

manager of the utilities group at the same time that he was working with the Bureau of the Budget. Strauss knew of his connections, and the record proves it. This was at the very time that committees of Congress began to inquire into this matter with the question, "Tell us more about your contract and who is working on the contract." It was at this time that Admiral Strauss claimed secrecy, executive privilege. Is that not correct?

Mr. O'MAHONEY. Yes, that is so; and it is another matter which has not been made clear in the public's mind. I want to call particular attention to this matter, because it reveals the kind of operation in which the head of the Atomic Energy Commission was engaged.

It was the intention to have a contract entered into by the Atomic Energy Commission to supply power for the TVA. The TVA said, "We do not need it; we do not want it; we handle our own affairs."

Some of the directors of the TVA made a special statement about that matter. It is in the record. If I can get my fingers on it, I shall read it, because it is important that it be known at this particular point in the Record. The TVA, which was directly affected, and whose area was to be invaded by the new generating company, did not want this to be done, and it so notified all concerned.

I am reading from page 67 of the staff report of the Subcommittee on Antitrust and Monopoly of the Committee on the Judiciary, concerning the date of April 16, 1954:

"AEC Commissioners Smyth and Zuckert write to Hughes"—the Director of the Budget—"stating that ' * * * the proposed action involves the AEC in a matter remote from its responsibilities. In an awkward and unbusinesslike way, an additional Federal agency would be concerned in the power business. * * * The present proposal would create a situation whereby the AEC would be contracting for power, not one kilowatt of which would be used in connection with Commission production activities.' "

They go on to say that "such a contractual relationship" was on "matters irrelevant to the mission of the Atomic Energy Commission."

That was a clear and positive statement.

MISSISSIPPI VALLEY GENERATING CO.

The Mississippi Valley Generating Co., the operating company which got this contract, was a subsidiary. It was incorporated under the laws of Arkansas. The incorporation papers were drawn in a law office in the city of New York. The three incorporators all gave the same address, 120 Broadway, as I recall. They said that they each owned one share of stock, which was valued at \$100 a share. Then in the charter of the corporation it was stated "this corporation will begin business with a capital of \$300." That was written in the charter of the corporation, the Mississippi Valley Generating Co., and it was with that company that Mr. Strauss, the nominee to be Secretary of Commerce, was seeking to effectuate this contract.

The cost of the plant which was to be built was estimated to be from \$99 million to \$120 million; so it was necessary to raise the money somehow. How were they going to raise the money? The papers filed with the Securities and Exchange Commission, before which the presentations had to be made, because approval of the