.05 *o'clock* A *m., on*

the 24th *day*

of August, 1962

Fred F. Hoh
U.S. Marshal, Ohio-S
Robert A. Sack
Robert A. Sack, Chief
Deputy

U. S. GOVERNMENT PRINTING OFFICE: 1962

APPENDIX C

[Antitrust and Monopoly Subcommittee, for immediate release, Friday, Apr. 13, 1962]

SENATOR KEFAUVER'S ANTITRUST SUBCOMMITTEE TO SUBPENA COST DATA FROM STEEL FIRMS

The Senate Antitrust and Monopoly Subcommittee within a few days will issue subpenas to the major steel companies requesting figures on their unit costs, Chairman Estes Kefauver (Democrat, Tennessee) disclosed today.

Senator Kefauver explained that the subcommittee will accept, instead of such unit cost data, replies to questionnaires which have been designed for this purpose. The information requested is in connection with the current subcommittee inquiry into the recent steel price increase.

The Senator stated that although the subcommittee has the authority to make such information public on the basis of individual companies, he intends to make the data public in groups of three companies so that the figures of any single company cannot be ascertained.

Senator Kefauver said the subcommittee will submit the individual company schedules to the General Accounting Office and request that tabulations of the figures into groups of three companies be done under the supervision of the Comptroller of the United States. He noted that previous use of this procedure in the case of bread manufacturers had met with no adverse criticism from the industry.

APPENDIX D

ARMCO STEEL CORP.,
Middletown, Ohio, August 24, 1962.

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR KEFAUVER: Served this morning were three substantially identical subpenas duces tecum, one addressed to Armco Steel Corp.; one to Mr. D. E. Reichelderfer, vice president responsible for maintenance of the accounting records of our company; and one to me. All three subpenas call for production of much the same sort of cost data as did the subcommittee's prior subpena dated April 12, 1962.

Our company's recent letter to you of August 10, explained in detail the reasons why it respectfully declined to produce the cost data. Accordingly, with all due respect to the subcommittee, this reaffirms for Armco Steel Corp., Mr. Reichelderfer, and myself the company's position that it must decline to produce the confidential information called for by these latest supenas, unless and until required to do so through established judicial procedures. Counsel's advice that refusal to supply the most valuable and secret information in the possession of our company constitutes the only legal course by which its rights may be protected is a matter of deep regret.

Since this is a matter of such vital importance to us, I am taking the liberty of sending copies of this letter and of our company's August 10 letter to each member of the Senate Judiciary Committee.

Sincerely yours,

LOGAN T. JOHNSTON, *President.*

APPENDIX E

AUGUST 27, 1962.

Mr. LOGAN T. JOHNSTON,
President, Armco Steel Corp.,
Middletown, Ohio:

Regardless of the expression of your intention not to comply with subpena directed to you, the subpena commands your personal appearance before the Subcommittee on Antitrust and Monopoly in session August 31, 1962, at 10 a.m., then and there to make compliance. As chairman of the subcommittee, I shall consider your failure to so appear as contempt under the subpena.

ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly.

AUGUST 27, 1962.

Mr. D. E. REICHELDERFER,
Vice President, Armco Steel Corp.,
Middletown, Ohio:

Regardless of the expression of your intention not to comply with subpena directed to you, the subpena commands your personal appeance before the Subcommittee on Antitrust and Monopoly in session August 31, 1962, at 10 a.m., then and there to make compliance. As chairman of the subcommittee, I shall consider your failure to so appear as contempt under the subpena.

ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly.

APPENDIX F

NATIONAL STEEL CORP.,
Pittsburgh, Pa., August 24, 1962.

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR KEFAUVER: Yesterday I was served with a new subpena issued by your subcommittee, this time addressed to me personally, requiring me to produce at a hearing before your subcommittee on August 31 virtually the same cost information required by the prior subpena. Similar subpenas were issued at the same time to Mr. Stinson, secretary of our company, and to the corporation itself. Incorporated in the present subpenas is the identical procedure for compliance as set forth in your letter to us dated July 2, 1962.

I wrote you fully on August 11 our reasons for declining to furnish the information requested. The issuance of these new subpenas does not alter the circumstances which are set forth at length in that letter. I am advised by my counsel that there is no way of testing our rights to maintain the confidential character of our costs except by refusing to obey the subpena. For that reason I respectfully decline to comply with the subpena unless ordered to do so by a competent court. Mr. Stinson, secretary of the company, is of course acting under the directions of the executive committee, who have decided to take the same stand as that which I am taking and, consequently, he will not produce the records requested under either the subpena addressed to the corporation or to him personally.

