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COMMUNICATION SYSTEMS OF THE WESTERN HEMISPHERE

13 January 1948

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COMMUNICATION SYSTEMS OF THE WESTERN HEMISPHERE

13 January 1948

GENERAL MCKINLEY: Gentlemen, this morning we are very fortunate to have with us as our lecturer on the communication systems of the Western Hemisphere, Mr. Robert A. Gantt, Vice-President of International Telephone and Telegraph Company.

Mr. Gantt brings to us a wealth of knowledge garnered in thirty-eight years of experience in the communications industry. During the late war he served as Vice-President of the U. S. Commercial Company, in charge of communications. In this position he had the responsibility of investigating communication facilities throughout Latin America, and of assisting in the determination of United States policy with regard to the extension and control of communications in those countries.

I take great pleasure, indeed, in introducing Mr. Gantt.

MR. GANTT: The importance of telecommunications in any defense program of the Western Hemisphere is too well known to you gentlemen for me to take up your time to do more than mention it.

My text will be confined to the Latin American Republics and, in the time allocated, I cannot do more than submit a digest with a few high-light illustrations, point out some of the problems, and venture to suggest some ideas for action.

There is no need to urge the importance of electrical communication to a military audience. I am not even going to apologize for using the terminology of my profession, which limits the word "communication" to the electrical variety and uses "transportation" to cover the rest. But the widespread ignorance among our fellow citizens regarding the importance of communication to victory in war and prosperity in peace is cause for mutual concern to us both. You meet this state of mind every time you ask for appropriations. We meet it every time we ask for support against competition backed by foreign governments. Even the State Department has met it in drawing up the Marshall Plan for saving democracy in Europe--observe how this plan attempts to solve problems of agriculture, industry, and transportation without once mentioning the denominator common to them all--communication. The role of communication in war and peace must be emphasized, if plans for the defense of our hemisphere are to be effective.

It is encouraging to observe that the average American has acquired

a hemispheric outlook upon transportation. The Battleship Oregon's epic voyage around the Horn during the Spanish-American War prepared him for the Panama Canal. Frontier stories prepared him for transcontinental and Pan-American highways. World War II showed him the need for fundamental research and far-flung bases, if the United States is to have aerial supremacy. Perhaps a few examples of how commercial telegraph and telephone networks by wire and radio helped the Allies win two World Wars and expand the world economy during interludes of peace would gain the popular support necessary to a sound hemispheric policy on communication. Unfortunately, the outstanding illustration from recent U. S. history, in this regard, is one of failure. I refer, of course, to Pearl Harbor.

When General Marshall, in Washington, tried to get his message of the sixth of December through to General Short, in Honolulu, the Army radio failed to make contact. Only at the last minute was recourse had to commercial services--Western Union and Commercial Pacific Cables were asked to clear a line to Honolulu. This was done. The message was then submitted for transmission--about 2 hours before the attack which it was warning against. Even at that late date, routine secrecy-requirements were maintained. The message had to be repeated from San Francisco to Washington and again from Honolulu to San Francisco--all in time-consuming code. Army and Navy Headquarters in Honolulu were both considerably removed from the city, and no commercial cable company had ever been allowed to install printers locally. Consequently, the message was given to a boy on a bicycle. The lad was almost to Fort Shafter when the first bomb fell, and spent the rest of the time, before delivering the message, in a ditch.

The Army awoke to the value of commercial facilities sooner than the Navy did. This is illustrated by the story of the Puerto Rican cables. When the German submarine campaign was active in the Caribbean, the prompt exchange of weather reports among the various American bases there became essential. These were compiled in Puerto Rico and sent out over the All America Cables system to Cuba, Panama, Trinidad, etc. The old Cable between Cap Haitien and San Juan needed repair, and a naval escort for the cable ship Jeremac was requested so that this repair, and others between Puerto Rico and Venezuela, might be made. The Navy refused, saying that radio could easily handle any problem, and that there were plenty of radio circuits. About six weeks later, a second cable between Cuba and Puerto Rico went out, making it necessary to send the weather reports over the British cable from Puerto Rico to southern Cuba by way of Jamaica, and from southern Cuba by landline to Havana, where All America Cables picked up the messages and sent them along. This took a minimum of two hours--often much longer--as compared with six minutes when the All America Cables route was in working order. Nevertheless, Army, Navy, and Air were now insisting upon cable transmission of the reports, lest German submarines pick up radio transmission. After two days of inordinate delay over the British route, the Navy offered to escort the Jeremac. By this time, however, the repair ship was in New York. The job which could have been done in a few hours, originally, ultimately required two weeks.

