

ter, by taking a stance which would be attacked as evidence of the Administration's radicalism.

In addition to this basic dilemma there were the strongly voiced fears of the Justice Department's Antitrust Division and of some of the American Telephone and Telegraph Company's competitors that A.T.&T. would control the venture, thus strengthening its already strong monopolistic position in the communications business. In addition, the Administration wanted to include in the bill some elements of the proposal for developing the satellite system that the communications companies had made at the government's invitation. The enthusiastic cooperation of these companies, particularly A.T.&T., would be very helpful, and their opposition, while it could not kill the venture, would certainly make things difficult.

#### Something for Everyone

The bill the Administration finally recommended to Congress managed to combine all of these elements in a single, quite ingenious proposal. To dilute AT&T's financial interest in the venture, it opens the corporation to anyone who wishes to invest. To discourage participation by the less sophisticated part of the investing public, who might expect quick profits, the shares are to sell for \$1000. This also would have the effect of limiting the number of shareholders, and so limiting the possibility that a substantial, and potentially troublesome, special-interest group of voters would be created by the venture. Apparently the first suggestion was to price the shares at \$10,000, but the President regarded that as hitting the point a little too hard, and so the figure was revised downward to the point where it was not obviously impossible for large numbers of small investors to come in.

To take a point from the communications company proposal, a special class of stock was set up for such companies. This stock would pay no dividends, but the companies could include this investment, along with their other capital investments, in their rate justifications before the Federal Communications Commission. The companies' proposal had been to finance the whole venture in this way, with no participation by the general public.

On the most difficult matter, the attempt to bridge the gap between the necessity of simultaneously favoring

both private ownership and public control, the Administration bill spells out in elaborate detail the powers of the federal government (such as to "insure that timely arrangements are made for foreign participation . . . and for the determination of the most constructive role of the United Nations") and the policies the corporation is expected to follow (such as providing "global coverage at the earliest practical date").

These provisions do not give the government great powers it would not have if they were not in the bill. Laws already on the books give the government extensive power to require federally licensed monopolies to serve the public interest, and the Administration could interpret any law authorizing the satellite venture as covering almost everything that is spelled out in the draft bill. The greatest importance of these provisions is that the mere weight of their detail attempts to make unmistakably clear to the potential investors in the corporation, to people worried about excessive domination by A.T.&T., and to foreign governments, that there is no basis for any fears or hopes that this world-wide communications system is merely being turned over to private hands for exploitation for private profit.

Under the bill there is very little the corporation will be able to do without prior approval by the government; it will be required to keep its books and records and meetings of its board of directors open to the government at all times; the option of the government to put up its own satellite system or to alter or repeal the corporation's charter is explicitly stated; and the government is, again explicitly, given the power to ask the courts to order the corporation to do whatever is necessary to bring its actions in line with the policies spelled out in its charter not only when it might be overtly doing something questionable but even when, in the Justice Department's view, it is threatening to obstruct the government's efforts to force it to comply fully with its charter.

With all this, the bill has been generally received as an exceptionally happy blending of a variety of sometimes conflicting objectives. A.T.&T. apparently has some objections to it, which will be spelled out at the hearings beginning before the Senate Space Committee next week, and there will undoubtedly be others on hand with objections. But at the moment it appears that the proposal will go through

Congress this session without either a major fight or major changes.

Another space matter which is surely going to pass with no fight at all will be the Administration's request for \$3 billion for the coming year's Space Administration budget. The man-in-space portion of the program cost an estimated \$400 million through Glenn's flight this week, or something under \$2.50 per capita. Quite aside from the military, or scientific, or prestige value of the investment, it was quite hard to find anyone last Tuesday who did not feel he had gotten his two-and-a-half dollars worth.—H.M.

#### Atomic Power: Administration Has Some Explaining To Do on Cuts in AEC's Civilian Program

The Joint Congressional Committee on Atomic Energy is preparing a chilly reception for the Administration representatives who will come before it starting 20 March for the committee's annual hearings on the development, growth and state of the atomic energy industry.

The hearings will afford the Administration an opportunity to display its virtuosity in the difficult art of explaining gaps between campaign pledges and budgetary commitments. Specifically, the committee wants an explanation of the Administration's sudden throttling of construction of experimental atomic power plants, which are the bridges between laboratory developments and large-scale power-producing facilities.

It is the suspicion of some persons connected with the committee that the experimental power program has been lowered in priority in order to provide funds for the Atomic Energy Commission's expanded space effort, and that the reordering of priorities may reflect Administration thinking on a national energy policy. The latter is under study by the Administration, and it is a subject of intense interest to the coal, gas, and oil industries, as well as to that vigilant shepherd of atomic energy, the Joint Committee.

High on the agenda at the hearings is the Administration's decision to cancel construction of three experimental atomic power plants that were authorized under the Eisenhower Administration and the failure to include funds for new plants in the budget for the coming fiscal year.

