quent, as we their elders and their parents have made them. The very fact that Congress and the people are wishing to do something about the situation is evidence that we realize that the environment we throw about our young people influences their character. If it will influence them in the future, it has influenced them in the past. But it was we adults who made the environment that produced the present character of our young people. It was therefore our responsibility.

Now that we have found ourselves to be responsible, the next question is: What have we done or failed to do that has brought on this regrettable situation? What changes have taken place in the environment of our children and young people? Where and under what circumstances do we find the greatest increase in delinquency? I understand that it is in the larger cities. If that is true, what is there in the conditions found in the larger cities that contribute to delinquency? Can we agree that the conduct of young people will depend almost altogether upon their associations and the way they spend their time? If we can so agree, and I am sure that we can, we have now brought our problem to the point where it is only necessary to find for our young people wholesome surroundings and decent employment. Might we further agree that decent employment, by which I mean a job on some worthwhile enterprise, is of itself a wholesome surrounding. How very simple, as simple as reducing a problem in arithmetic to its lowest terms. But to find those jobs in town or city, that is something else. It is a simple matter on the farm. To solve their problem in towns and cities is something else. It is one of our serious problems.

SENATE

WEDNESDAY, JULY 21, 1954

(Legislative day of Friday, July 2, 1954)

The Senate met at 10 o'clock a. m., on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Eternal Light, who hast folded back the curtain of darkness and caused the dawn of a new day to brighten the earth, we beseech Thee to gladden our hearts with Thy light. May our lives be flooded with the radiance of faith, that doubts may be dispelled like mists of the morning. Invade our hearts with new reverence and responsiveness, that even the silence of this hallowed moment may be a benediction at the day's beginning from Thee.

We turn from the busy concerns that engage our minds, from the trivial pleasures that fill the passing moments, from the pressing cares that burden our day. At this wayside altar of prayer subdue the clamor of our hearts, soften every alien note, and for the high mission which by the will of the people has been committed to Thy servants here, in the ministry of the Nation's life, may they hear Thy voice and learn Thy will. We ask it in the Redeemer's name. Amen.

THE JOURNAL

On request of Mr. KNOWLAND, and by unanimous consent, the reading of the Journal of the proceedings of Tuesday, July 20, 1954, was dispensed with.

A MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States submitting nominations was communicated to the Senate by Mr. Tribbe, one of his secretaries.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, requested the Senate to return to the House of Representatives the bill (H. R. 6399) granting the consent of Congress to an interstate forest fire protection compact, and the message of the House thereon.

ENROLLED BILLS SIGNED

The message announced that the Speaker had affixed his signature to the following enrolled bills, and they were signed by the President pro tempore:

S. 95. An act for the relief of Mrs. Donka Kourteva Dikova (Dikoff) and her son, Nicola Marin Dikoff;

S. 98. An act for the relief of (Mrs.) Betty Thornton or Jozsefne Toth;

S. 102. An act for the relief of Francesco Cracchiolo;

S. 110. An act for the relief of Christopher F. Jako;

S. 203. An act for the relief of Yvonne Linnea Colcord;

S. 222. An act for the relief of Mrs. Dean S. Roberts (nee Braun);

S. 246. An act for the relief of Gerrit Been;

S. 267. An act for the relief of Pantelis Morfessis;

S. 278. An act for the relief of Szyga (Saul) Morgenstern;

S. 308. An act for the relief of Filolaos Tsolakis and his wife, Vassiliki Tsolakis;

S. 496. An act for the relief of Dr. Samson Sol Flores and his wife, the former Cecilia T. Tolentino;

S. 552. An act for the relief of Anna Urwicz;

S. 587. An act for the relief of Carlos Fortich, Jr.;

S. 661. An act for the relief of Nino Sabino Di Michele;

S. 790. An act for the relief of Irene J. Halkis;

S. 794. An act for the relief of Paulus Youhanna Benjamen;

S. 795. An act for the relief of Josef Radziwill;

S. 830. An act for the relief of Samuel, Agnes, and Sonya Lieberman;

S. 841. An act for the relief of Dionysio Antypas;

S. 843. An act for the relief of Rabbi Eugene Feigelstock;

S. 855. An act for the relief of Kirill Mihailovich Alexeev, Antonina Ivanovna Alexeev, and minor children, Victoria and Vladimir Alexeev;

S. 891. An act for the relief of Albina Sicas;

S. 912. An act for the relief of Bruno Ewald Paul and Margit Paul;

S. 915. An act for the relief of Augusta Bleys (also known as Augustina Bleys);

S. 917. An act for the relief of Stefan Burda, Anna Burda, and Nikolai Burda;

S. 937. An act for the relief of Virginia Grande;

S. 945. An act for the relief of Moshe Gips;

S. 986. An act for the relief of Mrs. Ishi Washburn;

S. 1129. An act for the relief of Jozo Mandic;

S. 1267. An act for the relief of Irene Kramer and Otto Kramer;

S. 1313. An act for the relief of Olga Balabanov and Nicola Balabanov;

S. 1362. An act for the relief of Rev. Ishai Ben Asher;

S. 1477. An act for the relief of Gerhard Nicklaus;

S. 1490. An act for the relief of David Maisel (David Majzel) and Bertha Maisel (Berta Pieschansky Majzel);

S. 1841. An act for the relief of Carlo (Adiutore) D'Amico;

S. 1850. An act for the relief of Dr. John D. MacLennan;

S. 1860. An act for the relief of Amalia Sandrovic;

S. 1954. An act for the relief of Anthony N. Goraieb;

S. 2009. An act for the relief of Mrs. Edward E. Jex;

S. 2036. An act for the relief of Joseph Robin Groninger;

S. 2065. An act for the relief of Mr. and Mrs. Hendrik Van der Tuin;

S. 2677. An act for the relief of Michio Yamamoto;

S. 2820. An act for the relief of Mrs. Erika Gisela Osteraa;

S. 2960. An act for the relief of Barbara Herta Geschwandtner;

S. 3197. An act to authorize the acceptance of conditional gifts to further the defense effort; and

S. 3605. An act to abolish the offices of Assistant Treasurer and Assistant Register of the Treasury and to provide for an Under Secretary for Monetary Affairs and an additional Assistant Secretary in the Treasury Department.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. KNOWLAND, and by unanimous consent, the Committee on Interior and Insular Affairs was authorized to meet during the session of the Senate today.

Mr. KNOWLAND. Mr. President, after having cleared the question with the acting minority leader, I ask unanimous consent that the Subcommittee on Rules of the Committee on Rules and Administration be permitted to meet this afternoon during the session of the Senate.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. KNOWLAND. Mr. President, I ask unanimous consent that immediately following a brief executive session and a quorum call there may be the customary morning hour for the transaction of routine business, under the usual 2-minute limitation on speeches.

The VICE PRESIDENT. Without objection, it is so ordered.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

EXECUTIVE SESSION

Mr. KNOWLAND. Mr. President, I move that the Senate proceed to the consideration of executive business.

The motion was agreed to; and the Senate proceeded to consider executive business.

EXECUTIVE MESSAGE REFERRED

The VICE PRESIDENT laid before the Senate a message from the President of the United States submitting sundry nominations, which were referred to the Committee on Post Office and Civil Service.

(For nominations this day received, see the end of Senate proceedings.)

EXECUTIVE REPORTS OF A COMMITTEE

The following favorable reports of nominations were submitted:

By Mr. CAPEHART, from the Committee on Banking and Currency:

Norman P. Mason, of Massachusetts, to be Federal Housing Commissioner; and

Andrew N. Overby, of the District of Columbia, to be United States Executive Director of the International Bank for Reconstruction and Development.

The VICE PRESIDENT. If there be no further reports of committees, the clerk will state the nominations on the Executive Calendar.

UNITED STATES DISTRICT JUDGE

The Chief Clerk read the nomination of Herbert S. Boreman to be United States district judge for the northern district of West Virginia, whose nomination had been previously passed over.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

UNITED STATES ATTORNEY

The Chief Clerk read the nomination of Joseph E. Hines to be United States attorney for the western district of South Carolina, whose nomination had been previously passed over.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

DEPARTMENT OF THE INTERIOR

The Chief Clerk read the nomination of Clarence A. Davis, of Nebraska, to be Under Secretary of the Interior.

The VICE PRESIDENT. Without objection, the nomination is confirmed.

Mr. KNOWLAND. Mr. President, I ask that the President be immediately notified of the confirmation of the nominations.

The VICE PRESIDENT. Without objection, the President will be immediately notified.

LEGISLATIVE SESSION

Mr. KNOWLAND. I move that the Senate resume the consideration of legislative business.

The motion was agreed to; and the Senate resumed the consideration of legislative business.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The VICE PRESIDENT. Without objection, it is so ordered.

Routine business is now in order.

EXPRESSION OF CONDOLENCE ON DEATH OF THE LATE SENATOR BUTLER, OF NEBRASKA

The VICE PRESIDENT laid before the Senate a letter from the secretary, Republican Club of St. Thomas and St. John, V. I., transmitting a resolution adopted by that club, expressing its condolence and sympathy on the death of the late Senator Hugh Butler, of Nebraska, which was ordered to lie on the table.

SEVERANCE OF DIPLOMATIC RELATIONS WITH RUSSIA—RESOLUTION

Mr. JENNER. Mr. President, I present for appropriate reference, and ask unanimous consent to have printed in the RECORD, a resolution adopted by the Deparment of Indiana, the American Legion, favoring the severance of diplomatic relations with Russia.

There being no objection, the resolution was referred to the Committee on Foreign Relations, and ordered to be printed in the RECORD, as follows:

SEVER DIPLOMATIC AND TRADE RELATIONS WITH U. S. S. R.

Whereas Maxim Litvinoff, who was then the People's Commissar for Foreign Relations, did solemnly bind the Union of Soviet Socialist Republics to "respect scrupulously the indisputable right of the United States to order its own life within its own jurisdiction in its own way and to refrain from interfering in any manner in the internal affairs of the United States, its Territories or possessions," as a condition for diplomatic recognition of the Union of Soviet Socialist Republics by the Government of the United States on November 16, 1933; and

Whereas the Government of the Union of Soviet Socialist Republics did further pledge that it would refrain from and restrain all persons in government service or organizations under its direct or indirect control "from any act, overt or covert, liable in anyway whatsoever to injure the tranquillity, prosperity, order or security of the whole or any part of the United States, its Territories or possessions"; and

Whereas the Government of the Union of Soviet Socialist Republics has knowingly and willfully violated the letter and the spirit of each of these provisions of its original agreement with the Government of the United States; and

Whereas the Embassies of the Soviet Union and its satellites, having the protection of diplomatic immunity and inviolability, have been utilized for organizational bases, subversive spy centers, points of communication, and letter drops as has been so well demonstrated by the exposures in the United States, in Canada, Cuba, and Australia; and

Whereas the closing of our Embassies in these same enemy countries for retribution would not lose their value as listening posts, due to the 24-hour surveillance by the Soviet secret police and their agents; and

Whereas the psychological effect of this positive action by the Government of the United States upon the other free nations of the world would be tremendous and demonstrate that the United States is determined to uphold and assist free nations everywhere; and, therefore,

Whereas continued diplomatic and trade relations with the Government of the Union of Soviet Socialist Republics implies friendly relations and tacit approval of its intercourse with the Government of the United States; and

Whereas such continued diplomatic and trade relations with this morally depraved dictatorship can only result in further acrimonious actions toward the Government of the United States and further persecution of the enslaved peoples of the world: Now, therefore, be it

Resolved by the American Legion, Department of Indiana, in convention assembled this 9th day of July, 1954, in the city of Indianapolis, Does urge the Government of the United States to summarily sever diplomatic and trade relations with the present Government of the Union of Soviet Socialist Republics and with the present governments of the satellite nations enslaved by the U. S. S. R.; and be it further

Resolved, That a copy of this resolution be forwarded to the coming American Legion national convention in Washington with the recommendation that it be favorably acted upon, and a certified copy of this resolution be sent to the Indiana Representatives and Senators in Washington, President Eisenhower, and Secretary of State Dulles.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. LONG, from the Committee on Interior and Insular Affairs, without amendment:

S. 3316. A bill to authorize and direct the conveyance of a certain tract of land in the State of Mississippi to Jonathan Jones (Rept. No. 1967).

By Mrs. SMITH of Maine, from the Committee on Government Operations, with amendments:

H. R. 6290. A bill to discontinue certain reports now required by law (Rept. No. 1968).

By Mr. POTTER, from the Committee on Government Operations, with amendments:

H. R. 5605. A bill to amend the Federal Property and Administrative Services Act of 1949 to provide for payment of taxes or payments in lieu of taxes with respect to real property transferred from Government corporations to other agencies of the Federal Government (Rept. No. 1966).

By Mr. LANGER, from the Committee on the Judiciary, with amendments:

H. R. 951. A bill for the relief of the Trust Association of H. Kempner (Rept. No. 1969).

ADDITIONAL FUNDS FOR COMMITTEE ON BANKING AND CURRENCY—REPORT OF A COMMITTEE

Mr. CAPEHART. Mr. President, from the Committee on Banking and Currency, I report an original resolution to provide additional funds for the Committee on Banking and Currency.

The VICE PRESIDENT. The resolution will be received and placed on the calendar.

The resolution (S. Res. 289), reported by Mr. CAPEHART from the Committee

on Banking and Currency, was placed on the calendar, as follows:

Resolved, That in holding hearings, reporting such hearings, and making investigations as authorized by section 134 (a) of the Legislative Reorganization Act of 1946 and pursuant to its jurisdiction under rule XXV (1) (d) 4 of the Standing Rules of the Senate, the Committee on Banking and Currency, or any duly authorized subcommittee thereof, is authorized until January 31, 1955, to make such expenditures, and to employ upon a temporary basis such investigators, and such technical, clerical, and other assistants as it deems advisable.

SEC. 2. The expenses of the committee under this resolution, which shall not exceed $150,000 (in addition to amounts heretofore made available for such purposes), shall be paid from the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

ENROLLED BILLS PRESENTED

The Secretary of the Senate reported that on today, July 21, 1954, he presented to the President of the United States the following enrolled bills:

S. 95. An act for the relief of Mrs. Donka Kourteva Dikova (Dikoff) and her son Nicola Marin Dikoff;

S. 98. An act for the relief of (Mrs.) Betty Thornton or Jozsefne Toth;

S. 102. An act for the relief of Francesco Cracchiolo;

S. 110. An act for the relief of Christopher F. Jako;

S. 203. An act for the relief of Yvonne Linnea Colcord;

S. 222. An act for the relief of Mrs. Dean S. Roberts (nee Braun);

S. 246. An act for the relief of Gerrit Been;

S. 267. An act for the relief of Pantelis Morfessis;

S. 278. An act for the relief of Szyga (Saul) Morgenstern;

S. 308. An act for the relief of Filolaos Tsolakis and his wife, Vassiliki Tsolakis;

S. 496. An act for the relief of Dr. Samson Sol Flores and his wife, the former Cecilia T. Tolentino;

S. 552. An act for the relief of Anna Urwicz;

S. 587. An act for the relief of Carlos Fortich, Jr.;

S. 661. An act for the relief of Nino Sabino Di Michele;

S. 790. An act for the relief of Irene J. Halkis;

S. 794. An act for the relief of Paulus Youhanna Benjamen;

S. 795. An act for the relief of Josef Radziwill;

S. 830. An act for the relief of Samuel, Agnes, and Sonya Lieberman;

S. 841. An act for the relief of Dionysio Antypas;

S. 843. An act for the relief of Rabbi Eugene Feigelstock;

S. 855. An act for the relief of Kirill Mihailovich Alexeev, Antonina Ivanovna Alexeev, and minor children Victoria and Vladimir Alexeev;

S. 891. An act for the relief of Albina Sicas;

S. 912. An act for the relief of Bruno Ewald Paul and Margit Paul;

S. 915. An act for the relief of Augusta Bleys (also known as Augustina Bleys);

S. 917. An act for the relief of Stefan Burda, Anna Burda, and Nikolai Burda;

S. 937. An act for the relief of Virginia Grande;

S. 945. An act for the relief of Moshe Gips;

S. 986. An act for the relief of Mrs. Ishi Washburn;

S. 1129. An act for the relief of Jozo Mandic;

S. 1267. An act for the relief of Irene Kramer and Otto Kramer;

S. 1313. An act for the relief of Olga Balabanov and Nicola Balabanov;

S. 1362. An act for the relief of Rev. Ishai Ben Asher;

S. 1477. An act for the relief of Gerhard Nicklaus;

S. 1490. An act for the relief of David Maisel (David Majzel) and Bertha Maisel (Berta Pieschansky Majzel);

S. 1841. An act for the relief of Carlo (Adiutore) D'Amico;

S. 1850. An act for the relief of Dr. John D. MacLennan;

S. 1860. An act for the relief of Amalia Sandrovic;

S. 1954. An act for the relief of Anthony N. Goraieb;

S. 2009. An act for the relief of Mrs. Edward E. Jex;

S. 2036. An act for the relief of Joseph Robin Groninger;

S. 2065. An act for the relief of Mr. and Mrs. Hendrik Van der Tuin;

S. 2677. An act for the relief of Michio Yamamoto;

S. 2820. An act for the relief of Mrs. Erika Gisela Osteraa;

S. 2960. An act for the relief of Barbara Herta Geschwandtner;

S. 3197. An act to authorize the acceptance of conditional gifts to further the defense effort; and

S. 3605. An act to abolish the offices of Assistant Treasurer and Assistant Register of the Treasury and to provide for an Under Secretary for Monetary Affairs and an additional Assistant Secretary in the Treasury Department.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. HAYDEN:

S. 3781. A bill to enable the State of Arizona and the town of Tempe, Ariz., to convey to the Salt River Agricultural Improvement and Power District, for use by such District, a portion of certain property heretofore transferred under certain restrictions to such State and town by the United States; to the Committee on Interior and Insular Affairs.

By Mr. BRICKER:

S. 3782. A bill for the relief of Mr. Fu-Ho Chan and Mrs. Fu-Ho Chan; to the Committee on the Judiciary.

By Mr. KEFAUVER:

S. 3783. A bill to amend the Veterans' Preference Act of 1944 in order to give preference in promotions and transfers to preference eligibles under the provisions of such act; to the Committee on Post Office and Civil Service.

By Mr. KENNEDY:

S. 3784. A bill to amend the Legislative Reorganization Act of 1946 in order to eliminate certain obsolete provisions and to make certain minor technical corrections therein, to amend title III of such act, and for other purposes; to the Committee on Government Operations.

(See the remarks of Mr. KENNEDY when he introduced the above bill, which appear under a separate heading.)

By Mr. CORDON:

S. 3785. A bill for the relief of Bernard L. Denn; to the Committee on the Judiciary.

AMENDMENT OF LEGISLATIVE REORGANIZATION ACT OF 1946

Mr. KENNEDY. Mr. President, I introduce a bill to amend the Legislative Reorganization Act of 1946 in order to eliminate certain obsolete provisions and to make certain minor technical corrections therein, to amend title III of such act, and for other purposes, and request that it be referred to the Committee on Government Operations.

There being no objection, the bill (S. 3784) to amend the Legislative Reorganization Act of 1946 in order to eliminate certain obsolete provisions and to make certain minor technical corrections therein, to amend title III of such act, and for other purposes, was received, read twice by its title, and referred to the Committee on Government Operations.

PRINTING OF ADDITIONAL COPIES OF PART SIX OF HEARINGS ENTITLED "PETROLEUM, GAS, AND COAL"

Mr. MALONE submitted the following concurrent resolution (S. Con. Res. 97), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed 1,000 additional copies of part 6 of the hearings conducted before a subcommittee of the Senate Committee on Interior and Insular Affairs pursuant to Senate Resolution 143, 83d Congress, relative to stockpile and accessibility of strategic and critical materials to the United States in time of war. Such additional copies shall be for the use of the Senate Committee on Interior and Insular Affairs.

PRINTING OF ADDITIONAL COPIES OF INTERIM REPORT ENTITLED "ACTIVITIES OF UNITED STATES CITIZENS EMPLOYED BY THE UNITED NATIONS"

Mr. JENNER submitted the following concurrent resolution (S. Con. Res. 98), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary an additional 20,000 copies of the second interim report entitled "Activities of United States Citizens Employed by the United Nations," a report of hearings held before a subcommittee of the above committee during the 83d Congress.

PRINTING OF ADDITIONAL COPIES OF HEARINGS ENTITLED "STRATEGY AND TACTICS OF WORLD COMMUNISM"

Mr. JENNER submitted the following concurrent resolution (S. Con. Res. 99), which was referred to the Committee on Rules and Administration:

Resolved by the Senate (the House of Representatives concurring), That there be printed for the use of the Senate Committee on the Judiciary not to exceed 25,000 copies of parts 1 to 3 and subsequent parts of the hearings entitled "Strategy and Tactics of World Communism," held before a subcommittee of the above committee during the 83d Congress.

PRINTING OF ADDITIONAL COPIES OF PART 1 OF HEARINGS ENTITLED "UNITED STATES DEPARTMENT OF INTERIOR, BUREAU OF MINES"

Mr. MALONE submitted the following resolution (S. Res. 290), which was referred to the Committee on Rules and Administration:

Resolved, That there be printed 1,000 additional copies of part 1 of the hearings conducted before a subcommittee of the Senate Committee on Interior and Insular Affairs pursuant to Senate Resolution 143, 83d Congress, relative to stockpile and accessibility of strategic and critical materials to the United States in time of war. Such additional copies shall be for the use of the Senate Committee on Interior and Insular Affairs.

REVISION OF ATOMIC ENERGY ACT 1946—AMENDMENTS

Mr. HUMPHREY submitted amendments intended to be proposed by him to the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes, which were ordered to lie on the table and to be printed.

Mr. BURKE submitted an amendment intended to be proposed by him to Senate bill 3690, supra, which was ordered to lie on the table and to be printed.

AGRICULTURAL ACT OF 1954—AMENDMENT

Mr. HICKENLOOPER submitted an amendment intended to be proposed by him to the bill (S. 3052) to encourage a stable, prosperous, and free agriculture and for other purposes, which was ordered to lie on the table and to be printed.

MUTUAL SECURITY ACT OF 1954—AMENDMENTS

Mr. HUMPHREY submitted amendments intended to be proposed by him to the bill (H. R. 9678) to promote the security and foreign policy of the United States by furnishing assistance to friendly nations, and for other purposes, which was ordered to lie on the table and to be printed.

INCLUSION OF MINISTERS IN SOCIAL SECURITY BENEFITS—RESOLUTION

Mr. HUMPHREY. Mr. President, I ask unanimous consent that a resolution adopted by the Evangelical Lutheran Church at its 1954 general convention regarding the so-called Reed bill, to include ministers in social security benefits, be printed in the body of the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE EVANGELICAL LUTHERAN CHURCH, OFFICE OF THE GENERAL SECRETARY, MINNEAPOLIS, MINN., JULY 8, 1954

SOCIAL SECURITY FOR MINISTERS

Whereas the extension of social security coverage to ministers is being considered by the Congress of the United States; and

Whereas the Evangelical Lutheran Church has gone on record favoring such extension; and

Whereas certain specific features of such proposed legislation now need further expression from the church; and

Whereas social security coverage for ministers should provide for freedom of choice to the ordained minister in order that the principle of separation of church and State be kept inviolate: Therefore be it

Resolved, That the extension of social security coverage to ministers should include the following points:

1. That the plan adopted shall be on a voluntary self-employed basis which will make it permissive in character to avoid any possible taxation or supervision of churches by the State;

2. That the act safeguard the conscience of the individual minister, and that the action of a minister shall in no way be binding upon his successor in office. No compulsion shall be involved;

3. That in the interest of the soundness of the plan, we are willing that certain safeguards, which are calculated to make the application of the act practical, be provided, such as that of a group inclusion (for instance, there might be a provision that ministers must choose whether or not they desire to be included within 1 year after ordination. This would insure a wide age range within the group and would counteract any tendency to have enrollment simply on the part of those approaching retirement age).

Your consideration of the viewpoints herein expressed in formulating social security legislation in this area will be appreciated.

O. H. HOVE,
General Secretary.

FARM SURPLUSES

Mr. BEALL. Mr. President, the problem of farm surpluses has been a matter of growing concern to the Congress; and Secretary Benson's recommendations were an attempt to meet the problem of surpluses in basic commodities.

