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SUNDRY NOMINATIONS

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HEARINGS BEFORE THE COMMITTEE ON COMMERCE UNITED STATES SENATE EIGHTY-NINTH CONGRESS

FIRST SESSION

ON

NOMINATIONS OF

FRANK V. HELMER, COAST GUARD

FEBRUARY 18, 1965

CHARLES TIGHE, COAST GUARD

FEBRUARY 18, 1965

WILLIAM WALSH HAGERTY, COMMUNICATIONS SATELLITE
CORPORATION

AUGUST 11, 1965

WILLARD DEASON, INTERSTATE COMMERCE COMMISSION

AUGUST 25, 1965

ROBERT T. BARTLEY, FEDERAL COMMUNICATIONS COMMISSION

SEPTEMBER 1, 1965

WHITNEY GILLILLAND, CIVIL AERONAUTICS BOARD

SEPTEMBER 29, 1965

CHARLES A. WEBB, INTERSTATE COMMERCE COMMISSION

SEPTEMBER 29, 1965

Serial No. 89-42



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HEARINGS
before the
COMMITTEE ON COMMERCE
of the UNITED STATES SENATE
on the
SUBJECT OF COMMERCIAL
POLICY

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SUNDRY NOMINATIONS

THURSDAY, FEBRUARY 18, 1965

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

The committee was called to order, pursuant to notice, in room 5110, New Senate Office Building, Hon. Warren G. Magnuson (chairman of the committee) presiding.

The CHAIRMAN. We have before the committee two nominations for promotions in the Coast Guard, and I see that they have been patiently waiting in the back of the room. We will be glad to have you come up.

The first is Capt. Frank V. Helmer, for promotion to the grade of rear admiral. He is present.

And the next is Capt. Charles Tighe, for promotion to the grade of rear admiral. He is in Honolulu, but Admiral Shields is present to answer anything we want to ask about.

Admiral SHIELDS. That is correct.

THE CHAIRMAN. What is Captain Tighe's billet now?

Admiral SHIELDS. Chief of Staff of the 14th Coast Guard District, with headquarters in Honolulu.

The CHAIRMAN Chief of Staff?

The CHAIRMAN. Chief of Staff
Admiral SHIELDS. Yes, sir.

Admiral SHIELDS. Yes, sir.
The CHAIRMAN. Captain Helmer, what is your billet?

Captain HELMER. Chief of Staff in the Coast Guard District with headquarters in New York.

eadquarters in New York.
The CHAIRMAN, New York

Admiral, what is the intention of the Coast Guard, if you know, should these men be confirmed as rear admirals for their transfers? And what tours would they get?

Admiral SHIELDS. Admiral-elect Tighe is already on his way here to Washington, sir, to take an office in headquarters.

Washington, sir, to take an office in Headquar
The CHAIRMAN. What about Captain Helmer?

Admiral SHIELDS. We have not decided where Captain Helmer will go, sir.

THE CHAIRMAN. We have 14 districts now, is that correct?

The CHAIRMAN. We have 14 districts.
Admiral SHIELDS. Twelve districts.

The CHAIRMAN. And we have now an admiral in charge of each district. Is that correct?

strict. Is that correct?
Admiral SWIFT: That is correct.

The CHAIRMAN. I remember last year we finally made one at St. Louis. I believe

Admiral SCHLESIS. Yes, sir.

The CHAIRMAN. And then the tours of the other admirals are usually, if not in the districts, are in headquarters?

Admiral SHIELDS. Headquarters and the Superintendent of the Academy is also a flag officer.

The CHAIRMAN. How many admirals will we have with these two?

Admiral SHIELDS. Well, Captain Tighe's vacancy is already available. Admiral Harding retired around the 6th of January, so there is a vacancy for Captain Tighe right now, sir.

Captain Helmer will have to wait for Admiral Knutson's retirement in the middle of the summer, before he can actually assume his rank.

The CHAIRMAN. What I want to find out, are we adding any admiral?

Admiral SHIELDS. No, sir; our total number is still 0.68 percent of our total complement, which amounts to around 22.

The CHAIRMAN. What is that in number?

Admiral SHIELDS. Twenty-two.

The CHAIRMAN. Twenty-two admirals?

Admiral SHIELDS. That is correct.

The CHAIRMAN. So we have 12 districts, and they of necessity are filled by admirals?

Admiral SHIELDS. That is correct.

The CHAIRMAN. And then there will be 10 more admirals?

Admiral SHIELDS. Correct.

The CHAIRMAN. One would be the Superintendent of the Academy, and the other nine would be mainly at headquarters?

Admiral SHIELDS. Correct. Commandant, Assistant Commandant, and heads of the offices at headquarters.

The CHAIRMAN. We will put both captains' biographies in the record in full.

(The biographies follow:)

BIOGRAPHICAL SKETCH OF CAPT. FRANK V. HELMER, U.S. COAST GUARD

Frank V. Helmer was born on January 16, 1913, at Lakewood, Ohio, and received his early education at Grant School, South Plainfield, N.J., graduating from Plainfield High School, Plainfield, N.J., in 1931.

He entered the U.S. Coast Guard Academy, New London, Conn., with an appointment as cadet on July 30, 1931. During his 4 years at the Academy he was a member of the varsity football squad and a member of the boxing team.

After graduating from the Academy with a B.S. degree and a commission as ensign on May 27, 1935, he served on board the CG cutter *Pontchartrain* on international ice patrol and search and rescue in the North Atlantic. From February 1937 to July 1939, he served on the Alaskan patrol with the cutter *Spencer*, based at Cordova. For the next 2 years he was navigator and watch officer on the cutter *Escanaba*, which operated at that time in the Great Lakes out of Grand Haven, Mich.

WORLD WAR II

Between June 1941 and March 1944, during World War II, he was navigator of the Coast Guard-manned attack troop transport U.S.S. *Leonard Wood* (APA-12) first during the North African landings and the Sicilian campaign, and later in the Gilbert and Marshall Islands invasions. He received a Navy Commendation Ribbon for the assault and occupation of French Morocco when the *Wood* was the flagship for the Center Attack Group on Fedala in November of 1942. He received a Bronze Star and Combat "V" in place of a second Commendation Ribbon for his work as commanding officer of the destroyer escort U.S.S. *Vance* (DE-387) on Atlantic convoy duty from May 1944 to June 1945.

During the mopup at the ending of the war, he was first executive officer and then commanding officer of the attack troop transport U.S.S. *Cambria* (APA-36) first in the Atlantic and then in the Pacific where the vessel carried out the "Magic Carpet" operations of bringing troops home from Shanghai, Okinawa, and Japan.

POSTWAR

From March to August of 1946, he placed in commission and commanded the new CG cutter *Escanaba* (WPG-64), which was named for the former cutter that was torpedoed and sunk by the enemy in the North Atlantic (1943).

He next reported to Coast Guard Headquarters in Washington, D.C., for duty as Assistant Chief of the Enlisted Personnel Division. In June 1951 he went back to sea as commanding officer of the destroyer *Koiner* (WDE-431) stationed at Seattle, Wash. From December 1952 to July 1956, he was Chief, Aids to Navigation Section in the 13th Coast Guard District office in Seattle.

He served his next tour of duty as Chief of Personnel in the 12th Coast Guard District, San Francisco. Three years later, in June 1959, he took command of the 327-foot cutter *Taney* (WPG-37), which operates out of Alameda, Calif., on ocean station patrol and search and rescue.

From May 1961 to June 1964, he served as Assistant Superintendent of the U.S. Coast Guard Academy. He then assumed his current post as Chief of Staff of the 3d Coast Guard District, New York.

Captain Helmer's World War II campaign service medals and ribbons include the following: American Area, American Defense, European-African-Middle Eastern Area (two combat stars); Asiatic-Pacific (two combat stars); World War II Victory; Navy Occupation; as well as the Navy Commendation Ribbon with bronze star and Combat "V" in lieu of a second ribbon; and Navy Unit Commendation. He also has the Expert Rifleman and Expert Pistol Shot Medals. More recent awards include the National Defense Service Medal, Korean Service Medal, and U.N. Service Medal, Korea.

Résumé of appointments in rank: Ensign, May 27, 1935; lieutenant, junior grade, May 27, 1938; lieutenant, May 25, 1941; lieutenant commander, December 1, 1942; commander, March 1, 1944; captain, July 1, 1957.

Captain Helmer's wife is the former Hilda K. Caldwell of Plainfield, N.J., a graduate of Skidmore College for women, Saratoga Springs, N.Y. They have three children, John C., 25, Michael F., 18, and Hilda Mary, 14.

BIOGRAPHICAL SKETCH OF CAPT. CHARLES TIGHE, U.S. COAST GUARD

Charles Tighe was born on December 21, 1911, at Groton, Conn., and was graduated from Bulkeley High School, New London, Conn.

He entered the U.S. Coast Guard Academy, New London, Conn., with an appointment as cadet on August 11, 1931. During his 4 years as cadet, he was a member of the football and of the boxing varsity teams, acting as cocaptain and then as captain of the latter. He was a member of the interclass crew and the Monogram Club. He served as class president for 1 year, as a battalion commander for 1 year, and as a company adjutant for 2 years.

After graduating from the Academy with a B.S. degree and a commission as ensign on May 27, 1935, he was stationed on the west coast where he served on board several Coast Guard cutters. These were the USCGC *Tahoe*, based at Oakland, the USCGC *Aurora* of San Diego, and the USCGC *Hernes* of San Pedro, respectively.

BECOMES AVIATOR

In June 1938, he entered flight training at the Naval Air Station, Pensacola, Fla., and was designated Coast Guard aviator No. 63 on July 1, 1939. He performed his first flight assignments from the Coast Guard Air Station, San Diego, Calif., then in October 1939, he was transferred to the Coast Guard Air Station at Brooklyn, N.Y.

From February 1941 to April 1944, during World War II, he served as chief flight instructor in patrol planes and as maintenance officer at the Naval Air Station in Pensacola. Beginning in October 1943 of that period, he was also commander of training Squadron 8 Able and senior seaplane squadron commander. He was pilot of the first plane to engage an enemy submarine, which was attacking American shipping in the Gulf of Mexico between the Mississippi Delta and Tampa.

In April 1944, he became executive officer of the Coast Guard Air Station, San Francisco. He was also instructor and training officer at that station, and on occasions was acting commanding officer. Also, he was deputy commander of an air-sea rescue task unit.

While stationed at Coast Guard Headquarters, Washington, D.C., from June 1945 to April 1947, he performed a number of tasks in the Office of Operations including the duties of assistant to the Chief, Planning and Coordinating Division

of Air-Sea Rescue, chief of operations Statistics Section, and as assistant to the chief of operations.

During his next tour of duty as executive officer of the Coast Guard Air Station at San Diego, Calif., he was also management program officer, legal officer, as well as aviator on flight assignments.

In April 1950, he took command of the Coast Guard Air Station at Port Angeles, Wash., and also served as commanding officer, Coast Guard Group in that area. In August 1951, he became chief, search and rescue section in the 8th Coast Guard District office at New Orleans and also performed flight missions while in that post.

He next commanded the Coast Guard Air Station at Miami, Fla., from August 1952 to September 1955. After that he served as commanding officer of the Coast Guard air detachment at Kodiak, Alaska, and as commander, Search and Rescue Sector II, North Pacific, until July 1958. At that time he was assigned at Coast Guard Headquarters, Washington, D.C., first as Assistant Chief, then as Chief of Aviation Division (as of February 1961). While serving in that capacity, he was a member of the Intergovernmental Maritime Consultative Organization (IMCO) working group on coordination of safety at sea and in the air. He was also on the executive committee of the Cornell-Guggenheim Aviation Safety Center Foundation.

Released from flight status on June 30, 1963, Captain Tighe transferred to the 14th Coast Guard District, Honolulu, to assume his current post as chief of staff of that district.

Captain Tighe's World War II campaign service medals and ribbons include the American Defense, American Area, and World War II Victory.

Résumé of appointments in rank: ensign, May 27, 1935, lieutenant (jg), May 27, 1938; lieutenant, March 1, 1941; lieutenant commander, December 1, 1942; commander, March 1, 1944; captain, March 1, 1957.

Captain Tighe's wife is the former Ila Belle Alexander of San Diego, Calif. They have one son, Gary Charles (born November 10, 1940), and one daughter, Lynne, who is Mrs. Paul T. Brunner of 1017 South Frederick, Arlington, Va., son Gary lives at Olivia, Minn. where Captain Tighe's sister, Mrs. Helen Rauenhorst, resides.

The CHAIRMAN. They have had distinguished service, I will say to the committee, over the years, and in World War II, and are pretty well diversified in their experience throughout the various districts of the country.

Any questions, Senator Cotton?

Senator COTTON. How many admirals were there in the Coast Guard 10 years ago?

Admiral SHIELDS. Sir, I can't tell you that.

The CHAIRMAN. Furnish it for the record.

Admiral SHIELDS. I will have the record sent up.

Senator COTTON. Has the number substantially increased?

Admiral SHIELDS. Yes, sir. It has increased.

Senator COTTON. Will you also supply the total of the officers and of other personnel in the Coast Guard 10 years ago and now?

Admiral SHIELDS. We will do so. Our present officer strength is around 3,100.

The CHAIRMAN. What is the total?

Admiral SHIELDS. Total Coast Guard is around 31,000.

The CHAIRMAN. So as a general average, you run at about 10 percent officers and the rest—

Admiral SHIELDS. Yes, sir, because of some of our duties such as merchant marine inspection, we may have a little higher percentage of officers than some of the other services do because of the type of work they do is primarily work which would require the status of an officer rather than that of an enlisted man.

The CHAIRMAN. And will you furnish for the record the average number of the New London class that comes out every year?

Admiral SHIELDS. Captain Helmer was Assistant Superintendent of the Academy for a long while. I think he may be able to give you—

Captain HELMER. About 115.

The CHAIRMAN. Does that supply a great portion of your needs for officers?

Captain HELMER. This supplies the greatest number of our officers. We have a source of integrated reserves, and temporary service officers. But the majority of our officers come from the Academy.

The CHAIRMAN. You allow men from the ranks to move up if they can pass and qualify?

Captain HELMER. Yes, sir.

Admiral SHIELDS. We would go to OCS at Yorktown—officers candidate school.

The CHAIRMAN. All right, we will insert the requested information at this point in the record. (Subsequent to the hearing, in response to the inquiries of the Chairman and Senator Cotton, the following information was supplied by the Coast Guard:)

Complement of U.S. Coast Guard now and 10 years ago

	January 1955	January 1965
Number of flag officers.....	15	22
Number of commissioned officers.....	2,638	3,242
Number of warrant officers.....	875	1,096
Number of enlisted personnel.....	24,974	27,281

The CHAIRMAN. I don't think we have any further questions. Thank you very much for waiting.