The canceled plants, with a total cost of about \$42 million spread over several years, represent a relatively small portion of the AEC's civilian power program—which will exceed \$200 million in the coming fiscal year—but the crucial spot they occupy in the development of atomic power makes them of considerable concern to the Joint Committee. The avowed goal of the AEC is the development of competitive atomic power in high-cost areas, such as the Far West and New England, by 1968, a deadline which officially still stands. Some members of the committee fear, however, that without any formal announcement, the deadline is not being regarded too seriously, and that if the atomic power program is not accelerated, the goal is more likely to be unattainable until the early 1970's, especially in view of developments which have brought markedly lower costs for the conventional production of power.

The cutback in the civilian program is particularly nettling for the committee's Democratic majority, who devoted a considerable portion of their time during the Eisenhower Administration to fighting economy designs on the AEC's civilian program. The fact that the Eisenhower Administration prevailed—the experimental power plant program went from \$149 million in 1958 to \$12 million in the last Eisenhower budget—was the subject of one plank in the Democratic platform. The plank, belaboring the Eisenhower Administration for its “no new starts” policy on development of natural resources, was matched by campaign speeches assuring an expanded program of atomic development, and the committee's Democrats expected that, with their own party in the White House, their struggles against budgeteering would be considerably lessened.

The Joint Committee has, since its inception in 1946, vigorously assumed an unusual role as the Executive's partner in the management of the nation's nuclear development. It has come to regard the rapid development of atomic power as a holy objective which must be shielded against virtually any conflicting interests.

Arousing its ire to a considerable extent is the fact that, while the Administration has pulled the brake on the experimental power plant program, it is asking Congress for a sizable boost in AEC funds for space work. The requests for nuclear rocket propulsion

rose from \$43 million in the current fiscal year to \$74.8 million in the new budget; Project SNAP, aimed at developing atomic power systems for communication satellites, reconnaissance systems, and space probes, received about \$50 million this year and is budgeted for \$71.9 million next year. Ironically, the committee itself has been a principal source of pressure for expanding the AEC's space activities, but its intention was not to accomplish this at the expense of the civilian power program.

#### Space Funds Increased

The AEC, which will be in the uncomfortable position of having to defend before the committee budgetary cuts which it really does not favor, offers the explanation that its budget was developed in line with an Administration directive for all agencies to “postpone the initiation of deferrable projects.” The application of “deferable” to a key part of the atomic power program is not likely to be well received by the committee.

The possibility that the Administration has decided to stretch out the atomic power program is suggested in a speech that was given last December by Alvin M. Weinberg, director of the Oak Ridge National Laboratory and a member of the President's Science Advisory Committee.

Noting that various studies on a national energy policy are now under way, Weinberg stated that “until now we have established government policy with respect to nuclear energy rather independent of our policy toward oil, our policy toward coal independent of our policy toward natural gas. We have thereby unwittingly created a hierarchy of energy sources: at the top of the heap, graced with lavish government subsidy, is nuclear energy, followed not very far by hydro and oil; at the bottom is coal, on which the government spends less than \$20 million a year. . . .”

The development of a “unified approach to our country's energy policy,” he continued, “could mean that nuclear energy as only one of many competitive energy systems may get a smaller share of the government's purse than it now enjoys, and that the short-term emphasis must be on nuclear systems that can do better than 6 mills/kwh” (the lowest projected price for atomic power).

Over the long range, Weinberg said, the importance of atomic power is un-

questionable. Coal reserves are finite and “when we need nuclear energy, we shall need it on a very large scale and that we are therefore justified in spending an appreciable fraction of our country's research budget on continued development of long-range nuclear energy systems.”

“I would therefore venture to predict,” Weinberg declared, “that an overall energy policy will place more emphasis on the very long-term nuclear energy systems, though possibly less over-all emphasis on nuclear energy as a whole as compared with other energy sources.”

The views expressed by Weinberg are not unrepresentative of thinking now going on in the Administration among those who have to decide the order of priorities on various goals. They are not likely, however, to sit well with the Joint Committee, which has guided atomic power development with a crusading spirit and which will not yield easily to a sudden shift in the timetable. —D.S.G.

#### Exchange Pact: No Progress Reported in Talks on New East-West Agreement

Discussions of a new Soviet-American exchange agreement have now gone into their third week without any signs of progress on major issues.

The talks, which are being conducted in Washington, are regarded as a good barometer of Cold War weather, since they deal, among other things, with the sensitive issue of direct American contact with large segments of the Soviet population.

The previous agreement, governing cultural, scientific and educational exchanges, ran for 2 years, and expired without renewal on 31 December. Exchanges now in progress are tacitly considered to be still governed by that agreement, and they have been continuing without difficulty.

In the talks now under way, the principal American goal is an expansion of information activities inside the Soviet Union. In this area, the United States is at an extreme disadvantage, since the Soviets have little difficulty in circulating their publications and films here, while any counter effort by this country is carefully regulated by Soviet authorities.

Some hope for a more generous So-