The Baltimore Sun points out today in an editorial, that the new crop report is one of the best arguments for congressional approval of the Eisenhower-Benson program. I request unanimous consent to have the editorial included as part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SURPLUSES MAKE AN ARGUMENT FOR THE EISENHOWER FARM PLAN

The new crop report ties dramatically into the President's case against high-level price-support schemes in agriculture now pending in the Congress. The new report shows that we may close the present crop year with one of the biggest overall productions on record. This in the face of surpluses in such basic crops as wheat which are already overtaxing storage facilities.

It is true that the new report shows that wheat and cotton acreage is down a little in line with previous control plans. It has to be remembered, though, that Congress did not allow those control plans to be applied as tightly as the facts warranted. Even more devastating is the evidence that even when farmers took lands out of wheat and cotton they put them into other crops in which equally troublesome surpluses now threaten.

Thus lands taken out of cotton and wheat merely boomed production of things like soy beans, oats, barley, flaxseed, sorghums, rice, dry beans, and sugar beets. Suggestively enough an amendment tacked onto the pending farm bill in the Senate Agriculture Committee would provide high-level supports in oats, barley, grain, sorghums, and rye. Thus, with new surpluses in these lines now in sight as a mere byproduct of high supports in other lines, the political farmers are pushing to extend directly to them more of the high-support influence which brought them into surplus supply in the first place.

It is plain—and alarming—facts like these which make the best ammunition for the Eisenhower people in making their congressional fight. This is the kind of factual argument which brought an administration victory in the House. The House finally took the flexibility principle which allows the price support to be lowered when surpluses threaten to develop. Senators AIKEN and ANDERSON, the brave Senate champions of the brave administration program, need merely stand fast on these facts to win general public support and, it may be confidently expected, a majority vote in Congress.

MARYLAND TOBACCO AND THE TARIFF ON SWISS WATCHES

Mr. BEALL. Mr. President, Maryland tobacco farmers are at this time awaiting action by the President on recommendations by the Tariff Commission that import duties on Swiss watches be increased. I have previously stated the unfortunate effect any increase would have on southern Maryland tobacco growers, since the Swiss are one of the best markets for our particular tobacco.

The Baltimore Sun today comments editorially on the special qualities of Maryland tobacco. I request unanimous consent to have the editorial made a part of my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MARYLAND TOBACCO DESERVES ITS POPULARITY

Production of Maryland tobacco averaged 27,500,000 pounds a year from 1934 to 1938, and the average price per pound in those years was 19.7 cents. The 1953 crop (now being marketed) was around 37,100,000 pounds and auction prices through June 4 averaged 56.7 cents a pound, some grades bringing as much as 70 cents. The average price for this marketing season is not yet available, but the crop now being disposed of is supported by the Government at 50.4 cents a pound.

Hence, Maryland tobacco people have greatly increased their production since the prewar years and have more than doubled their price. Such popularity must be deserved. How does Maryland leaf tobacco, technically known as type 32, earn its popularity?

Of course the general inflation accounts for some of the price boost, but aside from that there are two more solid explanations. First, Maryland tobacco has certain special virtues present in no other tobacco. Second, the leading tobacco product, cigarettes, in the manufacture of which Maryland tobacco is particularly useful, has experienced a great boom in the last two decades.

Take the special virtues of Maryland tobacco first. They are three. Maryland tobacco has a quality of steady burn. Mixed with other tobaccos this quality keeps the whole cigarette going even though the smoker does not draw on it all the time. a wag once explained that this was the quality which enabled your guest's forgotten cigarette butt to burn a hole in the top of your piano.

Then just as the steady-burn quality of Maryland tobacco makes it useful in blends, so its mild flavor and aroma—its second virtue—makes it a good blender. The third Maryland quality comes from the way in which Maryland tobacco is cured. It is cured naturally by air and weather in Maryland tobacco barns. Other cigarette tobaccos are

cured artificially by a flue process. The natural curing leaves a fluffier, less compressed tobacco. A pound of this goes further in manufacturing cigarettes.

The broader industrywide reason for increasing demand in Maryland tobacco is indicated by the figures on cigarette consumption. In 1930 people 15 years old or over in the United States smoked up an average of 4 pounds of tobacco a year in the form of cigarettes. The figure was about halfway between 10 and 11 pounds in 1953. Much of the increase is attributable to the rising use of cigarettes by women.

In the earlier days of the Maryland tobacco culture, as much as 90 percent of Maryland's product was sold overseas. With the development by the French and other foreign users of alternative sources the export market fell off. Now it absorbs about 20 to 25 percent of the total. Of the 8 million pounds of exports expected for this year, fully two-thirds will go to Switzerland. That, as suggested here the other day, is the reason why the tobacco people of southern Maryland are in favor of low tariffs on Swiss watches. For the disposal of these watches in the United States yields dollars with which the Swiss can buy their favorite Maryland tobacco.

REGULATION OF NATURAL-GAS RATES BY FEDERAL POWER COMMISSION

Mr. WILEY. Mr. President, ever since the issue arose on the national scene, I have favored vigorous protection of the rights of Wisconsin and other consumers of natural gas.

I have fought against every effort to deprive consumers of the legitimate protection to which they are entitled by the Federal Power Commission. I have fought against legislation which would strip the FPC of the necessary legal power. I have combatted the reluctance of the FPC itself to assert its own power. I have commended the decision of the United States Supreme Court reasserting the authority of the FPC.

An editorial appeared in the Monday, July 19, issue of the Milwaukee Journal entitled "Gas Price Fight Is Not Over." It points out certain apprehensions in the minds of friends of the American consumer, including, I might say, the office of the attorney general of Wisconsin, the Wisconsin Public Service Commission, and the city attorney's office of Milwaukee.

I ask unanimous consent that the text of this editorial be printed in the body of the RECORD at this point.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

GAS-PRICE FIGHT IS NOT OVER

The Federal Power Commission has finally asserted its authority to regulate prices charged by so-called independent natural-gas producers—an authority that the Commission denied it had until a court order insisted that regulation was the FPC's duty.

In freezing prices charged by independent producers the FPC has paved the way for a study of natural-gas prices. The bitter reaction of Senators and industry spokesmen from oil and gas States indicates that the FPC order is also provoking a strenuous new effort by gas and oil interests to wipe out by congressional action the FPC's regulatory authority. Such legislation failed in the past only because former President Truman vetoed it.

The FPC order is drastic. It not only covers major producers who serve such States as Wisconsin, but hundreds of small and unimportant producers. Wisconsin and Milwaukee officials are afraid that the order was deliberately made drastic as an aid to those who want legislation ending FPC control. The past reluctance of the FPC to regulate prices charged by independents lends that suspicion some credibility. It's an old trick to enforce a law to such extremes that it becomes unworkable. The FPC would have served consumers and its functions better if it had moved first to regulate big producers and then carefully and systematically had acted in the case of small producers as the need for regulation arose.

But the order has been issued. Prices are frozen. The fight is on. It's up to consumer States to increase their alertness and to intensify their efforts to prevent FPC's regulatory authority from being wiped out by legislation and to see that the authority is properly and wisely used. It's not going to be an easy fight. The oil and gas interests are powerful. They're tough antagonists.

Wisconsin—through the attorney general and the public service commission and the Milwaukee city attorney's office—has led the fight for the gas consumer successfully so far. Let's keep it up.

EIGHTIETH BIRTHDAY ANNIVERSARY OF FORMER PRESIDENT HERBERT HOOVER

Mr. SMITH of New Jersey. Mr. President, I rise to present what I consider to be a matter of personal privilege.

Mr. President, I wish to make a short statement concerning the concurrent resolution I am about to submit. Upon concluding, I shall ask unanimous consent for the immediate consideration of the resolution. Despite the various differences we may have on partisan issues before the Senate, there are many subjects concerning which there is unanimous agreement. The subject of this resolution is a matter on which I am confident there will be complete accord among us all.

On August 10, 1954, America's distinguished elder statesman, the Honorable Herbert Hoover, will be 80 years of age. Our majority leader, the senior Senator from California [Mr. KNOWLAND], the senior Senator from Michigan [Mr. FERGUSON], and I, in the Senate; and Speaker MARTIN and the Honorable CLARENCE BROWN, Representative from Ohio, in the House, are submitting, simultaneously, concurrent resolutions extending congratulations to our former President, Mr. Hoover, and wishing him many more happy years of public service. Along with many Members of both the House and Senate, and other persons now prominent in public life, I have been honored to have been closely associated with Mr. Hoover in his numerous humanitarian works since World War I.

It has been our privilege to participate intimately in many of the great accomplishments that Mr. Hoover has brought about, over the years, in behalf of the welfare of all mankind. Because of this long association, the sponsors consider it a great honor to submit the concurrent resolutions in our respective Houses of the Congress. On behalf of myself and our majority leader, the Senator from California [Mr. KNOWLAND] and the senior Senator from Michigan [Mr. FERGUSON], I submit the concurrent resolution, and ask that it be read.

The VICE PRESIDENT. The concurrent resolution will be read.

The concurrent resolution (S. Con. Res. 96), submitted by Mr. SMITH of New Jersey for himself, Mr. KNOWLAND, and Mr. FERGUSON, was read as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress of the United States hereby extends to the Honorable Herbert Hoover its greetings and felicitations on the 80th anniversary of his birth, August 10, 1954.

SEC. 2. The Congress expresses its admiration and gratitude to Mr. Hoover for his long years of devoted service to his native land and to the world in general in many different capacities.

SEC. 3. The Congress is especially appreciative of his willingness to accept cheerfully the heavy burden of serving as Chairman of the second Commission on Organization of the Executive Branch of the Government, which is an arm of the Congress, in order to complete the work so well begun a few years ago by a similar commission under his chairmanship.

SEC. 4. The Congress expresses the hope and desire that divine providence may permit Herbert Hoover to be spared to give many more productive years of honored service to humanity and to his beloved country.

SEC. 5. A copy of this resolution shall be transmitted to America's elder statesman, the Honorable Herbert Hoover.

Mr. SMITH of New Jersey. Mr. President, I ask unanimous consent for the immediate consideration of the resolution.

There being no objection, the Senate proceeded to consider the resolution.

Mr. MARTIN. Mr. President, I desire to speak on the concurrent resolution.

The VICE PRESIDENT. The Senator from Pennsylvania is recognized.

Mr. MARTIN. Mr. President, I was Republican State Chairman in Pennsylvania when Herbert Hoover was President of the United States. I was not for Herbert Hoover's nomination on the Republican ticket, to be President; but I soon learned of his great qualities and his unusual understanding of affairs, not only of the United States, but of the world.

Certainly this concurrent resolution is most appropriate, and I am extremely glad that the distinguished senior Senator from New Jersey, the distinguished senior Senator from California, and the distinguished senior Senator from Michigan [Mr. FERGUSON] have seen fit to give us the opportunity to approve a measure of this character, which is so greatly deserved.

Mr. GILLETTE. Mr. President, it happens that ex-President Hoover is the one former President of the United States who had the honor of being born in the State of Iowa. We are very proud of his record. I do not happen to belong to the same political party that he adorns; but, at the same time, I am one who admires very much the public service of Herbert Hoover, and I am one who regrets very much the circumstances which surrounded the campaign when he lost the Presidency. He was charged with many things for which he was not responsible. As one who participated

somewhat in the attack in the campaign at that time, there were some things for which I considered him responsible; but he was compelled to bear the burden of attack for many matters for which he was not responsible, but which grew out of a situation which had developed throughout the country.

I wish to say that I am proud to join with the Senator from New Jersey and other Senators, so that this will be an expression of admiration from the Democratic side as well as from the Republican side; and as an Iowan, I am particularly proud.

Mr. KNOWLAND. Mr. President, I am very pleased to have an opportunity to sponsor, together with the distinguished Senator from New Jersey and the distinguished Senator from Michigan, this concurrent resolution relative to the 80th birthday of former President Hoover.

Mr. Hoover is a great American citizen. He is a great humanitarian. He has served his country without regard to narrow partisanship. He rendered signal service to the Nation during World War I and subsequent to that war, under the Presidency of Woodrow Wilson. Mr. Hoover served in the Cabinet of two Republican Presidents. He himself served as Secretary of Commerce and, later, as President of the United States.

Subsequent to that service, he was called to help on both the Mississippi flood problems and the problems of famine abroad; and he was consulted by the former President, Mr. Truman, regarding some of these problems.

Despite his years, Mr. Hoover has remained active and interested in the welfare of the American people and the Nation. He has taken on the rather heavy burden of serving as chairman of one commission, and then another, to study the reorganization of the executive branch of the Government of the United States.

Mr. President, I know that all Americans, regardless of their partisan affiliation, will join with the Congress of the United States in wishing Mr. Hoover many happy returns of the day and many more years of useful service to the Nation.

Mr. FERGUSON. Mr. President, on August 10 of this year the Honorable Herbert Hoover, former President of the United States, will be fourscore years old. It is very fitting that we in the Congress should by adopting a concurrent resolution extending greetings and felicitations to him on the 80th anniversary of his birth.

Mr. Hoover has served his country and the whole world well. No one should ever forget the days he spent as Secretary of Commerce during World War I, and the great task which he undertook and completed in connection with the Belgian relief program. It was this distinguished service to mankind and human welfare that made him a figure known to the entire world.

As President of the United States he served with honorable distinction. During the days following his term as President he took an active part in the affairs of his Government. We all know and appreciate the outstanding service he rendered as the leader of the first Commission which bears his name. He, himself, recognized and acknowledged the fact that the first Commission was not able within the time limit afforded to accomplish all the things required to be done.

As a cosponsor of the resolution which created the second 12-member Hoover Commission, which is now undertaking to complete the task of making our Federal Government a more efficient, better organized, and less expensive government, and as a member of this Hoover Commission, I know personally that Herbert Hoover is rendering a great and distinctive service to the people of the United States. He understands government. Even in years when any man could retire to the sidelines with honor, he is devoting his efforts effectively to the task before him and his colleagues.

I work personally with him, and have in the past during the many years of our good friendship. I know the number of hours he works, and the intelligent effort he gives toward guiding in detail the activities of the Hoover Commission. It is only fitting and proper that this concurrent resolution be adopted in order that he and all the people of the United States may know that Congress appreciates the fine service which this truly great American has rendered to his country.

Mr. HICKENLOOPER. Mr. President, I wish to join the Senator from New Jersey [Mr. SMITH], the Senator from California [Mr. KNOWLAND], and the Senator from Michigan [Mr. FERGUSON], and other Senators who have spoken this morning with reference to the observance of the 80th birthday anniversary of former President Herbert Hoover.

We in Iowa are honestly proud to call him a native son. At a later date, I had intended to speak, and I shall speak, about his 80th birthday, and about the preparations and plans which we have in Iowa for a suitable observance of that occasion. It is sufficient now to say that we join in the resolution. Our legislature has noted the occasion in its last session. The town of West Branch, where Mr. Hoover was born, has long since honored him by setting aside the house in which he was born, with its surrounding lot, as a public memorial to him, and on the 10th of August a statewide ceremony of observance will be held at the small town of West Branch. As I previously stated, I shall speak in more detail prior to the adjournment of this session with reference to that observance, but I wish to join in the tributes which have been paid this morning to Mr. Hoover as being one of the truly great Americans of history and one of the truly great men of the world in modern history.

The VICE PRESIDENT. The question is on agreeing to the concurrent resolution.

The concurrent resolution (S. Con. Res. 96) was agreed to.

WATER PROBLEMS OF THE ARID WEST

Mr. BENNETT. Mr. President, I wish to continue my brief discussion of the water problems of the arid West.

In the very beginning, when our Utah settlements were small, there was water enough for everyone; and a farmer could dig a ditch and divert whatever water he needed. But the time soon came when each man's share had to be established and his rights defined. Later on, a "water master" had to be set up, to see that each man got his share and his turn.

Although the people of the seven States along the Colorado knew they would have to establish shares and rights, it it was not until 1922 that they began that task. Before the great Hoover Dam could be constructed—and I pause here to join my colleagues in tribute to the great man whose name that dam bears, and to observe that perhaps over the long centuries, that will be the monument which will keep his name alive—before that great dam could be constructed the rights of the lower basin States, California, Arizona and Nevada, had to be set. They were set at 7½ million acre-feet per annum. Then another 25 years passed, until in 1947 the upper basin States divided the water that should remain.

That division is an interesting one, as follows:

	Percent
Colorado	51¼
Utah	23
Wyoming	14
New Mexico	11¾

But the waters of the Colorado are not inert things to be cut and parceled out like cheese. The river is a living thing, of many moods and dangerous caprice. Before it leaves its mountain heights, it has cut the first of the deep, twisted canyons, through which it bears its load of silt down to the sea. It is too treacherous for commerce, and at some times and places, it is too deadly even for the boatmen daredevils. Yet, if we are to keep our commitments to the lower basin, and the promise of our own future, the river—like a wild horse—must be tamed and put to work.

The Bureau of Reclamation began its first investigations of the river in 1903, and the actual job of taming it began in the Uncompaghre Valley in 1906; and in the 4 upper basin States, only 2 million acre-feet of water have been put to work—against 5⅓ million in California.

We of the upper basin have agreed that the turn of our downstream neighbors should come first—both in time and in amount. We have waited over 30 years for our turn to come. We hope that this year my colleagues, who represent our Federal "water master," will recognize our patience and will help us begin to develop the program which, even though it takes 50 years or more to build, will make the shares of both the upper and the lower basins firm and sure.

DUTY ON IMPORTATION OF WATCHES

Mr. MARTIN. Mr. President, on Tuesday of last week the Washington Star carried a letter to the editor from Mr. Charles P. Taft, opposing the increase in duties on watches which the President now has under consideration.

A very similar letter from Mr. Taft appeared more recently in the New York Times. The letter to the Star was inserted in the CONGRESSIONAL RECORD on July 14.

At the close of these remarks I would like unanimous consent to insert in the RECORD the reply of the American manufacturers which was printed in the Star on last Saturday. I think this reply shows that the content of Mr. Taft's letters is misleading. I agree with the American producers that it is time to deal with this problem on a more realistic basis.

These letters have attracted some attention and I want the Senate to know that they represent only a part of a last-minute pressure campaign being put on by the Swiss and the importers of Swiss watches to make it appear that an increase in watch tariffs will be publicly unpopular. They have apparently taken to the letters-to-editors columns because the newspapers have, for the most part, stopped printing the flood of press releases and other material which they have been passing around.

The Swiss and the importers are also trying to organize the retail jewelers to bombard the Congress and the President with objections. They are asking the tobacco farmers of Maryland to do the same thing. They have enlisted the CIO through the Swiss and the international unions. They have tried everywhere to create the impression that, if we should increase the watch tariff, the economy of Switzerland will collapse, our international trade program will be undermined, and our American economy will be crippled—all of which is nonsense.

The Swiss had a favorable balance of total trade with the United States in 1953. They have over 80 percent of our jeweled watch market. Yet they object in the strongest terms to our trying to protect a vital defense industry from complete destruction. This attitude is completely unreasonable, to say the least, and I would be extremely disturbed if I did not believe that our Government has finally realized that the tariffs must be increased.

I ask unanimous consent that the letter from the Washington Evening Star be printed in the RECORD at this point as a part of my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

WATCH TARIFF CONTROVERSY

The July 13 letter of Charles P. Taft, commenting unfavorably upon the Star's level-headed editorial on the watch-tariff case, is an excellent illustration of the tactics which have almost caused the extinction of the jeweled watch industry in the United States.

In the first place Mr. Taft is not very forthright in disclosing his real interest in this watch-tariff controversy. He signed his letter as president of the Committee for National Trade Policy. It seems only fair for those who read his letter to know that the Taft family are—or until recently were—large stockholders in the Gruen Watch Co. of Cincinnati, Ohio, 1 of the 4 largest importers of Swiss watches.

Gruen has been one of the leaders of the importers' trade organization—the American Watch Association—which has sought for years, so far quite unsuccessfully, to confuse the watch-tariff issue. Ralph Lazrus, an officer of the Benrus Watch Co., another major importer, is president of the American Watch Association and is also a member of the committee for which Mr. Taft purports to speak.

Now let us see how closely Mr. Taft appears to be working with the importers of Swiss watches and the Swiss watch trust. The approach and the phraseology of Mr. Taft's letter, as it relates to the jeweled watch industry, correspond very closely with the statements of former Senator Millard Tydings, who represents the American Watch Association, before the Tariff Commission and, more recently, before a Preparedness Subcommittee of the Senate Armed Services Committee. An excellent example is the references to a so-called investigation by the late Senator Hunt, of Wyoming, into the defense importance of the jeweled watch industry. The purported quotation of Senator Hunt relating to the capacity of Eastman Kodak Co. to make time fuses is in reality a quote from a letter signed by Mr. Lazrus as president of the American Watch Association to the Office of Defense Mobilization, dated March 24, 1954. This quoted statement was prepared by Mr. Lazrus, not by Senator Hunt.

Thereafter, on April 6, 1954, the material in this letter of the importers was placed in the CONGRESSIONAL RECORD by Senator Hunt in the form of a statement that made its contents seem to be based on information from the Department of Defense. A press release covering the statement was then issued in the name of the American Watch Association, and it is interesting to note that this release came from the office of the public relations firm which represents the watch trust in Switzerland—not the firm which represents the American Watch Association.

The material was so completely misleading that I was sure Senator Hunt was not aware of the real facts. I therefore went to see him, with two representatives of one of the jeweled watch companies. Senator Hunt told us that the prepared statement had been given to him by Mr. Tydings, and that he had placed it in the CONGRESSIONAL RECORD at Mr. Tyding's request not knowing himself that it contained highly controversial matter. Senator Hunt also told us he did not know of the press release covering his statement issued in the name of the American Watch Association.

Thus, the extremely misleading statements prepared initially by the importers' trade association, at the request of Mr. Tydings, has been used successively through the American Watch Association, Senator Hunt, the Swiss watch trust, and now over the name of the Committee for National Trade Policy.

The arguments advanced by Mr. Taft are no sounder over his signature than they have been when coming from the importers or the Swiss. He ventures that the domestic jeweled watch industry is probably suffering only from the general decline in watch sales that has occurred since January 1954. The fact is that the domestic companies suffered a decline of production from 3,161,000 ing 1951 to 2,237,00 in 1953, or about 30 percent in 2 years, while Swiss imports increased from 9,128,000 to 10,615,000. At the end of 1953 the Swiss had 83 percent of the domestic jeweled watch market and the domestic industry had 17 percent. In 1954 the domestic industry's production has been cut back severely and the Swiss will move closer toward complete monopoly of the United States market.

Mr. Taft, like Mr. Tydings, finds no national defense danger in this situation because he can see no defense importance in the watch industry. The persistence of the importers in this position indicates a startling case of myopia.

Very recently Arthur Flemming, Director of the Office of Defense Mobilization; Thomas Pike, Assistant Secretary of Defense, and Lothair Teetor, Assistant Secretary of Commerce, testified publicly that the jeweled watch industry, and, indeed, the horological industry as a whole, was absolutely essential to national defense. These statements, made after months of study by the respective agencies, are completely ignored in favor of discredited material of the importers' own making. This is a class illustration of the old saying that "there are none so blind as those who will not see."

It seems to us that the time for such trifling and obfuscation is past. As your editorial indicated, this is a serious issue that ought to be faced squarely on the facts. It appears that the Government is trying to do just that, and the repeated efforts of the importers and the Swiss to confuse the picture are rapidly approaching the status of a national disservice.

PAUL F. MICKEY,
Vice President, American Watch Manufacturers Association, Inc.

ROY M. COHN

Mr. WELKER. Mr. President, I would be less than honest with myself if I did not address this body and pay tribute to a Democrat who, I am informed, resigned on Monday as chief counsel for a congressional committee. I did not work on that committee. I was not a member of it, but I do know Roy M. Cohn, the chief counsel who resigned. I know of the excellent service he has rendered and the fight he has carried on from the days of his youth, in the practice of law, against the Communist forces which would destroy freedom-loving peoples all over the world.

Mr. President, Roy Cohn is a young man. I think he is only 27 years of age. I have never met a more brilliant attorney. I have heard it said that he has made mistakes. If so, who among us at the age of 27 did not make mistakes? Notwithstanding the fact that he has resigned from a congressional committee, I fervently hope that he may continue to serve the profession of law as well as he has served his country in the fight against communism. I think it speaks well for young America when we recall that this young man took an active part in the prosecution of the Rosenbergs, in the Remington case, in the case against the 11 top Communists, and in other investigations—all directed against those who would destroy our precious way of life.