Admiral SHIELDS. Thank you.

(Whereupon, at 12 noon, the committee was adjourned.)

SUNDRY NOMINATIONS

WEDNESDAY, AUGUST 11, 1965

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

The subcommittee met at 3:23 p.m. in room 5110, New Senate Office Building, Hon. John O. Pastore presiding.

Senator PASTORE. This hearing will please come to order.

Under the provisions of the Communications Satellite Act of 1962 there were 15 members of the board of directors on the Communications Satellite Corp.; 6 elected by the public stockholders, 6 by the communications common carriers who owned stock in the corporation, and 3 selected by the President with the advice and consent of the Senate.

The first annual meeting of the stockholders was held on September 17, 1964, at which time 12 members were elected to the board. The President submitted the names of the three public members: Frederic G. Donner, board chairman of the General Motors Corp.; Clark Kerr, president of the University of California; and George Meany, president of the AFL-CIO. They were confirmed by the Senate on September 30, 1964.

In order to insure reasonable continuity on the board for the Presidentially appointed directors, the terms for service were set for 3 years with provision for staggering the effective termination dates for initial appointees over a 3-year period.

Mr. Frederic Donner drew the term from September 17, 1964, until the date of the annual meeting of the corporation which was held on May 11, 1965. Four months ago this committee acted on Mr. Donner's reappointment, and he now is serving for a 3-year period.

Dr. Clark Kerr was selected for a term from September 17, 1964 and this term was to run until the date of the annual meeting of the corporation in 1967. Dr. Kerr resigned his post as public member of the Communications Satellite Corp. and the President submitted the nomination of William Walsh Hagerty to fill Mr. Kerr's place. Dr. Hagerty, when he is confirmed, will fill the remainder of the term expiring at the date of the annual meeting of the corporation in 1967.

A copy of Mr. Hagerty's biographical material has been made available to the committee and will be made part of the record at this point.

There are also two letters: One from Senator Joseph S. Clark, endorsing the nomination of Dr. Hagerty, and the other from Senator Hugh Scott, approving the nomination.

(Above-described material follows:)

U.S. SENATE,
Washington, D.C., July 12, 1965.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR MAGGIE: Thank you for notifying me that the Commerce Committee has received the notification of William W. Hagerty, of Pennsylvania, to be a member of the board of directors of the Communications Satellite Corp.

Mr. Hagerty is a splendid citizen, and I am sure he will be a credit to the corporation. This nomination has my complete support.

Sincerely yours,

JOSEPH S. CLARK.

U.S. SENATE,
Washington, D.C., July 12, 1965.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
New Senate Office Building, Washington, D.C.

DEAR SENATOR MAGNUSON: I am in receipt of your letter of July 8, 1965, concerning the nomination of William W. Hagerty, of Pennsylvania, to be a member of the board of directors of the Communications Satellite Corp.

I have no objections to this nomination and am pleased to approve Mr. Hagerty.

With cordial regards,

Sincerely,

HUGH SCOTT, U.S. Senator.

BIOGRAPHICAL SKETCH OF WILLIAM WALSH HAGERTY

Dr. Hagerty, 49, a native of Minnesota, is president of Drexel Institute of Technology, Philadelphia, Pa.

He has been engaged in the teaching profession in the field of engineering at a number of universities since 1940.

Dr. Hagerty received his bachelor of science in mechanical engineering from the University of Minnesota in 1939; master of science, University of Michigan, 1943; doctor of philosophy, University of Michigan, 1947. He was awarded an honorary degree of doctor of science, Pennsylvania College of Optometry, this year.

Prior to becoming president of Drexel Institute in 1963, Dr. Hagerty was at the University of Texas from 1958 to 1963, where he was dean of the college of engineering.

From 1955 to 1958, he was dean of the school of engineering, director of the engineering experiment station and professor of mechanical engineering at the University of Delaware.

He also was professor of engineering mechanics at the University of Michigan, where he served from 1942-55; instructor in mechanical engineering, University of Cincinnati, 1941-42; instructor in mechanical engineering, Villanova University, 1940-41.

Dr. Hagerty has performed consultant work for numerous companies in the fields of fluid mechanics, thermodynamics, and heat transfer. Before entering the teaching profession, he worked 5 years for the Great Lakes Pipe Line Co. and the U.S. Gypsum Co.

He is the author of numerous papers in technical fields and engineering education, and a member of a number of fraternities and honorary engineering societies, including Sigma Xi, Pi Tau Sigma, Phi Kappa Phi, Tau Beta Pi, and Sigma Gamma Tau.

Dr. Hagerty was born in Holyoke, Minn., June 10, 1916. He and Mrs. Hagerty have two sons and one daughter, and live in Berwyn, Pa. Dr. Hagerty's mother and three married sisters all reside in Minnesota. His father is deceased.

STATEMENT OF DR. WILLIAM W. HAGERTY, NOMINEE

Senator PASTORE. Are you familiar with the contents of this biographical sketch that we have?

Dr. HAGERTY. Yes, sir, I am.

Senator PASTORE. Do you desire to make any additions or modifications or corrections to it?

Dr. HAGERTY. No, I do not, sir.

Senator PASTORE. Do you consider it to be complete?

Dr. HAGERTY. Yes, sir.

Senator PASTORE. Now I have a statement here that Mr. Scott would like to have me read, and I will do so.

STATEMENT SUBMITTED BY HON. HUGH SCOTT, U.S. SENATOR FROM THE STATE OF PENNSYLVANIA

I regret that because of a previous engagement I am unable to be present this afternoon to introduce to the committee the distinguished gentleman who has been nominated by the President to be a member of the board of directors of the Communications Satellite Corp. In his 2 years as president of Drexel Institute of Technology in Philadelphia, Dr. Hagerty has compiled an outstanding record of achievement. As an engineer, Dr. Hagerty will make an invaluable contribution to the activities of the Communications Satellite Corp.

I am delighted to have this opportunity to endorse his nomination, and I strongly urge its approval by the committee.

At this point I want to place in the record a very comprehensive article that appeared in the Wall Street Journal August 2, 1965, entitled, "Comsat's Commercial Operations Get Started at Disappointing Pace."

The article sets forth a number of questions and policy decisions that are confronting Comsat. The article refers to meetings that have and are taking place with reference to formulating decisions that would lead to the launching of a third Early Bird satellite for orbit over the Pacific and an early establishment of an operating global space communications system.

One of the questions raised is whether the Europeans are interested in such early launching because of their primary interest in transatlantic communications and would not be directly and immediately benefitted by the Pacific satellite. This raises the question as to how effective will Comsat be under its present structure in pushing for the rapid establishment of the global system. Are changes required? There are a number of other questions raised.

I know that it would be premature for you to make any observations at this time, but I hope that after a period of experience on the board, you would feel free to submit to this committee any observations, views or recommendations that would be helpful to this committee.

(The article follows:)

[From the Wall Street Journal, Aug. 2, 1965]

LAGGING EARLY BIRD—COMSAT'S COMMERCIAL OPERATIONS GET STARTED AT DISAPPOINTING PACE—ONLY 61 OF 240 SATELLITE CIRCUITS ARE LEASED AS EUROPEANS ADOPT "GO SLOW" APPROACH

FIRM'S PROSPECTS STILL BRIGHT

(By Jerry E. Bishop)

WASHINGTON.—Sometime today Communications Satellite Corp., the glamor company of the space age, will pass a major milestone. It's scheduled to receive its first check for providing commercial communications service via the Early Bird Satellite—and thus to get its hand on the first hard cash it has ever generated by its own operations.

But the event won't be celebrated as enthusiastically by Comsat and its 140,000 stockholders as might be expected. For the check—from American Telephone & Telegraph Co., which is Comsat's biggest customer as well as a large shareholder—will be for only \$250,000. That's little more than half the \$420,000 Comsat earlier had expected to be paid for A.T. & T's first month of commercial use of Early Bird.

Moreover, some subsequent checks to Comsat may also be smaller than originally expected. For Comsat's leasing of the communications circuits from Early Bird are falling disappointingly short of projections.

The early goals

When the Early Bird program was first conceived, Comsat officials, who already had held extensive discussions with potential customers, were confident that at least 100 of the 240 circuits on Early Bird would be leased to communications carriers by the time the satellite went into service June 28. By the end of 1965

nearly 180 circuits were expected to be leased. But to date only 61 circuits are under lease, and the year-end goal now seems hopelessly out of reach.

The early progress "is definitely less than we had originally expected—circuits aren't being leased as fast as early talks with potential users had indicated," says Leo D. Welch, Comsat chairman.

There are a variety of reasons for the lagging interest in Early Bird circuits. But most boil down to a lack of enthusiasm for satellite communications on the part of Europe's telecommunications operators.

Before a U.S. communications carrier can lease its half of a circuit to transmit phone calls, telegrams, or TV programs, it must arrange for a European firm to lease the other half so that signals can be transmitted beyond the ground stations. Such arrangements are taking longer to work out than had been expected. Main reason: The Europeans aren't as convinced of the immediate full-scale need for the satellite as are the Americans.

Only A.T. & T. succeeds

Among the four major U.S. communications carriers, only A.T. & T. has had any success in lining up European partners for its satellite circuits. It has put in use some 60 of the 74 circuits that it has been allocated. The other three carriers, who handle "records communications" such as telegrams and high-speed data transmission, have leased only one of their authorized 30 circuits. And Radio Corp. of America opened that circuit to Germany only last Thursday.

Thus, as the early glamor and glitter of satellite communications fades away, an important reality is beginning to emerge. It is becoming increasingly apparent that Comsat's 45 foreign satellite-owning partners are going to play a more decisive role in the satellite company's development than had been imagined by Uncle Sam when it set up the concern.

This foreign influence has by no means been felt only in circuit leasing. Already, the foreign partners have blocked Comsat's plans to put a second satellite over the Atlantic this year, a step Comsat considers necessary in order to protect it against any Early Bird failure.

In addition, Comsat plans to launch a Pacific Early Bird next year—plans which must be approved in the next few weeks if the 1966 target date is to be made—and there's a danger the foreign partners may stall this launching, too.

Widespread influence

The influence of the foreign partners can even be seen in some of the seemingly domestic controversies flaring around Comsat, such as the question of who is to own and operate communications satellites for strictly domestic use or who is to televise the "splashdown" in the Atlantic of the Gemini spacecraft later this month. This second controversy, involving oceanic "ground" stations was settled—though only temporarily—when the Defense Department decided last Friday not to let anyone make a live telecast of the splashdown.

Comsat and industry executives aren't charging their foreign partners with obstructionist tactics. In fact, industry officials emphasize that the foreigners believe they have good reason for some of the stands they are taking.

Communications officials say, for example, that one reason Europeans aren't rushing to use Early Bird is the impending opening in September of a new \$35 million United States-to-Europe cable, for which the Europeans are footing half the bill. The new cable will add 138 circuits to transatlantic capacity and the Europeans want to see this fill up before they commit themselves to wide use of satellite circuits.

A similar conservatism shows up in the current dispute between U.S. and foreign interests over the launching of a backup satellite for Early Bird. Comsat officials in the United States want such a launching as soon as possible. They argue that if Early Bird should fail it would take at least 60 days to place a new satellite in orbit.

"We'd be in terrible shape if Early Bird kunks out," says an A.T. & T. executive, shuddering as he envisions the problem of trying to jam the traffic from Early Bird's 60 circuits onto an already busy cable system. The U.S. carriers contend the lack of a support satellite also hinders the leasing of circuits, because without it they are unable to guarantee the uninterrupted service which many customers demand.

But the Europeans don't see it that way. They are critical of the idea of spending \$3.5 million to launch a satellite that would likely sit in space doing nothing. They also aren't as much concerned as Americans over the prospect of a lengthy delay in telephone service—they're used to that, explains a Comsat official.

Not overly concerned

Comsat officials don't seem overly concerned by the slow start these disagreements have caused. "It's not too great a surprise," says Mr. Welch. He and other Comsat officials say the demand for satellite circuits exists and it's only a matter of time before business picks up. "Anytime you have to wait 2 to 3 hours to make a (transatlantic) phone call you know the demand is there," comments one Comsat executive.

From almost any vantage point Comsat's longer range prospects do seem bright. Its biggest business will probably come from telephone calls and the demand for transoceanic voice circuits is soaring. Last year A.T. & T. handled some 6.4 million overseas calls, more than double the number in 1959. At the present rate of growth, industry officials predict that by 1980 total overseas traffic could reach 100 million messages annually—if circuits are available.

Comsat hopes its satellites will provide most of the additional circuits that will be needed—and some executives don't see what else could so economically. Some U.S. communications executives figure cable capacity will all be taken up by the end of this year, even counting the new transatlantic cable opening next month. Additional cables could be laid, of course, but the cost likely would be far greater than the ultimate cost of a highly sophisticated satellite system.

Added to the phone calls is a fast-growing business in record communications as U.S. banks, brokerage houses, and corporations increase direct links with overseas affiliates and customers. This traffic is expected to rise spectacularly in coming years when computers being "talking" to each other from opposite sides of the ocean.

Cables and radio circuits

This international flood of words and data currently is being handled by a global web of high frequency radio circuits and the growing network of underseas telephone cables. Since the laying of the first transatlantic telephone cables in 1956 six such lines have been installed, including the one about to begin operations between the United States and France next month. (See accompanying map for world cable and satellite connections.)

The transatlantic cables will provide more than 400 circuits by year's end, and each can handle a 2-way telephone conversation or 22 telegrams simultaneously. In high-demand periods, this capacity can be boosted to more than 500 circuits with the use of special telephone equipment.

Another network of cables is being spawned in the Pacific. For some time now, two cables have connected Hawaii with the mainland United States. Last year the first transpacific cable was opened linking Hawaii with Tokyo and the Philippines by way of Midway, Wake Island, and Guam. The British, meantime, are gradually completing a globe-girdling cable system that will connect all the Commonwealth nations. The newest link runs from Canada through Hawaii to New Zealand and Australia. Next year, a section will be opened between Australia and North Borneo.

Help from the Pentagon?

Comsat's aim is to grab off demand that otherwise would have to be met by the laying of a still greater and more expensive new cable network. The company's Early Bird satellite is only a miniature of its bigger goal: A global satellite system. A highly sophisticated global system was originally scheduled to be in full commercial use by 1968 but a new Pentagon move may enable Comsat to deploy a less-advanced system as early as next year, 2 years ahead of schedule. On Friday, the Pentagon asked that Comsat make a bid to provide global communications services for U.S. space programs, including Apollo and the man-to-the-moon project.