Tucuman, Jujuy, and Entre Rios, Argentina; and in the city of Manaus, Brazil. The use which Germany made of its minority interest in the "Consortium" during World War II will illustrate the possibilities.

The Consortium is a holding company owned, in practically equal parts, by the British Cables & Wireless Ltd., the French Government, the former German Government, and the Radio Corporation of America. The Consortium controls the radiotelephone and radiotelegraph circuits operated by "Radiobras" from Rio de Janeiro to other parts of South America, to the United States, and to principal European capitals; it also owns Trans-Radio Argentina at Buenos Aires, and Trans-Radio Chile at Santiago, with similarly extensive international coverage. During the entire period of the war, Trans-Radio Argentina was in continuous communication with Rome and Berlin, and innumerable subversive communications were relayed from the United States through this station to those points, notwithstanding the censorship maintained by our Armed Forces. By means of a German-owned submarine cable a substantial number of telephone subscribers in Montevideo had direct connections to Trans-Radio, which enabled them to communicate at will directly with Berlin and Rome.

The same problem arises in the manufacture and installation of communication equipment. Telephone communications in Montevideo are owned by the Uruguayan Government. However, they were manufactured and installed by the Siemens-Halske firm of Berlin, and the majority of the technicians who operated and maintained the property throughout the war were supplied from Germany. Inasmuch as Montevideo is the focal point for Uruguay's national and international communications, the enemy was well equipped for espionage.

Certainly, unless the international situation becomes much worse than it is, the purchase of European equipment by western nations should not be banned. However, the governments of this hemisphere would do well to require, as a condition of purchase, that their own nations be trained to take over full operation within a limited period of time, or at least in time of emergency. And some provision must be made for maintenance of this European equipment, should another war cut off the original source of supply.

You are fully aware of the importance of common standards for military purposes and know very well how important this becomes in the supply of arms and munitions to allies in time of war. It is indeed just as important to realize the importance of common standards in communications equipment, materials, terms, and electrical standards of operation.

Of course, the ideal solution would be to standardize communication equipment, just as you are trying to standardize weapons. The importance of standardization in this field was amply illustrated by World War II. Let me recall to you a single example involving a very small and simple

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piece of equipment "a lamp socket." When U. S. armies took possession of the German communication-hub of Aachen, the enemy did not destroy his repeater-stations because he hoped to regain the city. Instead, he rendered them useless to ourselves by simply removing their tubes. No American tube would fit in the socket because of difference in size and pitch, and no American factory could make them without costly delay and this was exactly what was done. As a consequence, our armies had to rely wholly upon their mobile equipment. Were we called upon to fight in defense of Uruguay tomorrow, sabotage by enemy agents could be equally effective. Quite apart from agents, passing time would sabotage us by wastage of parts in European-made equipment which no factory in the hemisphere could replace. If we cannot agree upon common standards then, at least, we can anticipate these problems and prepare for them.

Generally speaking, European equipment is built to metric standards while U.S. and British equipment is built to standards which are in inches, feet, and yards. The only important European companies presently engaged in the manufacture of communication equipment in Latin America are as follows: The Italian firm of Pirelli, with wire and cable factories in Sao Paulo, Brazil, and Buenos Aires, Argentina; and the Dutch firm of Phillips, which has a general appliance factory also in Buenos Aires. The formerly German-owned Sierens-Schuckert factory in the same city is now the property of the Argentine Government. However, neither of these factories nor others, operated by American companies in Latin America, can provide for the maintenance of existing installations there. Telephone central office equipment will illustrate the point. There are four major types of this equipment in Latin America today: Step-by-Step, Rotary, Pancake and Manual. Step-by-Step equipment is either U.S., British, or German by origin. Although basically of the same design, the German is built to metric standards, while differences of screw-thread pitch prevent interchange of parts between the British and U. S. products. Rotary equipment, on the other hand, is built to metric standards whether it comes from Belgium or the United States. However, the normal peacetime products of these two countries are not wholly interchangeable, although U.S. factories were able to supply parts for Belgian installations during World War II. The Pancake system is Swedish-built and can be supplied only from Sweden. Manual systems are of all types and varieties, none of which are interchangeable. In Mexico City where we have the American and Swedish types of equipment, work is in progress to bring about interconnection between the two systems. The engineering, manufacturing, and installation have required about two years; the cost will be approximately \$500,000. I consider this a graphic illustration of the importance of common standards in our communication systems in the Western Hemisphere.