Roy M. Cohn is the son of a distinguished jurist, Albert Cohn, of the appellate division of the New York Supreme Court. The time is coming when it will be rather difficult to obtain such experts as Roy Cohn to work for congressional committees. I know certainly of the abuse to which Senators on investigating committees are subjected. I know that the staff suffers even to a greater extent than do Senators from such abuse.

I wish it were possible for me to have associated with me in the private practice of law such a man as Roy M. Cohn, a man whom I consider to have more ability than any other lawyer I have ever known.

Since I have been a member of the Internal Security Subcommittee of the Senate it has been my privilege to know two of the greatest experts on communism. One is Judge Robert Morris, of New York, who was chief counsel of the Internal Security Subcommittee, and

with whom I have had the honor of working. The other is Roy M. Cohn.

I trust that the Communists will not derive great happiness from the resignation of Roy Cohn. America will not sit idly by while the Communists attempt to destroy her from within. I am certain that Roy Cohn will continue to fight communism whether in assisting a congressional committee or in the practice of law.

In saying that I dislike to see any man skilled in the fight against communism leave a congressional committee, whether it is an Internal Security Subcommittee or any other committee, I may add that I believe that as a result of what Roy Cohn has done the fight against communism will be enhanced from within our country. Americans will not coddle Communists at home when their sons have been killed and others may be killed by the Communist conspiracy abroad.

I ask unanimous consent that two editorials—one published in the New York Daily News, and the other in the Daily Mirror, of New York, N. Y., of July 21, 1954—be printed in the RECORD at this point as a part of my remarks.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Daily News of July 21, 1954]

COHN QUITS—SCORE ONE FOR REDS

Roy M. Cohn resigned Monday as chief counsel to the McCarthy investigation subcommittee. He did so in the knowledge that he was slated to be fired yesterday by the subcommittee's three Democrats plus CHARLES POTTER, Republican from Michigan.

Thus, the domestic Communists and anti-anti-Communists get a scalp they long have sought. They also notify any patriots who consider serving hereafter as Red hunters for Senator MCCARTHY that they may well be smeared and denounced as was Cohn for some 18 months.

We don't think that will deter the Wisconsin Senator in his campaign to wreck the criminal Communist conspiracy. But it may handicap him in finding able assistants and investigators. That, too, would delight the domestic Reds and their fellow travelers.

Not that we consider Mr. Cohn indispensable. We think he was correct in figuring that the smear drive had destroyed his usefulness to the McCarthy subcommittee.

And it may be that Cohn brought some of the abuse on himself by his rather brash manner and occasional displays of temper. Those are frequent weaknesses of youth and Cohn is only 27. There is an instructive contrast, though, between the abuse heaped on the hotly pro-American Cohn by a lot of self-professed intellectuals and the abuse which these same gentry did not heap on such characters as Alger Hiss and Lee Pressman when they were found to have embraced communism in their hot, brash youth.

We wish this brilliant young man well and think he will go far.

And now that Cohn has resigned, how about giving the heave to a certain thoroughgoing pipsqueak who functioned on the other side of the McCarthy-Cohn-Schine-Stevens battle? We refer, it almost goes without saying, to John G. Adams, chief counsel to the Army.

[From the New York Daily Mirror of July 21, 1954]

ROY COHN

The resignation of Roy Cohn must mark a new phase, not an end, of Senator MCCARTHY'S efforts to expose and combat Communists. No matter what the wording of the resignation, most Americans will insist that Roy Cohn was put in an impossible position by the wrangling Senators, who tried to make him a football of their own political ambitions. This role he has rightly refused to play.

The loss is the committee's and the Senate's. Roy Cohn has made a remarkable record as a prosecutor of Communists. He was instrumental in indicting and prosecuting William Remington, atom spies Julius and Ethel Rosenberg, and the top-ranking Communists in New York. As chief counsel for the McCarthy committee, he led the investigation of Communists in the Voice of America, at Fort Monmouth and in defense plants.

It is a remarkable record for a lawyer who is only 27 years old. Criticized for being brash and not too respectful of some Senators whom he antagonized, he won a great following among Americans who watched him over television at the Stevens-McCarthy hearings and recognized his ability and devotion to a cause that is America's.

Surely, he will have ample opportunity to continue so brilliant a career in the battle against the Communists and their friends in this country. There are many ways to fight communism, but there are too few competent fighters. Roy Cohn is among the best.

FILLING OF VACANCIES ON FEDERAL RESERVE BOARD

Mr. HUMPHREY. Mr. President, I wish to direct my attention this morning to a matter of primary importance. On March 1, 1954, I spoke on the floor of the Senate on the subject of filling vacancies on the Federal Reserve Board. I made note of the fact that there had been two vacancies on the Federal Reserve Board since October 30, 1952. I also made note of the fact that the law of the land requires that the President of the United States fill those vacancies. At that time, on March 1, I submitted to the Senate a resolution, known as Senate Resolution 216, which was referred to the Committee on Banking and Currency. I wish to read the salient portions of the resolution in order to emphasize the purpose of my remarks this morning:

Whereas Congress has, by legislation long debated and duly enacted, created a Federal Reserve Board to consist of seven members to be appointed by the President with the advice and consent of the Senate, said Board to operate as an agency independent within the Government, not subject to control of any other department of Government except the Congress, but specifically provided that said Board should report to and be under the direct supervision of the Congress; and

Whereas the Congress has given said Board broad discretionary powers in the conduct of its affairs and in its supervision of the Federal Reserve System, the regional Federal Reserve banks and their respective branches and the Federal Open Market Committee; and

Whereas the Congress has also created by legislation the Federal Open Market Committee as an integral part of the Federal Reserve System, giving this committee also wide discretion in the conduct of its affairs, and the Congress provided that said committee should consist of the 7 members of the Federal Reserve Board plus 5 presidents of 5 separate Federal Reserve banks, said 5 to alternate from year to year between the 12 Federal Reserve bank presidents; and

Whereas the Congress, when it determined that the number of members of the Federal Board should be seven, did not reach that decision by chance or caprice or by compromise, but only after long and serious and objective and nonpartisan consideration and debates; and

Whereas the legislative history shows that the number seven was finally determined as being the minimum number in the opinion of the Congress which would achieve fair geographical and functional representation on this powerful Board for all sectors of our economy and all sections of our vast country; and

I skip a part of the resolution, and continue to read:

Whereas by the use of the word "shall" instead of the word "may," it was clearly indicated that the Congress intended it to be obligatory upon the President to maintain at all times the membership of said Federal Reserve Board at the statutory required number of seven members; and

Whereas the said Federal Reserve Board is particularly an instrument of this Congress, answerable only to the Congress, and is the only instrument of the Congress through which it may discharge its responsibility for the conduct of the monetary and credit policies of the Nation: Now, therefore, be it

Resolved, That the President be, and he is hereby, requested to select immediately proper and qualified citizens to fill these vacancies on the Federal Reserve Board—

And so forth.

Mr. President, I conclude my remarks by saying that I believe it is of the utmost importance that the vacancies on the Board be filled.

The whole matter of financing the public debt, the whole matter of the creation of credit, and, in fact, all the monetary and credit policies of the country are in the hands of the Federal Reserve Board. Today there are 5 members of that Board, when there should be 7. There have been only five members since October 1952. I cannot believe that out of 161 million people it is impossible to find two competent additional members to complete the statutory requirements with respect to the membership of the Board.

The PRESIDING OFFICER (Mr. REYNOLDS in the chair). The Senator's 2 minutes have expired.

Mr. HUMPHREY. I ask unanimous consent that I may speak for an additional 2 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. The statutory requirement is, as I stated in the resolution, based upon functional and geographic consideration. I suggest that it is not fulfilling the requirements of law enacted by Congress when, over a long period of time—almost 20 months now—the Federal Reserve Board is required to function with an inadequate number or a lesser number of members, namely, 5 instead of 7.

Mr. President, one of our distinguished colleagues in the other House, the Honorable WRIGHT PATMAN, recently directed his attention to this subject, and in the CONGRESSIONAL RECORD of May 20 it is noted that Mr. PATMAN addressed a letter to the President under date of May 17. Mr. PATMAN received a reply from the Presidential Assistant, Mr. Sherman Adams, in which Mr. Adams assured Representative PATMAN that the President had received the letter and that it

had been carefully noted. Mr. Adams went on to say:

We appreciate your writing in detail as you did, and I can assure you that the matter of bringing the Board of Governors of the Federal Reserve System to full strength with two strong appointees is now under the most active consideration.

That letter was dated May 18, 1954, which is more than 2 months ago.

I suggest that Congress should be very much concerned about the failure to fill the vacancies. Recently I noted the fact that the Federal Reserve Board relaxed its credit restrictions to the point of creating an additional $9 billion worth of credit. I appreciate the fact that the administration has reversed its monetary policy. A year and a half ago it had a hard-money policy. Today it is as soft as mush; it is a real soft-money policy. However, it is being done by five members of the Board, instead of the statutory number of seven.

Finally, by way of passing comment, I should like to state that recently the Senate passed a bill to create the post of Under Secretary of the Treasury.

The PRESIDING OFFICER. The additional 2 minutes of the Senator have expired.

Mr. HUMPHREY. I ask unanimous consent that I may speak for 1 additional minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Recently the Senate passed a bill to create the post of Under Secretary of the Treasury. Apparently it was done to accommodate the appointment to the post of a gentleman who is now serving as Deputy Secretary of the Treasury, Mr. W. Randolf Burgess. I suggest that perhaps an interim appointment will be made to the post of Under Secretary of the Treasury.

I again point out that it is of the utmost importance that a committee of Congress should examine anyone who is appointed to these critical and important posts. I now make the prediction that the appointment ot the post of Under Secretary of the Treasury will be made while Congress stands in adjournment.

I further make the prediction that the appointments to the Federal Reserve Board will be made while Congress stands in adjournment. They will be made as intermediate or temporary appointments.

The appointments should have been made during the months that Congress has been in session, so that the appointees could have been properly interrogated before the appropriate committee of the Senate, in fulfilling the constitutional and statutory requirements. It is unfortunate, and it is bad business, and I do not think the practice can be sustained or defended.

SUPPORT OF STRONG PARITY IN SENATE BILL 3052

Mr. WILEY. Mr. President, I send to the desk the text of a letter from Mr. E. M. Norton, secretary of the National Milk Producers Federation, endorsing the Senate committee's version of Senate bill 3052.

I also send to the desk the text of an interesting article which appeared in the latest issue of the noted farm magazine, Wisconsin Agriculturist and Farmer. The article points out the relatively inexpensive amounts which our parity program has cost the American people—inexpensive in relation to the tremendous benefits which have been achieved for our population.

I ask unanimous consent that both these items be printed at this point in the body of the RECORD.

There being no objection, the letter and article were ordered to be printed in the RECORD, as follows:

NATIONAL MILK PRODUCERS FEDERERATION,
Washington, D. C., July 19, 1954.

Hon. ALEXANDER WILEY,
Senate Office Building,
Washington, D. C.

DEAR SENATOR WILEY: Our dairy farmer members support the provisions of S. 3052 as reported by the Senate Committee on Agriculture and Forestry.

In respectfully urging you to vote for the proposed legislation and oppose amendments designed to modify the provisions relating to price supports, we recognize that you may not be in complete agreement with our position. If you agree with us, your support is very much appreciated. If you differ with our views, we respect your right to do so.

However, there is one factor involved in this controversy that outweighs all others—namely, the unity of agriculture. Above all other considerations, all segments of agriculture must stand together and not permit one commodity to be pitted against another commodity. Neither producers nor consumers gain when agricultural ranks are divided.

Every vote in support of the recommendations of the majority of the Senate Committee on Agriculture and Forestry will contribute toward maintaining a united agriculture. We earnestly ask your help in achieving this important objective.

We repeat—we support the provisions of S. 3052 as reported.

Sincerely yours,

E. M. NORTON,
Secretary.

[From the Wisconsin Agriculturist and Farmer of July 17, 1954]

COST OF PRICE SUPPORTS

Farmers fatten at the public trough. Headlines like that have been showing up in many big city papers. The stories tell of the terrific cost of Government-farm programs.

Here are the figures. Agricultural programs have cost each American family $1,000 since 1932. That's an average of $45 per year per family.

That looks like a lot, doesn't it. Actually it isn't a true picture at all. Here is what a little digging into the subject shows.

Only one-fifth of the total amount went into price-support programs. An average of $200 per family for the full period or a cost of $9 each year. The big slice of the money went to foreign aid food buying. Much went for war programs, school lunches, soil saving, research, and the like.

So price supports actually cost the taxpaying family only $9 a year. Isn't that pretty cheap for the abundance of food which American farmers have poured into the lifeline of the Nation?

Farmers need not apologize for having their hand in the public purse. Government helps have been mighty small payment for services rendered.

The fact is that American business receives much greater subsidies than do farmers. We don't hear as much about these Government helps to business and labor but they are there all right. Nobody worries much about them.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. ANDERSON] to the amendment of the Senator from Michigan [Mr. FERGUSON] as modified.

Mr. HUMPHREY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

Mr. GORE. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE INTERCONTINENTAL BALLISTIC MISSILE

Mr. SYMINGTON. Mr. President, I wish to address the Senate this morning on matters of national defense, primarily the subject of the intercontinental ballistic missile.

The United States is not spending enough money for national defense—and what is infinitely more important, the money that is being spent is not being allocated to provide the weapons most needed.

Now, as to the problem, first in a general way, and then more specifically.

As the position of the free world continues to deteriorate in Asia, it would appear advisable to take stock of our strength.

We had hoped that our diplomatic and military policies would create favorable events, all over the world.

But that has not been the case. On the contrary, unfavorable events have been creating policy, for many long months.

If this condition continues, the free nations will lose the fight against communism; and darkness will prevail.

The purpose of this talk is to discuss frankly the growing danger—and to suggest methods for reversing this trend toward our destruction.

Each day that goes by sees the relative military strength of the United States and its allies becoming weaker as against the growing strength of the Communists.

This condition continues against a background of confusion and disagreement among our officials.

Some administration leaders now urge us to reconcile ourselves to a world of coexistence.

Others say such a coexistent world is impossible.

Whichever faction is right, our hope lies in growing strong and staying strong.

This session of the Congress is now nearing its end.

It would be reassuring to return home feeling that we had provided properly for the defense of the United States.

It would be reassuring if the people of our country could place their trust in our present program for national defense.

It is always pleasant to believe pleasant things.

But the truth of the matter is that the United States is in grave danger—and that danger is growing rapidly.

Adequate defense against advancing world communism is the greatest problem which confronts us today.

Again, even after careful study, one can only be confused by all the contradictory claims and statements emanating from people in high authority.

On one day, an official responsible for research and development in the Department of Defense asserts that the Communists are overtaking us in the race for new and improved weapons—and I am convinced that is true.

But on the very next day, after the political repercussion of these frank and honest words, his superior contradicts him—and assures us that the Russians are not overtaking us.

This contradiction, one of but many in recent months, was widely regarded as laughable evidence of bureaucratic confusion.

My own sense of humor was not so stimulated, however, because what could be more serious than whether or not the Communists are overtaking us in the critical race for the new weapons?

If they are overtaking us, and continue their relative progress, then only providence can save us.

Even if we just hold our lead, we may be slipping toward defeat, because as the free world continues to lose the cold war we have no choice but to depend even more heavily on weapon superiority.

Unless, therefore, there is some miracle, like a sudden collapse in Communist power, or a change of heart among the leaders of the Kremlin, our main hope would appear to be concentration on the development and production of the new armament.

We cannot and will not compete with the Communists in the use of manpower.

Their leaders have proved willing to expend it without stint or mercy.

In fact, it is generally acknowledged that they have one military advantage we and the other nations of the free world can never equal—their complete disregard for human life.

Nor could we win any possible future war as we have won in the past, namely, by counting on our material resources, because behind the Iron Curtain are adequate raw materials for those weapons necessary to quickly overcome the free world if we fail in our efforts to be ready.

America's resources in machinery and the skills required to build advanced weapons are superior to the skills and machinery of the Communists.

But while we devote only a small part of such resources to the building of our new-weapons military strength, the Communists are devoting a very large percentage of their resources to creating such strength.

Already they have land forces and air forces superior to ours in number, and they continue to improve their war plants and to multiply the skills they require for qualitative superiority.

Every year for some years the Communists have been graduating twice as many engineers as are graduated in America.

Every year for some years the Communists have been expanding their basic industries faster than ours are being expanded.

Every year the Communists convert more of their basic products into specialized instruments of war.

Every year the Communists add to their stockpile of atomic and hydrogen bombs.

Every year the Communists add new models of jet aircraft to their already formidable air force, and the number of these new aircraft is rising rapidly.

Of course, we are increasing the strength and striking power of our own Armed Forces. But that is not the important question.

The important question is, Does our ability to handle the Communists in case of attack grow more rapidly than their ability to successfully deliver such an attack?

Many discussions about this question would seem to involve the advancement of 1 service at the expense of the other 2; but, in any case, seldom is there any realistic analysis of the overall American defense problem.

There would seem to be little willingness to exhibit even the outlines of the true picture for all the people to see.

Is this administration more fearful of alarming the people of the United States than it is of failing to alert the people of the United States?

Is this administration fearful that the people, once they are given the truth, will demand that more be done than is being done?

Is there fear that these demands will upset programs of budget balancing or tax reduction?

Is it because of such fears that the American people are not given available evidence which proves conclusively the great progress of the Communists in the development of jet aircraft?

As example, why have not the American people been shown pictures of the new Communist long-range jet bomber which was recently displayed over Moscow?

This bomber was extensively photographed by many representatives of the free world. Why have not pictures of it been officially shown the American people?

What American official has publicly commented on the ominous significance incident to the appearance of this bomber far earlier than experts had predicted?

Americans interested in Communist air power could learn more about it from articles published in West German newspapers than from anything published in this country.

Mr. President, I ask unanimous consent that a recent article in a West German weekly, Der Spiegel, be printed as a part of the RECORD, following the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the RECORD.

(See exhibit A.)

Mr. SYMINGTON. Mr. President, have we now reached a period in America's history when we are even afraid to admit that danger exists, let alone face it?

Has our national spirit quailed to the point where we want our public officials to shield their eyes from unpleasant truth?

In the twilight of Greece's glory, the flabby citizens of Athens stoned messengers who brought them news of danger.

Have we Americans become so complacent amid our luxuries and pleasures that our leaders have become afraid of being punished if they point out what sacrifices are necessary to perpetuate our freedom?

If we are to survive in this dangerous world, the people must know the brutal truth about the growing military strength of the Communists.

In recent months, in what at times would almost seem a deliberate effort to confuse, we have been regaled with speculation about various new weapons and super-weapons, atomic and non-atomic.

All possible means of delivering these new weapons have been analyzed and advocated—from old-fashioned cannon to satellite missiles.

It is important not to be distracted by unrestrained fancy—rather to isolate and examine what is known beyond all doubt.

I now want to discuss briefly two major developments which threaten the security of the United States as it has never been threatened before.

The first: Nuclear weapons, including hydrogen bombs as well as atomic bombs, can now be manufactured inexpensively and in great volume.

Shortage of fissionable material was the limiting factor in the past.

There is no longer any such shortage.

Soon we can make enough of these weapons to devastate an area far larger than the United States.

The tremendous significance here is that, if we can do this, so can the Communists.

Soon there will be sufficient weapons, of sufficient power, to destroy any and all targets which could possibly threaten either ourselves or our allies—not merely war industries and fixed military installations, but fleets and armies assembled anywhere.

Soon the Communists will amass a stockpile of these cheap packages of absolute destruction large enough to blacken with atomic fire, not just our cities and industries, but every square mile of our American landscape.

Unlimited hydrogen destructive capability is therefore with us.

This fact is not entirely new. But the significance of this hydrogen potential has never been stated with either clarity or frankness.

It is this: The dispersion of targets, military or otherwise, no longer offers a solution—and accuracy in delivering

these weapons becomes less and less important.

Random discharges of such tremendous power could devastate any nation on earth.

The second development of supreme importance to the future security of the United States is this: Within a few years it will be possible to deliver atomic and hydrogen weapons by long-range, intercontinental ballistic missiles, descendants of the old German V–2.

That weapon was most effective over 10 years ago—and it is dangerous to our national security that since then we have not followed the Communists in concentrating on its improvement.

But the V–2, the first of these ballistic missiles was not even a model T compared to the IBM's of today.

The V–2 had a range of about 200 miles. The new missiles will have a range of 4,000 to 5,000 miles.

They will be far more accurate than the V–2—and they will have hydrogen bombs for warheads.

These new units of destruction will climb so high, and descend so fast, they will need protection against destruction by atmospheric friction.

They will be guided only during the first portion of their climb, but guided so precisely that any error in accuracy can be measured, not in miles, but in hundreds of yards.

To those listening to the arguments of biased professionals who advocate fighting a possible future war with weapons of the past war—something which never happens—these developments may sound fantastic.

But the intercontinental ballistic missile is not fantastic at all.

It should be less surprising than the original German V–2, because it is little more than a logical extension of the V–2, in range, in accuracy, and in power.

This second important development—intercontinental missiles—is closely related to the first—hydrogen weapons.

The incredible destructive power of hydrogen warheads makes it possible to destroy a nation by launching a hail of ballistic missiles against it.

The effect of such a missile barrage on an entire continent would be comparable to the effect of an ordinary artillery barrage on a few acres of battlefield.

The most ominous aspect of this new weapon, however, is that once launched, there is no defense against it.

Such a missile does not depend upon electronic guidance as it approaches its targets; and therefore it cannot be thrown off course by electronic jamming.

The elaborate and expensive systems of radar defense we are being urged to build would be utterly useless against such a missile barrage. Practical prototypes of these weapons already exist. But no workable method of intercepting or deflecting them has been devised, even in theory.

There is no doubt whatever that intercontinental ballistic missiles will be produced in quantity years before any adequate defense against them is worked out.

Will the Communists have these IBM's before we do? There are many reasons to believe they will.

For over 30 years the Russians have been working on rockets—and this type missile is a logical development of the twin-stage rocket.

For some time now such Moscow periodicals as Izvestia, along with East German press and radio, have openly announced their progress with twin-stage rockets.

We know that, over 9 years ago, the Communists captured a number of German scientists who, in addition to working successfully on the V–2, were also designing an IBM for attack on the United States.

We can be very sure that these Germans, along with the outstanding Soviet scientists, have made much progress in the latter field.

We also know that over the years we have consistently underrated the ability of the Communists to manufacture superlative new weapons of war in large quantities.

What better illustrations of this ability could be given than the Joseph Stalin tanks and the MIG–15 jet fighters?

America has also made progress. But over here our policy is a far cry from the all-out program of the Communists.

There has been no such all-out program in this country.

In fact, the opposite is true, because for years the United States has appropriated less, each year, for research and development, than it did the previous year.

We had our share of luck, as well as genius, in the development of the A-bomb and the H-bomb.

The Communists also have their geniuses, however, including the great atomic scientist, Kapitza; and they might also have some luck.

Behind the Iron Curtain there is tremendous concentration on the improvement of these new weapons, a concentration which, as we have already mentioned, has been conspicuous by its absence over here.

These two all-important facts—the hydrogen bomb and the IBM—are not something in the distant future, to be handled by our children, or our grandchildren.

They are with us now. They will be with us in great quantity within from 5 to 10 years.

And it is probable, on the basis of our present plans and programs, that the Communists will have these hydrogen missiles in such quantity before the United States.

So the time to take stock is not tomorrow, but right now.

Should we continue to soft-pedal these realities at the same time we enjoy the highest standard of living in history?

What satisfaction will there be to him who is the richest man in the graveyard?

The Communists are making heavy sacrifices to outstrip us in the race for control of the air, above and between the continents of Asia and North America.

When we consider this steadily growing hydrogen potential of the Communists, along with their improved ability to deliver missiles with hydrogen warheads, other recent events begin to fall into their true perspective.

As example, it is now all too clear that warfare, as known in the past, is a thing of the past.

Yes; for the first time in their history, the American people must now face up to the real meaning of vulnerability.

Today nations could be destroyed as quickly and as completely as in the past a battalion of soldiers could be defeated, or a ship sunk.

Today every nation of the free world, except the United States, is practically helpless before the armed might of those who have pledged to destroy them—the Soviet Communists.