Such a space communications system would require four Early Bird-type satellites and their coverage would almost blanket the globe. More than likely the defense-communication satellites would have excess capacity that Comsat could use for commercial services to and from almost any country.

Comsat officials figure that by 1968 there will be a demand for at least 700 satellite circuits for commercial use around the globe and by 1970 they see this demand rising to 1,350 satellite circuits.

A key to how quickly and easily the satellite system will be able to meet this demand—and, thus, how soon Comsat stockholders will begin receiving dividends—lies in large part in the little noticed, often misunderstood international agreements under which Comsat operates.

Rundown on agreements

These agreements are unlike almost every conventional arrangement in international communications and they are at the root of some of Comsat's differences with its foreign partners.

Traditionally, international communications have involved two equal partners. In the early days of transoceanic radio communications two nations wanting to communicate with each other would each build a radio terminal. They then agreed that all revenues from messages traveling between the two terminals would be divided equally between the two communications carriers. This 50-50 arrangement has been preserved in the cable system.

Promoting a single system

But ownership in the commercial satellite system is markedly different. While each nation participating in the system owns its own ground stations, the satellites themselves are owned by an international consortium which, as of July 5, consisted of Comsat, the U.S. representative, and the communications entities of 45 nations. Interest in the satellites is assigned on the basis of how much traffic each country might have on the satellite. Thus, Vatican City owns 0.046103 percent of the Early Bird satellite and its successors while Yemen has a 0.03 percent interest.

The U.S. Congress, when it set up Comsat and ordered it to establish the global system, also ordered that Comsat always retain a majority interest in it—specifically, not less than 50.6 percent. (Comsat currently holds a slightly more than 56 percent interest but this may drop as more nations join the consortium.)

Congress also wanted to push the idea of a single global satellite system, so it set up a requirement that anyone joining the Comsat system must agree not to put up a competing commercial system. The global system also is to be managed by Comsat, the majority holder.

The Europeans initially were aghast at the presumptuous Americans and it was only after strenuous negotiations that they dropped their opposition and last year began joining the consortium. Comsat, of course, would have been a total flop if the Europeans hadn't joined, since United States-to-Europe communications are by far the biggest and most lucrative chunk of international communications.

To obtain foreign agreement to such an arrangement concessions were made, the effect of which is becoming increasingly apparent. For one thing, every major undertaking of Comsat is subject to the approval of a little known but extremely powerful group known as the "Interim Committee" (interim because the present agreements are to be renegotiated after the global system is in operation). This group consists of countries which have at least a 1.5 percent interest in the satellite consortium. It currently consists of 13 members, counting Comsat.

Comsat, as majority owner, is the most powerful member on the committee; without its consent nothing can be done. At the same time, for any proposal to be approved it requires Comsat's vote plus the votes of countries holding collectively at least a 12.5 percent interest in the consortium. If a stalemate lasts beyond 60 days the requirement drops to Comsat's vote plus 8.5 percent interest.

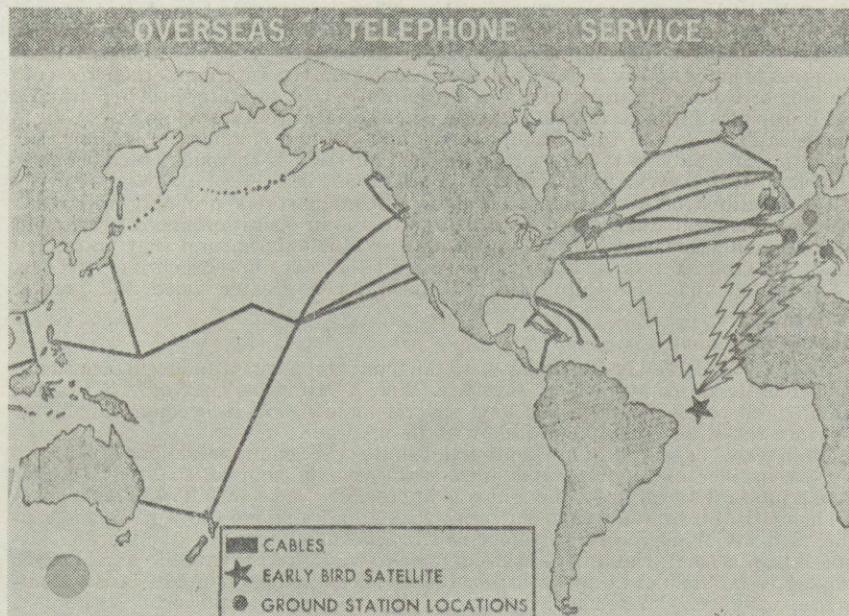
An effective veto

The arrangement gives the Europeans collectively an effective veto over any proposal Comsat might make regarding the satellites, that is, the so-called space segment of the system.

The effect of this can be readily seen in the current problem of launching a backup satellite for the Early Bird currently hovering over the Atlantic.

Comsat officials are hoping to convince the Interim Committee to approve launching the backup satellite next spring. They will argue that the Canadians by then will have a ground station in operation, giving North America two such stations and Europe four. This way, while one set of ground stations is handling the vital traffic, another set can be using the backup satellite for traffic that can be quickly interrupted in case of satellite failure.

Later this month, when the Interim Committee gathers for its monthly meeting at Comsat headquarters in Washington, Comsat officials will begin broaching the subject of assembling a third Early Bird satellite for orbit over the Pacific. The parts for this satellite already have been ordered from Hughes Aircraft Corp., the Early Bird contractor, but Comsat needs the committee's approval to first have the satellite assembled and later to have it launched.



A question of economics

"It won't be clear sailing," says a Comsat officer. The Europeans are primarily interested in transatlantic communications and won't be directly and immediately benefited by the Pacific satellite.

"The Europeans will want to see the economics of the Pacific bird before they commit themselves," predicts Mr. Welch. "Once we lay out a set of probabilities, they'll probably go along with it without too much difficulty."

The Interim Committee also could be decisive in Comsat's new hopes of providing global communications late next year by way of the satellite system proposed for space project needs. Comsat, as an American company, could put up this proposed four-satellite system for the U.S. Government without getting the approval or permission of the Interim Committee, since it is a U.S. governmental need. But the Interim Committee will have to rule on whether Comsat could use the satellites for commercial services. How the Interim Committee would react to a proposal to use satellites which are partly devoted to exclusive U.S. use is unknown at the moment.

The Interim Committee's presence, and the power of the Europeans on it, is being felt in more subtle ways, too. For example, the Europeans figured importantly in the dispute that ended in the Defense Department's decision not to allow a live telecast of the Gemini splashdown, and that decision didn't resolve the basic question raised by the debate. International Telephone & Telegraph Corp., a U.S. concern, had proposed the live telecast using one of its portable ground stations. The Europeans weren't against the telecast itself but were worried about the precedent to be set by use of the portable ground station. They have made a considerable investment in fixed ground facilities in their countries, and they didn't like the idea of approving a floating ground station, which someday might cut into revenues of their own properties—at least not without considerable discussion on the matter.

Comsat's position

Potentially a much bigger controversy involving the foreign partners has been raised by an American Broadcasting Co.'s. proposal. ABC suggested it would like to have a satellite hovering over the United States through which it could relay radio and television programs to its affiliate stations in this country. In other words, ABC wants a completely domestic U.S. satellite.

Comsat takes the position that Congress intends it to be the sole operator of commercial communications satellites (this was one of the hardest things to

persuade the Europeans to go along with). Thus, it wants to launch and operate the ABC-type satellite.

"Yet," says one communications carrier executive, "can you imagine what Congress is going to say if the French or English on the Interim Committee veto the idea of Comsat putting up a strictly domestic U.S. satellite?" After arguing the Europeans into the idea of a single commercial satellite system, the United States can't very well turn around to set up a second commercial system that would operate outside the consortium. The question is so touchy that Comsat Chairman Welch says: "I don't want to talk about it."

The relations between Comsat and its foreign partners probably will reach their most critical stage after the global system is in operation and a permanent international agreement is to be negotiated. "It is only natural that no foreign nation or group wants to let the U.S. dominate," says one executive. "Thus, it's expected that the Europeans will push for a greater voice and greater representation."

"Can be ironed out"

"I think this can all be ironed out with diligence and fairness and we'll eventually get a reasonable compromise," says Mr. Welch. He adds that only if Comsat should "fall on its face" in the next several months will it become difficult to convince the Europeans to continue with its program.

Against this backdrop of international dispute, U.S. communications executives express considerable amazement over Comsat's accomplishments so far. "They've done a job that a year ago I thought was impossible," says an A.T. & T. official.

The Early Bird satellite, now hovering 22,300 miles above the Equator, is considered a major engineering achievement. The much-feared time delay of six-tenths of a second (the time it takes a voice to travel to the satellite and back) is proving to be little or no problem; engineers once thought it might be an insufferable nuisance. "You hardly notice it," says a Comsat employee.

TV continues use

Most users seem well satisfied with their Early Bird experience, and A.T. & T. says it expects to be using 100 telephone circuits over the satellite by year's end. Even television networks, despite their chagrin at what they call excessive charges, have found the satellite invaluable. ABC, for example, used it this past weekend to televise the American-Soviet track meet at Kiev. The Columbia Broadcasting System is going through with plans for five 1-hour "Town Meeting of the World" telecasts during the 1965-66 season.

But the Early Bird isn't putting Comsat into the black. This isn't necessarily the fault of the satellite's slow start; for Comsat didn't expect to break out of the red with Early Bird, even when it was counting on a big beginning.

"We would expect to get into a profit position by the late sixties," says Comsat President Joseph Charyk. At that time the company should be enjoying substantial revenues from Early Bird and some initial income from its global system.

"Accounting-wise, we're not an operating company as yet," says Lewis C. Meyer, Comsat treasurer. The company, he adds, won't issue profit-and-loss statements until it gets fully into the development of the global satellite system.

Senator PASTORE. Are you familiar with this article?

Dr. HAGERTY. Yes, sir. I have read it and I reviewed it again recently.

Senator PASTORE. All right, I am not going to press you at this point, but I would hope you would comply with that request. Will you do that when it is convenient for you and when you have oriented yourself to your new responsibility, if and when you are approved by the Senate, and I know you will be?

Dr. HAGERTY. Yes, sir.

Senator PASTORE. Will you do that?

Dr. HAGERTY. I certainly will.

Senator PASTORE. Would you at this time, Dr. Hagerty, want to venture for the benefit of the committee any observations on your own at this moment?

Dr. HAGERTY. The only thing I could say, Senator, is that I think that this is a great challenge and responsibility to me. I think that

the problems that I appreciate at this time probably are only the technical problems. I am fully aware that the legal and political problems are beyond me, but I hope that my experience will qualify me to give such advice and to vote in such a way as to properly discharge my responsibility.

At this moment, Senator, I have nothing further to say.

Senator PASTORE. Speaking for myself at the moment, and I think I am speaking the sentiments of this whole committee, I think we have confidence in you enough that you will do just that.

Is there anyone in this room who desires to testify for or against this nomination?

The Chair hears none.

It has been a pleasure to have had you here, Doctor, and I wish you well.

Dr. HAGERTY. Thank you very much, sir.

(Whereupon, at 3:30 p.m., the committee was adjourned.)

and Deason's qualifications and statements made in support of his nomination were most favorable, particularly in view of the fact that he has been a member of the Interstate Commerce Commission for 12 years.

SUNDRY NOMINATIONS

WEDNESDAY, AUGUST 25, 1965

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

The committee met, pursuant to notice, at 2:30 p.m. in room S-126, U.S. Capitol, Hon. Warren G. Magnuson (chairman of the committee) presiding.

The CHAIRMAN. The committee will come to order. This afternoon's hearing is on the nomination of Willard Deason, of Austin, Tex., to be a member of the Interstate Commerce Commission. His nomination is for the remainder of the term expiring December 31, 1965, vice Everett Hutchinson; and for a term of 7 years expiring December 31, 1972, reappointment.

Mr. Deason is a law school graduate, a businessman, and has actively served his community. After graduation from college, he taught high school while attending night law school classes. He graduated from law school in 1934. Thereafter, he worked as an attorney for the Federal Land Bank of Houston; and then the National Youth Administration, first as administrative assistant to the State director of Texas, and then as deputy State administrator. During World War II he was on active duty with the U.S. Navy. Following the war, he returned to Austin where he worked for radio station KTBC; he then later became manager, and later owner-manager for radio station KVET. He has served his community as a director of the Austin Chamber of Commerce; of the Austin Kiwanis Club; of the Austin Better Business Bureau; and on the advisory committee to the Austin Board of Education. He helped organize and served as first secretary, vice president, and president of the Texas Association of Broadcasters. In 1960 he served as a presidential elector from the State of Texas.

If confirmed, Willard Deason would be the third Commissioner to serve from the State of Texas during the 78-year history of the ICC.

Mr. Deason has submitted biographical data which will be made a part of the record, and a financial statement which will be available in the files of the committee.

(The biographical data follows:)

BIOGRAPHICAL DATA ON WILLARD DEASON

Date of birth: January 3, 1905.
Place of birth: Stockdale (Wilson County) Tex.
Family: Wife, Jeanne FitzPatrick Deason; daughter, Diann, age 16; son, Patrick Lyndon, age 14.
Church affiliation: Episcopal.

Residence: 4713 Highland Terrace, Austin Tex.

Education: Graduated from Stockdale High School in 1922; Graduated from Southwest Texas State College in 1930 with B.S. degree; graduated from San Antonio School of Law in 1934 with LL.B. degree.

Employment record:

From 1930 to 1934, taught social sciences at Alamo Heights Junior High School, San Antonio, Tex. (attended night law school classes during this same period).

June 1934 to August 1935, served as junior attorney for Federal Land Bank of Houston.

August 1935 to March 1942, employed by National Youth Administration—first as administrative assistant to the State director for Texas; from May 1937 to March 1942 as deputy State administrator.

March 1942 to 1946, see military service below.

March 1946 to December 1948, salesman and sales manager for radio station KTBC, Austin, Tex.

January 1949 to August 1, 1965, manager and owner-manager for radio station KVET, Austin, Tex.

Military service:

Went on active duty with the U.S. Navy in March 1942 as lieutenant; was released to inactive duty in March 1946 as commander.

Duty assignments: Office of Naval Officer Procurement, New Orleans; Office of Naval Personnel, Arlington, Va.; air priority officer in Atlantic; air priority officer in Pacific; after V-J Day, Congressional Liaison Office, Bureau of Naval Personnel.

Civic and professional activities:

Local: Director of Austin Chamber of Commerce; director of Austin Kiwanis Club; director of Austin Better Business Bureau; served on advisory committee to Austin Board of Education.