I have said enough, I believe, to indicate the complexities and magnitude of the communication-problem south of the border. Development has been extremely uneven. Wherever U.S., British, or Swedish interests have been in charge, communication has more often led than fallen behind other

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This sort of thing does not happen only in the United States. The Brazilian Expeditionary Force to Italy had been long and carefully planned. But, not until the troops were actually embarked, did the Brazilian Government discover that the radio station which it had been building for the purpose of communicating with them, was not completed. A U. S. commercial company, operating in Rio, made the necessary circuits immediately available.

These illustrations could be piled sky-high. But the moral is already clear: Commercial communication companies offer facilities which the Armed Forces should plan to use in any emergency, but the plans should be made before the emergency arises, and should include every kind of existing communication--submarine, radio, and landline. Even if the governments of all the nations in this hemisphere were to construct their own facilities to parallel those which are privately operated, the latter would still offer a valuable second line of defense. In the absence of such all-inclusive governmental systems, the private networks are basic to any rational plan of military action. The arrangement has many positive advantages. Commerce is a good indication of strategic importance, and private lines always go to the commercially important localities. Commerce pays for the installation and upkeep of requisite facilities, and for the research necessary to improve them. With this inclusive service to fall back upon in emergency, the Armed Forces can afford to maintain a minimum plant in peacetime, thereby reducing loss through obsolescence and permitting resources to be husbanded for such time as they are most needed.

What applies to private communication networks applies to the factories which supply them. Private enterprise, maintained by the needs of commerce in peacetime, is a pillar of strength in wartime; but, one which the full capacity can never be employed until plans and policies are worked out with the Armed Forces before the crises arise.

It is the purpose of the various seminars to consider in detail the nature, extent, and ownership of existing communication systems and factories within our hemisphere. My purpose is to sketch the major problems, as I see them, and to suggest a policy and plan of action for their solution.

THE PROBLEM

The magnitude and complexity of the communication problem south of the Rio Grande is difficult to comprehend. Such factors as great distance, difficult climate, sparse population, poverty, political instability, and illiteracy are all beyond the province of our immediate investigation, although they should be borne constantly in mind as the setting for it.

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The principal consequence of this background, for us, is the sub-standard communication networks which characterize every part of South and Central America and the West Indies except where U. S., British, or Swedish companies operate. To these exceptions we may add Argentina, where the national telephone service was only recently taken over by the government from an American company. Another important consequence of the generally backward economic and technological development of our southern neighbors is the fact that, among them all, only Argentina, Brazil, and Mexico have developed manufacturing to the point where, in an emergency, they might be more of a help than a hindrance to us, with regard to the supply of finished products. Even with regard to these three countries, it would be unwise to indulge in optimism over conditions as they now are. Let us look at Mexico.

There are in Mexico, today, two telephone operating companies, one of which is U. S., the other Swedish-owned. The Mexican Government operates a fairly extensive interior telegraph system and a limited interior radiotelephone system. The government telegraph connects with U.S. submarine cables at Tampico and Vera Cruz, with U.S. landlines at Galveston, Texas, and with a U.S. submarine cable service to Central and South America and the West Indies at Salina Cruz. There is a landline owned by U.S. cable companies across the Isthmus of Tehuantepec, connecting the above-mentioned service to Latin America with the Atlantic cable which terminates near Puerto Mexico. The government's international radiotelephone and radiotelegraph services are both limited in scope and antiquated in equipment.

I shall not dwell upon the technical inadequacies of the Mexican government's communication facilities, because a more interesting problem is posed by the Swedish-owned telephone system operating in Mexico City and generally throughout the country, in competition with the American-owned network which largely parallels it. Control of the Swedish company was recently sold to Axel Wenner-Gren, a Swedish national who, it will be remembered, was on the Allied black-list during World War II because of his dealings with the Axis. Mr. Wenner-Gren is already seeking to expand his Mexican holding by buying control of the American company which also operates there. Meanwhile, Sweden is actively engaged in establishing and expanding its trade-relations with Soviet Russia--so much so that a recent map in the New York Times had Sweden shaded in as part of the Russian sphere of influence.