This is such an important matter to the steel industry and to the country generally that I am sending a copy of this letter to all of the members of the Senate Judiciary Committee, together with a copy of my letter of August 11 explaining our reasons in more detail.

Respectfully yours,

T. E. MILLSOP.

APPENDIX G

AUGUST 27, 1962.

Mr. THOMAS E. MILLSOP,
Chairman of the Board of Directors, National Steel Corp.,
Pittsburgh, Pa.:

Regardless of the expression of your intention not to comply with subpena directed to you, the subpena commands your personal appearance before the Subcommittee on Antitrust and Monopoly in session August 31, 1962, at 10 a.m., then and there to make compliance. As chairman of the subcommittee, I shall consider your failure to so appear as contempt under the subpena.

ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly.

AUGUST 27, 1962.

Mr. GEORGE STINSON,
Secretary, National Steel Corp.,
Pittsburgh, Pa.:

Regardless of the expression of your intention not to comply with subpena directed to you, the subpena commands your personal appearance before the Subcommittee on Antitrust and Monopoly in session August 31, 1962, at 10 a.m., then and there to make compliance. As chairman of the subcommittee, I shall consider your failure to so appear as contempt under the subpena.

ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly.

APPENDIX H

AUGUST 30, 1962.

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.:

Re your telegram to effect that subpena directed to me as chairman of Bethlehem Steel Corp. commands my personal appearance before subcommittee on August 31 then and there to make compliance. I have been advised by counsel that the effect of striking from the form of subpena served on me the words "to testify what you may know relative to the subject matters under consideration by said committee" was to make such subpena purely a subpena duces tecum which does not require me personally to come before the subcommittee since, as you have been advised by letter dated August 29, compliance with the subpena by the production of cost and profit data is not to be made. Counsel further advise me that in order not to prejudice our attempt to secure a final determination of the propriety and validity of the subpena, I should not recognize it for any purpose. Accordingly, I shall not appear.

A. B. HOMER, *Chairman.*

APPENDIX I

ALLENTOWN, PA., *August 30, 1962.*

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.:

Regarding your telegram to effect that subpena directed to me as chairman of Bethlehem Steel Corp., commands my personal appearance before subcommittee on August 31 then and there to make compliance, I have been advised by counsel that the effect of striking from the form of subpena served on me the words "to testify what you may know relative to the subject matters under consideration by said committee" was to make such subpena purely a subpena duces tecum which does not require me personally to come before the subcommittee since, as you have been advised by letter dated August 29, compliance with the subpena by the production of cost and profit data is not to be made. Counsel further advise me that in order not to prejudice our attempt to secure a final determination of the propriety and validity of the subpena, I should not recognize it for any purpose. Accordingly, I shall not appear.

A. B. HOMER,
Chairman, Bethlehem Steel Corp.

APPENDIX J

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Armco Steel Corporation
703 Curtis Street
Middletown, Ohio

Gentlemen:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies, including yourself.

As soon as the full record has been received from the printer, a copy will be sent to you.

It is hoped that the corporation will consider this material and the full report, and conclude to furnish the information sought by the Subcommittee.

Sincerely,

Estes Kefauver
Chairman

Enclosure

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee ☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

ARMCO STEEL CORPORATION

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED AUG 27 1962

ADDRESS WHERE DELIVERED *(only if requested in item #1)*

C55—16—71548-4

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

MIDDLETOWN OHIO AUG 27 5-PM 1962

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
420632	Hon. E. Stles Kefauver
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
	412 Senate Office Bldg
INSURED NO.	CITY, ZONE AND STATE
	Washington 25 D.C.

C55—16—71548-4

POD Form 3811 Jan. 1958

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIRMAIL

Mr. Logan T. Johnson
President, Armco Steel Corporation
703 Curtis Street
Middletown, Ohio

Dear Mr. Johnson:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies.

As soon as the full record has been received from the printer, a copy will be sent to you.

Your particular attention is called to the fact that the subpoena served upon you requires your personal appearance before the Subcommittee on August 31, 1962, at 10:00 a.m. in Room 2228, New Senate Office Building, and to then and there make compliance with the subpoena.