State: In 1952 helped organize and served as first secretary of Texas Association of Broadcasters; in successive years served as vice president and president. Served on board of directors and on a special committee to rewrite bylaws.

From 1958 to present has been serving on State industry advisory committee to emergency broadcast system.

Served three times on Governor's inaugural committee.

National: Served for 7 years on Mutual Network Affiliates Advisory Committee, 2 years as chairman of the committee.

In 1960 served as a presidential elector from the State of Texas.

Condition of health: Excellent.

Present earnings: \$20,000, plus, per annum.

August 1965.

The CHAIRMAN. We have present the distinguished Senators from Texas, Senator Yarborough and Senator Tower, who would each like to make a statement regarding the nominee.

Senator Yarborough.

STATEMENT OF HON. RALPH W. YARBOROUGH, U.S. SENATOR FROM THE STATE OF TEXAS

Senator YARBOROUGH. Mr. Chairman, I desire to thank you and the members of the committee for the opportunity of appearing here today. It is always a pleasure for me to appear before this committee, upon which I had the privilege of serving for 7 years—

The CHAIRMAN. We miss you, we wish you hadn't gone away.

Senator YARBOROUGH. Mr. Chairman, I regretted leaving.

Senator LAUSCHE. Where did you go?

The CHAIRMAN. Yes, where did you go? Were the fields greener where you went? [Laughter.]

Senator YARBOROUGH. Well, the hot air was breathing down my neck a little more over there.

Senator BARTLETT. As a fellow member of the Appropriations Committee, you will have to acknowledge we don't always get everything we need or want.

Senator YARBOROUGH. Yes, they cut us short sometimes just like we weren't on it.

Mr. Chairman, I am proud of the contribution my State has made to this great Commission, the Interstate Commerce Commission. It was a predecessor of mine in office, Senator Reagan, who was called the father of the ICC. He advocated it for years in the House and when he came to the Senate he was the leading spirit in the creation of the ICC. LaFollette, in his autobiography, paid tribute to him as Judge Reagan—he had been a judge before the Civil War—and told how he communicated with him often and got his advice on the railroad laws of the State of Wisconsin. It was a very high tribute to a predecessor of mine in the Senate. Being the distance away we are in Texas, building of the railroads meant a lot to us, and our State has always had a great interest in this Commission.

It is a pleasure to introduce to this very powerful committee my not only fellow Texan, but fellow townsman, Mr. Willard Deason, whom I have known for over a quarter of a century. And Mr. Deason's broad experience has already been put in the record by the chairman, so I won't repeat it. He is a man of unquestioned honor and integrity and all of these accomplishments he has had, make his nomination, I think, an outstanding one. I support his nomination and hope the committee will recommend to the Senate its approval.

It is with great pleasure I join my colleague from Texas, Senator Tower, in introducing Mr. Deason to the committee.

(The prepared statement of Senator Yarborough follows:)

STATEMENT BEFORE THE SENATE COMMERCE COMMITTEE SUPPORTING NOMINATION OF WILLARD DEASON AS A MEMBER OF INTERSTATE COMMERCE COMMISSION

Mr. Chairman, I wish to thank you for the opportunity of appearing here today. It is always a pleasure to appear before this distinguished committee, so ably chaired by the senior Senator from Washington.

It is likewise a pleasure to introduce to the committee and enthusiastically to support the nomination of my fellow Texan, Mr. Willard Deason.

The Interstate Commerce Commission is one of our most important regulatory agencies, having, as it does, jurisdiction over rail, water, and motor transportation, which are the great connecting links for the bulk of our people and for the bulk of what is produced in this country. A Commission which reaches into so many areas of our economy should be well served by a man of broad experience, which Mr. Deason certainly is. He has taught school, served as an attorney for the Federal land bank, worked for the National Youth Administration, served in the Navy, and managed and owned a radio station. In addition, Mr. Deason is an active member of many professional and civic organizations. This vast experience, both in government service and in business, provides Mr. Deason with experience which should be valuable to the Interstate Commerce Commission.

Mr. Deason's ability as a lawyer, businessman, administrator, and civic leader, and his unquestioned honor and integrity, make his nomination an outstanding one. I have known him for about a quarter of a century, and I support his nomination most assuredly and hope that the committee will recommend its approval. It is with great pleasure that I introduce Mr. Bill Deason of my home city of Austin, Tex.

The CHAIRMAN. Thank you, Senator Yarborough.
Senator Tower?

STATEMENT OF HON. JOHN G. TOWER, U.S. SENATOR FROM THE STATE OF TEXAS

Senator TOWER. Mr. Chairman, I don't wish to detain the committee, and therefore I would like consent to file my statement for the record.

The CHAIRMAN. All right.

(The prepared statement of Senator Tower follows:)

STATEMENT IN BEHALF OF MR. WILLARD DEASON

Mr. Chairman, I am pleased to endorse the nomination of Mr. Willard Deason to the Interstate Commerce Commission.

Mr. Deason was born in Wilson County, in the sandy land country of south Texas. He went to school there and graduated from Stockdale High School before going off to college where he earned both the B.S. and LL.B. degree.

Mr. Deason has had a long and illustrious career and I think it fitting and proper that he should now come into the Government. He will bring with him experience gained in a wide range of activities. He taught school in San Antonio from 1930 to 1934; he served as junior attorney for the Federal land bank in Houston from 1934 to 1935. For many years he was deputy State administrator of the National Youth Administration in Texas. He has served his country well in the military. He was released to inactive duty in March of 1946 after 4 years of active duty with the Navy. During this time he rose from the rank of lieutenant to commander. He served with the Office of Naval Officer Procurement in New Orleans, with the Office of Naval Personnel in Arlington, Va., as air priority officer in both the Atlantic and Pacific theaters, and, after the war was over, he served with the Congressional Liaison Office in the Bureau of Naval Personnel.

His list of accomplishments and services in civilian life are too numerous to recite here. He has been extremely active in the field of communications, particularly in radio. In this regard, I must say that I have always found him to be fair and impartial.

I will not elaborate further Mr. Deason's qualifications for this new post. I merely wish to say that I believe he will bring with him certain attitudes and experiences that will be beneficial to the Government and the people. For that reason I would like to see this committee act favorably and with all dispatch possible in sending his name to the full Senate for confirmation.

Senator TOWER. Just to supplement what my distinguished senior colleague has said, I think Bill Deason brings a rich background of experience and understanding to this very, very important job in a quasi-legislative, a quasi-judicial, capacity as a member of the Interstate Commerce Commission. I think he will reflect credit on his State, on his President, who makes his appointment, and on this country. I think he will be objective and fair as I have always known him to be in the years I have known him.

I might note I worked for a competing radio station, one that competed with his at one time, and yet I have always found him to be extremely fair in his dealings with others, extremely objective in his attitudes. I think he will bring really a very judicious mind and disposition to the Interstate Commerce Commission, and I would like to commend this nomination to the committee wholeheartedly. I am sorry that none of my fellow colleagues from the Republican side of the aisle are here this afternoon. Perhaps that being the case, it would be more proper for me to speak against him rather than for him. But in any case, I would like to commend him to the whole committee. I think he will make an excellent member of the Interstate Commerce Commission.

The CHAIRMAN. Thank you, Senator Tower. We have many Republicans on this Commission and they all serve very well, as far as we know.

STATEMENT OF WILLARD DEASON, AUSTIN, TEX., NOMINEE FOR MEMBER OF INTERSTATE COMMERCE COMMISSION

The CHAIRMAN. Now, Mr. Deason, speaking of Democrats and Republicans, are you a Democrat or a Republican?

Mr. DEASON. I am a Democrat.

The CHAIRMAN. That makes you qualified for this position, with respect to politics.

The next question, for the record is: This committee and the Senate passed a resolution some years ago making it mandatory that we inquire of people who are recommended for the independent agencies such as ICC, because we had some very unhappy experiences in the past, whether they intend to serve as a member of the Commission, if confirmed, until the completion of their term. We realize that some unusual personal events may occur, such as a person becoming ill or something. We ask your intention, as of now, in front of this committee, Do you fully intend to serve out your term?

Mr. DEASON. I fully intend to serve out the term for which I am confirmed.

The CHAIRMAN. Which will be to December 31, 1972.

Now if the nominee and others will excuse us for about 5 minutes, we have a vote on the floor.

(Thereupon, a short recess was taken.)

The CHAIRMAN. The committee will come to order. Mr. Deason, we all appreciate, and you do, that appointments to the independent agencies such as ICC are made by the President. In your particular case, of course, you and the President have known each other personally for some time, and, therefore, it was in the nature of a personal appointment of the President. But what I am driving at is that all of these agencies are not executive departments. They are created by Congress, they are arms of Congress, they report to Congress, and the Executive only has the responsibility of the appointment of their members. Somebody must appoint them. I am sure you realize this. Your duties will relate to matters in which Congress itself could not administer, the field being too big, and, therefore, they have delegated it to the ICC to do the job. This agency carries out not only the objectives set forth in the act, but also the goals and objectives of what Congress wanted to do in the transportation field, rather than what any executive policy may be.

I want to ask you if you are thoroughly familiar with this concept of Government insofar as independent agencies are concerned?

Mr. DEASON. Yes, sir; I am.

The CHAIRMAN. And you will undoubtedly receive many requests from Members of Congress when you are a Commissioner, on many matters pertaining to transportation. Almost all of the Commissioners consider this ethical and proper, because they are carrying out a mandate of the Congress, and working for Congress. Not that any Member of Congress makes any attempt, ex parte, to tell you how to make decisions. But in many cases we have to join with you in

some of these very complex matters involving transportation. It is closely related to Congress in this aspect. You will have a lot of contacts with Members of the House and Senate, who will not only bring you their constituents' problems, but also who will want to work with the ICC in carrying out these objectives and goals. The responsibility of the executive department is not the same with respect to these independent agencies.

Now another matter that this committee has always been concerned with—and I see members of the ICC here and they have heard this many, many times—is our legitimate complaint about the regulatory lag in work down there. The Commissioners always answer with the fact that the work is increasing and they are doing everything they can to expedite these matters. I must say that in the past few years the ICC has done remarkably well in handling its work. But we don't think they are doing enough yet. They need some help. I probably shouldn't say this, because I handle their appropriation and they will be calling me to task on this, but they need help by fellow Commissioners, like yourself, who have had some business experience, who come in new, fresh, and who are not plagued with all of these complex problems. You can see where certain things can be handled in a businesslike way to expedite them. You will do that, will you not?

Mr. DEASON. Yes, sir; I will, I will do my best.

The CHAIRMAN. Now you have been in a regulated industry.

Mr. DEASON. Yes, sir.

The CHAIRMAN. I am glad to hear Senator Tower has been at one time too.

What do you conceive to be the role of the regulator, such as the ICC in transportation, or the FCC in broadcasting, and what is the responsibility of those who are being regulated?

Mr. DEASON. Well, I would say that the responsibility of the regulatory agency—in this instance the ICC—would be to try to expedite matters and see that we have a strong and virile transportation system, that will not be bogged down, nor that one segment of it overshadows the other.

The CHAIRMAN. Do you think from your past experience, being in a business that is regulated, and knowing about regulators, that a great deal depends on the cooperation of those in the industry that is being regulated?

Mr. DEASON. Yes, sir.

The CHAIRMAN. And that should be fostered. The Commission tries, and sometimes they get cooperation and sometimes they don't. A man who has been like you have, in business, in a regulated business, should have a good concept of that in my opinion.

I have no further questions, because there isn't too much to ask you about what you would know now. You will find when you get down there that it is a big agency, with a lot of responsibility in an expanding economy, and transportation has many, many problems. But we are the only private system of transportation in the world today and we want to keep it that way.

Mr. DEASON. Yes, sir.

The CHAIRMAN. This is the objective and goal of the Commission. It poses a few more problems than when you have the Government mixed up in it, but we want to keep ours a private system of transportation.

If you see anything wrong in which you think the fault lies fundamentally in the act itself, which is now many years old with many modifications and amendments, will you tell this committee and the House committee? Will you suggest to us, as the Commission does every year, or to your fellow Commissioners, where we might amend the law of otherwise help make the system more efficient?

Mr. DEASON. Yes; I would.

The CHAIRMAN. And will you feel free to do so?

Mr. DEASON. Yes, sir.

The CHAIRMAN. We welcome it. The only other thing I wanted to add to your biography is you are a dog breeder, also, and I think that ought to be put in.

Senator MORTON. Beagles?

The CHAIRMAN. Beagles, strictly beagles. [Laughter.]

Senator Morton, do you have any questions?

Senator MORTON. Merely one. In your response, Mr. Deason, to the chairman's question on responsibility of the Commission or any regulatory agency, you mentioned you wanted an efficient transportation system that was fair to all modes and methods of transportation. We certainly want that. But you didn't willfully leave out, did you, the fact that the main responsibility is the public, the shipping public, the traveling public, and so forth?

Mr. DEASON. I did not purposefully leave that out. Thank you. I want to include it.

Senator MORTON. That certainly, in my opinion, is the major, the first responsibility of any of our regulatory agencies of the Government.

That is all, Mr. Chairman.

The CHAIRMAN. Senator Hart?

Senator HART. No questions, Mr. Chairman. I had an opportunity to visit with the nominee and I am satisfied, as I think all of us are, that he brings a rich background, and I think the President is to be congratulated on the nomination.

The CHAIRMAN. Senator Prouty?

Senator PROUTY. Mr. Deason, I only wish you came from some State other than Texas. It seems that most every appointment that is being sent up here for important positions originates in that great State.

Senator HART. Mr. Chairman, have I been away lately? Have we had a stream of Texas appointments?

Senator PROUTY. It seems to me I read in the paper every day—

The CHAIRMAN. No, I don't think so. I think they get more publicity and it looks like it.

Senator PROUTY. I am not objecting to Mr. Deason on that ground. I said I only wish he came from another State. But also I understand he has the support of both Texas Senators, and if they can agree on a single individual, I think he is highly qualified for whatever the appointment may be.

Mr. DEASON. Thank you.

Senator PROUTY. I do notice also that you have had no actual experience in the transportation field. Is that correct?

Mr. DEASON. That is correct.

Senator PROUTY. And I think that may be helpful, because you can at least approach these things in a very objective fashion.

Senator TOWER. If the Senator would yield to me for comment in that connection, Mr. Deason did have experience in transportation during his service career in the Navy, but not, however, in a commercial sense.

Senator PROUTY. Yes. I certainly have no objection. I am very glad to support him.

The CHAIRMAN. Yes, you were in procurement and then air priority.

Mr. DEASON. That is correct, Naval Air Transport Service.