As we seek to understand the shifts in reaction and world policy now characteristic of some of our old friends, let us remember that these friends are far more vulnerable today than they were in 1940.

Let us also remember that in a short time, primarily because of these two new developments, the United States may be more vulnerable than Great Britain was in the late thirties.

Let me ask again, as I did in a talk at Baylor University in Texas over 5 years ago: "Who is behind us today as we were then behind England?"

If we are attacked tomorrow, and do not have the capacity to retaliate with instant and total devastation, we shall go down in defeat; and freedom will perish from the earth.

In this century we have had one consistently accurate prophet with respect to the intentions of those who oppose freedom—Winston Churchill.

Anyone who has read While England Slept knows that if his advice had been followed 20 years ago there probably would have been no Second World War.

At Llandudno, Wales, some 6 years ago, Mr. Churchill prophesied again. Listen to what he said, as his patriotism foresaw the increasing helplessness of Britain in this air-atomic age. As my colleagues know, the Soviet did not have the atomic bomb. I now quote Mr. Churchill:

> Nothing stands between Europe today and complete subjugation to Communist tyranny but the atomic bomb in American possession.
>
> The question is asked what will happen when they get the atomic bomb themselves and have accumulated a large store.
>
> You can judge yourselves what will happen then by what is happening now.
>
> If these things are done in the green wood, what will be done in the dry? If they (the Russians) can continue month after month disturbing and tormenting the world, trusting to our Christian and altruistic inhibitions against using the strange new power against them, what will they do when they themselves have large quantities of atomic bombs?
>
> No one in his senses can believe we have a limitless period of time before us. We ought to bring matters to a head and make a final settlement.
>
> We ought not to go jogging along, improvident, incompetent, waiting for something to turn up—by which I mean waiting for something bad to turn up.

But we have gone "jogging along, improvident, incompetent, waiting for something to turn up." And what has turned up has been bad.

As stated, now the Communists not only have the atomic bomb, but also the

hydrogen bomb, and the intercontinental bombers to deliver it.

As for us, we have the fine, courageous stand of Korea—and the sadness of the retreat of the free world in Indochina.

If in the future we continue to appease the advance of the Communists, as we are doing today, what shall we do when our vulnerability to sudden attack is increased a hundred times as a result of the joining together in quantity production of the two basic developments previously mentioned in this talk?

If we fail to stand firm, to hold our ground, to demand justice for the Americans in Communist dungeons, to act, now, as a rallying point for all freedom-loving nations—if we fail to do these things today, where tomorrow shall we find the courage to resist the ever-increasing arrogance of Communist power?

Why are we unwilling today to start making the sacrifices which will assure us an advantage in these new weapons?

From the standpoint of our national security, is it again going to be too little and too late; especially as, in this atomic age, too late would be final?

I do not believe in any policy which advocates striking the first blow.

But I do believe in having our Government face the facts, and telling the American people the truth, so they will know what they must do.

This would be the first step in getting started a program which will make us so strong any would-be aggressor will hesitate before attacking.

As for striking the first blow, the Soviet Communists have already broken the peace, a long time ago. After they had concentrated their power, in defiance of solemn agreements they moved in to enslave Poland, Rumania, Bulgaria, Hungary, West Germany, and finally Czechoslovakia.

As a great soldier of the free world has recently said:

> The first thing to realize, if we are to direct our strategy wisely, is that we are engaged in world war III now, and have been for many years.
>
> It is difficult to name a date for its beginning. The uneasy partnership of 1941–45 was not remotely like an alliance; from the Soviet point of view it was merely a convenient and for them extremely fortunate, arrangement which made it possible for them to dispose of one batch of enemies before going on to deal with the others, the rest of the capitalists' world.
>
> For those who like their history neatly paragraphed by dates, a D-day for this stage of the war might perhaps be that day in 1948 when poor Jan Masaryk fell to his death from a window in Prague.

Yes, Mr. President, the war has been going on for some time—and many of the blows are clear.

A direct blow was struck against the free world when the Reds intervened to defeat our ally, Nationalist China.

A direct blow was struck against us when first the North Koreans, then the Red Chinese, poured into Korea, and inflicted upon us tens of thousands of casualties.

A direct blow was struck against the free world when another free nation, Tibet, was overrun by Chinese Communists.

Today, the forces of our NATO ally, France, are being driven back to the Tonkin Gulf, by Communist forces equipped with Chinese and Russian weapons.

American and Allied planes have repeatedly been fired upon. Often they have been shot down, either over the high seas or the territory of free countries.

Many Americans are still held without cause or excuse in Communist prisons, while all we do about it is protest vainly for their release.

Should we not take whatever steps are necessary to stop these atrocities—and show more determination about preventing anti-Communists from being overrun and enslaved by the Communist hordes?

Just 2 years ago, in a political campaign, we heard much talk of freeing the enslaved peoples behind the Iron Curtain. Who has been freed? Instead, have not millions more who dared to work and fight on the side of freedom become enslaved? How can we speak of peaceful coexistence while such tragic retreat continues?

The question today is not whether we shall fight back. It is whether we shall stand our ground, for we are failing to do even that, and everyone knows it.

I do not always agree with my distinguished colleague, the majority leader. But I certainly do agree with him in that part of his recent address when he stated we should cease taking losses at the council table, and that we must, by deeds as well as words, prove to the Communists that we mean to defend ourselves against further Communist aggression.

All of us know now that we have failed to stand our ground when we should stand, and are failing to build our strength while we still may have the time to build it.

All-out war will occur when the Communists are confident they can win, and no sooner. The reason we are not at war today is that they have not yet achieved a decisive advantage in the new weapons.

But the Communists steadily improve their position in other fields besides the weapons field. They are gaining ever more territory and ever more people.

Why? Because we of the free world let them do it, without any real show of resistance. Most important, they are moving ahead of us in the advanced weapons—because we are not making any comparable effort to produce those weapons.

It is incredible, and it is shameful, that despite these facts, this year we are asked to appropriate less money in research and development than we have for several years.

It is incredible, and it is shameful, that we are cutting the personnel of our Armed Forces.

It is incredible, and it is shameful, that we are losing indispensable technical specialists, simply because we refuse to pay them and house them well enough to keep them.

It is incredible, and it is shameful, that in the present crisis we have, nevertheless, cut ROTC programs so brutally that in some cases honor graduates from outstanding colleges have been denied commissions.

What siren songs have seduced us? Are our dreams so sweet that we can sleep through this rising clamor of danger while our advantages melt away, while our vulnerabilities increase, while our allies weaken in power and spirit, and while precious months and years are lost?

One of the dreams that lulls us into this hopeful make-believe, is the theory of the so-called atomic standoff. This is the argument that, when both we and the Communists have plenty of atomic weapons, neither of us will use them. To gamble on such a miracle is like betting that two men armed with loaded pistols will merely wrestle, until one of them is thrown to the ground and kicked to death.

Mr. President, nations, like men, know that terrible weapons can mean sudden death; but neither nations nor men have ever refrained from using their decisive weapons in a life-or-death fight.

Some say these evil atheists, who treat human life as a commodity, would never destroy millions of our people in a hydrogen attack. Those who take that position should balance it against our knowledge that the rulers of the Kremlin were perfectly willing to destroy millions of their own people in order to establish a particular farm program.

As for our own policy, would we allow ourselves to be defeated in another all-out war without using the only weapon which could bring us victory? Would we allow our allies in Europe and Asia to be overrun and enslaved without striking an effective atomic blow in their defense? If we did so allow, we would be sealing our own doom.

Let us hope General Gruenther's statement a few weeks ago really is our national policy, when he said:

> Our minds are clear that we must and shall use every weapon in our arsenal.

Responsible leaders across the sea admit there is no chance whatever to withstand the massive manpower of the Communists on the continent of Eurasia unless we employ nuclear weapons. Therefore we must maintain our qualitative advantage. This can be done, but it will require far greater effort than we are making today.

If we are to continue to exist as a free people, America must lead in weapons; first, with superior bombers and fighters, naval task forces, and mobile ground forces. Second, and as soon as possible, with superior long-range missiles. These missiles must be buried deep in the earth—and positioned to avoid the possibility of sudden destruction. If we adequately increase our efforts toward such preparation, and stand firm against all threats, we can hold these power-drunk Communists in check.

In conclusion, I urge with serious and earnest conviction that the deeds and sacrifices which must be required of the American people be told to them clearly and unmistakably by those who have all the facts, and who have the responsibility. If the people get the truth, they

will do whatever is necessary to remain free.

I know of course that we must also be strong economically and spiritually, with abiding faith in our way of life. Above the atomic, hydrogen, or even the cobalt bomb, is the integrity of man.

But God has given us the opportunity to defend that way of life through adequate military strength—and the sooner we attain that strength the sooner we can halt the present drift toward a helplessness which can only result in the loss of the free world.

Some 15 years ago a valiant warrior stood his ground against the Communists—Marshal Mannerheim, of Finland. The marshal said:

The rights of nations are not defended by declarations and phrases. There must be the desire to defend one's country by deeds and sacrifices.

EXHIBIT A

BOMBS ON AMERICA

(Translation of article appearing in June 16, 1954, issue of Der Spiegel. Der Spiegel is a weekly news publication widely read. There is no byline on this article. However, one reviewer suggested that it might have been written by the former Chief of Staff of the Luftwaffe.)

The hope of the American bomber force was the B–52. This most modern of all American jet aircraft has, without droppable tanks, a radius of action of over 5,000 kilometers; it can operate at altitudes up to 18,000 meters and flies with a speed which might lie above 1,000 kilometers an hour. The first production aircraft of this kind left the Boeing plant in March of this year. It will take until autumn of 1955 until the first active squadron can be placed in service. At this time there are two aircraft in service.

The Chief of Staff of the United States Air Force, Gen. Nathan F. Twining, was recently compelled to admit that the American pride in the superiority of the B–52 was somewhat premature and somewhat too self-complacent: "The new heavy jet bomber of the Soviet Union is in its form and in its characteristics comparable with our own B–52. * * * The Reds have shown the world that they are in possession of a jet bomber of a similar type."

When on the 1st of May military attachés clicked their cameras on Red Square in Moscow in order to film the new heavy bombers flying past at low altitude, the Soviet liaison officers looked on, smiling in a friendly way. They were, even more surprisingly, ready to render information. "Molot" (Hammer) is the name of the new model, they explained to foreigners.

The material which the Western air attachés then transmitted to their superior headquarters sufficed to destroy the various illusions concerning Western air superiority. General Twining characterized the parade of May 1 as a "more important milestone than the knowledge of the first Soviet atomic-bomb explosion."

Immediately an expert commission under the direction of Maj. Gen. James S. Stowell was assembled by the United States Air Force to evaluate the material on the new Soviet bomber. On May 22 its investigation ended and it submitted its report.

According to the findings of the commission, the Soviet type resembled the B–52 externally, but exceeded it, apparently, by about 1 meter in the span of the lifting surfaces. On the contrary, the Soviet jet bomber is propelled by only 4 jet engines, while the B–52 possesses 8.

This fact was so sensational for specialists that, for example, the British wing commander, T. C. Musgrave, was led to the premature conclusion that the bomber exhibited in Moscow must have been flown only with 4 engines, while 4 others were built into the wings, and during the parade were flown throttled down.

Musgrave had to give up these theories after the photographs were laid before him and the experts had proved to him that a large bomber could not be flown at a speed of 880 kilometers per hour (as the attachés estimated the speed) over the parade if it used only half of its engines.

From this it is to be concluded that, assuming about the same weight for the Soviet and the American aircraft, the Soviet engines must develop approximately twice as much thrust as the Pratt & Whitney J–57 engines, with which the B–52 is provided. Jet engines of such strength have not even been put on the drawing boards in the United States.

A further conclusion emerges: Four engines which have approximately the same thrust as eight weaker engines have in combination do not consume the same quantity of fuel, but about 25 percent less. As a consequence, payload and radius of action of the Soviet bomber exceed that of the B–52.

The expert commission has unanimously reached the conclusion that the new bomber is already in production.[1]

The number of aircraft already on hand was estimated diversely: British experts were of the opinion that the Soviets have about 1 wing (27 aircraft) ready for first-line use, while the Americans, and with them a few neutral observers, attacked this figure as being too high.

The observers concluded: The Soviet Union possesses a long-range bomber that can be described as a technical success; the bomber is, as a result of its speed, in position to evade defensive fighters (in English) ("fast enough to elope interceptors"—"elope" is the verb Der Spiegel quoted); the aircraft has a radius of action which permits flights from the Soviet Union to the United States of America and return; the Soviet Union is, accordingly, in position to execute atomic attacks against the United States of America.

Adm. Ben Moreell, retired, during the war commander of the American Sea Bees in the Pacific, now president of Jones & Laughlin Steel Corp., calculated, under the impact of the Moscow May Day parade, that 10 atomic bombs could knock out about 75 percent of the entire American heavy industry.

The Americans replied to the Moscow exhibition with the announcement of a supersonic bomber. In the development of the B–58, the planned aircraft, essential advances had been made.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

Mr. SALTONSTALL. Mr. President, will the Senator withhold that suggestion for a moment?

Mr. KNOWLAND. Certainly.

Mr. SALTONSTALL. I should like to reply very briefly——

Mr. KNOWLAND. Mr. President, some time ago the distinguished Senator from Missouri [Mr. SYMINGTON] mentioned that he had an important speech to deliver. It has been an important speech. A day or so ago I stated that until the pending business was disposed of I would object to Senators yielding except for questions. If the Senator from Massachusetts can phrase his remarks in the form of questions, I have no objection. Otherwise, I hope we can proceed with the pending business. There will be ample time, after we have concluded consideration of the pending bill, to discuss questions of foreign policy.

The PRESIDING OFFICER. Is the Chair correct in his understanding that the Senator from California withholds his suggestion of the absence of a quorum?

Mr. KNOWLAND. I withhold it temporarily. The Senator from Massachusetts may desire to address a question or two to the Senator from Missouri.

Mr. SALTONSTALL. I will phrase my observations in the form of several questions directed to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I thank the majority leader for allowing me to answer, and I am glad to yield for a question.

Mr. SALTONSTALL. Mr. President, I do not intend to take any great amount of time. However, I did not want to let pass by unchallenged the several statements beginning, "It is incredible, and it is shameful." I do not agree with them.

The Senator from Missouri is a member of the Armed Services Committee, as I am. Will not the Senator agree with me that this spring we had some very frank and outspoken briefings by various leaders of the armed services? As one member of the Armed Services Committee, from the Senator's side of the aisle, has said to me, they were the best and frankest briefings that have been given by members of the armed services to our committee. Will not the Senator agree with me that those briefings were very complete, and answered every question we had the intelligence and the knowledge to ask?

Mr. SYMINGTON. I will agree that the military members of the Joint Chiefs of Staff who appeared before us answered questions put to them. However, in a spirit of fairness—and I know the distinguished chairman of the Armed Services Committee would want me to say this—I believe it important for the American people to realize that our recent policies in the Far East have been adopted over the direct protest of members of the American Joint Chiefs of Staff. I believe there are members of our Joint Chiefs of Staff who agree with many Members of the Senate on both sides of the aisle that the time for appeasement of Communist aggression is over, and that we must make a stand somewhere, on some basis.

Let me add that I am very proud of those members of the Joint Chiefs of Staff who feel as they do in that connection. However, I fully understand why, when decision is made by those above, they are not in a position to oppose in a hearing before our committee.

Mr. SALTONSTALL. On the Armed Services Committee are representatives of the people of Missouri, Massachusetts, Washington, and Mississipi. Those representatives are present in the Chamber. The Senator will agree with me——

Mr. SYMINGTON. I hope the Senator has nothing against Kentucky and

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[1] As proof, English and Scandinavian attaché reports were adduced which could demonstrate that in the past the Soviet Union had never exhibited weapons at their annual May Day parade which had not already been introduced to the troops.

Tennessee, and I must not forget California, either.

Mr. SALTONSTALL. I wonder if the Senator will agree with me that, to the representatives of those various States pertinent information was given, so far as possible, to members of the Armed Services Committee. The Senator will agree, will he not?

Mr. SYMINGTON. May I take a moment to quote again from a very great fighter for the free world against communism. I refer to Marshal Mannerheim, of Finland. The marshal said:

> The rights of nations are not defended by declarations and phrases. There must be the desire to defend one's country by deeds and sacrifices.

I agree we have heard many fine declarations and fine phrases, but I do not think we have a program adequate in scope to defend the security of the United States and the free world. That is the purpose of my address this morning.

Mr. SALTONSTALL. In the form of questions, I should like to ask the Senator about 1 or 2 further points.

I am a member of the Appropriations Committee, as is the majority leader and several other Senators who are present in the Chamber. I have heard in that committee the plea that there must be no reduction of appropriations for research, either in connection with airplanes or other weapons of war, such as self-propelled weapons of various kinds.

This year, particularly, we have appropriated, for research, through the Commission on Aeronautics, which is engaged in research on the fundamentals of airplanes, the full amounts requested and they are approximately the same as the appropriations for previous years. Has the Senator any information, beyond the information which is given to the Appropriations Committees, showing that less money is being spent for research?

Mr. SYMINGTON. I shall be glad to read the figures to the distinguished Senator from Massachusetts.

In 1953, for example, the fiscal year, for research and development we appropriated for all 3 services and the Office of the Secretary of Defense, $1,586,000,000. In 1954, despite more knowledge on our part about the tremendous concentration on new weapons in the Soviet Union, we appropriated a great deal less, namely, $1,390,000,000. In 1955, with apparent Soviet superiority in the intercontinental ballistic missile field becoming more possible, we appropriated still less, namely $1,352,000,000.

More important than the figures, however, is the approach to the problem. If the American people knew the facts, as on the basis of, say, the Manhattan district project, which project resulted in our getting the atomic bomb before anyone else, every scientist in the country would want to drop what he was doing to work for the defense of his country; whereas today few scientists are eager to work on a problem which seriously affects the security of the country.

Mr. SALTONSTALL. I agree with the Senator. Let me add to those statements the observation that I believe the Senator will find that there are substantial unexpended balances from various previous appropriations for research, which must be added to the present appropriations.

Just two more questions, Mr. President——

Mr. SYMINGTON. Mr. President, will the Senator yield at that point?

Mr. SALTONSTALL. Yes.

Mr. SYMINGTON. What the Senator says is true, and unexpended balances add to the logic of my remarks. I should like to point out also that in the 1955 budget the appropriations for research and development, as passed by the House, are still further reduced than the figures just mentioned, to the point where, this year, and despite world conditions, including the great importance of hydrogen weapons and intercontinental ballistic missiles, we will be authorizing millions of dollars less for research and development than a few years ago.

Mr. SALTONSTALL. I most respectfully disagree with the Senator on that point, although the figures I have stated are from memory. The question of continental defense, I realize, of course, is of great importance to our national security. However, I should like to ask the Senator from Missouri if he is generally acquainted—perhaps I am more intimately acquainted because I have had the responsibility of trying to learn more about it—with the steps taken, the effort expended, and the money which is being put into our continental defense today.

Mr. SYMINGTON. I believe I am more than generally acquainted, having followed the subject carefully since leaving the Pentagon some years ago. I believe it important to have adequate continental defense, primarily for two reasons. First, under hydrogen-bomb attack, such defense would mean that more people can get out of more cities; secondly, it means that our strategic Air Force, with its capacity to retaliate, will have more time to disperse.

However, one of the basic points of my talk this morning is that today there is no defense against the new intercontinental ballistic missile, regardless of whether we spend $5 billion or $50 billion in continental defense.

There is absolutely no known method for defending the United States against an intercontinental ballistic missile attack.

Hydrogen bombs can now be made inexpensively and can be delivered in large quantities. Therefore it is extremely important for the American people to understand why our foreign policies must be more decisive and more realistic than they are today.

Mr. SALTONSTALL. I agree with the Senator from Missouri that there is no known defense today against an intercontinental ballistic projectile of the kind the Senator mentions. However, I would also state that in my opinion—and I know the Senator has the same opinion—that that is still a weapon of the future. I should also state that we are developing our research and knowledge so as to be able not only to build such a weapon, but to know how to defend against one which might be aimed against us.

Mr. SYMINGTON. Mr. President, will the Senator yield?

Mr. SALTONSTALL. I yield.

Mr. SYMINGTON. So that no false impression may be created on this subject—and of course I know the distinguished Senator from Massachusetts would never want to give such an impression—I believe that within 5 years there is a chance there will be enough intercontinental ballistic missiles, with hydrogen warheads, in the possession of the Soviet Union, to deliver an all-out attack against the United States. I am certain that that will be true in less than 10 years. The advisers on that subject are the same ones who stated accurately that the Soviet Communists would have the atomic bomb many years before most experts predicted they would. In fact, some of them thought the Soviets would have the bomb by 1948, instead of 1949.

My point is that it would be a terrible tragedy from the standpoint of our future security if we try to wave aside, with seductive remarks, the fact of the growing danger of the long-range intercontinental ballistic missile with its hydrogen warhead.

Mr. SALTONSTALL. I should like to ask one more question, and I will put it in the form of a 4-part question.

Must we not proceed with realistic steps, and take the steps one by one, and make them practical? Does the Senator from Missouri know of any attempt on the part of the present administration to conceal any facts it can legitimately divulge? Must we not proceed on a long-range basis over a period of years, and not on a crash basis? Finally, from a spiritual and moral aspect, must we not proceed in a spirit of optimism and hope and faith in our own ability as free men to defend ourselves and our country and maintain the safety and security of our people, if we are going to go ahead in the United States.

Mr. SYMINGTON. I would appreciate it if the Senator would ask the first question again. I shall try to answer it, and then I shall proceed to the next question.

Mr. SALTONSTALL. I would say, with somewhat of a smile, because I want to cooperate with the majority leader—I know what he is trying to do, and I am trying to live up to what he has asked me to do—the first question, if I can remember it myself, is whether we must not proceed with realistic steps, one by one, and make them practical as we go along?

Mr. SYMINGTON. I say, also with a smile, that the Senator from Massachusetts has asked me if I am in favor of an early spring. I completely agree with him. I ask what is the next question.

Mr. SALTONSTALL. Does the Senator from Missouri know of any attempt on the part of the present administration to conceal from Members of Congress and the American people generally any facts it can legitimately divulge with regard to security?

Mr. SYMINGTON. The answer to that question is "Yes." Does the Senator from Massachusetts care to give me the third question?

Mr. SALTONSTALL. I shall leave it at that and debate the question with the Senator later.

Mr. SYMINGTON. I should like to say respectfully to the distinguished senior Senator from Massachusetts, as I stated in my talk, that we were shocked when we learned of the long-range bomber development of the Soviet Communists. Their new bomber was paraded before the Soviet people in the May Day parade. It was extensively photographed by persons of the free world. It has been extensively discussed in Europe. Yet there has been no official announcement, and no official information with official pictures, given to the American people on this bomber.

The point of my talk was that the American people must realize how important it is to follow these matters and face up to the Communist advances.

Mr. SALTONSTALL. I have seen a picture of that Soviet bomber in the newspapers and magazines.

Mr. SYMINGTON. So have I. However, I have not seen anything official. I have not seen any official statements about it, with pictures. I have not seen any warning to the American people in connection with it. I read that the Assistant Secretary of Defense in charge of Research and Development made the statement that the Soviets were overtaking, or getting ahead of us, in some of these new weapons. Later I read that statement was denied by a person in higher authority. I believe the first statement was correct, and the second statement was incorrect.

Mr. SALTONSTALL. The Senator from Missouri may have seen no official publication on that subject, but I state as my own personal opinion, not based on anyone elses opinion, that if there is no knowledge that such a plane is being produced by Russia in any quantity or that the plane is fundamentally sound at the present time, would it be wise for the Department of Defense to say, "Here is a weapon that may be used against us in the next few years," when they know or have reason to believe that such a weapon does not exist in any dangerous numbers?

Mr. SYMINGTON. I do not think we should fool the people with regard to these matters.

Mr. SALTONSTALL. We do not want to fool the people.

Mr. SYMINGTON. If the distinguished Senator from Massachusetts will remember, the estimated number of planes, modern long-range bombers now in the hands of Russia, was given to us in executive session in the Armed Services Committee, and the number exceeds the number of our latest bomber which we possess today.

Mr. SALTONSTALL. I know the distinguished Senator from Missouri has great intellectual capacity, so I shall ask my last 2 questions as 1, so as not to take any unnecessary time of the Senate.