I hope that after consideration of the above information you will decide to cooperate with the Subcommittee in furnishing the information called for in the subpoena.

Sincerely,

Estes Kefauver
Chairman

Enclosure
EK:ar;amd

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver *ONLY* to addressee ☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the registered article described on the other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

ARMCO STEEL CORPORATION

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED	ADDRESS WHERE DELIVERED *(only if requested in item #1)*
AUG 27, 1962	

CS5—16—71548-4 G

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

MIDDLETOWN AUG 27 5 PM 1962 OHIO

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
220 641	Hon. Estes Kefauver
CERTIFIED NO.	STREET AND NO. OR P. O. BOX 412 Senate Office Bldg
INSURED NO.	CITY, ZONE AND STATE WASHINGTON, D.C.

CS5—16—71548-4

1958

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Mr. D. E. Reichelderfer
Vice President, Finance
Armco Steel Corporation
703 Curtis Street
Middletown, Ohio

Dear Mr. Reichelderfer:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies.

As soon as the full record has been received from the printer, a copy will be sent to you.

Your particular attention is called to the fact that the subpoena served upon you requires your personal appearance before the Subcommittee on August 31, 1962, at 10:00 a.m. in Room 2228, New Senate Office Building, and to then and there make compliance with the subpoena.

I hope that after consideration of the above information you will decide to cooperate with the Subcommittee in furnishing the information called for in the subpoena.

Sincerely,

Estes Kefauver
Chairman

Enclosure
HLF:ar:and

1-INSTRUCTIONS TO DELIVERING EMPLOYEE

Deliver *ONLY* to addressee ☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE *(must always be filled in)*

ARMCO STEEL CORPORATION

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DELIVERED

ADDRESS WHERE DELIVERED *(only if requested in item #1)*

C55—16—71548-4 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

MIDDLETOWN AUG 27 5-PM 1962 OHIO

POSTMARK OF DELIVERING OFFICE

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

REGISTERED NO.	NAME OF SENDER
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
INSURED NO.	CITY, ZONE AND STATE WASHINGTON, D.C.

POD Form 3811 Jan. 1958

C55—16—71548-4

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Bethlehem Steel Corporation
25 Broadway
New York, New York

Gentlemen:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies, including yourself.

As soon as the full record has been received from the printer, a copy will be sent to you.

It is hoped that the corporation will consider this material and the full report, and conclude to furnish the information sought by the Subcommittee.

Sincerely,

Estes Kefauver
Chairman

Enclosure

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☐ Deliver ONLY to addressee ☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED | ADDRESS WHERE DELIVERED (only if requested in item #1)

CSS—16—71548-4 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

BOWLING GREEN STATION

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

POD Form 3811 Jan. 1958

REGISTERED NO. | NAME OF SENDER

CERTIFIED NO. | STREET AND NO. OR P. O. BOX

INSURED NO. | CITY, ZONE AND STATE WASHINGTON, D.C.

CSS—16—71548-4

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver ONLY to addressee ☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED | ADDRESS WHERE DELIVERED (only if requested in item #1)

CSS—16—71548-4 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

BOWLING GREEN STATION

INSTRUCTIONS: Fill in items below and complete #1 on other side, when applicable. Moisten gummed ends and attach to back of article. Print on front of article RETURN RECEIPT REQUESTED.

RETURN TO

POD Form 3811 Jan. 1958

REGISTERED NO. | NAME OF SENDER

CERTIFIED NO. | STREET AND NO. OR P. O. BOX

INSURED NO. | CITY, ZONE AND STATE WASHINGTON, D.C.

CSS—16—71

#1-INSTRUCTIONS TO DELIVERING EMPLOYEE

☐ Deliver ONLY to addressee ☐ Show address where delivered

(Additional charges required for these services)

RETURN RECEIPT

Received the numbered article described on other side.

SIGNATURE OR NAME OF ADDRESSEE (must always be filled in)

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

DATE DELIVERED | ADDRESS WHERE DELIVERED (only if requested in item #1)

CSS—16—71548-4 GPO

POST OFFICE DEPARTMENT
OFFICIAL BUSINESS

PENALTY FOR PRIVATE USE TO AVOID PAYMENT OF POSTAGE, $300

POSTMARK OF DELIVERING OFFICE

BOWLING GREEN STATION

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DATE DELIVERED | ADDRESS WHERE DELIVERED (only if requested in item #1)

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CSS—16—71

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Mr. Frank R. Brugler
Comptroller, Bethlehem Steel Corporation
25 Broadway
New York, New York

Dear Mr. Brugler:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies.