The CHAIRMAN. All right. If there are no further questions, we thank you for coming. We will be seeing you again soon, because we have a habit up here of calling back Commissioners, occasionally, not only to ask them how they are getting along, but also, perhaps, to suggest some changes in the way they are conducting themselves. By and large it is a great challenge, and I am glad to see you are taking it.

Mr. DEASON. Thank you, Mr. Chairman.

The CHAIRMAN. I thank the Commissioners for coming up today, we appreciate it. Thank you very much.

The committee will recess at this time.

(Thereupon, at 3:10 p.m. the hearing was concluded.)

List of members of Interstate Commerce Commission

Name of person holding office	Party and State	Date of taking office	Date tenure expires
(1) Webb, Charles A.	Republican, Virginia	Sept. 30, 1958	Dec. 31, 1965
Freas, Howard G.	Republican, California	Aug. 18, 1953	Do.
Goff, Abe McGregor	Republican, Idaho	Feb. 12, 1958	Dec. 31, 1966
Tucker, William H.	Democrat, Massachusetts	Apr. 3, 1961	Do.
Tuggle, Kenneth H.	Republican, Kentucky	Sept. 1, 1953	Dec. 31, 1967
Tierney, Paul J.	Republican, Maryland	Mar. 29, 1963	Dec. 31, 1968
Walrath, Laurence K.	Democrat, Florida	Mar. 29, 1956	Dec. 31, 1969
Brown, Virginia Mae	Democrat, West Virginia	May 25, 1964	Dec. 31, 1970
Bush, John W.	Democrat, Ohio	Apr. 3, 1961	Do.
Murphy, Rupert L.	Democrat, Georgia	Dec. 30, 1955	Dec. 31, 1971

¹ Vacancy resulting from the resignation of Everett Hutchinson, Democrat, Texas.

The Interstate Commerce Commission, an independent agency, is composed of 11 members serving 7-year terms who are appointed by the President by and with the consent of the Senate. Each Commissioner shall continue to serve until his successor is appointed and shall have qualified, and any person chosen to fill a vacancy shall be appointed only for the unexpired term of the Commissioner whom he shall succeed.

Each year the Commission elects its own Chairman and Vice Chairman. The salary is \$28,500 per annum for the Chairman, and \$27,000 per annum for all other members. Not more than six Commissioners may be members of the same political party, and they may not engage in any other business, vocation, or employment. Any Commissioner may be removed by the President for inefficiency, neglect of duty, or malfeasance in office (49 U.S.C. 11).

The ICC is the oldest of the independent agencies, having been established by the Act To Regulate Commerce of February 4, 1887. It is charged with regulating common carriers by rail, common and contract carriers by motor vehicle, common and contract carriers by water, freight forwarders, and pipelines. It has authority to prescribe standards for equipment and safety of operation of private motor carriers in interstate commerce. The scope of regulation embraces rates, practices, records, accounting, qualifications, and maximum hours of employees, issuance of securities, acquisitions of control, consolidations, and mergers. The Commission has authority to act upon complaint or upon its own initiative.

The goal of regulation is to preserve a national transportation system by water, highway, rail, and other means adequate to meet the needs of the commerce of the United States, the postal service, and the national defense.

SUNDRY NOMINATIONS

WEDNESDAY, SEPTEMBER 1, 1965

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

The subcommittee met at 9:40 a.m. in room 5110, New Senate Office Building, Hon. John O. Pastore presiding.

Senator PASTORE. This hearing will please come to order.

This is a hearing on the appointment of Commissioner Robert T. Bartley for a new 7-year term on the Federal Communications Commission. This is the third term for Mr. Bartley. He was first named to the Commission in February 1952 by President Truman to fill out the remaining 6 years of Wayne Coy, who had resigned. Mr. Bartley then was reappointed by President Eisenhower in 1958 and served for a term which expired June 30, 1965. His new term is for a period of 7 years and ends June 30, 1972, and I hope he will be with us, happy and in good health, during that time.

During his 13 years of service on the FCC, Mr. Bartley has been taking an active role in both common carrier and broadcasting matters.

Prior to his appointment to the Commission in 1952, Mr. Bartley had legislative, broadcasting, business, and FCC experience. In 1934, when the FCC was created under the Communications Act of 1934, Mr. Bartley was appointed Director of its Telegraph Division in charge of regulation of telegraph landline, cable, and radio carriers. In 1937 he joined the Securities and Exchange Commission as a senior securities analyst. In 1939 he became assistant to the president of Yankee Network, Inc. In 1943 he became director of war activities of the National Association of Broadcasters.

In 1948 he became administrative assistant to the late Sam Rayburn and remained in that office until appointed to the FCC.

A complete outline of the biographical material of Commissioner Robert Bartley has been made available to the committee and will be made part of the record at this point.

BIOGRAPHICAL SKETCH OF COMMISSIONER ROBERT T. BARTLEY, FEDERAL COMMUNICATIONS COMMISSION

Commissioner Robert T. Bartley has served as a Federal Communications Commissioner since his appointment by President Truman in 1952. He was reappointed by President Eisenhower in 1958.

Born at Ladonia, Tex., on May 20, 1909, Commissioner Bartley was graduated in 1927 from the Highland Park High School in Dallas, and attended the Southern Methodist University School of Business Administration.

At the age of 22, Mr. Bartley came to Washington and worked as a statistician in the investigation into public utility holding companies, under the direction of the late Dr. Walter M. W. Spalyn, then special counsel for the House Committee on Interstate and Foreign Commerce. Mr. Bartley later became executive secretary of the investigation staff, and from 1932 to 1934 supervised preparation of the reports which were instrumental in the passage of the pipeline com-

mon carrier legislation (ICC), the Communications Act of 1934 (FCC), the Public Utility Holding Company Act (SEC), the Securities and Exchange Acts (SEC), and the telephone rate investigation (FCC).

When the late Dr. Splawn was appointed a member of the Interstate Commerce Commission in 1934, Mr. Bartley went with him. Upon creation of the Federal Communications Commission later that year, Mr. Bartley was appointed Director of its Telegraph Division in charge of regulation of telegraph landline, cable, and radio carriers.

In 1937, Mr. Bartley joined the Securities and Exchange Commission as a senior securities analyst.

Commissioner Bartley's connection with practical broadcasting operations dates from 1939, when he became assistant to the president of Yankee Network, Inc. From the beginning, he was primarily responsible for governmental and public relations matters, but soon took on additional administrative duties. Elected vice president in 1942, Mr. Bartley assumed executive responsibilities which included supervision of the technical, accounting, and experimental departments, and the personnel. He was also designated war program manager for the network and continued to head its governmental and public relations activities.

In his association with the Yankee Network, Mr. Bartley became interested in frequency modulation broadcasting and served as secretary-treasurer of FM Broadcasters, Inc., a trade organization.

Mr. Bartley joined the National Association of Broadcasters in 1943 as director of war activities of that organization. He became its director of government relations and, subsequently, headed the FM department when FM Broadcasters, Inc., was merged with NAB.

In 1948, Mr. Bartley became administrative assistant to the late Speaker of the House Sam Rayburn, which office he held when appointed a member of the Federal Communications Commission.

As FCC Defense Commissioner, he coordinates the Commission's national defense activities with the President's office, other Government agencies, and the communications industry.

In 1960, Commissioner Bartley was a member of the U.S. delegation to the International Conference on Safety of Life at Sea, held in London, England, and served as Chairman of the Radio Committee.

He is Chairman of the Radio Technical Commission for Marine Services, a joint Government-industry organization.

Commissioner Bartley received the 1965 Marconi Memorial Gold Medal of Achievement from the Veteran Wireless Operators Association for his valuable contribution in the field of radio regulation.

Commissioner Bartley married Ruth Adams of Washington in 1936. They have three children, Robert T., Jr., Jane Bartley Odle, and Thomas Rayburn, and two grandchildren.

A Democrat, Commissioner Bartley's voting address is Ladonia, Tex.

In accordance with the procedures of the committee, Mr. Bartley has made available to the committee a copy of his financial interests which have been noted and made part of our committee files. In accordance with the procedures of the committee, this financial statement is not made part of the record but is available in the committee files.

Knowing well that you are a Democrat and have served in that capacity in your previous terms, will you state what your party affiliation is as of the moment?

Mr. BARTLEY. I am a Democrat.

Senator PASTORE. This is required because provisions of the Communications Act limit any one party to only four members on the Commission.

Mr. Bartley, you are well known by this committee. You are highly respected and we have a tremendous amount of affection for you.

I have no questions, other than to say that I have a letter here from Mr. Ralph W. Yarborough, addressed to the chairman of the full committee, Mr. Magnuson, which reads as follows:

Thank you very much for your letter of August 24, 1965, in regard to the nomination of Mr. Robert T. Bartley of Texas for reappointment as a member of the Federal Communications Commission.

I strongly support the reappointment of Mr. Bartley, who is a nephew of the late Speaker of the House, Sam Rayburn. Mr. Bartley has served for many years on the Federal Communications Commission and has proven himself to be an experienced, able, and diligent member. In my 8 years in Washington, I have never heard any complaint about his fairness and objectivity in that position, and I urge the confirmation of his nomination.

With best wishes, I am,
Sincerely yours,

RALPH W. YARBOROUGH.

Now, Mr. Bartley, under the provisions of a Senate resolution, the committee is required to ask whether a nominee intends to serve out the full term of the office to which he is appointed. What is your present intention to that, sir?

Mr. BARTLEY. My present intention is to serve out the term for which I am appointed.

Senator PASTORE. Thank you.

It is not my intention, at this time, to go over the various policy matters of the Commission in which you participated. Last February my subcommittee had the full Commission before it and received a progress report and raised questions with regard to some of the actions of the Commission.

If I recall correctly, you were present, and I raised a number of questions with you—your freeze on the top 50 markets, the “dropin” question and the type of network competition resulting from the lack of equal competitive facilities in the top markets.

It is my intention to have the full Commission back before this committee some time in the near future, as soon as the committee agenda and floor situation clears up, to discuss and receive a progress report from the Commission on its various actions in the development of an overall telecommunications policy, the fairness doctrine, the communications satellite program, the adequacy of frequencies to permit at least three networks to compete equally, the community antenna problem and a number of other policy determinations that have been or are being contemplated by the Commission. Therefore, I do not intend to go into these matters at this time, only to welcome you back to the committee and to wish you well.

Mr. BARTLEY. Thank you very much.

Senator MONRONEY. Mr. Bartley, I am glad to be here for the third time for your confirmation. I have been proud of my votes the other two times and have respected your attitude on competitive television, expansion of this great media wherever possible without confusing channels, and I feel certain that the policy that you have advocated through the two previous terms will be followed as you are confirmed for this third term, is that not correct?

Mr. BARTLEY. I appreciate that, sir. Thank you.

Senator MONRONEY. I think Mr. Bartley has gone beyond ordinary activity in trying to maximize a number of outlets and stations consistent with good reception that can be obtained and also has stood for a competitive situation among our networks. You have been a

most constructive member of the Federal Communications Commission and I was very happy to see President Johnson reappoint you.

I have no further questions to ask because I feel that Mr. Bartley is generally ahead of me in his observation regarding the expansion of this great media of television and radio wherever possible, consistent with good engineering practices.

Mr. BARTLEY. Thank you.

Senator BASS. I will ask one question, and you have touched on it.

I remember we discussed it with the Commissioners when they were here. This is about the present "freeze," and this is just for my own information.

Was the "freeze" lifted?

Mr. BARTLEY. Well, the word "freeze" has never appealed to me because, actually, we did not intend it to be a freeze.

What we did was: We announced a policy of holding hearings in cases—you are speaking of the situation in which people were acquiring additional stations in the top 50 markets. I presume that is the question that you are now discussing.

Senator BASS. That is right.

Mr. BARTLEY. Then, in that connection, as I say, I never considered it a freeze.

What it was, was a policy statement to the effect that hearings would be held in those cases. If, following a hearing, the public interest would be served, and it could be shown that it would be served, the grant would be made.

In many cases prior to that time, when—not many, but in several cases prior to the time that this policy statement came out—indications were given to the applicants that they would be confronted with a hearing unless they could make a showing with respect to the advantages in the public interest of the transfer, and those were rebuttable and have actually been accomplished through additional information and petitions for reconsideration, so that the situation now is, at the present time, that the comments are outstanding and they are still before the Commission for final determination. The date for final comments is some time in the future, I think within the—I am guessing—next 30 days, something like that. Studies are being made by various people in the industry to submit to the Commission—

Senator BASS. Looking toward rulemaking, is that it?

Mr. BARTLEY. Looking toward rulemaking, yes.

Senator BASS. But, in the meantime, it still would not be possible for the Commission to approve a sale in this area.

Mr. BARTLEY. Not without a hearing, unless, after its designation for hearing, the comments and the petitions for reconsideration, which, undoubtedly, there would be, came in, with supporting evidence, sufficient supporting evidence to convince the Commission the transfer is in the public interest.

Senator BASS. Thank you.

Senator PASTORE. Do you not feel that the so-called policy does impede the freedom of negotiation to the extent that the way you issued your statement and announced your proposal first without notice or hearing and now holding in effect that before a transfer can be approved in certain cases a public hearing must be held. Do you not think, in some sense, that this policy interferes with the competitiveness of getting the best price for the best facility under good negotiation contact?

Mr. BARTLEY. I think it has that private impact. However, the "trafficking" had reached such a point that we were finding combinations of stations acquiring a group of stations and then turning around, for capital gains, and selling them. This "trafficking," to my mind, had become a real, real problem.

Senator PASTORE. Why can it not be done both ways? Why can't this be done on a case-by-case basis? For instance, in some cases where the public interest would be served, a transfer can be approved without a hearing. Then, unless a showing can be made which would be conclusive that it was in the public interest and all of these other things you are talking about were not involved, or, if there was a *prima facie* case that it was not in the public interest, you could throw it into a public hearing?

Mr. BARTLEY. That is a course of action that could be taken and is worth considering.

Senator PASTORE. In other words, when someone wants to sell or someone wants to buy, and it does involve the top 50 markets. A statement could be made by both parties that were concerned as to the considerations that were involved and the necessity for the transfer and the reasons for the purchase. Then, of course, the Commission after examining the facts can make a determination and decide that, in the public interest, the transfer should be subject to a public hearing because there are other phases that were rather nebulous and needed further exploration. This, I could understand. But to do it in every case, I could see where, in some instances, you might be doing irreparable harm either to the seller or to the buyer and your hearing would serve no useful purpose. TV is a significant media that belongs in the public domain, there is no question at all about it. The public interest is very much concerned as TV has an impact on all phases of our economy and political life.

Mr. BARTLEY. There undoubtedly may be some hardships.

Senator PASTORE. I would hope they would give that serious thought.

There was only one other question I wanted to ask you, and it is this: Since the time we passed the legislation provided for all-channels sets, has it helped the UHF?