In view of what the Senator himself has said, and from what we know, is it not wise to proceed on a long-range basis in building up our defenses? The other question is, Must we not in the next long-range period, certainly as long as the Senator and I shall live, pursue our course with optimism and faith, and with a desire to build up the morale of our people, rather than with an idea that the world is going to come to an end, that we are going to be defeated, and that we are not doing our part? Must we not proceed along spiritual lines as well as practical lines?

Mr. SYMINGTON. May I answer the second part of the Senator's question first? If the distinguished Senator will do me the courtesy of reading my talk in detail at his convenience, he will see, especially in the last part, that I recognize the dignity of man and the vital importance of spiritual and moral values. But I remember the history of those brave Spanish missionaries who landed in Florida, and walked up the beach, only to be promptly scalped by the Indians. I think we owe it to our children, in addition to teaching them moral and spiritual values, to supply our country with adequate military strength, because we are the last great power in the world left against the Communists. To hold to our traditions, and to be strong in the face of this terrible advancing aggression, we cannot depend on moral and spiritual values alone.

Mr. SALTONSTALL. I agree.

Mr. SYMINGTON. Now to the second part of your question: If I may respectfully say so, I do not think these matters can be handled on a sudden or a spasmodic basis. We must have a long-range program, putting into it anything and everything necessary for our security. I do not believe we are doing that, which is one of the reasons I am taking the time of the Senate this morning. We are faltering in our decisiveness with respect to our military position, just as, in my humble opinion, we are faltering in decisiveness in the field of foreign relations.

Mr. SALTONSTALL. Confining myself to the military, I believe there is decisiveness in going forward with the production of constantly changing weapons. I believe there is as much decisiveness as we can possibly have.

Mr. JACKSON. Mr. President, will the Senator from Missouri yield for a question?

Mr. SYMINGTON. I shall be glad to yield to my distinguished colleague from Washington.

Mr. JACKSON. With the tragic loss suffered in Indochina, as determined by the truce signed last night in Geneva, does the Senator feel there is a need for increasing our expenditures for defense over the amount which we have already appropriated for the fiscal year 1955?

Mr. SYMINGTON. Unfortunately, during the debate on appropriations for military defense, I was otherwise engaged.

Mr. JACKSON. I may say that the distinguished junior Senator from Missouri was not the only one in that position.

Mr. SYMINGTON. I know that to be true. Therefore, I could not go into the questions brought up on the floor by the able Senator from Massachusetts. But I think it extremely difficult for the American people to understand the justification for constantly reducing our expenditures for national defense, especially in that field of research and development which involves new weapons, while at the same time the Communists are steadily increasing their control over millions of acres, and millions of people. More specifically, I agree, without reservation, to the question of the distinguished junior Senator from Washington, that our military appropriations do not face up to the ever-growing peril.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question at that point?

Mr. SYMINGTON. I shall be glad to yield.

Mr. KNOWLAND. I desire to follow the rules, and so will confine myself to asking a question. I should like to ask the distinguished Senator from Missouri if he does not believe that the policy which has been enunciated abroad of peaceful coexistence with ruthless and aggressive communism is not comparable to the situation of an individual who has been put into a cage with a vicious tiger which has just been well fed and is digesting a big meal, but when he digests his meal, which in this case is a big piece of Indochina, he will then seek the next source of his meat, which will be the unfortunate individual who is trying to coexist with him in the tiger's cage?

Mr. SYMINGTON. I could not agree more heartily with the Senator. I am reminded of that poem which begins, "There was a young lady from Riga who went for a walk with a tiger." We all know what happened. I cannot remember the last line. [Laughter.]

Anyway, there was a smile on the face of the tiger when he came back by himself. [Laughter.]

Mr. JACKSON. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield to the junior Senator from Washington.

Mr. JACKSON. Is it not true that as we lose to communism parts of the world's real estate, together with population and resources, the responsibility which rests upon the United States to defend itself is increased by just that much?

Mr. SYMINGTON. I agree. The more land we lose to those behind the Iron Curtain, the less chance we have of successfully defending ourselves, and, therefore, the greater the necessity now for a firmer attitude.

Mr. JACKSON. Mr. President, I wish to commend the distinguished Senator from Missouri for the invaluable contribution he has made to our defense effort over the years and his continuing contributions to the security of our country and of the free world.

Mr. HILL. Mr. President, will the Senator from California yield?

Mr. KNOWLAND. I yield.

Mr. HILL. I should like to join with the Senator from Washington in all he has said about the Senator from Missouri. We know of the great experience of the Senator from Missouri and the authority with which he speaks. Time and again on this floor, and time and again in many other places, he has made tremendous contributions to the defense of our country. I think the speech he has delivered this morning could not

have been more timely, more thought-provoking, or more challenging. I wish heartily to commend him and to congratulate him.

Mr. SYMINGTON. I thank my distinguished colleague, the senior Senator from Alabama and my colleague the junior Senator from Washington, for both of whom I have great affection and respect.

Knowing of the tremendous knowledge and experience in the field of military matters of the senior Senator from Alabama, there is no one from whom I would rather receive those undeserved remarks. I say to the distinguished Senator from Alabama, who has been such a great advocate of airpower in the years I have had the honor to be associated with him, that if the facts as presented in this talk today are true, it is a terrible position into which we have allowed this country to descend. And I have done my best to get the truth in order to present it to my colleagues.

Mr. STENNIS. Mr. President, it is my good fortune to sit next to the distinguished junior Senator from Missouri in the Committee on Armed Services. I know from daily contact with him of the deep concern he has with reference to the problems of defense. I also know of the real zeal and effort he devotes to these matters, in trying to help find the right course of action.

I think his speech, particularly as he emphasized the problem of long-range missiles, is very timely, and foreshadows coming events. What the Senator has said about long-range missiles is all too true. No other power on earth can begin to cope with the problem from this viewpoint.

I hope the Senator will continue to emphasize, urge, and push the matter in the inner councils of the Pentagon and at other levels, because the immensity of the problem, when considered with various defense problems on so many other fronts, could be overlooked, and action might come too late.

We are all indebted to the Senator from Missouri for what he has said. I disagree with him somewhat about going into Indochina. At the same time, what has happened in Indochina, which has culminated in the signing of armistice papers within the last 24 hours, certainly emphasizes the point he makes, particularly with respect to long-range missiles.

I hope the speech of the junior Senator from Missouri will be circulated throughout the Nation, and that he will make other speeches on this very important subject—not the scare type, but speeches having an intelligent, deliberate, helpful approach. I heartily commend the Senator.

Mr. SYMINGTON. I thank the distinguished Senator from Mississippi. It is a privilege, an honor, and a pleasure to be associated with him on the Committee on Armed Services, and to follow his fine mind when he approaches problems incident to our national security. If I may respectfully say so to the Senator from Mississippi, I do not think I said we should go into Indochina. I believe however, that the free world should not have gone out of Indochina. That opinion is held not only by Members on the other side of the aisle for whom I have great respect, but is also the firm conviction of Senators on this side of the aisle as well as military persons in our Government, for whom I have the same respect.

Mr. MONRONEY. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the distinguished Senator from Oklahoma.

Mr. MONRONEY. I wish to compliment the distinguished junior Senator from Missouri upon again, as he has done in the past, raising his voice in the Senate to warn the country of the need for keeping our defenses at a high and efficient level. Much as we hope that the experiment with peaceful co-existence may succeed with our allies, their efforts in this direction, I think, put an impelling need upon us not to gamble with the future of the world by failing to build up the defenses of the free world here in America. As the various moves are made by our allies in the effort for co-existence, I think it should only stimulate us and force us in the Western World to recognize that we probably are the last and most secure bastion of freedom. If we neglect to keep abreast of the technical development of long-range guided missiles, and other weapons of which the Senator has spoken so ably today, then we may fail to be the means of keeping the world free from the onrush of Communist aggression.

I believe we can well reflect upon a statement made by a great leader of the Republican Party, Theodore Roosevelt, who said, with respect to foreign policy, that we should speak softly, but carry a big stick.

Mr. SYMINGTON. I thank my distinguished friend from Oklahoma. It would seem obvious, as one analyzes the situation, that no countries in Europe could successfully defend themselves against an all-out guided missile attack. It is important that we accept that analysis as a military fact. Then it is much easier to understand some of the diplomatic problems confronting the world today. It emphasizes and reemphasizes the point made just now by the distinguished junior Senator from Oklahoma; namely, that the last hope left in the free world is adequate rearmament on the part of this country, so that we can protect the free world and ourselves; and also that we can create a decisiveness in foreign policy which is lacking today.

Mr. GORE. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Tennessee.

Mr. GORE. In reading the very able and provocative address of the junior Senator from Missouri, I find that he emphasizes two things—strength and determination; and to put those into effect, his speech deals with the power to retaliate, and also the strength of forces in being on the ground and on the sea.

On page 15 of the Senator's very able speech, he refers to the shamefulness of reducing appropriations for development and research, of cutting the personnel of our Armed Forces, of losing indispensable technical specialists, and of the cut in the ROTC program.

If we continue a policy of cutting down our Armed Forces and of withdrawing from the points of contact with the enemy, whom the able Senator has described as pushing, ever pushing, will not the inevitable result be that which the Senator has described on page 12 of his speech: "the retreat of the free world in Indochina, if in the future we continue to appease the advance of the Communists, as we are doing today."

My question is, Does the Senator believe that power in the air and power to retaliate are sufficient? Must we not continue to have strength to meet the threat wherever it arises? Else will we not have more appeasement, such as the Senator has described on page 12 of his speech?

Mr. SYMINGTON. I believe my distinguished colleague and friend from Tennessee is absolutely correct. The time has come when the free world must defend itself. Fifty years ago the speed of war was some 20 miles an hour. Today a man in a piloted plane has gone over 1,500 miles an hour, and shortly, he will go more than 2,000 miles an hour.

What does that mean? It means the world is contracting, and therefore, our outposts must be expanded instead of pulled back. Today we look at our television sets and see hundreds of thousands of people being turned over to those who rule behind the Iron Curtain. To me that means we are also watching the ultimate destruction of our own way of life, unless we take a sharp turn in policy.

Mr. ROBERTSON. Mr. President, will the Senator yield?

Mr. KNOWLAND. I yield to the Senator from Virginia.

Mr. ROBERTSON. I wish to ask the distinguished Senator from Missouri if he saw in the morning newspapers a statement made yesterday by Secretary of Defense Wilson, to the effect that we must build up our military personnel to a strength of at least 3 million; and that in fiscal 1956, we shall measurably have to increase appropriations for defense, and there will be no more cutbacks.

Mr. SYMINGTON. No, I did not see that statement, but I am glad to hear of it.

Mr. ROBERTSON. For several months I have been expressing that belief, if world affairs should take an unfavorable turn, it may be necessary to provide supplemental appropriations of between $2 billion and $3 billion for defense. Certainly what has happened in Indochina is not at all encouraging, although I can understand how happy the French are to have reached any kind of settlement there, because, from a military standpoint, they had just about "shot the bolt," so to speak.

But the clear inference of the statement by the Secretary of Defense was that while it may not be done in the current fiscal year, he is putting everyone on notice that increased appropriations probably will become a part of what is called the New Look; that having looked again at the world situation, the military is definitely of the opinion that in

the next fiscal year, instead of making further cuts in our defense program, there will be further increases.

Mr. SYMINGTON. I did not see the statement, but I am sure that when the distinguished junior Senator from Virginia repeats it on the floor of the Senate, he repeats it accurately. I now ask, as we contemplate the Kremlin's program for advancing communism, what justification could there be for the Secretary of Defense to say, in any statement this morning, that next year we should increase our military appropriations, when this year he approves action of the Congress of the United States in heavily reducing military appropriations.

Mr. KNOWLAND. Mr. President, will the Senator yield for one brief question before I suggest the absence of a quorum?

Mr. SYMINGTON. I yield.

Mr. KNOWLAND. Does not the distinguished Senator from Missouri feel that, if we have a mutual security system, the word "mutual" should be underscored so that both parties to it will contribute their fair share?

Mr. SYMINGTON. I agree without reservation to the observation made by the distinguished senior Senator from California.

Mr. KNOWLAND. Since the Senator from Missouri believes, as the majority leader believes, in a system of collective security, does he not think the time has come when we should definitely find out, if the chips should be down on further Communist aggression, which of our allies will stand up and be counted?

Mr. SYMINGTON. There is no question of the logic of what the majority leader has said, both from the standpoint of our own security and the security of our allies who want to stand up and be counted.

Mr. KNOWLAND. Does the distinguished Senator from Missouri believe that allies who are not prepared to stand up when the Soviet Union is in the early stages of its development and stockpiling of atomic weapons, and the means of delivering them, will be any better able to stand up 6 years from now, when the Soviet Union has built up its stockpile of hydrogen and atomic weapons, and instead of 1 or 2 planes flying over Moscow on May Day, they have hundreds of planes in the same category? Will our allies be better able to stand up under those circumstances?

Mr. SYMINGTON. In my opinion, within 6 years it will not necessarily be a question of planes. Those countries must now adopt with us some decisive policy against the advances of communism, because 6 years from now their position will be even more helpless than it is today.

As example, the V–2 was the first intercontinental ballistic missile. If the Nazis had had it a year before they did, they could certainly have destroyed London, and very possibly England.

As those know who have read the history of Hitler's last year, Hitler was basing a large part of his confidence in ultimate victory on these V–2 weapons. Today, instead of a Model T V–2, we have the new, sleek Cadillac of the 4,000-mile missile, developed not only by the outstanding engineers in the Soviet Union but also by the very same engineers captured from Hitler when the Russians swept over East Germany.

Therefore, if I may associate myself with the ideas of the majority leader, the people in the free world who should be most anxious to line up with us in a more decisive policy are those who are helpless today before the advancing Communists.

Mr. KNOWLAND. Mr. President, will the Senator yield for another question?

Mr. SYMINGTON. I yield.

Mr. KNOWLAND. Does not the distinguished Senator from Missouri think there are tens of millions of people, if not hundreds of millions, behind the Iron Curtain who are no part of ruthless and godless communism, and whose hope will be raised by action of the free world, but who will lose all hope and will despair if they see the free world retreating before the ruthless men in the Kremlin?

Mr. SYMINGTON. The majority leader is right. There is great sadness in the news of the latest retreat in a part of the world where literally millions of people who believe in God and freedom are being left to the knives of the advancing Communists.

Do not these actions nullify all statements made about stopping the Communists?

Mr. KNOWLAND. I will end my inquiries of the Senator from Missouri by asking if he does not agree with me that the decision of yesterday in turning over to Communist control tens of millions of people in what was a free area of Vietnam is one of the greatest Communist victories of the present decade?

Mr. SYMINGTON. I completely agree with the distinguished majority leader. Based on my knowledge of the resources of the country, I venture to say that this word "parallel," first in Korea, now in Indochina, may destroy us economically, regardless of whether it is going to destroy us militarily. We should not believe that dollars are all people of the free world need for ultimate victory in our struggle against the Communists.

Mr. LEHMAN. Mr. President, if the Senator from California will yield, I may say that I have listened with great attentiveness to the statement made by the distinguished majority leader. He stated that tens of millions of people behind the Iron Curtain possibly hundreds of millions, would be much encouraged by a show of force. Will the distinguished Senator from Missouri not agree with me that they need much more than encouragement that can be given to them by fortitude of spirit? What they want to have is some assurance that we are sufficiently strong militarily to come to their assistance if they throw in their lot with us. Is that not correct?

Mr. SYMINGTON. The distinguished Senator from New York is correct. Those peoples have been in wars for generations. Today, people in many foreign countries know that the way military power is distributed today, the only hope they have to continue as free people is based on what we do in this country about adequate military strength. I do not believe we are doing enough. I believe that is one of the reasons we are having so much trouble in foreign policy matters. Today the military people in the foreign countries are telling the rulers of those countries that we are not doing enough, just as the military people in this country are saying off the record we are not doing enough.

Realization all over the world that we are not adequately preparing is one of the reasons why the free world is being lost step by step.

Mr. LEHMAN. I completely agree.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. ANDERSON] to the amendment of the Senator from Michigan [Mr. FERGUSON], as modified.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. KNOWLAND. Mr. President, I ask unanimous consent that the order for the call of the roll be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. Mr. President, at the outset I wish to assure the Senate that the rather long speech I shall make today is not for the sole purpose of delaying the vote on any important measure. I had intended to make this statement before Congress had adjourned, and I have found no better time to make it than now, because the statement deals with the entire question of the Federal power policy, which is involved in the pending bill.

Mr. President, there are many disturbing features of the bill. However, I wish to center my remarks upon the power aspects of this measure, because in the section of the country from which I come, one of the most important questions, if not the most important, is that of the Federal power policy and power development and the effect of any legislative measures on the development of hydroelectric power, atomic power, and power from other sources. Certainly such power constitutes one of the most important resources of the Nation.

This bill comes before us under strange circumstances. All who have discussed it or worked on it, contend it is one of the most important measures to be considered by the Congress in this decade.

Of course, Mr. President, I have been familiar with the fact as have other Members of the Senate, that the Joint Committee was working on a bill. However, I was mistaken, apparently, in believing that the joint committee was working on amendments of a minor nature, in the light of the experience with

the McMahon Act since the time of its enactment. Until the pending bill was reported to the Senate, I had no idea that it contained such important features, calling for sweeping changes which would have a most serious effect upon the entire power policy of the Nation.

Mr. President, as I have said, the pending bill is a most important one. In spite of this, the bill was called up for debate within less than 1 hour after the committee report became available.

The bill shows that it was reported to the Senate Calendar on June 30. At that time it was assigned report No. 1699. Anyone looking at the calendar would think that the committee report has been available since June 30.

As I have just stated, such was not the case. Debate on this important bill was actually under way before many of us could get our hands on a copy of the committee report. It is difficult for some of us to understand why proposed legislation—allegedly as important as this—should be handled in such a slapdash manner.

I wager that few Members of the Senate—including those who sat on the joint committee and participated in the discussion there, and also the Members of the Senate who have listened to the debate on the floor of the Senate on many of the important features of the bill—fully understand this measure.

Actually, what the leadership should do is lay this bill aside, let the Members of Congress and the people of the country study its implications during the recess; and then, when Congress convenes in January, proceed to do a workmanlike job on this most important matter. I cannot understand the need for such hasty action.

I said at the outset that I wish to concentrate my remarks on the power aspects of the bill, although I appreciate that many other important aspects are involved. After all, power is not only most important to all the people of the United States, but it is particularly important to the people of the great Northwest area and other areas of the Nation where hydroelectric power is now being developed.

I shall now proceed to discuss the power aspects of the bill.

Mr. President, I am not an expert in the field of atomic energy, and of course I do not pose as such. Like most Senators and most members of the public, I do have a general knowledge of this new source of power. Like other non-scientific men, I comprehend something of its terrific potential.

We are dealing here with energy in its most basic form. In fact, we are dealing with matter itself. The people of this country have spent over $12 billion to discover the secrets of atomic energy and to develop the facilities for putting it to work.

Mr. President, I remember well when this project was begun in utmost secrecy, during the war, for at that time I was one of those who knew about the project, as I was a Member of Congress at that time. However, to date we have spent more than $12 billion in this very successful development, and we are proceeding very rapidly.

That $12 billion investment produced the atom bomb. In addition, it has financed the partial know-how of converting nuclear material into electric power and many byproducts. This new source of power may exceed in importance and in dollars the value of all the rivers of this country, insofar as electric power is concerned. Yet, Mr. President, again I say the bill does not contain the necessary safeguarding provisions. No procedures have been written in or devised to protect the public interest.

Early in the history of the Republic, the Congress and the people recognized that our rivers and streams—that falling water—were priceless assets. Early in the days of the Republic, it was recognized that this asset belongs to all the people, that they are the owners, and that rules of the game must be devised if private use or exploitation of the asset was to be permitted.

Congressional action to protect the public owners of our streams and rivers against private misuse, culminated in the adoption of the Federal Water Power Act, the Reclamation Acts, the Flood Control Act, and the Bonneville Act. Collectively, these statutes spell out the policy of this Government on the conservation and development of our water resources.

Mr. President, I think it is well again to remind the Senate and the people of the country, of some of the safeguarding provisions of those acts. Those safeguards, which form a part of our power policy in the interest of the people of the country, include:

First. Safeguard for the prior right of Federal development of the resource in any specific case where this will best serve the public interest. Mr. President, such a safeguard is very important, but no such safeguard is provided in the pending bill.

Second. Safeguard for the prior right of public bodies and cooperatives, as against a private applicant for a license for any specific development of the resource.

Third. Safeguards for the right to public hearing in connection with any application, with specific provision for admission of interested States, State commissions, municipalities, representatives of interested consumers or competitors as parties. No such safeguard exists in this bill.

Fourth. Safeguards for the right of Federal or other public recapture of any development by a private licensee at the end of the license period on payment of no more than the licensee's net investment in the project. In my opinion, that is a very important safeguard to place in the law dealing with the source of the people's power.

Fifth. Safeguards for reasonable rates to consumers by provision requiring licensees as a condition of any license to agree to Federal regulation where States have provided no regulation of electric rates, with further provision that in any rate proceeding the licensee can claim no more than net investment in the development for rate base purposes. That is the safeguard which has been adopted by practically every State in the Union. It is a part of our Federal power policy. No such safeguard exists in this bill.

Sixth. Safeguards for the preferred position of public and cooperative electric systems to obtain power supply from Federal development of the resource. That is an integral part of our Federal policy, and has been since 1902 or 1903. On many occasions we in the Congress have reffirmed that sixth safeguard by adding preference clauses governing the development of the people's resources. There is an amendment pending, of which I am proud to be a sponsor, which would put such a safeguard in the bill. However, as the bill came from the joint committee, no such provision was in it.

As I implied earlier, this bill, as reported, is wholly lacking in any of these safeguards. That is why I say the bill should be sent back to the joint committee and studied, so that we may have time to consider this very important matter in a manner consistent with the public interest. I do not think the bill is consistent with the public interest when it deals with the public power feature.

There can be no doubt however, that this great new source of energy belongs to the people. They put up the money to develop it. It is their investment that has made it possible. I intend to support amendments which will apply to power produced from a nuclear source the same kind of safeguards that it was found necessary to apply in the development of hydroelectric power and other sources of power.

I wish to quote excerpts from the hearings on the bill to amend the Atomic Energy Act of 1946. I read from page 577, in the statement of Mr. Thomas Murray, under the heading "Market for Nuclear Power." Mr. Murray said:

> Reduction in the cost of nuclear power is the key to its place in our economy in the next 2 or 3 decades.

He points out how important this is going to be.

> Present energy sources, though not unlimited, are capable of meeting our expanding needs for energy for many years of barring the unpredictable demands of war.

We have just listened to an able address by the distinguished Senator from Missouri [Mr. SYMINGTON] which pointed out that we are never too sure when the demands of war may come.

Mr. Murray continued:

> After the development period, nuclear power will have to earn its way under competitive conditions. The Paley Commission, which foresaw a doubling of all United States energy requirements in the 25 years from 1950 to 1975, and more than a trebling in consumption be met with little or no increase in real costs, provided all conventional energy resources are used advantageously.

In my area of the country the energy requirements in the next few years will be even greater. We have found in the past that our power needs double every 10 years, even with the present population, without taking into consideration a possible increase in population, new industries, or further development.

Mr. Murray continues, pointing out a very significant fact:

But beyond 1975 the picture is more uncertain; it may be that approaching exhaustion of other energy sources will make atomic energy an indispensable alternate and make cost differences measured in 1 or 2 mills quite unimportant.

He is speaking there, of course, of the fact that our reserves of natural gas, oil, and other sources of energy are not inexhaustible. Of course, our hydroelectric dams could conceivably continue to operate indefinitely into the future. Once they are paid for, the maintenance costs will be comparatively small. In the case of a dam the size of Grand Coulee, the operation and maintenance cost will be relatively small. So that power will be in existence for the people, with all these safeguards, in 1975.

Coal in the United States is abundant, but its cost and quality cannot be expected to remain at present levels in the face of indicated increases in demands of industry and utilities. Proved reserves of oil and gas are only 12 and 27 times present annual consumption, respectively, and in recent years the United States has drawn on imports for part of its petroleum supply.

Speculations about the future differ as to the exact timing and severity of shortage of fuels; but there is no dispute that we are using them at a faster and faster rate. United States annual consumption of the primary sources of energy—fossil fuels, wood, and waterpower—quadrupled during the first half of the 20th century, and is expected to double again before 1975.