As soon as the full record has been received from the printer, a copy will be sent to you.

Your particular attention is called to the fact that the subpoena served upon you requires your personal appearance before the Subcommittee on August 31, 1962, at 10:00 a.m. in Room 2228, New Senate Office Building, and to then and there make compliance with the subpoena.

I hope that after consideration of the above information you will decide to cooperate with the Subcommittee in furnishing the information called for in the subpoena.

Sincerely,

Estes Kefauver
Chairman

Enclosure

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Mr. Edmund Martin
President, Bethlehem Steel Corporation
25 Broadway
New York, New York

Dear Mr. Martin:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoena issued April 12, 1962, to the 12 steel companies.

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Sincerely,

Estes Kefauver
Chairman

Enclosure
WLF:ar

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Mr. A. B. Homer
Chairman and Chief Executive Officer
Bethlehem Steel Corporation
25 Broadway
New York, New York

Dear Mr. Homer:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies.

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Sincerely,

Estes Kefauver
Chairman

Enclosure
WLFser

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Mr. Thomas E. Millsop
Chairman of the Board of Directors
National Steel Corporation
2800 Grant Building
Pittsburgh, Pennsylvania

Dear Mr. Millsop:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies.

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Sincerely,

Estes Kefauver
Chairman

Enclosure
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J. E. Wilson

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Karen Baxter

DATE DELIVERED: AUG 27 1962

ADDRESS WHERE DELIVERED *(only if requested in item #1)*

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REGISTERED NO.	NAME OF SENDER
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	1112 Local Office Bldg
INSURED NO.	CITY, ZONE AND STATE
	WASHINGTON, D.C.

C55—16—71548-4

POD Form 3811 Jan. 1958

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Mr. George Stinson
Secretary, National Steel Corporation
2800 Grant Building
Pittsburgh, Pennsylvania

Dear Mr. Stinson:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies.

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I hope that after consideration of the above information you will decide to cooperate with the Subcommittee in furnishing the information called for in the subpoena.

Sincerely,

Estes Kefauver
Chairman

Enclosure

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G. Stinson

SIGNATURE OF ADDRESSEE'S AGENT, IF ANY

Karen Belton

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[illegible]	

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[illegible]	Hon. Lyndon B. Johnson
CERTIFIED NO.	STREET AND NO. OR P. O. BOX
	412 Senate Office Bldg
INSURED NO.	CITY, ZONE AND STATE
	Washington 25 D.C.

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POD Form 3811 Jan. 1958

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

National Steel Corporation
2800 Grant Building
Pittsburgh, Pennsylvania

Gentlemen:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies, including yourself.

As soon as the full record has been received from the printer, a copy will be sent to you.

It is hoped that the corporation will consider this material and the full report, and conclude to furnish the information sought by the Subcommittee.

Sincerely,

Estes Kefauver
Chairman

Enclosure

FLF:sr

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National Steel

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Karen Bufetti

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	WASHINGTON, D.C.

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August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Republic Steel Corporation
Republic Building
Cleveland, Ohio

Gentlemen:

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Sincerely,

Estes Kefauver
Chairman

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OFFICIAL BUSINESS

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CLEVELAND AUG 27 11-AM 1967 OHIO

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POD

CSS—16—71548-4

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIRMAIL

Mr. George M. Feiel
Vice President and Comptroller
Republic Steel ~~Cropiroller~~ Comptroller
Republic Building
Cleveland, Ohio

Dear Mr. Feiel:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the date called for by the subpoenae issued April 12, 1962, to the 12 steel companies.

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I hope that after consideration of the above information you will decide to cooperate with the Subcommittee in furnishing the information called for in the subpoena.

Sincerely,

Estes Kefauver
Chairman

Enclosure
'ILF:ar;amd

August 24, 1962

REGISTERED - RETURN RECEIPT REQUESTED
AIR MAIL

Mr. Thomas F. Patton
President, Republic Steel Corporation
Republic Building
Cleveland, Ohio

Dear Mr. Patton:

I am sending to you in order to inform you at the earliest possible time of the action by the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary on August 21, 1962, the printer's galley of the proceedings before the Subcommittee and the statement of the Chairman relating to the jurisdiction of the Subcommittee, the legislative subject matter and the pertinency of the data called for by the subpoenas issued April 12, 1962, to the 12 steel companies.