Mr. BARTLEY. I think so, and I think it is indicated by what I would call smart money coming into the UHF development.

Senator PASTORE. Are you going to invoke the multiple ownership rule there, too?

Mr. BARTLEY. Yes, sir.

Senator PASTORE. Right there, too.

Mr. BARTLEY. Yes, sir.

Senator PASTORE. I remember one time we were begging these people to buy into UHF. I hope we do not do anything to discourage it.

Mr. BARTLEY. I have been pretty careful about that.

I was one of the early advocates of FM back in the thirties and urged a lot of people to go into FM back then, and some of them did, and they did not do too well for a while.

I am very encouraged now about the situation with respect to UHF, though.

Senator PASTORE. I see that our distinguished chairman is here, and I shall turn the chair over to him.

The CHAIRMAN. No, you keep the chair.

Senator MONRONEY. I have to preside at another committee meeting. May I be excused?

Senator PASTORE. Certainly.

Is there any further comment?

The CHAIRMAN. I wanted to ask a few general questions of Mr. Bartley, because he has been down there a long time and he has had a chance to look at these things.

Similar to the question Senator Pastore asked regarding UHF, do you feel that there has been a substantial—not necessarily a growth, but a greater stability and better service in the educational TV field?

Mr. BARTLEY. It will have and has had a tremendous impact in that area.

The CHAIRMAN. Did that one-shot legislation that we passed help in getting it off the ground?

Mr. BARTLEY. It is invaluable to it.

The CHAIRMAN. There are now some very good ones, operating stations have been improved and the circuits, closed or otherwise, are doing much better, is that correct?

Mr. BARTLEY. I am sure they are.

They still have, and will have for a long time, tremendous financial problems, but, as far as the distribution of sets is concerned, the legislation will accomplish that, and that is one of the big humps they would have had to overcome that they do not have to overcome now.

The CHAIRMAN. The educational TV field has needed, and, I think, will need for some time the very generous help that has been given by foundations such as the Ford Foundation and others. I am hopeful they will continue to give this help.

Some of them have been self-sustaining, particularly those used in school operations. They are mainly operated by universities or groups of schools.

Mr. BARTLEY. There is going to have to be, before it is over, more financial support than is available in this interim period. What course it will take, I do not know yet, but, as schools begin to see the value and the efficiency of television—

The CHAIRMAN. What has happened to the New York station that you fellows had some problems with?

Mr. BARTLEY. It is struggling along. It is having a real, tough struggle. It has attempted to secure some financial support that is through what I would call a partial commercial aspect. I think it raises some pretty serious questions as to whether or not this is the proper way to support educational television.

The CHAIRMAN. There is no intention to abandon it. We are still going to proceed, is that correct?

Mr. BARTLEY. They are proceeding, but they are being supported—their attempt is now to secure support from commercial concerns, which would carry with it an acknowledgment as to who furnishes the material.

To me, this raises a serious question as to whether or not you can have an advertising-supported educational system.

The CHAIRMAN. I suppose that some of these educational TV stations are going to be faced one of these days, and probably soon, with this very sensitive problem of when they get help, should they reciprocate in some way, and then you get moving into the field of

accepting advertising. Just how far do you go when you are desperate for help, in keeping to the basic objectives of an educational TV station? I do not suggest this may be bad. Maybe this is what they will have to come to to make them stronger.

Mr. BARTLEY. I, fortunately, except in this one case, have not had to answer that question yet, and it presents so many problems that I prefer not to.

Senator BASS. Will the chairman yield to me on that point?

The CHAIRMAN. Yes.

Senator BASS. You mean the educational TV systems are now going commercial?

The CHAIRMAN. Not yet.

Senator BASS. That is just about what you said, was it not?

Mr. BARTLEY. That is quite a jump from what I tried to say. In the case of the New York educational station, the station petitioned the Commission for a waiver or for an interpretation of a rule which would have allowed the station to put on programs furnished by various corporations, and, in exchange for that, for the programing, which was to be of an educational nature, and that is hard to define, too, but they were to be of an educational nature, that the furnisher of the program be given a credit.

The CHAIRMAN. They would be given what we call credits, is that right?

Senator BASS. Let me tell you: This practice can go into brain-washing and a few other things by people who have enough money to buy the time on an educational TV channel in order to expound a given philosophy and call it an educational process. I, for one, want to go on record right now as saying that this is not the idea of educational television, because if you are not careful, the next thing you will have is a foundation owning a TV channel, expounding a political or other type of philosophy and calling it education.

The are not commercial; they are not supposed to advertise. There is enough money in the educational field today without advertising to have this run more closely.

Mr. BARTLEY. I appreciate your observation.

The CHAIRMAN. I think the Commissioner and I thoroughly agree on this. I was pointing out that we are coming to this point pretty soon and that some hard decisions will have to be made, with the help of the FCC in these cases.

Mr. BARTLEY. They will be real hard.

Senator PASTORE. To come back to the question raised by Mr. Bass, we do have the fairness doctrine with reference to that.

Senator BASS. It does not deal with education. Who will say what kind of education is fair or unfair?

Senator PASTORE. In the process of calling it education, they are actually expounding a political ideology.

Senator BASS. There are rumors that it has been done.

Senator PASTORE. In this overall situation here, I quite agree that it is hard to define where education begins and where education stops. Even when people are urged to vote for the distinguished Senator from Tennessee to come to the Senate, I may think that is educational, but—

Senator BASS. Yes; but I have to buy it and pay for it as an individual.

Now, if some foundation or some educational television station was going around in Tennessee expounding that kind of philosophy, they would be wrong, in my opinion, whether it was for me or for whoever it was, and this should not be allowed.

But this is what will happen unless the Commission gets busy in a hurry and puts down some rules in this project, because if they are starting to sell time and if they are starting to compliment—you know, kiss each other on the cheek to get money to operate a television station—this is wrong and it ought to be stopped.

Senator PASTORE. I was wondering if the Senator from Tennessee would be a little more explicit about this. Has that actually happened?

Senator BASS. Well, I know what has happened.

Senator PASTORE. I am not being critical. I am just curious. I would like to know. After all, we have been behind this educational TV program and we have all been trying to promote it, develop it and I do hope that we do not run into these very extreme situations that the Senator from Tennessee has just brought out. We would like to know about them if they do exist.

I think we ought to get into this quite thoroughly.

Senator BASS. Let us just say that I may be looking into the future as to what might happen, and knowing what is happening now in radio and where they are buying this time, and I know how much control now some of our foundations and others have over public opinion, not only in controlled communications but in the private press and everything else, and I sure do not want this to go under the guise of educational television, but if we start selling time, it can happen. That is what I am saying.

Senator PASTORE. What is the criteria for issuing a license for educational purposes? Does it have to go to a well-organized educational institution?

Mr. BARTLEY. Yes, it does.

Senator PASTORE. Could one of these educational licenses fall into the hands of, let us say, an extremist group?

Mr. BARTLEY. I do not quite know how to answer that question. As long as they are financially, legally, and technically qualified, there is no other criterion that you could turn down a station on.

Senator PASTORE. Let us call a spade a spade: Could the John Birch Society come along and apply for a noncommercial educational license and get it?

Mr. BARTLEY. I do not know. I would have to look at their charter. Too many things. I just do not know.

Senator PASTORE. Without speaking good or bad of the organization, as such—I guess people generally know how I feel, but without getting into that—could an organization of that kind come along, one that preaches one kind of ideology, come along and secure an educational license under the criteria that has been set forth by the Commission?

Mr. BARTLEY. I would have to know an awful lot more about the corporate setup and whether or not they are legally qualified.

Senator BASS. Let us use another example: Could the Ford Foundation, as an example, sponsor one?

Mr. BARTLEY. I would have to look at that again, too. I do not know.

Senator BASS. I do not have the slightest idea whether it could or not. I am just using this as one of the prominent, well-known foundations in the Nation.

But if one of the foundations or one of the great universities in the country owned one, and someone comes in and contributes \$5 million for this educational TV, why, when he calls up and says, "Look, I would like a certain boy to go on for 30 minutes to read a lecture," he goes on for 30 minutes. This is what I am talking about.

Senator PASTORE. How are you going to prevent that? How will you ever prevent that without getting into censorship?

These are hard problems.

Of course, when you give it to a reputable institution, I do not think they are up for sale. I hope that they are not. I know that money sometimes does have some influence, but these are hard questions, very serious questions.

I think it would be proper at this time if you would bring to the attention of the other commissioners that this question has been raised by us and have your general counsel submit more or less a brief on what the criteria is for securing an educational license.

Mr. BARTLEY. Very well.

Senator PASTORE. I think this is quite important at this point, in view of what the Senator from Tennessee brought up, because he brought up a very, very fine point, there is no question at all about it.

Mr. BARTLEY. It is a fine legal point. We have quite a few different types of organizations who are educational licensees. Some of them are a community group; some of them actually are the school system itself.

Senator BASS. You remember the case of the recent teach-ins. They went over television stations, did they not?

Mr. BARTLEY. I believe so.

Senator PASTORE. That had to do with Vietnam. We have heard all sides of that.

Of course, that is not what bothers me. What bothers me is some of these other things we are hearing about: when you want to know anything about Senator so-and-so, pick up the telephone and call such-and-such a number and you get a tirade.

Senator BASS. I am not saying that is good or bad, but let us say you and I decided we wanted to have a talk-in, you know, and we wanted to raise Cain about something we do not like. We get a group around us, 1,000 people. Well, this is education. But we only want to give one side.

Senator PASTORE. That is true. I do not know how you will supervise that unless you get into the argument of freedom of speech. How far you can go in that regard, I do not know. The Supreme Court has gone so far as to say that you can say anything you want about a public officer, even if it is false, and they have to prove it is maliciously false. We are going pretty far here on freedom of speech.

Senator BASS. But if they start buying time, and if they are not supported by real institutions of education and they do not have to go out and solicit this money from various private institutions that are interested in expounding a given political philosophy, that is what I am talking about.

Senator PASTORE. I realize that.

The CHAIRMAN. I am glad that I brought this matter up because since we started fighting for educational TV, I do not want to see it deteriorate, if possible.

One other phase of it—and the reason I am bringing it up, and I do not know that this has reached any proportion of any necessary evil—large corporations, let us take out in my State, and they mean well, but they will film a half hour film on the lumber industry, and it is very educational—what they do, how they make it, how it ends up as plywood, the mills and all that. It is a company film. It is educational. It is being shown in different schools because of the courtesy of the company and then it gets on, naturally, a half hour educational TV show, and you cannot cut out the identification of the company, this is not their means of advertising, this is their manner of creating goodwill, and pretty soon these educational stations may be getting closer to advertising than they think. This is what sometimes bothers me.

With the good, steady growth of educational TV—and I do not say it is good or bad—there are a great number of these educational films and they are being used. There is no charge. They could, without the right kind of management, get overloaded with that sort of thing.

But, by and large, you suggest they are doing a much better job since the Commission and ourselves sort of took hold of the project. The educational channels that were reserved for many, many years in spite of pressure to take them away are now being activated.

Mr. BARTLEY. Yes, sir.

The CHAIRMAN. One other thing that I have also been quite concerned with: Do you still have down in the Commission—for want of a better description, I will call it an open end on AM license, subject to engineering—

Mr. BARTLEY. We tightened up on the engineering features of it. We have not imposed any economic restraint.

The CHAIRMAN. I understand that you would have to be very careful of the engineering. They have to qualify engineeringwise, find a slot where they can qualify, but you still do not economically review the application in that respect.

Mr. BARTLEY. Not so far as an economic support is concerned beyond this point. We are tightening up quite a bit on the financial-showing requirements.

The CHAIRMAN. The financial showing of the applicant.

Mr. BARTLEY. That is correct, but it also involves and can involve the future earnings, so that if you need to establish what the future earnings would be, this can, in the long run, have an impact on what I would call fragmentation, because if it merely means that you are going to shift financial support from a substantial number of stations on to one more, then you might have more difficulty making a financial showing.

The CHAIRMAN. Or you might have a tax situation where you could move it around.

The reason I am concerned about it is that our basic objective, which you well recall, was that we wanted a bigger spread of AM and FM, as big as possible, and we are having trouble selling FM, getting people to operate. Someplace along the line you will reach a saturation point and you have got to take a look, I believe, at some

of the economic aspects of it because you are finding communities with 15, 20 outlets, in which the advertising pie, as it were, is just not big enough to support all stations. Therefore, a station, as well intentioned as it may be, finds itself in a position where its program starts to deteriorate and they are accepting things that normally, if they were in a good financial condition, they would not accept, and if there is any broad deterioration of programing on AM, it is because some of the outlets find they must do certain things that I do not think they would do otherwise to keep their head financially above water. I feel that the Commission has got to be thinking of this: When do we reach—not necessarily, literally a saturation point—but when do we come to a point where another station is not going to add to the community's service but may add to the sum total of deterioration of all the stations in the programs made available to the public.

Mr. BARTLEY. Well, I am hopeful—I know what you mean, because I have heard it expressed to me many, many times by fine operators as to what has happened to them when too many stations came into the community.

In other words, the entire program service, they felt, was suffering, but we have entered into pretty much of a new stage. I think necessity brought it about whereby more and more stations are specializing and as they do that, they can render a service and still be viable, although they may not appeal to the entire audience.

The CHAIRMAN. This, I think, is another decision that faces the Commission. Tightening up on engineering standards helped a great deal.

Mr. BARTLEY. We are tightening up on financial, too, sir.

The CHAIRMAN. I am just afraid that some of these people, as well intentioned as they are, are going to find themselves in a very difficult position if this keeps on going, and, as a result, the whole is going to be hurt. There will be deterioration, particularly when there are sufficient outlets for everyone in a particular community. I think there are in a lot of places now that meet that test, do you not?

Mr. BARTLEY. I think it would seem to me there would be some stations that would fold but none ever seem to fold.

The CHAIRMAN. I just want to ask one question: Have you come to a decision down there on that ownership of ground stations on Comsat?

Mr. BARTLEY. Tentative. A tentative, temporary decision.

The CHAIRMAN. What was that?

Mr. BARTLEY. That was that we would allow Comsat to own, temporary for this interim period, a ground station.

The CHAIRMAN. That is the control of the ground station?

Mr. BARTLEY. That is right.

The CHAIRMAN. That is all I have.

Senator PASTORE. Mr. Pearson?

Senator PEARSON. Mr. Chairman, I do not think I have any questions.

Senator COTTON. I will not take any time for questions.

Senator CANNON. No questions.

Senator NEUBERGER. No questions.

Senator HART. No questions.