No great imagination is required to see the possibilities of espionage inherent in this situation, where an important and comprehensive communication system along our southern border actually interconnects with our domestic telephone network. The development of radio being what it is, neither can we ignore other Swedish telephone properties in Arequipa and Huelendo, Peru; in the provinces of Mendoza, San Juan, La Rioja, Catamarca,

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forms of economic development. But there are large areas in which local operation has been ruinous or inadequate. There are other areas in which foreign control is dangerous. Installations built to metric standards coexist with others built to British and U.S. standards. Finally, there are several vital military areas, such as the islands off the coast of Ecuador, Cape Horn and the Strait of Magellan, and the hump of Brazil, which are of such little importance, economically, that their communications are either rudimentary or nonexistent.

It would be carrying coals to Newcastle for me, a civilian, to attempt to say which ultimate solution of these problems will best serve your military needs and satisfy the policies of the State Department. As I understand it, the policy of our Government is to maintain and improve its political, economic, and cultural relations with its neighbors, both as objectives which are good in themselves, and as the essential foundation of any rational plan for hemispheric defense.

Most of the countries in Central and South America and the West Indies lack the financial resources needed to build a sound and self-sustaining economic structure. It is axiomatic that this lack of economic stability is reflected in frequent political instability. Both shortcomings imperil military security.

World War II demonstrated that our Government, in emergency, is willing to contribute whatever is necessary by way of direct financial aid to achieve its ends. However, in constructing a peacetime plan for military preparedness, a Democracy finds it necessary to shift as much of the burden as possible to agencies which are self-supporting. It is fortunate that, with respect to communication--vital alike to economic progress, political stability, and military security--this goal can be largely attained by the following program of action, which I suggest for your consideration:

1. Merger of U.S. companies offering communication facilities overseas. This will permit integration and consolidation which, by eliminating costly duplication, will make it easier and more economical for private enterprise to improve and extend its service to new areas without government financial aid. The military importance of this improved service need not be stressed.

2. Acquisition by hemisphere interests of all communication systems now owned, either directly or indirectly, by non-hemisphere interests wherever those interests are or seem apt to become hostile to us. Not only will this eliminate dangerous listening-posts but, also, it will facilitate integration of operations and standardization of equipment and operating practices. With State Department backing, government financial aid should not be necessary to enable the consolidated U.S. overseas communication company--recommended above--to buy out such foreign holdings.

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3. If investigation should reveal that normal trade will not support direct circuits between the United States and any Latin American republic, then such circuits could either be installed directly by the Government, or, with the help of a subsidy, by private enterprise. In some fashion they should be provided.

4. Prompt establishment of communication facilities between the United States and all strategically important regions of which the economic importance has not warranted development. This, again, could be done either directly or indirectly by our Government.

5. Integration and consolidation of existing telephone facilities in Latin America, wherever such consolidation and integration will diminish the requirements for materials and equipment, or release equipment by the elimination of duplicate facilities, or improve service.

6. Standardization of operating techniques and manufacturing specifications. If this cannot be arranged, at present, then require that equipment manufactured outside the hemisphere be purchased only if:

a. Nationals are trained to operate it within a minimum period of time; and

b. Provision made within this hemisphere for replacement parts.

7. In order that U.S. equipment may compete with European equipment, which is often of equal quality and frequently cheaper, our Government should match the policies of European governments which make this differential possible. For example, Great Britain, Belgium, and Sweden all discount contracts obtained by their manufacturers, paying cash for them and accepting all the hazards involved in this age of manipulated currencies, blocked funds, moratoriums, and outright defaults.

8. The Department of State and Federal Communications Commission should intensify their efforts to improve the rate structure offered by hemisphere communication companies, so that they compare favorably with those of European companies which, like European manufacturers, enjoy governmental subsidies in one form or another, in addition to lighter taxation.

9. Loyalty to the ideals of hemispheric solidarity must be required of management and personnel of communication systems and factories.

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SUMMARY

In briefest form, this is my argument:

1. Private communication systems and factories should be built into every plan for defense which our Armed Forces consider. They provide, in peacetime, for installation, maintenance, improvement, and expansion of vast communication networks, and for the research and factories which supply them with up-to-date equipment. In wartime, they provide a cushion to take up the initial shock and, thereafter, an auxiliary communication network, factories to produce equipment of the latest design, and laboratories to create new devices and techniques.

2. Private enterprise can expand and improve commercial communication networks, and standardize equipment, without financial aid if it receives government approval for (a) the merger of U.S. overseas communication facilities, and (b) the purchase of facilities owned by non-hemispheric interests, where those interests are hostile or potentially hostile towards us.