That shows at how fast a pace we are using these resources.

The energy potentially available in the world's recoverable reserves of uranium has been estimated as perhaps 23 times the energy from world reserves of fossil fuels—petroleum, natural gas, and coal.

In other words, the far-reaching ramifications of the bill and the necessity for all of us fully understanding it are well pointed out in Mr. Murray's statement. The energy potentially available in the world's recoverable reserves of uranium has been estimated as perhaps 23 times the energy from world reserves of fossil fuels—petroleum, natural gas, and coal.

That is why some of us feel that we should know a great deal more about the ramifications of which I have spoken. That is why, if the Senate passes the bill, it should place in it the safeguards to which I have referred. I see no urgency for its immediate passage, in view of the immensity of the entire problem.

Mr. Murray continues:

Consumption of fuels in the United States, for all purposes, is expected to rise sharply between now and 1975: coal, from 522 million tons in 1950 to 815 million in 1975; oil, from 2.4 billion barrels to 5 billion; and natural gas from 6.3 trillion cubic feet to 15 trillion.

The fluid fuels, oil and natural gas, now furnish the major part of our total energy requirements, and by 1975 the proportion may be as high as 70 percent, if supply permits. Demands on this scale, accompanied by gradually rising prices, might mean that oil from shales or synthetic fluids from coal would become competitive within the next 20 years.

Digressing from Mr. Murray's statement for a moment, we had some interesting testimony given during the past month in the Appropriations Committee regarding the progress which is being made in obtaining gasoline from coal. The cost is gradually being reduced to a point where I am sure Mr. Murray's prediction that such fuels may become competitive within the next 20 years is a fair statement.

Such demands may not lead to early exhaustion of our energy resources, but they seem likely to affect in varying degrees the cost of fuels more so for gas and oil than for coal. Coal reserves are ample to meet projected consumption far beyond 1975, but rapidly rising rates of consumption may require us to turn in the last quarter of the century to higher cost and lower quality coal.

In the face of the mounting pressure on our present energy resources, mastering of a new and potentially very large source cannot prudently be deferred.

The rapidly expanding market for fuels for the generation of electricity and other purposes, and the time required for nuclear power development, should allay fears that competing fuels, particularly coal, may be hurt by the entry of nuclear power into the market. The contribution that nuclear power can reasonably be expected to make toward total requirements for electric power by 1975 would do no more than moderate the already rapidly rising demand for conventional fuels.

Because fuel supplies to meet the future generation of electricity may have to be doubled or trebled at the same time that demands on fuel for other purposes (heating, vehicles, manufacture, etc.) are also rising sharply, nuclear power is not a threat to the existing market for other fuels. Continually rising amounts of coal will be needed to supply electric generating facilities already in operation when nuclear power first becomes competitive and to fuel the larger share of new plants for an indefinite time thereafter.

Within the period until 1975, nuclear fuel can expect vigorous competition from other fuels in generation of electricity, and the market for nuclear power will be limited chiefly by the comparative cost at which it is available. To see just how important reduction of costs will be for the competitive position of nuclear power, we have examined the costs of generating power from new conventional steam plants, and can compare these with the range of 4 to 7 mills which is sought from nuclear plants. Clearly 4 to 7 mills nuclear power would be widely competitive: The Federal Power Commission computed for the joint committee that in 1952 the average production cost of steam-generated electric power in the United States was 7.4 mills per kilowatt-hour for the major utility systems. Such an average includes a wide range of costs for individual plants, varying with size, age, and efficiency of the plants and the extent to which they are used, the cost of fuel and other factors. To see the competition nuclear plants must face, one must look not at this general average, but at the maximum performance of efficient new conventional steam plants, in comparison with which a nuclear plant would be evaluated by any management considering the kind of plant to build.

The range of generating costs in new postwar utility steam plants is wide—from just under 3 mills per kilowatt-hour to over 12 mills per kilowatt-hour. But very little of the capacity (4 percent) in these new new plants produces at more than 8 mills per kilowatt-hour, and the plants that do are relatively small, the largest being 80,000 kilowatts, and most of them much smaller. Similarly, a minor part of the capacity (3 percent) can generate at less than 3 mills. Over 90 percent of the competition for nuclear power falls in the 3 to 8 mill range, and 70 percent falls in the 4 to 7 mill range which it is hoped will be achieved from nuclear plants.

If these cost ranges are applied to the expected growth in demand for electricity, we can obtain a picture of the market into which nuclear power will enter between now and 1975. The amount of electricity to be required is the consumption forecast by the Paley Commission, or 1,400 billion kilowatt-hours in 1975, an increase to 3½ times the 1950 consumption of 390 billion kilowatt-hours. The potential market for nuclear power within this overall total is considered to be a share of the new demand to be supplied by steam plants, plus a share of the steam generating capacity to be built to replace wornout equipment. Stability of generating costs is assumed, relying on continued increase in efficiency of conventional generating plants to offset rising costs of fuel. Examination of the potential market in this manner shows the importance of generating costs for the entry and rate of growth of nuclear power.

According to Federal Power Commission regions, the 1952 generating costs per kilowatt-hour in large new postwar steam plants fall in the following ranges:

In the Northeast the range is 5½ to 8½ mills. In the east central section it is 4 to 7 mills. In the Southeast it is 3½ to 8½ mills. In the north central section, 5 to 7½ mills. In the south central section, 2½ to 5½ mills. In the west central section, 4½ to 6 mills. In the Northwest, 4 to 6½ mills. The figure is a little under 4 mills to 6½ mills. In the Southwest it is 5½ to 7 mills.

Nuclear power at 7 mills would at most be competitive for part of the market in the Northeast, Southeast, and north central regions of the United States. It is shown that the northeastern section of the country has the highest power rate, and that, because of the hydoelectric development, the Northwest has the lowest rate. The rates range in between.

Nuclear power at 4 mills, on the other hand, would be competitive everywhere except for a part of the Southeast and south central regions fueled with low-cost coal and natural gas. Even in the natural-gas areas, future new generating plants may not be able to buy quantities of natural gas at the low prices that have in recent years made it possible to generate power at less than 4 mills.

These large plants, which, in my opinion, would be given away if this bill should be passed, would be limited to certain sections, because the estimated cost of one of these plants runs well over $100 million, and there would not be many of them constructed, but they would find themselves attracted to those areas where 7 mills would be the competitive rate, namely, in the Northeast, the Southeast, and the north-central regions.

It is clear that nuclear power will be able to compete more widely if rising fuel costs push up conventional generating costs; its potential market will be smaller if demand for new electric-generating capacity rises less sharply and steadily than projected.

The testimony and the figures I have quoted demonstrate how important this new source of energy, converted to electric power, will be.

I wish again to point out that the reserves are not inexhaustible, and we may be using them up at too rapid a rate.

I have demonstrated how important and vital the question is, and why this bill should not be forced upon the Senate in connection with this important subject.

I am particularly impressed with the statement that—

The energy potentially available in the world's recoverable reserves by uranium has been estimated as perhaps 23 times the energy of the world's reserves of fossil fuel—in particular, natural gas and coal. It is certainly conceivable—and even probable—in the years to come, more electric power will be produced from nuclear sources than from the rivers and fossil fuels combined.

In other words, Mr. Murray is suggesting that the development will have to be distributed to areas of the country such as the Pacific Northwest, which has a great amount of hydroelectric power, and there would be a different situation in the Northeast, where higher prices are paid for power than in the Southwest where there is natural gas.

I wish to quote for the Senate a few paragraphs from the hearings, bearing on the possible rate at which nuclear power will come into the utility field:

POSSIBLE RATES OF GROWTH OF NUCLEAR POWER IN THE UNITED STATES ECONOMY

Within the range of possible costs for nuclear power, and the range of expected costs for generating power from conventional energy sources which have now been described, there are possibilities for widely varying rates of introduction of competitive nuclear power into our energy economy, and widely varying rates of growth of a new nuclear-power industry.

It is well to bear in mind also that the growth of the nuclear-power industry, no matter how rapid, will happen case by case, as individual decisions to build plants are reached on developmental or economic grounds. In such decisions, the needs of particular areas and the characteristics of existing generating systems will be decisive, and an array of technical and economic factors will be balanced in each case.

Mr. Murray goes on to say:

The effects of competitive nuclear power will be closely related to its scale and rate of growth.

If we assume that our domestic technical program will be pushed and will be successful, what may be the impact on electric energy output between now and 1975?

Our staff has made studies of two specific cases for purposes of illustration. Both assume that a development program, including construction of several large nuclear powerplants by the mid-1960's will lead to the building of a growing number of nuclear plants generating power at competitive costs. The two illustrative cases differ with respect to certain other assumptions. (Excerpt from testimony by Hon. Thomas Murray, member of Atomic Energy Commission, p. 579, hearings to amend Atomic Energy Act of 1946.)

In other words, the staff feels that if they have to construct powerplants before the mid-1960's it will also lead to the building of a growing number of nuclear plants generating power at competitive costs.

Case 1 assumes nuclear power costs at 7 mills per kilowatt-hour in 1963, falling to 4 mills by 1975. It further assumes that as powerplants are built in different parts of the country, giving power at different costs, one-half will be nuclear if the costs are the same.

Case 2 assumes 7 mills per kilowatt-hour in 1965, falling to 5 mills in 1975.

If that be the case, and the power can be developed at four mills, it will be necessary to make readjustments all over the country in the present electrical-producing capacity. That again is why the proposed legislation is so important, and should not be passed in a few days, without going into the matter in great detail.

I quote further from the statement of Mr. Murray:

Five mills would be a blessing even now in many parts of the country. Case figure 2 further assumes that nuclear power plants will be built only if they have the use of 1 mill a kilowatt-hour of power from conventional plants.

I continue to read:

It further assumes that nuclear powerplants will be built only if they have an advantage of 1 mill per kilowatt-hour over conventional plants.

Of course, the cost of these plants will be great. By 1975, the price of four mills would be available in certain parts of the country, wherever great hydroelectric developments were located. So it would probably be effective there. I continue to read:

Under these assumptions, the first competitive plants under case 1 would be producing power in 1963, and in case 2 in 1966.

In case 1, by 1975 the nuclear power component of the electric-generating industry would have an installed capacity of 21 million kilowatts. On an 80-percent plant factor, such a capacity might generate 147 billion kilowatt-hours out of 1,166 billion to be generated from all steam plants in 1975. The share of nuclear power in the total projected electric generation of 1,400 billion kilowatt-hours in that year would thus be about 10 percent.

In case 2, with its less optimistic assumptions, the nuclear power share is, of course, smaller. About 5 million kilowatts of nuclear capacity would be in operation in 1975, generating about 35 billion kilowatt-hours. The share of nuclear power in total United States electrical output in case 2 would be about 2 percent.

As I have indicated, no one can say whether these or some other ratios will prove correct. Either case represents a sizable nuclear capacity; in 1 case 140 reactors, and in the other case 33 reactors, of 150,000 kilowatts average capacity, would be in operation.

Mr. President, I have tried to point out how important this development could be to our economy, and how, by 1975, it could be a major part of the energy development in the United States. I point that out because there are always those who would exploit and take advantage of the resources of the people. The history of hydroelectric-power development in this country documents that statement. That is why so many of us have such a keen interest in the bill.

I say today that unless the Congress of the United States writes into the proposed legislation time-tested safeguards, the future will bring a private power monopoly bigger, stronger, and more devastating than anything the Nation has so far experienced.

So that the RECORD may be straight, I may say that I had fully intended to make these remarks before this session of Congress ended, regardless of whether the pending bill had been considered, because we would have had time to evaluate, by the closing days of this session of Congress, approximately 2 years of the new administration, with a change in the power policy. Therefore, I wish to review what has happened and what is happening in the electric-utility field to demonstrate what may be in store for the American people when a monopoly of atomic power is added to past and current attempts to monopolize the source of hydroelectric power.

To illustrate that point, I wish to read from the testimony of Mr. Gus Norwood, before the Hoover Commission Task Force on water resources and power generation, presented at hearings in Portland, Oreg., on June 28, 1954. Mr. Norwood is an expert on these matters, a man whom I know very well, and who is highly respected. The subject of his statement is entitled "Abundant Power." He said:

The problem of abundance is likely to be much more serious than has heretofore been considered. Recently various officers of the General Electric Co. have been discussing the probable electric power requirements of the Nation for the year 2000. They estimate by that time an electric load of 10 trillion kilowatt-hours, or a twentyfold increase over the generating capacity of today. This means that the electric system of the Pacific Northwest in the year 2000 will be as large as the entire electric system of the Nation is today. At the present time Grand Coulee Dam, with a capacity of over 2 million kilowatts, provides about one-half of our electric requirements in the Northwest.

I do not think Mr. Norwood's statement meets our full requirements, because we shall need about 2 billion kilowatts for consumption in the Pacific Northwest. I continue to read:

By the year 2000 some 45 Grand Coulee Dams would be needed in this area alone. This is the equivalent of three Columbia River power systems fully harnessed. The General Electric Co. studies are conservative in nature. They assume a population in the year 2000 of 250 million people, a mere gain of 2 million people a year although the current rate of population increase in 1954 is 2.7 million a year. They estimate that whereas 3.5 percent of the Nation's energy today is used in the form of electricity that 46 years from now over 36.5 percent of our energy may come to us in the form of electric power.

To paraphrase at that point, perhaps it would be a very conservative figure, because who among us can tell the number of new electrical appliances which will be invented for use by persons throughout the country, thus constantly increasing the need for electric power?

Mr. Norwood goes on to say:

Another check on the great expansion which is ahead for the electric utility industry is provided in the 33d annual report of the Federal Power Commission which presents an estimate for the year 1975 of a need for 365 million kilowatts of generating capacity or roughly a fourfold increase in the next 21 years. The FPC estimate of energy needs by 1975 is 1,860 billion kilowatt-hours, as compared to 329 billion in 1950 and 443 billion in 1953. This FPC estimate comes about 2 years after the Paley Commission report which estimated the electric require-

ments of the Nation at 1,400 billion kilowatt-hours for 1975.

Translated into practical terms these estimates suggest that the Pacific Northwest will need about a million kilowatt-hours average of new generating capacity during each year of the 1960–70 decade. This involves the equivalent of a John Day Dam or Priest Rapids Dam or Hells Canyon Dam or the Dalles Dam in each year at an estimated cost of about $350 million for the dam and probably over $75 million for transmission facilities.

Two years have gone by without a single new start under the present policy.

I continue to read from the Norwood statement:

Before leaving the question of abundance some note should be taken of the probable impact of atomic energy in the Pacific Northwest. The phenomenal energy release of the hydrogen bomb has now been told to the public. Dr. Alvin Weinberg, director of the Oak Ridge national laboratory at Oak Ridge, Tenn., estimates that the raw fuel cost of atomic energy from an atomic breeder may be as low as 0.013 mills per kilowatt-hour. If a ton of coal costs $10 the equivalent amount of atomic fuel would be 5 cents or one two-hundredth as much. Already 13 private utility groups are exploring the possibility of atomic generation and at least 1 such power plant is on the drafting board. An atomic submarine motor is already in use.

For the Pacific Northwest the meaning of atomic energy is that by the year 2,000 we will in all probability obtain 50 to 100 percent more electricity from atomic sources than we will from hydro sources even if all of our hydro is harnessed.

One final thought on the question of abundance and that is the will and desire for abundance. The philosophy of waiting for the load to develop has been entirely too prevalent in the electric industry in the past. With each passing year that philosophy if permitted to continue would represent a danger of increasing proportions. The public interest would be better served by a program of attempting continuing to assure a 10-percent reserve or surplus power supply based on a median water year.

LOW-COST POWER

The entire electric utility industry of the Nation represents an investment of only about $25 billion. A twentyfold increase in the next 46 years is likely to require an additional $400 billion. Obviously every possible effort should be made to obtain the very lowest possible cost of money.

In the Pacific Northwest about 35 percent of the cost of doing business in the Federal power program has been interest. An increase in the rate of interest from 2½ percent to 3½ percent would result in a wholesale power rate increase of about 15 percent.

I divert for a moment to suggest that the pending bill does not provide any regulation as to interest rates on the cost of a plant which might be licensed to private persons under the terms of the bill.

Thirty or forty years ago the interest rate on good municipal tax-exempt bonds was no lower than that on the bonds of a good private utility company. However, in the money market of today a private utility must earn from 11 to 13 percent before Federal income taxes, and compete with public bonds of 2 to 3 percent. The investment in the Pacific Northwest will be so great and the cost of money in the form of interest will be such a large proportion of the cost of doing business that it is essential that this program be conducted with the lowest possible cost money. Thus low-cost power is contingent upon obtaining low-cost money and this means public financing.

That is why the potential energy from that source is so important.

Mr. Norwood goes on to point out to the task force commission:

POWER TRUSTEESHIP

When the Pearl Street generating station was started in New York City in 1882 electricity was a distinct luxury. Today it is a vital necessity of modern living. It is the most important public utility function, second only to a healthy domestic water supply. Yet, the indication for the future is that the role of electric power will be even more important.

We have seen that considerations of achieving an abundant supply of power and a low-cost supply of power constitute strong arguments for the financing, construction, and operation of electric generating and transmission facilities on a public basis. This Nation can ill afford to have its productivity and its industrial payroll curtailed because the power supply is insufficient and too expensive. The power need per worker is rising spectacularly and is a subject on which another paper could be written.

Mr. Norwood goes on to point out a philosophy which I think is good and sound in the development of the natural resources that belong to the people, which philosophy is wholly lacking in the bill:

The electric business is not a private business. It is not a competitive business and it has not been an enterprising business. It is a natural monopoly because considerations of economy dictate that only one electric system should operate in a community. A public system also is a natural monopoly. Natural monopolies must be controlled by the public.

How thus that is, when, as pointed out by Mr. Murray, we face the potential development of electric energy from nuclear power. Again, to indicate what might happen in the future, when a bill is drawn up without safeguards, as this bill is, I want to point out what has happended in the past.

Step by step, since the start of the conservation movement under President Theodore Roosevelt 50 years ago, the people have been building a program for use of their great power resources.

They have provided for Federal development of power in connection with irrigation projects, with safeguards against the distribution of the power being dominated by the nearest private monopoly.

They have provided that private developers of the waterpower resources of the country must apply for Federal licenses, and that, in connection with consideration of such licenses, the Federal Power Commission must first determine whether the project should not be built by the Federal Government itself.

They have provided that after the Federal Government, the States and municipalities enjoy the next priority for development of these waterpower resources, private applicants may receive licenses only after it is clear that the Federal and other public agencies are not planning to make the development.

They have provided that licenses for private development of waterpower resources shall be for a limited term, with the Federal Government retaining the right of recapture at the end of the license period. They have also given the Federal Government the right of condemnation at any time.

They have provided for Federal development of hydroelectric power in connection with comprehensive river-basin programs, and for Federal marketing of this power, in accordance with the same antimonopoly provisions that apply in connection with irrigation projects.

They have provided for bringing electricity to all the farmers in the land, and for Federal marketing agencies with authority to construct transmission lines so as to assure even the smallest municipal or rural-electric cooperative system equality in the field of power supply.

Mr. President, I am not going into detail to prove the great value of this policy to the users of electricity throughout the country, for I have something of more immediate importance to deal with.

But I shall say—and I do not think it can be contradicted—that this power policy has meant lower electric rates and more abundant use of electricity to all the customers of electric systems throughout the whole United States, whether served by public, cooperative, or privately operated power systems. It has shown the way for America to enjoy the full fruits of the electric-power age.

Mr. President, from personal experience on many occasions, I know that immediately upon the entrance into the power field of municipally owned systems or the extension of a transmission line from a Government system, the users of electricity find they receive lower rates. When there has been competition of that kind, the rates have dropped very greatly on many occasions. That is one of the points we have to keep in mind in connection with this loosely drawn and, in my opinion, badly drawn bill, which does not provide the proper safeguards.

This power policy has also meant great progress in the economic development of important regions of our country which 50 years back were still dependencies—economic colonies, if you will—of eastern finance and industry. It has, therefore, been a great decentralizing policy, and the vested interests, which too often have dominated this country's economic life, seem now to be fighting to regain control.

The improvement in these regional economies, resulting from Federal power policy, has meant more business for the rest of the country, higher levels of stable employment, and greater economic strength.

Today, Mr. President, the policy which has brought all these blessings is threatened. It is threatened by the very warp and woof of the bill itself; and it is threatened by the actions and words of the administration and the Congress. We face a concerted drive to change the Federal power policy. In this case the pending bill attempts to change the law as well as the policy.

This change has been dictated by the private power monopoly. Following the exposé of its machinations by the Federal Trade Commission, and following the utility holding companies scandals which centered around such names as Insull and Hobson, the old "power trust"

was supposed to have retired. But it is again showing its ugly head, threatening to destroy all the people's gains during the intervening years.

Mr. President, I propose to show that the private power company propaganda machine is brazenly repeating the practices of the 1920's, only in a much more scientific, subtle, and dangerous form.

I shall seek to demonstrate that this propaganda machine was a dominant factor in the last election, creating the very atmosphere or public opinion in which the election was fought: That the victorious candidate for the Presidency, as well as the only living Republican ex-President, are consciously or unconsciously vehicles for this propaganda; and that the developing retreat of the Interior Department, in the handling of rural electrification by the Department of Agriculture, and the cutting of appropriations vital to the carrying out of Federal responsibility in the power field, represent the beginning, Mr. President, in my personal opinion, after long experience with this matter, both politically and otherwise, of the payoff. When we add to all that the so-called amendments to the Atomic Energy Act, we have the picture, Mr. President.

In order to convey some idea of the workings of the private-power campaign to capture the public mind, let us look for a moment at some of the revelations by the Federal Trade Commission concerning the activities of the late Samuel Insull's National Electric Light Association in the 1920's, when the same pattern was taking effect and the same pattern which could take effect under the provisions of the pending bill, in view of the extremely large electric-energy potential in connection with the development of atomic-energy processes and other new processes. The pattern used then is in no essential respect different from the mass hypnosis techniques which have become resurgent in the past few years, and are being applied with ferocious intensity at this moment, apparently with the blessings of some of those now in the Government.

The twin aims of the power trust in the 1920's were to forestall effective regulation of their operations and to prevent public development of our Nation's energy resources.

On this campaign, the so-called power-trust spent between $25 million and $30 million annually. This generous expenditure was accomplished simply and effectively. The electric consumers footed the bill. It was all "charged off" as proper operating expenses of the industry, and was computed in the rates the public was required to pay.

"Money was no object," said M. H. Aylesworth, sometime director of the National Electric Light Association. He stated frankly and concisely: "The public pays the expense."

Among the agencies which were established to carry the enlightened message of the private-utility empire to the Nation were 28 State public-utility information bureaus or committees active in 38 States, with a colossal war chest, the utilities proceeded to use every device in the books to condition the minds of our citizens. They even proceeded to rewrite public-school textbooks, place teachers on company payrolls, and inundate newspapers with lush advertising revenue to influence editorial opinion favorable to the policy of the power trust. Every means of mass communication was used—chautauquas, moving pictures, speakers bureaus to address civic clubs, women's clubs, social clubs, and every type of farmers' organizations.

As it was stated by Ocley, director of the Nela's information department in testimony before the Federal Trade Commission, skywriting was the only publicity medium which the campaign had neglected.

Mr. President, this campaign was not confined to the mere molding of editorial and local opinion. The trail of the power trust led into the halls of every statehouse in the Nation.

Mr. AIKEN. Mr. President, will the Senator yield?

Mr. MAGNUSON. Mr. President, I ask unanimous consent to yield to the Senator from Vermont without my losing the floor.

Mr. PAYNE. Mr. President, reserving the right to object, will the Senator withhold his request for a moment?

Mr. MAGNUSON. Certainly.

Mr. PAYNE. Mr. President, I understand that the matter for which the Senator from Washington agreed to yield has not clearance from the majority leader and the minority leader. Therefore I must object.

Mr. MAGNUSON. I did not know what the matter was.

Mr. AIKEN. I thank the Senator from Washington. It involves simply a case in which the House has sent to the Senate a bill which was referred to the Committee on Agriculture and Forestry, and which was later discovered to be carrying the wrong number. It ought to be returned.

Mr. MAGNUSON. I think we had better have a policy meeting of both parties.

Mr. AIKEN. I think we had better have a policy meeting before the bill is returned to the House.