Senator PASTORE. Only one further thing, not to leave the record in any ambiguous state: The fairness doctrine does apply even to

educational television, does it not? The fairness doctrine applies to educational licensees as well?

Mr. BARTLEY. I think it does.

Senator PASTORE. Well, they are all under the same rules, are they not?

Mr. BARTLEY. No; there are different rules. Insofar as the fairness doctrine is concerned, it applies, in my judgment, across the board. We have not been confronted with it.

Senator PASTORE. I do not want to kick this around any longer but let us assume the society we mentioned made a very substantial gift to an educational station and in appreciation for this gift, this educational station allowed them to deliver a series of lectures which were rather dogmatic and just fixed ideology, which would be questioned one way or the other.

In an instance of that kind, of course you could not stop that, I would assume, because you would be getting into the realm of censorship, but let us assume one came along and said, "We do not believe this ideology; this is a controversial question they raised. We feel the fairness doctrine should be invoked." In that instance, would it be?

Mr. BARTLEY. I certainly would be for it and I think the act calls for it.

Senator PASTORE. Get your Chief Counsel to give us a little memorandum on that, too, because we do not want anybody to take the television stations, whether educational or not, and say that the President of the United States is a conscious agent of the Communist conspiracy without having it rebutted.

Any further questions? No.

Thank you very much.

(Whereupon, at 10:20 a.m., the committee was adjourned.)

FEDERAL COMMUNICATIONS COMMISSION,
Washington, D.C., September 18, 1965.

Hon. JOHN O. PASTORE,
U.S. Senate, Washington, D.C.

DEAR SENATOR PASTORE: At the hearings before your committee on September 1, 1965, on the nomination of Commissioner Robert T. Bartley to be a member of the Federal Communications Commission, you requested that a memorandum be submitted by the Commission's General Counsel concerning two specific questions. Enclosed is a memorandum which I trust satisfactorily answers the questions which were raised.

If we can be of any further assistance, please let us know.

Sincerely,

HENRY GELLER,
General Counsel.

Enclosures.

MEMORANDUM OF THE GENERAL COUNSEL OF THE FEDERAL COMMUNICATIONS COMMISSION

1. *Entities eligible to receive authorizations for noncommercial educational television broadcast stations.*—Under the Commission's rules and policies organizations such as the Ford Foundation and the John Birch Society, the examples cited by Senators Pastore and Bass, would not be considered eligible to receive a license for a non-commercial educational television broadcast station. A similar question arose in connection with consideration of the Educational Television Facilities Act of 1962 (Public Law 87-447). The conference committee, in its report on that legislation, stated as follows (H. Rept. No. 1609, 87th Cong., 2d sess., p. 8):

The conference agreement makes eligible to receive construction grants any nonprofit foundation, corporation, or association, which is organized primarily to

engage in or encourage educational television broadcasting and which is eligible according to the rules and regulations of the Federal Communications Commission in effect on April 12, 1962, to receive a license from the Commission for a non-commercial educational broadcasting station.

The conferees adopted this language in the light of the following representation made by the Federal Communications Commission in its memorandum relating to the provisions of the Senate-passed bill and the House amendment thereto:

In this connection, you are advised that under the Commission's rules and policies, qualified applicants for the reserved noncommercial educational stations have been limited to the following:

- (a) One or more duly accredited public or private educational institutions, organizations, or bodies;
- (b) A municipality or other political subdivision which has no independently constituted educational organization;
- (c) One or more tax-supported cultural organizations (e.g., public libraries); and
- (d) An association of nonprofit community organizations chartered by a State to engage in noncommercial educational broadcasting. Such groups have been broadly representative of the educational, cultural, and civic groups in the community and have included public or private educational organizations or representatives.

Thus, a single nonprofit organization, unless it were an accredited educational organization or a tax-supported cultural organization, would not be considered eligible to receive a license for a noncommercial educational television reservation.

See also, the discussion of the conference report by the House of Representatives, 108 Congressional Record 6933-6937.

The Commission's rules (sec. 73.621(a)) and policies remain the same as they were at the time of the above-quoted report, and organizations such as the Ford Foundation and the John Birch Society would therefore not be eligible to hold an authorization for a noncommercial television broadcast station.

2. The applicability of the fairness doctrine to noncommercial educational stations.—The Commission regards the fairness doctrine as fully applicable to the operations of its noncommercial educational licensees. Section 315(a) of the Communications Act, which codifies the fairness doctrine (H. Rept. 1069, 86th Cong., 1st sess., p. 5), refers to "the obligation imposed upon [broadcasters] under this act to operate in the public interest and to afford reasonable opportunity for the discussion of conflicting views on issues of public importance." Just as the educational licensee is a "broadcaster" required to observe the "equal opportunities" provision of section 315(a), so also is he required to operate in accordance with the fairness doctrine. The Commission therefore follows the same procedures in the case of fairness complaints, whether directed against commercial or noncommercial educational stations; and it has, in fact, during the last year processed several fairness complaints with respect to the operations of some educational licensees.

Federal Communications Commission

Name of person holding office	Party and State	Date of taking office	Date tenure expires
Bartley, Robert T.	Democrat, of Texas	Mar. 6, 1952	June 30, 1965
Hyde, Rosel H.	Republican, of Idaho	Apr. 17, 1946	June 30, 1966
Lee, Robert E.	Republican, of the District of Columbia	Oct. 6, 1953	June 30, 1967
Loevinger, Lee	Democrat, of Minnesota	June 11, 1963	June 30, 1968
Henry, E. William	Democrat, of Tennessee	Oct. 2, 1962	June 30, 1969
Cox, Kenneth A.	Democrat, of Washington	Mar. 26, 1963	June 30, 1970
Wadsworth, James J.	Republican, of New York	May 5, 1965	June 30, 1971

The Federal Communications Commission, an independent agency, is composed of seven members serving 7-year terms, who are appointed by the President, and confirmed by the Senate. The President shall designate a Chairman who shall receive \$28,500 per annum, all other Commissioners receiving \$27,000. The Commissioners shall not engage in any other business, vocation, profession, or employment.

Each Commissioner may serve past the end of his term until his successor is appointed and has qualified, except he cannot serve beyond the expiration of

the next session of Congress subsequent to the expiration of his fixed term of office. A person chosen to fill a vacancy shall be appointed only for the unexpired term of the Commissioner whom he succeeds. Not more than four members of the Commission may be members of the same political party. (47 U.S.C. 154)

The FCC was created by and administers the Communications Act of 1934, as amended. It regulates satellite, interstate, and international telephone and telegraph and all domestic non-Government radio. As used in the act, the term "radio" includes broadcasting by radio and television.

SUNDRY NOMINATIONS

WEDNESDAY, SEPTEMBER 29, 1965

U.S. SENATE,
COMMITTEE ON COMMERCE,
Washington, D.C.

The committee met at 10:10 a.m., in room 5110, New Senate Office Building, Hon. Warren G. Magnuson (chairman of the committee) presiding.

The CHAIRMAN. The committee will come to order.

This morning we have the reappointment of two members of independent agencies: Mr. Whitney Gilliland, of Iowa, to the Civil Aeronautics Board for a 6-year term expiring December 31, 1971; and Charles A. Webb, of Virginia, to the Interstate Commerce Commission for a 7-year term expiring December 31, 1972.

Mr. Gilliland, whom we will hear from first, was appointed to the Board in 1959 and served as its Chairman during 1960 and 1961.

Mr. Webb is currently the Chairman of the ICC and was originally appointed to that Board in 1958.

Both nominees have given the committee their financial statements which, in accordance with past practice, will be placed in the files where they may be examined by anyone who wishes to look at them. In addition, each has provided us with biographies which we will insert in the record at this point.

(The documents follow:)

BIOGRAPHICAL SKETCH OF WHITNEY GILLILLAND

Born at Glenwood, Iowa, in 1904. He attended the Glenwood public schools, Iowa State University, and the University of Nebraska. He is a member of the bar in Iowa, Wisconsin, and the District of Columbia.

He practiced law in Iowa from 1928 to 1953, except for a period of service as a judge of the Iowa District Court, 1938-41. In 1953 he was appointed Assistant to the Secretary of Agriculture and later that year as Chairman of the War Claims Commission. In 1954 he became Chairman of the Foreign Claims Settlement Commission and continued in that capacity until appointed to the Civil Aeronautics Board in 1959. He was Chairman of the Board, 1960-61.

Other public positions he has held include county attorney of Mills County, Iowa, 1928-35; city solicitor of Glenwood, Iowa, 1935-38; Chairman of the Committee on Licenses and Authorizations of the Administrative Conference of the United States, 1962-63. He is a past president of the Federal Bar Association.

He is married to the former Virginia Wegmann of Bladen, Nebr. They have two sons and four grandchildren, and reside in Arlington, Va.

BIOGRAPHY OF COMMISSIONER CHARLES A. WEBB, INTERSTATE COMMERCE COMMISSION

Charles A. Webb was appointed to the Interstate Commerce Commission to fill the vacancy created by the resignation of Commissioner Robert W. Minor. He took his oath of office on September 30, 1958, and was reappointed for a term expiring December 31, 1965. He was selected by the Commission to serve as Chairman for the year 1965.

Mr. Webb was born in Eagle Rock, Va., on March 26, 1917. He attended public schools in Iowa and graduated from the State University of Iowa. He received his LL.B. degree from the University of Virginia Law School in 1941. While at Virginia he was notes editor of the Virginia Law Review, a member of Phi Delta Phi legal fraternity, Order of Coif, and the Raven Society.

Mr. Webb was admitted to the District of Columbia bar in 1942, to the bar of the Supreme Court of the United States in 1952, and to the Supreme Court of Appeals of Virginia in 1958.

Prior to entering military service in November 1942, Mr. Webb was engaged in the private practice of law in Washington, D.C. He served during World War II as an officer on the aircraft carrier U.S.S. *Monterey*, being honorably discharged in December 1945. After resuming the private law practice in Washington, Mr. Webb, in 1948, accepted employment with the U.S. Senate. From September 1949 until his appointment to the Commission, he served as legislative assistant to Senator John W. Bricker of Ohio.

Commissioner Webb is a Republican. He is the second member of the Interstate Commerce Commission from the State of Virginia since the Commission was created in 1887.

He is married to the former Elinor June Anderson of Ottumwa, Iowa. They have four children and one grandchild. The family resides at Great Falls, Va.

The CHAIRMAN. Mr. Gilliland, we would be happy to hear from you first. I see that Senator Hickenlooper is here and we will be glad to hear from you, Senator. I forgot to mention that the nominee is from Iowa.

STATEMENT OF HON. BOURKE B. HICKENLOOPER, U.S. SENATOR FROM THE STATE OF IOWA

Senator HICKENLOOPER. Thank you. Mr. Chairman and members of the committee, I think you have the biography of Mr. Gilliland.

I merely want to say, Mr. Chairman, that Whitney Gilliland has been confirmed by the Senate on several occasions for public office. I presume his biography shows the record of his service. I have known him for 35 years.

He was a practicing lawyer in Iowa and then he was a distinguished district judge of our district court in one of our districts in southwestern Iowa. A district court is a court of original jurisdiction in our State. He was a district judge for a number of years and then resigned to go back into practice.

As his biography I am sure will show, in 1953, he became Assistant to the Secretary of the Department of Agriculture. Then he was a member of the War Claims Commission and was Chairman of that Commission from late in 1953 to July 1954. Then he became Chairman of the Foreign Claims Settlement Commission and served for about 5 years in that capacity. Then in November 1959 he was confirmed and appointed as a Member of the Civil Aeronautics Board and was Chairman of that Board from April 1960 to February 1961, and with a change of administration in 1961, he resigned as Chairman so that the new administration could appoint its own Chairman. However, he remained a member of the Board and has been a member of the Board ever since.

He has been a member of the Administrative Conference of the United States, serving on the Committee as Chairman on Licensing and Authorizations. He was president of the Federal Bar Association here in 1959 and 1960. He was a member of the House of Delegates of the American Bar Association in 1962 and 1963. He is president of the Washington Foreign Law Society.

I can say without any reservation, Mr. Chairman, that there is no man in my acquaintance who has served in public life and has a more consistent record for ability, fairness, and equity in approach to his duties. Mr. Gilliland is of a judicial temperament and he is a thorough student of law, the business at hand, whatever it may be, as indicated by the various capacities in which he has served.

I presume I could be accused of some bias because of my long personal friendship and my admiration for him. I might say also that I speak for Senator Jack Miller of Iowa.

The CHAIRMAN. Yes; the committee has a letter from you and Senator Miller, which we will place in the record.

(The letter follows:)

U.S. SENATE,
COMMITTEE ON FOREIGN RELATIONS,
September 20, 1965.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
Senate Office Building, Washington, D.C.

DEAR CHAIRMAN MAGNUSON: Thank you for your letter of notification of the nomination of Whitney Gilliland of Iowa to be a member of the Civil Aeronautics Board (reappointment) for the term expiring December 31, 1971.

Judge Gilliland has rendered unusually good service to the Government for several years, not only in his present capacity as a member of the Civil Aeronautics Board, but also as former Chairman of that Board and in his other services as a member of the Foreign Claims Commission, etc.

We have known him for 30 years. He is highly able, has a judicial temperament and, so far as we know, has the respect and approval of all of the segments of business and industry coming under the jurisdiction of the Board. He has a reputation for objectivity, fairness and judgment in carrying on his duties.

We strongly endorse him.

Sincerely,

BOURKE B. HICKENLOOPER.
JACK R. MILLER.

Senator HICKENLOOPER. Senator Miller wanted to appear personally, but unfortunately he is out of town today. He had a long-standing commitment he couldn't avoid and asked me to include him in any recommendation and remarks that I might make this morning.

I know of nothing that I can add to the high recommendation which I can give Mr. Gilliland other than his own record in government and his integrity and his high standing and I'm very happy that the President saw fit to submit his name for confirmation here for reappointment to this ensuing term. I know he will continue the outstanding service to the public and government he has rendered in the past.

The CHAIRMAN. We appreciate your coming.

Senator HICKENLOOPER. I thank you, Mr. Chairman, for the opportunity of saying this.

The CHAIRMAN. Thank you. Senator Dominick, do you have any questions?

Senator DOMINICK. No, I think it is very fine.

The CHAIRMAN. Now the law provides, as the nominee knows, that no more than three members shall be appointed from the same political party to the Civil Aeronautics Board and so for the record, we will have to ask you whether you are a Republican or Democrat?

Mr. GILLILLAND. I am a Republican, Senator.

The CHAIRMAN. This committee, as you know too, had some prior experiences with members of these regulatory boards who got ap-

pointed and then would serve a short period of time and move out, sometimes in the very industry that they had been regulating, which is a personal choice and we don't criticize their motives. But, we did pass a resolution in the Senate in which the sense of the resolution was that we expected to at least have the intentions of the nominee made very clear for the record, that when they are appointed, in this case, for a 6-year term, and with the background you have had down there, that insofar as you know, you personally intend to serve out the balance of this term.