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I hope that after consideration of the above information you will decide to cooperate with the Subcommittee in furnishing the information called for in the subpoena.

Sincerely,

Estes Kefauver
Chairman

Enclosure

APPENDIX K

AUGUST 29, 1962.

Mr. D. E. REICHELDERFER,
Vice President, Finance,
Armco Steel Corp.,
Middletown, Ohio.

DEAR MR. REICHELDERFER: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

Mr. LOGAN B. JOHNSTON,
President, Armco Steel Corp.,
Middletown, Ohio.

DEAR MR. JOHNSTON: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

Mr. GEORGE M. FEIEL,
Vice President and Comptroller,
Republic Steel Corp.,
Cleveland, Ohio.

DEAR MR. FEIEL: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

Mr. THOMAS F. PATTON,
President, Republic Steel Corp.,
Republic Building, Cleveland, Ohio.

DEAR MR. PATTON: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

Mr. GEORGE STINSON,
Secretary, National Steel Corp.,
2800 Grant Building, Pittsburgh, Pa.

DEAR MR. STINSON: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the

statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

Mr. THOMAS E. MILLSOP,
Chairman of the Board of Directors, National Steel Corp., 2800 Grant Building, Pittsburgh, Pa.

DEAR MR. MILLSOP: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

ARMCO STEEL CORP.,
Middletown, Ohio.

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Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

REPUBLIC STEEL CORP.,
Republic Building,
Cleveland, Ohio.

GENTLEMEN: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

NATIONAL STEEL CORP.,
Pittsburgh, Pa.

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Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

Mr. FRANK R. BRUGLER,
Comptroller, Bethlehem Steel Corp.,
Bethlehem, Pa.

DEAR MR. BRUGLER: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting.

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Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

Mr. EDMUND MARTIN,
President, Bethlehem Steel Corp.,
New York, N.Y.

DEAR MR. MARTIN: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

Mr. A. B. HOMER,
Chairman and Chief Executive Officer,
Bethlehem Steel Corp., New York, N.Y.

DEAR MR. HOMER: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

AUGUST 29, 1962.

BETHLEHEM STEEL CORP.,
New York, N.Y.

GENTLEMEN: We received this morning from the printer the record of the meeting of the Senate Antitrust and Monopoly Subcommittee on August 21, 1962, including in the appendix all of the documents relevant to the meeting. Your particular attention is again called to exhibit 8 of the appendix, being the statement of the chairman with respect to jurisdiction of the subcommittee, legislative purpose, and pertinency of the data sought by the subpenas.

Sincerely,

ESTES KEFAUVER, *Chairman.*

APPENDIX L

REPUBLIC STEEL CORP.,
Cleveland, Ohio, August 29, 1962.

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR: On Thursday, August 23, we were served with three identical subpenas duces tecum, two of which were served upon the president of the company, and one of which was served upon and addressed to the comptroller. Of the two served upon the president, one was addressed to him as president and the other was addressed to Republic Steel Corp. A comparison of the contents of each of these three subpenas and the forms attached thereto with the subpena issued to Republic Steel Corp. on April 12, and the forms attached thereto, together with the forms attached to your letter of July 2, reveals that in all material respects they are identical. The only real difference that we have been able to detect, apart from the dates, is that the two individual subpenas require the president and the comptroller to bring with them "and produce to the sub-

committee all of the records and other documents of Republic Steel Corp. described in the attached schedule A."

As you know, one of the documents in schedule A entitled "Points Relating to Revised Forms I, II, and III" contained in attachment 2 (the alternate method of compliance) states that the data are to be submitted directly to the General Accounting Office and "are not to be available to the subcommittee or its staff."

This is obviously inconsistent with the demands of the present individual subpenas.

The conclusion seems inescapable, therefore, that the prime, if not the sole, reason for the issuance of these additional subpenas is (1) in the case of the company to keep the demands of the original subpena alive, and (2) in case of the individuals to get them technically and legally under the jurisdiction of the statute authorizing congressional contempt citations.

We cannot believe that you expect us to bring to your subcommittee in person data more confidential than that which by attachment 2 we could present to the General Accounting Office in full compliance with the subpena.