3. Government assistance of a financial, as distinguished from a diplomatic, nature will be necessary only (a) to match the various devices whereby foreign governments supply or subsidize their communication systems and factories, and (b) to install equipment in regions militarily vital but economically unimportant.

4. Finally, I reiterate once more the need for a stitch in time. Whether the program which I have outlined, or some other, is adopted and carried out, the important thing is to act before the next crisis arises.

GENERAL MCKINLEY: Have we any questions?

COLONEL HOPNOR: You mentioned, Mr. Gantt, that Brazil, Mexico, and Argentina had facilities for manufacturing equipment. Are those facilities sufficient to take care of the needs of those countries in peacetime? If they are--with probable expansion during this period of peace--will they be able to take care of those countries' needs for an expanded mobilization?

MR. GANTT: No, Colonel, they are not adequate. They are not sufficient to take care of their needs during peacetime and, of course, not at all adequate for wartime. Perhaps I could expand a little on my answer.

In the first place, they do not have all the raw materials, in any of the countries of South America, necessary for manufacture. They do not have the basic plants. It has only been since the war that they put in a

steel plant in Brazil. There is no steel plant in any other part of South America. There is no heavy manufacturing to speak of, although it is growing in Sao Paulo. That is an amazing city. A tremendous amount of manufacturing activity is going on there. But, as yet, there is not sufficient basic heavy manufacturing any place in South America to enable them to meet even their peacetime needs; certainly not their wartime needs.

COLONEL HORNOR: There is one other question I wanted to ask. You say there are two systems in Mexico, the Swedish system and the American-owned system. There is, undoubtedly, duplication and waste. If those two systems were to combine, would they properly expand and integrate so Mexico would have a decent communication system?

MR. GANTT: Yes, Colonel. Of course, there you open a subject that is very close to my heart; it is a kind of thing I like to talk about. At the same time, it is terribly dangerous because I might have to ask the General to send out for lunch.

The answer is, it would be a real economy in many different directions. In the first place, when you get a consolidation like that any place--whether it be in Mexico or any other place--you immediately establish a standard and begin the prompt elimination of nonstandard equipment. In the shortest time possible you get rid of the nonstandard equipment.

Now that is not a waste. Oftentimes we take out that nonstandard equipment and put it in some other place, using it until we get the useful life out of it. But we do not keep adding to it and integrating.

The uneconomical, unsatisfactory situation in Mexico City could be worked out in a relatively short time to a standard system with great economy, not only in materials but in cost of operation. Take personnel, for example. There you have to train two forces. You have to maintain two supply stores. The cost of handling and maintenance is an expensive proposition in any country.

QUESTION: When I was down in Mexico City this past summer, I noticed all their public telephones are not toll phones. How do they get compensated for that kind of service? You can walk into any building--they have regular telephone booths--and pick up the phone but you don't put any money in it.

GENERAL McKINLEY (to Mr. Gantt): Is that a subsidy?

MR. GANTT: The answer is, they don't get compensated. That is one of the evils of that type of competition. But, actually, somebody has to pay for it some place, in some form.

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QUESTION: Would you rapidly sketch for us, Mr. Gantt, the number of countries down in Central and South America that have American-owned communication systems? What American companies control them?

MR. GANTT: At the risk of being too brief on this, because it would be easy to be too voluminous, I will just mention quickly communications in the southern part of South America.

In Argentina, the government owns the telephone system. International radio, telephone and telegraph service is offered there by the I.T.&T. Company.

In Chile, most of the telephone, telegraph and landline systems are operated by I.T.&T. There is, however, an interesting company--I did not mention it in my talk--down in the southern part at Valdivia. It was really German-controlled and, in the previous war, caused serious complications.

In Peru, there are Swedish, American, and British telephone companies. An American company (I.T.&T.) is in Lima; Swedish in Arequipa; and British on the Andes slope, operating a toll string.

In Colombia, I suppose you will find one of the worst messes in communication. The government owns some of the telephones. The city of Bogota owns the city communications. An American company owns a radio station. The government owns a radio station. There are also numerous municipally owned companies. It is a terrible mess.

In Ecuador, the communications are hardly worth even mentioning. Yet, it is a very strategically important point to our hemisphere, especially from the defense point of view. Communications in Ecuador are almost nonexistent. Those which are there are partially owned by the state. The Swedes do have some interest in them.

When you come across to Brazil, you will find that the Brazilian Traction Company operates in the provinces of Rio and Sao Paulo, with the British ownership. I.T.&T. operates in the southern part of the state and a British company in the North. The Swedes are on the Amazon and in a few of the municipalities.