Mr. MAGNUSON. The trail of the power trust led even into the Congress of the United States. The power trust infiltrated the very places where public policy was decided, as well as entering every home with the purpose of disarming each family on utility issues. This technique, unless it is fully recognized, exposed, and checked can pollute the very wellsprings of democracy. I shall return to this thought before I complete my remarks.

It is instructive to take a look at the campaign of the 1920's to review the actual financial manipulations of the private electrical utilities during a period in which there was no effective Federal power policy to regulate and check the rapacity of the power trust.

As I have pointed out, it is instructive to study the campaign of the 1920's. It bears on the subject we are discussing in the Senate, and the type of legislation which is involved. It is always instructive to take a look at what happened to us in the past. It provides us with a preview of what will return to plague us if the present drive by the private power monopoly is successful in undermining this policy. It provides us with a preview of what I think will happen to us in the field of nuclear generation of electric energy.

Today many of the private power companies are lavish in their praise of State regulation—they cite State regulation as the true guardian of the public interest. Since they have in effect taken over the policy decisions of many State Regulatory agencies, the blessings they administer are quite understandable from their own selfish viewpoint.

But only a little more than 20 years ago the Power Trust was resorting to every technical and legal devise their fruitful imaginations could conceive of to render regulation ineffectual in order to maintain the excessively high rate structure which in turn would sustain heavy water capitalization.

Midwest Utilities, Electric Bond & Share—with its subholding companies, Niagara Hudson Power Corp., Associated Gas & Electric, Columbia Gas & Electric, Standard Gas & Electric, Southeastern Power & Light—these remain as symbols of the utility holding company age, which served the public by taking thousands of small investors on a buggy ride to line the pockets of financiers who made a specialty of building fortunes out of other people's money.

These financial freebooters inflated the stock of electric power systems in order to build their paper pyramids. As I say, this could be a preview of what could happen in this vast new field if the bill as written should pass the Congress.

They bulldozed State regulatory commissioners into sanctioning rate structures which passed on the financial burden of their jerry-built capital structures to an already victimized general public.

The results of the Federal Power Commission accounting proceedings on the methods used by the private electric companies as late as only 15 years ago, laid bare a startling situation. To use the Commission's own words:

> It was not possible, except in a comparatively few cases, to obtain from the books of account of the electric utilities the cost of plant by departments—electric, gas, water, and so forth—the cost of electric plant by functions—production, transmission, and so forth—or the cost of large operating units such as steam-generating plants. The total inflation of the accounts was unknown, but it was known that the amount was large.

Imagine what a field would be opened in this case, considering the vast amount of money required to build one of these plants, with no safeguards as to what the rate structure will be.

Still quoting the Power Commission:

> Huge amounts of intangibles were buried in lump-sum accounts called by vague terms such as "purchased property."

The Federal Power Commission states that the electric utility accounting in the good old days, before Federal power regulation became effective, had often been employed to distort the true fiscal facts and to pave the way for issuance of watered securities. In those days the utilities were not so much concerned with water to produce power, but water

to produce wildcat speculation. They were not so much concerned in milking machines to help farmers, but in machines to milk the investing public. This is what could happen in the atomic energy field without the right kind of regulation and the right kind of safeguards.

Another Federal regulatory agency, the Federal Trade Commission has published report after report filled with instances of grave accounting abuses, often attended by equally grave financial manipulations. Its summary report sets forth the total in writeups and other forms of unnatural inflation such as are found in the following figures:

Top holding company writeups and other inflation, $273,420,165.

That is passed on to the consumer. That could happen in this case.

Subholding company writeups and other inflation, $353,370,035.

Operating company writeups and other inflation, $864,231,623.

Total inflation found by Federal Trade Commission, $1,491,021,823.

The Commission's table, itemizing the writeups by holding-company groups, carries the following note:

> Including writeups in 1929 of $299,201,827 in the investments of Electric Bond & Share Co. and $140,109,788 in the investments of Niagara Hudson Power Corp., the total writeups of all companies examined amount to $2,030,335,438. However, Electric Bond & Share subsequently wrote down its investments $441,387,724, and Niagara Hudson Power Corp. subsequently wrote down its investments $138,869,250.

That is very interesting, Mr. President. That is the end of the quotation from the Federal Power Commission with respect to the writeoffs, before we made safeguards available. The same kind of writeoffs could be made in the development of electricity from atomic energy, without any safeguards. There are no such safeguards in the bill now.

Here, Mr. President, at the beginning of the 1930's, after a period in which the private power industry had trampled State regulation into the dust, was evidence of more than $2 billion of water in the Power Trust financial pyramid.

This faked investment, which had showered largesse upon the inside manipulators, could be properly handled in only two ways—either at the expense of ratepayers by imposition of excessive rate structures, or at the expense of small investors through the loss of their invested savings.

Actually, both danced to the Power Trust piper, and both paid through the nose. In the 1929 crash and the holding-company collapse which followed, thousands of small investors lost their savings. Yet, the high rate, low sales policy, which this financial sleight-of-hand induced in management, even now has been partially shaken off only in areas where Federal power policy has provided real support for federally generated power at low cost, and real support for public competition.

Many of these accounting monstrosities were given birth through affiliated company devices similiar to those exposed by congressional investigations of the Credit Mobilier railroad scandals in the 1860's and 1870's. The late Honorable Robert E. Healy, the grand old Vermont judge who served as counsel for the Federal Trade Commission's Utility Investigations, and later became a charter member of the Securities and Exchange Commission, describes them thus:

> In the simplest and boldest form a write-up consists of marking up the figures at which assets are carried on books of account to higher figures. But the same result may be, and has been, obtained in a more subtle manner. This was particularly so where holding companies were concerned. Often a writeup was created by causing one company to convey its assets to another company at a price in excess of the figure at which they were bought by the selling company, both companies at the time of the transfer being subject to common control.

That is taking place again.

> Similarly, a merger or consolidation of two or more companies under common control was utilized to accomplish a similar increase in the book value of assets of the new company.

Of course, at any time these groups can increase the value of their assets, they can get higher rates.

It was through such manipulations that Sam Insull built up his utility holdings until he came to furnish power and light to some 20 million people in 32 States. His corporations boasted assets of $2.5 billion, with annual revenues of about $400 million. It was President Franklin D. Roosevelt who described such combinations as "a kind of private empire within the Nation."

I am afraid that some kind of private empire will be set up under this atomic energy bill as now proposed.

It was not until the Federal Power Commission set to work under the new 1935 act to clean up the accounts of the electric operating companies, subject to its jurisdiction, that the full extent of the writeups was brought to light.

After January 1, 1937, under its new uniform system of accounts—and incidentally, there is no provision in the present bill for any uniform system of accounts in the sale of this energy to the public—the commission ordered the elimination of write-ups and other amounts in excess of original cost, to the extent of more than $1,600,000,000 and from only that portion of the industry under its jurisdiction. This means that these power companies had written up their plant accounts on the average by about 25 percent. The Georgia Power Co. inflated itself almost 50 percent, and the Montana Power Co. between 80 and 90 percent.

Without safeguards, the same kind of inflation can take place in the development of electricity from atomic energy.

But all the water wrung from the private power company plant accounts understates the total immersion for which the private power industry was responsible. A number of the large power companies successfully escaped jurisdiction of the FPC by either cutting or avoiding interconnections with neighboring systems which would have brought them into interstate commerce.

This dodge was used by the Connecticut Light & Power Co. which was a member of the Connectitcut Valley Power Exchange until the enactment of the 1935 Federal Power Act. The power exchange served Connecticut and western Massachusetts, a sort of a regional pool to insure efficient and reasonably priced power supply.

The Connecticut Light & Power Co., rather than to submit to the FPC, cut its interconnections and fought the commission's assertion of jurisdiction up to the Supreme Court. It demonstrated its remarkable sense of responsibility to its customers and the public by gratuitiously depriving its service area of the advantages of a power pool, and just as gratuitiously refusing to allow Federal regulation of its accounts in the public interest.

Other large privately owned electric utilities which have avoided Federal jurisdiction by not participating in interstate commerce are: Consolidated Edison of New York, Detroit Edison and Consumers Power Co. of Michigan, Commonwealth Edison of Chicago, Colorado Public Service Co., Texas Power & Light Co., and all the companies serving the States of Maine and Arizona.

Only last year the Detroit Edison Co. was behind the proposed amendment to the Federal Power Act which would have allowed it to export energy to Canada and still not be subjected to regulatory jurisdiction of the Federal Power Commission. This was considerably less than what the same company asked in 1947. Walker L. Cisler, who was then and now is president of Detroit Edison, and who pressed for last year's bill, appeared before the House Interstate and Foreign Commerce Committee with the request for legislation which would virtually junk the Federal Power Act. He wanted amendments which would enable his own and other power companies to join interstate power pools without the necessity of coming under Federal regulation.

It was interesting to read Mr. Cisler's testimony—the numerous and tangible benefits of power pooling, economical use of power plants, more reliable service, strengthening national security. It could be had "at a price," he said. All the Congress had to do was to exempt the big companies from Federal regulation.

It sounds as if he might have had something to do with the writing of the bill which is now before the Senate.

The power companies have learned—in the past 20 years—that it is far easier to manage regulation, when that regulation is done by State bodies.

Having taken over the State bodies in many States, the power trust attempts to avoid Federal regulation by amending the statutes—or by mere changes in the manner and emphasis of administration, which can accomplish much the same purpose. A friendly Federal Power Commission is of great assistance.

I have seen what the FPC has found in the Roanoke Rapids and Kings River cases. I am watching carefully to see what will be done in the Hells Canyon case. It is only because of the stern and indignant opposition of the citizens of

my region that the Hells Canyon giveaway has been stopped—thus far.

I still say the same kind of giveaway could be affected under the terms of this bill.

Nevertheless, during the past 15 years or more, the Federal Power Commission has done an excellent accounting job in the public interest. It has tracked down $1½ billion of water in the power company rate bases, and has purged it from their plant accounts. It can be well termed a great dehydrating operation.

Under the pending bill, I cannot yet understand what relation the Federal Power Commission will have to any regulatory matter if the power companies are permitted to develop this vast amount of power.

During this period the FPC was also upheld by the United States Supreme Court on its establishment of the right of regulatory commissions to use a net investment rate base, throwing out the old reproduction cost theory of regulation, devised by private power companies to support high rates.

By such agencies as the Federal Power Commission, and by other significant and far-reaching legislation, the people have evolved a program to develop and protect their great water power resources. I want to repeat the essential parts of that program, which I think protect the people.

They have provided for Federal development of power in connection with irrigation projects, with safeguards against the distribution of the power being dominated by the nearest private monopoly.

They have provided that private developers of the waterpower resources of the country must apply for Federal license, and that in connection with issuance of those licenses, the Federal Power Commission must first determine whether the project should be constructed by the Federal Government itself.

They have provided that, after the Federal Government, the States and the municipalities shall enjoy the next priority for development of those waterpower resources, and that private applicants may receive licenses only after it is clear that Federal and other public agencies are not planning to make the development.

That is not true of the bill which is now before the Senate.

They have provided that licenses for private development of waterpower resources shall be for a limited term, with the Federal Government retaining the right of recapture at the end of the license period. They have also given the Federal Government the right of condemnation at any given time.

They have provided for Federal development of hydroelectric resources in connection with comprehensive river basin programs, and for Federal marketing of power, in accordance with the same antimonopoly provisions as apply in connection with irrigation projects with power features.

All this has been a well-thought-out, long-time policy.

They have provided for bringing electricity to all the farmers in the land and for Federal marketing agencies with authority to construct transmission lines in order to assure even the smallest municipal, public utility district, or rural electric cooperative system equality in the field of power supply. No such safeguards exist in this bill.

The people, by means of the Tennessee Valley Authority, the Bonneville Power Administration, and more recently, the Southwest and Southeast Power Administrations, have been demonstrating a practical way by which low-cost abundant power can be wholesaled and transmitted to the people, at low electric rates, even though the private utilities continued to control the State regulatory bodies. This yardstick of low-cost power, together with the exposure of inflated writeups by the Federal Power Commission, have forced down electric rates all over the country, even private rates. With the Federal and public power yardstick, inflated capital accounts could not be resorted to, so long as the Federal power program remained a vital alternative.

The power trust knows this. Against the competition of cheap Federal power, against a Federal geographic power grid, against priority of public groups obtaining access to Federal power, the power trust is carrying out a deadly and implacable campaign. It will never rest until it is successful, either in destroying the Federal power program or until it is itself decently defeated.

With the administration now in power, the new campaign is far more dangerous than that of the 1920's—because it is armed with a myriad of new devices for reaching and capturing the public mind. In addition, the financial power of the combine far exceeds that of 30 years ago.

You will recall the New Testament parable, in which the unclean spirit which had departed from a man, returned with seven other spirits, each more wicked than himself, so that the last state of the man was worse than the first.

Mr. President, the old Insull group, as I pointed out earlier in my speech—the National Electric Light Association—having supposedly removed itself from polluting the body politic, returned under a new name—the Edison Electric Institute. Theoretically, the Edison Electric Institute walked to the mourners' bench and purged itself of all the old Insull poison. But it soon associated itself with three other kindred spirits, so that the last state of the body politic bids fair to be worse than the first. That is the meaning of the present attempt, with the aid and comfort of many in the so-called new Eisenhower administration, to kill the Federal power policy.

These other three spirits which have dedicated themselves to aid in the enslavement of the public mind, are the electric companies advertising program, the National Association of Electrical Companies, and the public information program.

The four musketeers of monopoly—EEI, ECAP, NAEC, and public information program—are each and every one fronts for the private power monopoly. Each plays its part to induce the proper public response to their conditioning, with the same deadly thoroughness as Professor Pavlov with his dogs.

Let us demonstrate how they work together.

The Edison Electric Institute prepares statistical and other technical information and influences various educational institutions with this matter, with the plausible theory that what they have to distribute is free of charge, and is not emanating from a propaganda organization.

The electric companies advertising program hands out advertising to newspapers and magazines, sponsors the weekly Meet Corliss Archer radio program, and provides 135 member companies with light radio announcements and 3 advertisements each month to feed to local newspapers and radio stations. This program is masterminded by N. W. Ayer & Son, Inc., a top-ranking advertising and public relations firm.

The National Association of Electrical Companies, headed by $65,000 a year Purcell Smith, is the best heeled lobby still in Washington. In 1953, by its own admission, it spent $547,789.32. The NAEC assists Congress. That is what they say—and how.

The public information program, handled by Bozell & Jacobs, another far-flung advertising firm, follows up the general information, advertising and radio barrage with expert cultivation of the local grassroots. Bozell & Jacobs has had 30 years experience in guerrilla warfare against popular referenda in favor of public distribution of electricity. They specialize in my own State of Washington in handling publicity and propaganda, from the Seattle offices, and with apparently sufficient resources, in attempting to influence the legislature on bills affecting power, attempting, and sometimes successfully to elect public utility district commissioners who are against the PUD's opposing the sale of Puget Sound Power & Light to the PUD's which have been negotiating for purchase, and supporting the merger of Washington water power and Puget Sound Power and Light.

Mr. President, the objectives of this far-flung and beautifully engineered monopoly campaign are quite simple. They would—

First. Reduce Federal appropriations for river basin programs, particularly in hydroelectric facilities. In my opinion, they have been quite excessive. Not one single new start was approved in the 1955 Republican budget. Together with the no new starts program, projects under construction are slowed down, so that vitally needed power is delayed in coming on the line.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. I have been following with a great deal of interest what the Senator has said with respect to new starts. The Senator will recall that former President Truman, on October 1, 1952, during the course of the last campaign, stopped at Kalispell, Mont., to

dedicate Hungry Horse Dam. He told the people at that time to take a good look at Hungry Horse because, he said, "If the Republicans win the election, there won't be any more dams of this kind for a long, long time."

The Senator from Washington, as I understand, has been pointing out that there have been no new starts since the Eisenhower administration came into power. I call the Senator's attention to the fact that so far as new starts in the State of Montana are concerned, the Republican chairmen of the appropriate committees in the Senate and the House have introduced bills to deauthorize the construction of Libby Dam, in northwestern Montana, and Yellowtail Dam, on the Crow Reservation, in the southeastern part of my State. I make these comments to back up what the distinguished Senator has been saying in his splendid speech.

Mr. MAGNUSON. I thank the Senator from Montana. I remember the occasion when the former President of the United States was present. I was in attendance, as was the Senator from Montana.

Mr. MANSFIELD. That is correct.

Mr. MAGNUSON. I remember the beautiful day and the beautiful scenery. We were all at the foot of that huge structure. Many people had come to celebrate the dedication of Hungry Horse Dam, in which Montana takes great pride, and which will soon produce power as far down as the Columbia River.

I remember President Truman saying, "Take 1, take 2, take 3 looks, because if you put that crew back in power, this is the last dam you will ever see."

Up to the present time, I must say that the former President of the United States has been absolutely correct in his prediction.

Mr. MANSFIELD. There is no question about that. I hope his statement, so far as new starts are concerned, will be kept in mind.

Likewise, I hope the American people will keep in mind the pledges made by the Eisenhower administration during the campaign in the fall of 1952. I hope, furthermore, that in the coming November the American people will hold the Republican Party to the promises made in 1952.

Mr. MAGNUSON. There is no question about the promises, and there can be no contradiction of the statement that since the Republicans have been in office the promises have not been kept. Oh, yes, the Republicans have pointed out that the President of the United States will dedicate McNary Dam this fall.

Mr. MANSFIELD. That is an old Democratic custom. Certainly we have no objection to that.

Mr. MAGNUSON. Yes, that is well and proper. But the impression is abroad that the Republicans are doing something about hydroelectric development. Of course, money was appropriated to finish the Chief Joseph and McNary Dams because they were well along toward completion, and it would have been utter folly not to finish them. But the fact still remains that since this administration has been in power, there has not been one single new start.

Mr. MANSFIELD. The Senator is absolutely correct. The present administration has taken much credit for accomplishments with which it had nothing to do. As an illustration, it is telling the people how much their taxes have been reduced. But they do not tell the people that the 10-percent reduction in taxes was provided, so far as the effective date was concerned, by a Democratic Congress, and that taxes, to the extent of $6 billion or $7 billion, were going to be reduced not because of what the Republican administration did, but because the Democrats provided for an effective date, and the reduction went into effect at a certain time.

Mr. MAGNUSON. I am certain the Senator from Montana and I probably will, this fall, when Congress has adjourned, be at home with our people, pointing out more broken promises, more failures to do what the administration said it was going to do during the past 2 years. It has failed to do more than I think any other five prior presidential campaigns promised would be done.

Furthermore, in some cases not only did the administration not do what it promised the people, but it has turned around and done exactly the opposite. It is one thing not to keep a promise, but this is the first administration I have ever heard of which promised something in the campaign, in order to get elected, and then, after election, turned around and did the opposite.

Mr. MANSFIELD. Yes. Let us consider the question of parity, as an illustration. The Republican presidential candidate's statements in Kasson, Minn.; Fargo, N. Dak.; and Brookings, S. Dak., without any ifs, ands, or buts, was that the Republican Party stood for 90 percent of parity, and eventually full parity—and not in the market place. There was not that qualification.

What have we now, after the bill has passed? We have coming before this body a flexible price support structure, backed up by the administration and the Secretary of Agriculture. I think at this time the American people remember the promises made during the last campaign, and I think also that the American people will have a good many questions to ask when they find out, come November, that those promises have been abrogated or broken.

Mr. MAGNUSON. Yes.

Mr. WILEY. Mr. President, I had received instruction that the speaker should yield only for questions.

Mr. MAGNUSON. The Senator from Montana asked me if certain things were not facts, and I said they were.

Mr. WILEY. I did not hear that. I raised the point of order because the discussion will have to terminate sometime.

Mr. MAGNUSON. The Senator from Montana is correct. I am trying to show, in the best way I know how, based on past experience, what the new administration, either wittingly or unwittingly, has done. We know what they have done wilfully, as shown by hard, cold facts, but the whole power trust pattern is coming back into the picture. The administration had the temerity to publish in its trade magazine, which I think is called the Fortnightly, or the Quarterly, or some such name, in January of 1953, an editorial which was probably written in December, pointing out one by one just what it was going to do now that it had control. That has been what has been happening. I bring that up in the discussion of the bill because if we are to produce electric energy through nuclear power, I think the pattern set in the past will be followed. The bill lends itself to another private power empire. That is what I have been trying to point out.

The Senator from Montana has mentioned other promises made by the President. I remember the then candidate for the presidency of the United States saying in my section of the country, "You can depend on this party. We are going to see that your resources are adequately developed."

I listened to those speeches. I was at Kasson, Minnesota, when our candidate for the presidency said in effect, though I do not attempt to quote him verbatim, "I believe in the continuation of the Democratic program."

Mr. MANSFIELD. Which was 90 percent of parity.

Mr. MAGNUSON. Which was 90 percent of parity. Mr. Eisenhower walked up, and he had a speech which he read. I was chastised severely by the Republican national chairman in a television show, at which I think the Senator from Montana was present, when I quoted President Eisenhower. I was told, "That is not correct." He said "in the marketplace."

Mr. MANSFIELD. The word "marketplace" cannot be found anywhere in those speeches.

Mr. MAGNUSON. No. Not only did he say that there would be 100 percent of parity—I know we are getting off the subject, but it is pertinent—but he had not even taken his office when he appointed a Secretary of Agriculture who said he did not believe in parity at all.

Mr. MANSFIELD. That is correct.

Mr. MAGNUSON. What kind of promise is that?

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. MAGNUSON. I assume on an important matter like that he ascertained some of the views of the prospective Secretary of Agriculture before he appointed him. They dilly dallied back and forth. Statements were coming out of the office once a day.

Mr. MANSFIELD. Were they all the same?

Mr. MAGNUSON. No; they would be different, until the farmer did not know where he was. He went away from Kasson feeling fine.

Mr. MANSFIELD. Does the Senator mean the farmers went home feeling fine?

Mr. MAGNUSON. The farmers went home feeling fine, because the Democratic nominee for President had said he was in favor of 90 percent of parity, and the Republican nominee said, "The Democrats are chumps. We are for 100

percent." The farmers said, "We can't lose on this deal. We either get 90 or 100 percent."

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. He not only said 100 percent, but is it not true that there has been before Congress a wool bill which in effect brings into operation the Brannan plan, which was castigated by the Republicans during the campaign, and personally by the Republican candidate for President, which bill, if passed—and I am in favor of it—would allow up to 115 percent of parity for the wool producers of the country?

Mr. MAGNUSON. That is correct.

Mr. MANSFIELD. Getting back to the question at hand, what did the President say about the Tennessee Valley Authority during the course of his campaign?

Mr. MAGNUSON. I did not hear the speeches he made in the Tennessee Valley, but I am sure he did not make the following statement when he was campaigning in the Tennessee Valley: "This is the worst kind of creeping socialism." I am sure he did not make that statement in the Tennessee Valley during the campaign, but I know some Republican spokesman went to Chattanooga and said, "Not only is TVA creeping socialism, but we ought to sell it."

Mr. MANSFIELD. And the post office, too.

Mr. MAGNUSON. And the post office, too. A certain person said, "I do not agree with you, but inasmuch as you are going to sell it, can I put my bid in for Fort Knox?" [Laughter.]

Mr. MANSFIELD. Mr. President, will the Senator yield further?

Mr. MAGNUSON. I should like first to finish this thought.

The same kind of giveaway is inherent in the pending bill. That is why amendments are necessary. The way the bill is drawn, it should be opposed. A measure of such importance should not be shoved down the throats of Senators on such a short notice. That is why I am pointing out the parallel. I think the bill is the greatest giveaway ever presented. I do not know, but I suppose the crusade is on the march on land, in the air, on the sea, and we are now getting into the atomic field.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Will the Senator tell the Senate why the Republican presidential candidate, in the fall of 1952, when he appeared in the Tennessee Valley asking for votes, did not at that time tell the people there, who were most affected by the great project, that in his opinion the Tennessee Valley Authority was an example of "creeping socialism"?

Mr. MAGNUSON. I am sure at that time his advisers said to him, "When you get to Tennessee, lay off that stuff." I think that applied to the area represented by the Senator from Alabama [Mr. SPARKMAN]. But at the same time our candidate for the Vice Presidency let the people in that area know how he stood on all these questions.

Mr. MANSFIELD. The Senator is correct. We have nothing to apologize for. Both the presidential and the vice presidential candidates on the Democratic ticket laid their cards on the table, and the American people knew where they stood.

