

It was acknowledged by the witnesses that they came, and that the conferences were held there.

In those conferences, first, there was Mr. Demmler, head of the Securities and Exchange Commission; later there was Mr. Armstrong, who succeeded him when Demmler resigned. I have often thought that Demmler resigned because things were becoming too hot. He did not like the stench which arose from this sort of messy financing. In any event, the discussion was the kind of representation should be made when the hearings came up in order to get the approval of the SEC. That explains why the Chairman of the Atomic Energy Commission, who was not trying to get the power for the Atomic Energy Commission at all, but to serve the TVA territory, refused to tell the facts, even though the President, finally seeing what was going on, told a press conference that the facts ought to be laid before the public. But finally this high financing issue of using other people's money to carry out a private deal was approved. The decision was immediately appealed by the opponents of the project.

Finally, when the mayor of Memphis, Tenn., said he believed in municipal ownership of public utilities, the President seized that as a great opportunity to call the whole thing off, and he wrote to the head of the Atomic Energy Commission and said, "Cancel the contract."

It never was a public contract at any time. It was a privately negotiated plan for the benefit of the insiders in the utility field and in the public investment field. I do not imply that any Government official was involved in this scheme, but it was the ordinary sort of action to which Wall Street has been accustomed all through the years.

When I was holding hearings for the TNEC years ago, there was a long investigation of the concentration of economic power. One of the things we looked into was the manner in which the floating of private securities was conducted. There appeared before the committee representatives of all the investment houses, or almost all the investment houses. It was made clear from their evidence that there was no such thing as real competition among investment houses in the floating of securities. They had private friends. They acknowledged that if one group of investment bankers ever did business with a particular corporation, that group should be permitted to continue, without regard to competition. Mr. Strauss was a member of that profession. He was a witness.

Later, as a result of the facts which were developed in those hearings, the Department of Justice brought an antitrust suit against certain investment bankers in New York, charging lack of competition, and violation of the antitrust laws. The case was a difficult one to try. It required months to try, before Judge Medina in New York. He finally dismissed the case. By that time the present administration was in power, and the former Attorney General, Mr. Brownell, chose not to appeal the case to a higher court.

The question involved there was, Shall we have open competition in the investment banking field, or shall we have a sort of agreed pattern of arrangements by which special interests can be served? Special interests were served, so far as the Mississippi Valley Generating Co. was concerned. That was not a corporation of people. It was a subsidiary corporation of two holding companies. That was a clear