Mr. GILLILLAND. Yes, that will be true.

The CHAIRMAN. We appreciate there may be personal reasons or something might occur that might change that, but that is your intention as of now?

Mr. GILLILLAND. Yes, it is.

The CHAIRMAN. As the chairman stated, we have your financial statement and you are well known to the committee in this field. There may be some questions that other members of the committee will want to ask you at this time. I think personally you have done an outstanding job down there and I'm glad to join in the recommendation for your reappointment, as I'm sure other members of the committee will also, but they may have some questions regarding the workings of the Board and administrative policies and so forth.

(Discussion off the record.)

The CHAIRMAN. We will proceed. Senator Monroney.

Senator MONRONEY. I want to second the remarks of the distinguished Chairman and congratulate you on being renamed to the Civil Aeronautics Board by the President of the United States on your past record of diligence and enterprise in civil aeronautics matters.

It seems to me that we must look a little forward in the future year or two to find out if we can't get better service to the intermediate cities. The longer leg the jets become, the more the intermediate cities become overflowed and lack service from the long lines. It is threatening to diminish the availability of air transportation to places throughout the Middle West that are not major metropolitan markets.

It seems to me that there is a great field, with your trunklines anxious to get out of many places; anxious, where they don't get out, to voluntarily diminish their number of flights, to put in on a nonsubsidized basis, with proper terminals and proper opportunities for good load factors, for our local service airlines to pick up a lot of this service with the new planes that they are putting in service.

They are all reequipping with very modern equipment turbine powered prop jets, and some of them are buying DC-9's and planes of that kind. Is there any feeling of the Civil Aeronautics Board that we are not meeting completely the needs of the American traveling public in our aviation travel in our intermediate cities and that we should look for expansion and ways of expanding the availability of service to these areas.

Mr. GILLILLAND. I think that is true, Senator. We have, as you have pointed out yourself, been going through quite a process of digestion as a result of the introduction of new types of aircraft to operate over routes which were originally designed at a time that these aircraft were not foreseen.

The first impact of the change to the much longer range large jets was more severe, I believe, than we can anticipate it will be after

the introduction of the smaller aircraft, the DC-9's, the 111's and the 737's when they come along and, of course, even the 727's are a vast improvement in that regard. So I think that those things in themselves will bring about a considerable amelioration of the problem that you speak about. I don't think on the other hand, it is the entire answer, because these route structures are not of a kind, and wouldn't be even if we continued the same types of aircraft, to remain the same, because of population changes and public demand changes.

There isn't any doubt that there are some places in this country that have suffered deterioration of their air service, and it is a matter of concern to the Board and one we will want to come to grips with as we can.

Senator MONRONEY. The type of city I am talking about is the city that was fought hard for and sought out in the early days of aviation and today, with the longer the stage length of the flight, the less the relative cost of operation, and these long legged trunks are more anxious to serve the high density traffic points at great distances rather than stopping every 200 miles or so to pick up small numbers of passengers. And with the rail service going off in practically all of the States, it seems to me we have to look for some expansion of our air service and the logical place would be with the group of air carriers who are ready, willing and anxious to have better route structures and would welcome a chance to fly 100, 200 miles between principal cities and even pick up en route some from very minor cities.

Is the Civil Aeronautics Board doing any studying as to the pattern of our air service to this type of users in the immediate future?

Mr. GILLILLAND. Well, yes. We have a number of studies that are relevant to that situation. You are thinking in terms of making substitutions, I take it, of carriers that might be more interested in serving communities of that type. Do I understand you correctly on that?

Senator MONRONEY. To enlarge services to this type of city by the carriers that are willing to specialize in that type of service.

Mr. GILLILLAND. Certainly we are looking into that all the time. However, I believe that there may be some revival of interest on the part of the carriers already present as a result of the introduction of new types of planes. As you know, the orders for new aircraft by such carriers are very heavy for craft that are adaptable to that type of service. They are also taking place among the local service carriers. Of course, I think this is a great advantage to the smaller communities. Now the people of smaller communities or intermediate size communities may sometimes have felt very much put upon with the DC-3's and the unhappiness of passengers who have traveled in a splendid airplane over a long distance and then been faced with a higher fare for a short segment in an inferior plane, has been a factor tending to hold back expansion in those markets.

As these newer planes are introduced—they are actually as fine to ride on and as comfortable and convenient as the larger jets—they are making a good deal of difference in the traffic development of places of that kind and making it more attractive.

Of course, actually the economy of these smaller aircraft is better than the pistons were, as I think the figures are already showing, and there is a very considerable development of such markets.

Senator MONRONEY. Is there anything the CAB can do to move it along faster? It seems to me the hearings are almost interminable by the CAB.

Mr. GILLILLAND. Yes, they are.

Senator MONRONEY. This is true even in places where the service is desperately needed.

Mr. GILLILLAND. I think the best that the CAB can do is to assiduously pay attention to the matter. We have these procedures that we have to follow, but nevertheless—

The CHAIRMAN. You have procedures you have to follow, but there is no procedure that says you have to take a great deal of time.

Senator MONRONEY. These go on interminably, 2 years or 3 years is par for the course, and I'm telling you and the Board that this is too long in this day and age when cities are losing their through rail transportation and you have local service lines ready, willing and able to fly many of these stages without subsidy. You still can't get these, even on a temporary waiver to let them go ahead and see if they can make a living, extending better service to these smaller places, which do not seem to be attractive to the larger operators.

Mr. GILLILLAND. Are you thinking now in terms of the use of the exemption authority to make adjustments in route structures?

Senator MONRONEY. You have to have applications, of course.

Mr. GILLILLAND. It would have to be applications.

Senator MONRONEY. I think you can get to them faster and even put them on on a tentative basis to see if they can live or not, whether they do damage to the carriers that are in there or if they would be able to develop a complete new market because the airplane can serve big markets and little markets, too. We don't want to get to be a big market means of transportation.

Mr. GILLILLAND. That is true, although I think that sometimes one type of aircraft is much more adaptable to the smaller markets than others are.

Senator MONRONEY. We are getting that type of aircraft available for the first time.

Mr. GILLILLAND. Yes, that is true, and I think it will do very well. As I recall it, the growth in the local service air carriers in 1964 was greater than the trunks. It was quite rapid and I think maybe they are about parallel this year, but they are both very high. I think the development of these markets will be even greater as these new type aircraft come into more service.

Senator MONRONEY. Isn't it a fact if you could let local service operators get into some of the more attractive intermediate size cities, which cities are not very attractive to the long trunklines, that they would have an opportunity to fly many of these routes without subsidy?

Mr. GILLILLAND. Oh, yes, and I think we can see right now on the horizon, the possibility of some of the local service carriers going off subsidy. I think that they do need route strengthening too, to the extent we can give it. It seems to me that is particularly appropriate now in view of the fact that the profits of the industry generally are pretty high.

Senator MONRONEY. But, you see, the great profits are in your long distance routes.

Mr. GILLILLAND. Precisely.

Senator MONRONEY. The profits are smaller as they get the short-haul routes and yet there is great reluctance, apparently, for any speedy solution of the route structure problem from the Civil Aeronautics Board. I think they have the affirmative duty—looking forward to strengthening the route structure, the same as the individual airline seeking the strengthening of its structure.

Mr. GILLILLAND. I'm not sure I can entirely agree with you. It may be that the things that we are doing or the things that we contemplate are not of a kind to attract attention, but this is a matter that we in fact do give a great deal of attention to and have been doing so recently and in an informal way.

I think, for example, in the case of Mohawk: Mohawk in this last year has had a favorable operating ratio a very large portion of the time. Here we have a carrier that we could contemplate may be self-sufficient in 3 or 4 years. All of the local service carriers have shown considerable strength and, with some assistance in the way of route strengthening, we may see a considerable amelioration in the subsidies that we are paying now and the taxpayers' dollars we are using for this purpose and, at the same time, afford much better service for the public.

Senator MONRONEY. That is all I have, Mr. Chairman, thank you.

The CHAIRMAN. Off the record.

(Discussion off the record.)

The CHAIRMAN. There is one question I wanted to ask you. I have seen a lot of reports from agencies in my time around here, but I never saw one with pictures in it before.

Mr. GILLILLAND. That is our 1964 report, right.

The CHAIRMAN. Here is a picture of you congratulating an FAA student and here is a picture of the chairman welcoming the Governor of South Dakota and Minetti—he is on a platform someplace here. I guess all of you got in some place, but I never saw pictures before. Is this a new trend down there to put your pictures in the reports? Do you do that down at the ICC?

Mr. WEBB. We have an official photograph, Mr. Chairman, right in the front, but that is the only one.

The CHAIRMAN. I don't think the Senate needs to look at pictures when you make a report.

Mr. GILLILLAND. I will duly report that comment, Senator. (Discussion off the record.)

The CHAIRMAN. Senator Morton, you said you could stay and preside. Mr. Webb is still here, who is a reappointment on the ICC and before I go to another important committee hearing, I want to make the same statement about Mr. Webb.

I think that both of these men have done a very excellent job during their last respective terms and I heartily approve of your reappointment. There are many questions that the committee would like to ask in the field of aviation, field of surface transportation, but we will see you again soon and we can ask it then, because the purpose of this is to have a public hearing on the nominations proper.

So, I am going to ask Senator Morton to continue. Both candidates are graduates from the University of Iowa and Senator Hickenlooper was here.

Senator MORTON. So long as it is not Harvard. [Laughter.]

The CHAIRMAN. We have to go on this other matter, but if we can get through in time, we will all be back. It is getting to that time of the session where we have to be several places at once.

Senator MORTON. May I have your proxy?

The CHAIRMAN. You can have my proxy for both of them. I'm sure you understand, gentlemen, and will excuse us at this time.

Mr. GILLILLAND. Surely. May I ask, what am I expected to do at this point, Senator? Does the hearing go forward?

The CHAIRMAN. Yes, Senator Morton may have some questions and if we have any other questions, we might send them down in writing, but generally speaking, you will be up here again and we will have a chance to go over some of these policies that we were talking about.

Senator MORTON (presiding). Do you have any questions, Senator?

Senator DOMINICK. I don't have any questions, but I just want to say for the record that I am delighted to see Mr. Gilliland again and Mr. Webb. You have my proxy, Senator, as I have to go also.

Senator MORTON. Everybody is gone and I have no questions. Is there anything you would like to add to the record?

Mr. GILLILLAND. No.

Senator MORTON. Quit while you are ahead.

Mr. GILLILLAND. Thank you.

List of members of the Civil Aeronautics Board

Name of person holding office	Party and State	Date of taking office	Date tenure expires
Gilliland, Whitney	Republican, Iowa	Nov. 16, 1959	Dec. 31, 1965
Murphy, Robert T	Democrat, Rhode Island	Mar. 15, 1961	Dec. 31, 1966
Minetti, G. Joseph	Democrat, New York	June 11, 1956	Dec. 31, 1967
Murphy, Charles S	Democrat, Maryland	June 1, 1965	Dec. 31, 1968
Adams, John G	Republican, South Dakota	Apr. 30, 1965	Dec. 31, 1970

The Civil Aeronautics Board is an independent agency composed of five members serving 6-year terms who are appointed by the President and confirmed by the Senate. A person appointed to fill a vacancy shall be appointed only for the balance of the term for which his predecessor was appointed. However, all members may serve past the expiration of their terms until their successors have been appointed and qualified.

No more than three members shall be appointed from the same political party. The President annually designates one member as Chairman and another as Vice Chairman. The Chairman receives a salary of \$28,500; the other members each receive \$27,000. Members may be removed by the President for inefficiency, neglect of duty, or malfeasance in office. They may not engage in any other business, vocation, or employment (49 U.S.C. 1321).

In general, the Board performs three chief functions: (1) regulation of the economic aspects of U.S. air carrier operation, both domestic and international; (2) investigation and analysis of aircraft accidents; (3) cooperation and assistance in the establishment and development of international air transportation.

Senator MORTON. Mr. Webb, will you come up. For the record, I would like to say, Mr. Webb, we have a letter from Senator Robertson and a message from Senator Byrd, who endorse your reappointment, and frankly, I think that is a pretty good basis for your reappointment.

Mr. WEBB. I appreciate their endorsement.

Senator MORTON. We will insert the letter in the record at this point.

(The letter follows:)

U.S. SENATE,
COMMITTEE ON BANKING AND CURRENCY,
September 23, 1965.

Hon. WARREN G. MAGNUSON,
Chairman, Committee on Commerce,
U.S. Senate, Washington, D.C.

DEAR WARREN: Thank you for your letter of September 22 concerning the nomination of Charles A. Webb of Virginia for another term of 7 years as a member of the Interstate Commerce Commission. I recommend his confirmation.

With kind regards, I am,
Sincerely yours,

A. WILLIS ROBERTSON.

Senator MORTON. There are two questions. First, are you a Republican or a Democrat?

Mr. WEBB. I'm a Republican.

Senator MORTON. Hooray, hooray.

Now, if you are confirmed by the Senate, do you intend to serve out your term or do you have any ideas of resigning and going into some lucrative work?

Mr. Webb. It is my intention, Senator Morton, to serve out the full term barring any unforeseen circumstance.

Senator MORTON. Do you have any financial interests that you think would in any way cause you to have some judgment on a case that would be other than a judicial judgment?

Mr. WEBB. No; I have no such interest whatever.

Senator MORTON. Your financial statement is on file with the committee and is available and while it will not be made a part of the record, will be available to anyone who cares to see it here at the committee.

I don't know whether my colleagues have any questions or not. I have no further questions. I think you are doing a good job and insofar as I am concerned, I am going to vote for you.

Mr. WEBB. Thank you very much, Senator, I do appreciate it.

Senator MORTON. If you have anything to add, you may do so, although I see no reason to burden the record.

Mr. WEBB. No; I have nothing to add. I have worked up on the Hill for some 10 years and I think I appreciate your problems and I think you will always find me and the Commission ready and willing to help.

Senator MORTON. That is true. Off the record.

(Discussion off the record.)

Senator MORTON. Well, if you have nothing to add—

Mr. WEBB. I have nothing further, Senator.

Senator MORTON. Thank you.

The hearing is adjourned.

(Whereupon, at 10:40 a.m., the committee was adjourned.)



A circular library stamp with a double-line border. The outer ring contains the text "KANSAS STATE UNIVERSITY LIBRARY" at the top and "MANHATTAN, KANSAS" at the bottom. The inner circle contains the date "MAR 1966" and the number "42".