There isn't very much in Venezuela or Bolivia. The government has some communication in Bolivia and the Swedes have some; all in all, there isn't very much of any.

Did you mean for me to come on up through Panama?

QUESTIONER: No, sir; that will be enough. Thank you.

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MR. GANTT: It is rather difficult to reduce that to a few words.

QUESTION: Sir, is there sufficient interchangeability of American equipment to provide for emergencies? For example, supposing Western Electric were bombed out, could automatic electric equipment be used for partial replacement or enlargement of Western Electric equipment?

MR. GANTT: If I may, I would like to answer that in this way. As you know, in communications--when I say "communications", I am speaking of telecommunications--we broadly break down our general scheme of thinking in communications into toll communications and exchange communications.

The toll communications involve a good many different kinds of equipment that are peculiar to toll communication. Of course, there we get into supplementary communications via ether, that is radio, and all the different kinds of carrier systems that are employed.

To answer your question rather briefly, in so far as what we call "switching systems" are concerned, that is, equipment for taking care of exchanges, our American companies here could supply their needs. You could not demolish Western Electric very easily because there are a very large number of factories from coast to coast and throughout the interior, and from north to south.

In connection with toll systems, the answer is they are fairly interchangeable. Western Electric is the largest manufacturer of toll equipment; much the largest.

QUESTION: I just read a report to the effect that there are only 168 telephones in French Guiana. Are conditions quite that bad down there?

MR. GANTT: Well, yes, I think so. I have the understanding I am not being quoted, General.

GENERAL MCKINLEY: You will be provided a copy of this record so you can make any changes you desire.

MR. GANTT: I have spoken rather frankly about the state of communications in some of those countries. They are pretty bad. You gentlemen, here, who pick up the receiver and have to wait ten seconds get mad and curse the telephone companies. But you haven't any receiver to pick up in most of those countries.

QUESTION: I understand you are advocating a merged company which would generally supply communications for the government. There are two points I think are vulnerable in that, and on which I would like to ask you to comment.

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The first is in connection with the terminals in the other countries. My question is, How would we insure that we would have control of them?

The second is in connection with the operating personnel in our own country. How would we insure, with the current trend toward communist influence among personnel, that we would have control of our own terminals?

MR. GANTT: I assume you understood me to say the merger of transoceanic communications, not domestic. I am trying to cut these answers down to a few words. Many of them could go into a seminar.

If we had a consolidated transoceanic communication company, the fellows at the other end would have to connect with us, if they were to have communications to this country. We would not be in the awful position we are now where they play the companies against each other to a ruinous end. We would have no trouble arranging connections with the other end. As a matter of fact, in the Western Hemisphere, as I pointed out a few minutes ago, in the principal countries there are American-owned radio stations. But even in those countries where they were not, they would certainly be forced to connect with the only service that was offered to them if they wished to maintain communications. They would have no other choice.

Now, on personnel, that is a pretty large order. I suppose we would have to pursue the same course we pursue in any other field of activity: try to develop loyalty to the country and to the purposes of democracy. We take all the precautions we can to develop a state of loyalty to the countries in which we operate.

I don't think I have given you a very good answer on that, but it is the best I can do at the moment.

QUESTION: You spoke of the consolidation overseas of these companies. Is that shared by other companies? If it is, what are the impediments to it? Do they exist in this Government or in other governments?

MR. GANTT: I am glad you asked that.

For the last fifteen years, down here in Washington there have been innumerable hearings in almost every government organization we have here--Congressional, Department of State, and Federal Communications Commission--on this question of merger of overseas communications. The last one I recall was perhaps a couple of years. To the best of my knowledge--and I think this is correct--every operating company, with the exception of the Tropical Radio Company, is unqualifiedly on record here in Washington for the merger of the transoceanic services. I do not think the tropical radio people are particularly opposed to it, only in most of the places where they operate there is no competition.

QUESTION: May I ask what is the impediment to the merger?

MR. GANTT: Now you have asked me a pretty hard question. I think I had better answer that in this way: You can get the answer to it if you really want it; as I understand it, there is some difference of opinion in the Armed Forces. (Laughter)

GENERAL MCKINLEY: That's betting it back to him.

(Discussion off the record.)

GENERAL MCKINLEY: Mr. Gantt, I want to thank you very much indeed for coming here and giving us this stimulating talk this morning. Thank you, sir.

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