Furthermore, we do not understand why you are not content to have these issues resolved on their merits as between a corporation and a congressional subcommittee having genuine and sincere differing points of view on the meaning and intent of the law in question, especially when, even in the case of the company, a refusal to comply—and thus, a risk of contempt proceedings—is unfortunately the only means available to test the validity of our position.

It seems obvious, therefore, that service of subpenas upon two officers of the company after the legal issues have been joined between the company and your subcommittee can only be for the purpose of exposing them to fine and imprisonment for having acted in accordance with a corporate decision to test certain civil and jurisdictional powers of the subcommittee. Nothing remotely involving criminal intent or action is present here. Under these circumstances it is hard to believe that such a use of the subpena power was ever intended by Congress.

Our views of the issues involved have not changed since our reply of August 10. The only differences in the situation are that individual exposures have now been added and that our fears about the necessity of cutting our dividends have become a reality.

In consequence, for the reasons stated above and in our letter of August 10, which we reaffirm here, we decline to furnish the information called for in the three subpenas issued on August 21 and served on us on August 23.

We have received your letters of August 24 enclosing printer's proof of your subcommittee hearing on August 21. We have studied the draft of the record of this hearing and have noted your statement concerning personal appearances on August 31 at 10 a.m. In view of the position stated above we will not appear to furnish the information called for on that date.

For their information we are sending to each member of the Judiciary Committee a copy of this letter, together with a copy of our letter of August 10.

Very truly yours,

T. F. PATTON,
President.
T. F. PATTON,
As President.
G. M. FEIEL,
As Vice President and Comptroller.

BETHLEHEM STEEL CORP.,
New York, N.Y., August 29, 1962.

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.

DEAR SENATOR KEFAUVER: I refer to the subpena duces tecum issued on August 21 by you, as chairman of the subcommittee, demanding that Bethlehem Steel Corp. produce on August 31 all its records that relate to or show costs of production for certain iron and steel products or, in the alternative, submit detailed cost data by filling out schedules in the forms attached thereto.

The subpena is the same as the earlier subpena issued by you on April 12, except that it includes, as a second alternative method of compliance, the alternative that was offered in your letter of July 2.

Since the service of the subpena, we have received your letter of August 24 with which you enclosed a printer's galley of the proceedings before the sub-

committee on August 21, including a copy of exhibit 8 thereto. After careful consideration of such material, I must advise you that it still seems to us that the demand for this kind of cost data is outside the scope of any proper legislative inquiry by the subcommittee; that the only purpose for which the data could be relevant is price control; and that we should not be required to supply the data.

Accordingly, I am instructed by our board of directors to advise you that, for the reasons heretofore given in connection with the subpena issued April 12, all of which are equally applicable to the one issued August 21, Bethlehem Steel Corp. cannot comply with the terms of the subpena issued August 21. I am further instructed to advise you that our board of directors has directed that the three officers of Bethlehem Steel Corp. (namely, its chairman, its president, and its comptroller) who have been served with subpenas duces tecum addressed to them in their official capacities, issued by you on August 21, shall not produce any data called for by such subpenas.

Each of such last-mentioned subpenas is one calling for the production of documents and not one calling for testimony by the officer to whom it has been issued. Accordingly, in view of the fact that the documents will not be produced on August 31, it is my understanding, and the understanding of Mr. Martin, our President, and Mr. Brugler, our comptroller, that none of us is required to come personnally before the subcommittee on August 31, and we therefore shall not do so.

I regret that the only way in which a final determination of the propriety and the validity of the above-mentioned subpenas duces tecum issued on August 21 can be had is for us to refuse to comply with them and that the initial procedural step must be for Bethlehem Steel Corp. and its three above-mentioned officers to notify you to that effect, as I have done herein.

Sincerely yours,

A. B. HOMER, *Chairman.*

APPENDIX M

SENATE SUBCOMMITTEE ON ANTITRUST AND MONOPOLY,
August 30, 1962.

Mr. EDMUND MARTIN,
President, Bethlehem Steel Corp.,
New York, N.Y.:

Regardless of the expression of your intention not to comply with subpena directed to you, the subpena commands your personal appearance before the Subcommittee on Antitrust and Monopoly in session August 31, 1962, at 10 a.m., then and there to make compliance. As chairman of the subcommittee, I shall consider your failure to so appear as contempt under the subpena.

ESTES KEFAUVER, *Chairman,*
Subcommittee on Antitrust and Monopoly.

Same telegram to:
Mr. A. B. Homer, chairman, Bethlehem Steel Corp., New York, N.Y.
Mr. Frank R. Brugler, comptroller, Bethlehem Steel Corp., Bethlehem, Pa.
Mr. Thomas F. Patton, president, Republic Steel Corp., Cleveland, Ohio.
Mr. George M. Feiel, vice president and comptroller, Republic Steel Corp., Cleveland, Ohio.

APPENDIX N

ALLENTOWN, PA., *August 30, 1962.*

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly,
Committee on the Judiciary, U.S. Senate, Washington, D.C.

Regarding your telegram to effect that subpena directed to me as comptroller of Bethlehem Steel Corp. commands my personal appearance before subcommittee on August 31 then and there to make compliance, I have been advised by counsel that the effect of striking from the form of subpena served on me the words "To testify what you may know relative to the subject matters under consideration by said committee" was to make such subpena purely a subpena duces tecum which does not require me personally to come before the subcommittee since, as you have been advised by letter dated August 29, compliance with the subpena by the

production of cost and profit data is not to be made. Counsel further advise me that in order not to prejudice our attempt to secure a final determination of the propriety and validity of the subpena, I should not recognize it for any purpose. Accordingly, I shall not appear.

F. R. BRUGLER,
Comptroller, Bethlehem Steel Corp.

APPENDIX O

MIDDLETOWN, OHIO, *August 30, 1962.*

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.:

We acknowledge receipt of your telegrams, sent Monday, August 27 to me and Mr. Reichelderfer notifying us of your position in the event we fail to appear personally and produce the requested cost information to your subcommittee on Friday morning, August 31.

Our letter to you of August 24 advised you that we declined to produce the confidential production cost information called for by your latest subpenas dated August 21 and set forth our reasons for taking that position. Inasmuch as we have refused to produce such information, no useful purpose would be served by our appearing personally before the subcommittee tomorrow morning.

We understand fully, as your telegram suggests, that noncompliance by August 31 constitutes default under the subpenas.

LOGAN T. JOHNSTON,
President, Armco Steel Corp.

APPENDIX P

ALLENTOWN, PA., *August 30, 1962.*

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.:

Regarding your telegram to effect that subpena directed to me as president of Bethlehem Steel Corp. commands my personal appearance before subcommittee on August 31, then and there to make compliance, I have been advised by counsel that the effect of striking from the form of subpena served on me the words "to testify what you may know relative to the subject matters under consideration by said committee" was to make such subpena purely a subpena duces tecum which does not require me personally to come before the subcommittee since, as you have been advised by letter dated August 29, compliance with the subpena by the production of cost and profit data is not to be made. Counsel further advised me that in order not to prejudice our attempt to secure a final determination of the propriety and validity of the subpena, I should not recognize it for any purpose. Accordingly, I shall not appear.

E. F. MARTIN,
President, Bethlehem Steel Corp.

APPENDIX Q

CLEVELAND, OHIO, *August 31, 1962.*

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly, Committee on the Judiciary, U.S. Senate, Washington, D.C.:

Confirming the telephone conversation this morning between our counsel and Mr. Flurry of your office, we acknowledge your telegrams of August 30 which arrived yesterday after office hours and too late for a considered reply. Counsel has advised us that the only way we can resolve the issues raised by your various subpenas and our replies of August 10 and 29 is by failing to appear and declining to furnish the data requested since we are desirous of having these issues resolved without prejudice to our position and under existing statutory proecedures we have refused to appear or to furnish the data in accordance with that advice.

T. F. PATTON,
President.
G. M. FEIEL,
Vice President and Comptroller of Repubic Steel Corporation.

APPENDIX R

NATIONAL STEEL CORP.,
Pittsburgh, Pa., August 29, 1962.

Hon. ESTES KEFAUVER,
Chairman, Subcommittee on Antitrust and Monopoly,
Committee on the Judiciary,
U.S. Senate, Washington, D.C.

DEAR SENATOR KEFAUVER: This will acknowledge receipt of your letter of August 24 and your wire of August 27.

We recognize that the decision of the corporation not to supply the cost records which you requested puts us as individuals in the position of refusing to comply with your subpena and that you will regard our failure to appear as contempt.

As we are advised that the only way we can test our right to withhold our costs is by this method, we see no point in appearing personally and this is to advise you that it is not our intention to appear on Friday.

Respectfully yours,

T. E. MILLSOP,
Chairman.
GEORGE STINSON,
Secretary.

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