Mr. MAGNUSON. Yes. I think our distinguished friend from Alabama [Mr. SPARKMAN] and Mr. Stevenson could go up and down the byways and highways of the country today and repeat word for word what they said in 1952 without a bit of embarrassment or without having to take back one word.

Mr. MANSFIELD. That is correct.

Mr. MAGNUSON. Let us now get back to the private utilities.

Mr. SPARKMAN. Mr. President, before the Senator proceeds with that subject, will he yield to me for a question?

Mr. MAGNUSON. I yield to the Senator from Alabama.

Mr. SPARKMAN. The Senator has just had an exchange with the able and distinguished Senator from Montana with reference to some of the campaign promises made back in 1952 by President Eisenhower. The Senator from Washington suggested that perhaps he remained silent when he was in the Tennessee Valley area. Let me refresh the recollection of the Senator from Washington by reminding him that the President, who was then a candidate, was not silent on TVA. As a matter of fact, he told how great the TVA was, what a great job it had done, and he ended up with the expression, which is engraved on the minds of all of the people of the great TVA area, that if he became President, he would see to it that the great TVA should continue to be maintained and operated at maximum efficiency. Believe me, everyone in the TVA area knows he did not remain silent.

Today I have seen a telegram from various distributors in the Tennessee Valley, and I wonder whether the Senator from Washington has had the telegram called to his attention.

Mr. MAGNUSON. No; I have not.

Mr. SPARKMAN. I should like to read the telegram, and then request that the Senator from Washington comment on it:

> The 148 municipal and cooperative distributors of power in the Tennessee Valley area are disappointed that our letter to you of July 9 is unanswered.

By the way, the letter of July 9 has been placed in the RECORD. It reminded the President of the exact words he used.

I read further from the telegram:

> We hope your silence does not represent a lack of interest in the economic welfare of the Tennessee Valley. However, the vigorous attacks made on us by your friends in the Senate are causing people in the Tennessee Valley to ask whether those Senators are asserting your position. We are the minority partner with TVA, but feel entitled to an answer to our July 9 letter before, not after, the Congress has acted.

The telegram is signed by the group I have mentioned.

Mr. KNOWLAND. Mr. President, I do not wish to raise a point of order; but I think the Senator from Washington has been yielding for more than a question. He has already been speaking for more than 2 hours, and we have the cots ready for an all-night session. I hope that at least Senators will follow the rule, so that the Senator who has the floor will yield only for questions.

Mr. MAGNUSON. The Senator from Alabama was asking me whether I had seen the telegram; and he had to read the telegram, in order to ask me whether I had heard of it.

Mr. SPARKMAN. Yes. The able majority leader was not in the Chamber when I began stating the question. I was putting it in the form of a question, but I had to read the telegram, in order to submit the question.

Now let me state the second part of the question: Is not the able Senator from Washington now convinced that the President, when he was a candidate, did not remain silent with reference to TVA, but promised the people of that area and, as a matter of fact, the people of the United States, that the TVA would be operated at maximum efficiency?

Mr. MAGNUSON. Mr. President, I am glad the Senator from Alabama has brought that matter to my attention, because that was a part of the campaign. I did not keep up with the campaign in the Tennessee Valley, but I know what has occurred since the administration has been in office. If the President has done anything in regard to Tennessee, he surely has done under the contract what I said would be done, namely, attempt to dismantle the TVA and not keep it operating at maximum efficiency.

The Senator from Montana called attention to the fact that in the great Northwest the administration has cut the heart out of hydroelectric development. We wish to have the Libby Dam built, for it will provide storage upstream and will develop approximately 1 million kilowatts of power. That project was probably the No. 1 project, next to the Ice Harbor and Hell's Canyon developments. We were given the impression, by the statements which were made, particularly the statements made by the Secretary of the Interior—and I can bring those statements here and read them to the Senate—that the administration was favorable to those developments. However, nothing has happened to them. On the contrary, the administration had not been in office very long before the chairman of the Senate Committee on Public Works and the chairman of the House Committee on Public Works introduced, simultaneously, identical bills to deauthorize the Libby Dam. That was the first time I ever heard of such a proposal. Not only that, but I also wish to state that on July 13 the Secretary of the United States section of the International Joint Committee, Mr. Ellis, sent me a letter and two statements relating to the Libby Dam. I wish to point out again, in connection with all the pledges and hedges the administration makes, that this is the dam which Mr. McKay and others in the administration are pointing to as the next big new start in the Pacific Northwest. However, now we are nearing the end of the session, and all the appropriation

bills except the supplemental bill have been acted on; and the administration have turned their backs on all new starts, although now they say they might go ahead with Libby Dam.

I can read into the RECORD, if desired, the letter from Mr. Ellis about Libby Dam. The indications, so it is said, are probably that it will not be constructed because Canada has taken no action as yet. Mr. Ellis states that the International Joint Commission has received two statements in response to the application—one from the Government of Canada and one from the government of the Province of British Columbia.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield to me?

The PRESIDING OFFICER (Mr. BUTLER in the chair). Does the Senator from Washington yield to the Senator from Montana?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Does the Senator from Washington know of any action taken by either of the two committees to withdraw the bills they introduced, which provide for deauthorizing construction of the Libby Dam?

Mr. MAGNUSON. I do not know of any.

Mr. MANSFIELD. Mr. President, will the Senator from Washington yield further to me?

The PRESIDING OFFICER (Mr. CARLSON in the chair). Does the Senator from Washington yield to the Senator from Montana?

Mr. MAGNUSON. I yield.

Mr. MANSFIELD. Perhaps we might move farther north—since we have already been discussing the Northwest—and discuss Alaska. According to today's press reports, the Secretary of the Interior has, in effect, told the people of Alaska that they have no right to put pressure on him for statehood; that they have been making too many arguments not connected with the subject; that Alaska will receive statehood in time, but that at the present time the administration is against it because of defense reasons and because the Alaskans are opposed to the idea of partitioning their Territory, and for 3 or 4 other reasons.

I am surprised, as I assume the Senator from Washington is, that the Secretary of the Interior would have the temerity to go to Alaska and tell the Alaskans that they should not push for the admission of their Territory as a State.

Mr. MAGNUSON. Having had some experience with him in the past, I am not surprised that the Secretary of the Interior would make such a statement; but I am surprised that he would have the temerity to tell the people of Alaska that they should not continue their efforts to have Alaska admitted as a State, so that they would become first-class citizens of the United States, rather than second-class citizens.

Mr. President, I have before me the telegram from Mr. Ellis, which I mentioned. It refers to the two statements that have been received, one of them from the Government of Canada, and one from the government of the Province of British Columbia. That seems to be "all that is cooking" on the subject.

So now we see what is happening to the promised "big development" of our natural resources, after all the statements which were made on that subject.

Mr. President, as I pointed out a little while ago, the objectives of this monopoly campaign are quite simple.

The first is to reduce the program by not having any new starts. A great deal has been accomplished in that direction. Let me read the other points in the monopoly program:

Second. Turn over all planning and development of the people's waterpower resources—such as Hells Canyon, Kings River, Niagara, and Paradise sites—to private monopolies.

Third. Be sure that any Government power generated is sold to private monopolies at the generating station, instead of being transmitted to municipal and cooperative electric systems as first priority, then to private companies in industries on Federal transmission lines. That is exactly what the pending bill does. As a result, they will accomplish that in this new field.

Fourth. By means of such commissions as the Hoover Commission, to set policy aimed at liquidating the Federal power investment in such magnificent projects as Boulder, Grand Coulee, Norris, Douglas, Bonneville, Garrison, Bull Shoals, and Hungry Horse, which have become symbols of power, progress, and democracy.

Fifth. By eliminating Federal power planning and related programs, to take over the $5 billion electrical business of the Nation's municipals, REA's, and PUD's which are now supplying more than 50 billion kilowatt hours a year to some 7½ million customers.

This program is likewise dedicated to the numbing and conditioning of the public mind, so that private monopoly can penetrate the public affairs of city, State, and the Nation.

Mr. President, that constriction of Government already has been practiced in nearly every section of this Nation by the private power monopoly. The time has come to recognize this threat to free government and to scotch it. That is what must be done in connection with the bill.

An attack on our democratic institutions can be successful only if our citizens fail to think. To accomplish this it is first necessary to prevent the public from achieving access to all the facts on the power issue, or any other issue. The next step is to use distorted propaganda of monopoly, with every aid of the social sciences, and every trick of the advertising profession, to induce a general state of consciousness among our citizens which George Orwell, the British author of the famous book, 1984, called group-think. In group-think the higher judgment centers are rendered inert by lack of use, and the public responds like one great, mechanical man, at the press of a button.

In the private power propaganda campaign, the American people are examined, scrutinized, evaluated, and manipulated like white mice or guinea pigs in a scientific laboratory. They are segregated as to their state of health. The propaganda specialists find that the majority of the American people are ailing. The majority have delusions—like the Tennessee Valley Authority, the rural-electrification program, the public-preference clause, the construction by the Federal Government of Hells Canyon Dam.

I submit, Mr. President, that it is the right of every patient to summon the doctor of his own choice, when it is necessary to obtain medical attention. I further submit that the propaganda specialists of the private power monopoly spend too much time in mass hypnosis and not enough time in getting us power at low rates. Each and every month we provide in our power bills baksheesh for further experimentation on our minds and souls. Such fear symbols as "creeping socialism" are applied to great Federal multiple-purpose projects like the Tennessee Valley Authority; such fear symbols as "Socialists" are applied to the millions of people who favor the great American power policy which has been an integral part of the conservation movement since the turn of the century.

This creeping-socialism party line has been adopted by such eminent Republican spokesmen as President Eisenhower and former President Herbert Hoover, apparently in order to help set a favorable climate for the big change in Federal power and river development policy which is being sold to the American people.

Behind the platitudes of such spokesmen lies the sinister manner in which great corporate interests are moving quietly to control this country. Surely, all the implications of this bill would suggest again that same pattern.

In 1943 the Electric Companies Advertising Program began a study, at 2-year intervals, of the public attitude on various issues affecting the power business. The data obtained were to be used in formulating a program, not to correct any evils or malpractices, and thus obtain sound public support, but to manipulate words and symbols in order to obtain the proper public response to an unchanged policy.

As ECAP puts it:

> The founders of ECAP were practical businessmen, mostly engineers, and they went at this project scientifically—it is now possible to measure the mass mind—to determine areas of misinformation or unfavorable attitudes, and to treat those areas methodically.

This cold-blooded attitude toward people is simply science divorced from humanity.

Here is an example of what these mental chloroformers did:

Their public-opinion studies revealed that despite the prodigal outpouring of money for advertising and opinion forming, a large and, it could be said, a predominant segment of the population either did not look on the private power companies with favor, or were not much interested in the matter, one way or the other. They also discovered that—

First. Fifty-two percent looked favorably on public ownership of the electric-power industry.

Second. Less than one-third of the people thought a private company would give lower rates than a publicly owned system, and that 36 percent of the people thought the private-company rates too high.

Third. Most alarming of all, they found that 63 percent of the people approved the Tennessee Valley Authority, that 65 percent of those in the upper-income brackets, and 83 percent of the editors and educators were favorable, and that 69 percent thought TVA's in other regions of the country would be a good idea. Yet we have this bill, which tends to dismantle it and start a new private-monopoly empire.

They even found that people were not much worried about whether TVA paid taxes like a privately owned power company.

Here was a shocking dilemma. The majority of the people, even after years of propaganda barrages from the Power Trust, had seen the true facts and the true issues, and endorsed our Federal power policy, which the power monopoly, with the aid of the Republican administration, now proposes to liquidate.

But the canny social engineers came up with an answer—an answer which had already been used with some success in the 1920's, as I have previously mentioned in these remarks. The answer, however, constitutes a serious threat to the democratic process if great corporate interests are permitted to use their vast resources, which flow to them from consumers, to hire scientific mind manipulators to brainwash these very consumers at their own expense.

For these social engineers discovered that the word "socialism" is a bad word. It produces a general negative reaction among people. In fact, the poll revealed that 69 percent of the sample thought socialism would be a bad thing for the United States.

So, instead of becoming pals with the American public, the ECAP turned to assault its mind with fear. ECAP decided that—

> To link our fight to the TVA question would run us into a lot of opposition * * * but to link our fight to socialism is something else again. The people do not want socialism.

I suspect that is why the expression "creeping socialism" is now running rampant throughout the country.

Gloating over this epoch-making discovery in the science of pressure psychology, the ECAP braintrusters wrote in a pamphlet not intended for public consumption:

> We're on favorable ground there. ECAP advertising in magazines and on the radio will stress the fight against the socialistic state more in the future. It should be stressed, too, on the local level—in speeches, radio talks, interviews, and other expressions of management opinion.

Mr. President, this is the genesis of the phrase "creeping socialism." The use of this phrase does not contribute to public education or to public action to meet the issues of the present. It does not solve the problems of our democracy in the use of its natural resources. It is a device for mass hypnosis; a device to shut off free and full discussion of the real issues involved. Those who concocted and use this device realize that if there is full and free discussion, on the basis of all available facts, the onslaught upon our power resources will be turned back and stopped.

Here is a statistical summary of this campaign to inundate the American public with what I contend is misleading, fear-creating propaganda:

First. The Meet Corliss Archer radio program is reaching some 10 million families, perhaps 30 to 40 million people each month.

Second. The 8 radio announcements a month furnished to each of the 135 member private power companies, are reaching thousands of additional listeners through local radio programs.

Third. Every time one of their pious, misleading ads is carried by their full list of eligible magazines, it is read by between six and ten million people.

Fourth. The 3 additional advertisements, furnished each month to the 135 member companies for use in local newspapers must complete almost a thorough saturation of the entire United States.

Mr. President, I have tried to show a part of the pattern nationally. I wish now to turn to the Pacific Northwest in particular. As I say, I have no intention of delaying a vote on any important matter. This is an important matter to us.

Mr. FULBRIGHT. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. FULBRIGHT. I did not quite understand the Senator's last statement.

Mr. MAGNUSON. I said I did not want to delay a vote on any important matter.

Mr. FULBRIGHT. I thank the Senator.

Mr. MAGNUSON. For some time I had intended to make this speech before the end of the session. Now is as good a time as any. This bill would affect the State of Arkansas, too.

Mr. FULBRIGHT. I thank the Senator. I did not quite hear.

Mr. MAGNUSON. Moreover, this bill, with its far-reaching implications, was thrown at us at a time when very few of us knew just what it meant, and without any safeguards whatever in it. The proposed legislation could start another private power monopoly.

Mr. President, I wish now to turn to the Pacific Northwest and to describe the manner in which the Power Trust is attempting not only to scuttle our entire river basin comprehensive Federal power program but to take it over, lock, stock, and barrel.

The Washington State Grange, which was the great moving force behind enactment of our public-utility-district legislation of 1930, was deeply aware, even before that time, that the power monopoly was on the move. The annual report of the Washington State Grange for 1927 warned—

> The privately owned electric utilities are rapidly extending their power and influence and preparing for the struggle which they expect to come for control of the water resources of the State. The longer the contest is delayed the greater the obstacle we shall have to overcome.

In my State we have had all too much experience with the workings of the power monopoly with well-laid plans to seize control of our hydroelectric-energy base, which constitutes 22 percent of the Nation's undeveloped hydro potential. These efforts are directed not only against the Federal policy and program but against all local desire to conduct the power business on a public basis.

Not only have magazines of large general circulation been fattened by such advertising, but those directed toward more specialized audiences as well. Collier's magazine has collected $319,000 from ECAP, which openly boasts of its resulting influence on the press in general, "The companies have many friends among the publishers"; that the electric industry enjoys "a generally favorable press"; and that Collier's last year "had published a highly complimentary article on the activities of P. G. & E."

Mr. President, P. G. & E. is the Pacific Gas & Electric Co., a giant private utility, which has been for years actively fighting the Federal Government's great Central Valley program.

Nowhere else in this Nation have the manifestations of the private power conspiracy to seize the energy resources of the Nation been more intense, widespread, and diverse. And since the Eisenhower administration has taken office the Pacific Northwest might be properly termed the testing ground for the "private monopoly-Republican" power policy.

In my own State of Washington, the public utility law of 1930, plus the generation of large blocks of low-cost power marketed by the Bonneville Power Administration over a regional grid system has brought about the creation of public utility districts in 29 of the 39 counties of Washington.

During the 1930's the PUD's had to fight through the courts, county by county, to establish their constitutionality, and free their operations. Their adversaries, of course, were the private power companies.

It was during the 1930's that the great battle of the people to build Grand Coulee Dam was waged and won—against every gun in the arsenal of the power monopoly.

It is ironic to remember the picturesque phrases of some people in describing the utter worthlessness of the greatest dam on earth.

It was the biggest boondoggle since the Great Pyramid, according to some people. It would create power which would be used only by the jackrabbits. I remember that on one of my first days as a Member of the House of Representatives, when the appropriation for the Grand Coulee Dam came up for consideration, one Member after another rose, on both sides, and spoke against spending the money in that area to create power which would have to be sold to the jackrabbits and the sagebrush, and would create nothing more than a colossal concrete monument. Now the same persons have embraced the multiple purpose

principle of power and river development. There is only one catch. The executives of the power companies want to own the reimbursable and profit producing power features. They are willing to let the people—the Federal Treasury—pick up the check for the nonrevenue-producing and nonreimbursable features of such projects.

Under the administration of Franklin D. Roosevelt, Grand Coulee and Bonneville went forward. The battle for Grand Coulee was similar in most respects to the people's fight to save Hells Canyon for public development. These fights must be waged over and over again by the people to protect their own resources.

For years there has been waged in my State a bitter and inveterate campaign by the private power companies to hamstring the operations of the public utility districts and, I suppose, eventually, destroy them. There has been foray after foray in the State legislature. There has been initiative measure after initiative measure placed on the ballot.

The Classic Power Co. strategy and tactics are political expenditures to influence public opinion charged as operating expenditures; the widespread use of front groups, financed by the power companies.

I have known organizations to spring up overnight during the campaigns in which public power was an issue, and then suddenly disappear as soon as the question was settled. The people of my State have voted time after time on the issue, but still it springs up. Citizens groups have been created to wage war against the public groups. Both Oregon and Washington private utilities spent large amounts of money on this type of public-opinion molding—money which went to the Washington State Taxpayers' Association, Let the People Vote League, Washington Bureau of Governmental Research, Washington Business & Investors, Spokane Taxpayers Economy League, Oregon Business & Tax Research, Inc., Oregon Tax Review Publishing Co., and many other so-called citizens committees and local groups. I could list 500 others.

The Federal Power Commission conducted a hearing on power-company activities in connection with initiative 139. The private utilities were opposed to initiative 139 because it favored public power.

Among other things, the Federal Power Commission found:

That the actual expenditures of 1 power company to influence public opinion, as uncovered by the investigation, were in excess of 12 times what the company was willing to admit.

That these expenditures, concealed, or falsely entered in the company's books of account, likewise concealed the fact that the front groups following the power-company line were connected by both philosophical and financial interest with the companies—yet purported to give unbiased advice to the electorate. Individual citizens also served in the same capacity.

That 60 higher paid employees of Pacific Power & Light and Northwest Electric Co. incurred obligations of $46,000 plus interest in financing some of the political activities of the campaign of 1940, and that the 2 companies paid off this debt with company money which was to be conveyed to the United States National Bank in Portland, Oreg., then found its way into the hands of the 60 employees through 3 front organizations—the Washington Taxpayers Association, F. H. Young, and the Washington Business & Investors. This was accomplished on the books by a series of vouchers.

After referring to the literally hundreds of thousands of pieces of printed matter which had saturated Washington to carry home the case of the power monopoly, the Federal Power Commission commented:

> Extensive advertising and radio programs were featured by the utilities during the political campaigns, thus providing subsidies to the organs of public opinion.

The president of 1 water power company boasted that 90 percent of the newspapers in the territory served by his company favored the point of view which he advocated in utility matters.

Mr. President, that kind of campaign has been raging in my State of Washington and continues to rage with unabated fury. There was initiative 166 in 1946 which was another move to cripple the PUD's. It was overwhelmingly defeated by the people at the polls.

There were the negotiations in 1947 between Pacific Power & Light and a PUD's which had offered to purchase that company. In those negotiations the private power companies organized a front group of bankers who bid the price of the utility up to $16 million. This group of bankers than bought Pacific itself. Next, they put out the stock at $23 million, which I do not consider to be a bad deal for the bankers.

When American Power & Light was given an order by the Securities and Exchange Commission to dispose of Washington Water Power Co. under the Holding Companies Act, a group of PUD's, also, negotiated for its purchase. They were stopped by a series of "nuisance" lawsuits and finally lost out when A. P. & L. distributed the common to the preferred stockholders. Since that time, Washington Water Power has been granted two rate increases and is now seeking to make a third temporary raise a permanent one.

Washington Water Power is the most implacable enemy of public power in the Northwest, perhaps in the country. So far they have failed to kill this movement but, through the years, are still at it. They have spent tremendous amounts of money, customers' money, in an attempt to do so.

As an indication of their power in the neighboring State of Idaho, Washington Water Power lobbied a bill through the State legislature under suspension of rules, which was passed and signed by the Governor in 2 days. The bill prohibits sale to any public group from Washington State of any part of the company's property located in Idaho.

A third attempt of associations of Washington PUD's to buy out private power companies in Washington took place when, with the consent of the legislature and Governor, they sought an orderly and friendly purchase of Puget Sound Power & Light Co. Thc company was willing and cooperative. But the sale has been delayed by the usual nuisance lawsuits—stimulated by other private power companies.

Thus is the will of the people thwarted, but I hope only temporarily.

Mr. President, I could take you on a tour of the other major Columbia Basin States—Oregon, Idaho, and Montana, recounting the operations of the private power companies against the democratic process.

But what I will now demonstrate is that since the Eisenhower administration has taken office the power monopoly is moving for a quick kill before the people awaken to their danger. Part of the kill would be the language of the bill. First to go will be the competition of low cost, abundant Federal power. When it is gone the Federal power investment will be liquidated. After that comes the mopping up of the stranded and helpless public groups, cut off from their source of Federal generation and transmission.

With an understanding of the power monopoly record of the past, the policy statements and moves by the Eisenhower administration are no longer puzzling. They are crystal clear—both as to motivation and intent.

The present partnership policy, so-called, of the Eisenhower administration found its genesis in policies instigated by the Power Combine over the past years—policies sold to and then resold by the Republican Governors of the four Columbia Basin States; some State affiliates of the National Reclamation Association; some farm groups, and some chambers of commerce. The merchandise, however, bears the private utility trade-mark.

These individuals and groups have worked steadily, even during the days of Democratic administrations, to dilute, delay, and dismember the Federal power program. Their emphasis was on the Interstate Compact Commission, which at best has never been much more than a debating society. Through the compact commission they seek to apportion water from a river system. They seek, what has never been successfully done, namely, to allocate power by State. Power development should be carried out not by the Federal Government, except in very costly projects, they argued, and State and local interests should be given this responsibility.

In short, this was only the overture to the 1954 approach of complete domination of power planning and programing by the private power companies, which, alleging themselves to be local interests, are moving in on the entire program, singly and in combination.

The Northwest governors and some Republican congressional delegates were able to sell this idea to the Republican National Convention in 1952, with no difficulty at all. The natural resources plank in the GOP platform for that year favors—"greater local participation in

the operation and control, and eventual local ownership of federally sponsored, reimbursable water projects."

That sounds well, Mr. President, but it does not work, and the past months have demonstrated that fact.

Candidate Eisenhower met with the Republican Western governors in Boise in September 1952, the day he made his first major campaign address. The governors, all of whom shout the power monopoly line from the housetops, did a good selling job.

Candidate Eisenhower mentioned the Federal power program in his Boise speech only to imply that an overweening, aggressive bureaucracy was trying to do everything for the people, even to wash the housewives' dishes.

I remember I remarked at the time that that was exactly what we were trying to do, because I think every housewife knows the benefits flowing from electric dishwashers.

Later, in Seattle, he echoed a speech made a few days previous in Detroit by Gov. Len C. Jordan, of Idaho. The echo reads:

> Planning management and coordination for all present and future public projects (should) be vested not in a Federal Columbia Valley Authority but a new interstate body.

In other words, what the Eisenhower administration proposes is a new kind of TVA for the river basins of the country—one controlled by the private power companies. I think we should call it the monopoly valley authority.

The first step to implement planning for monopoly was not long in coming. In February 1953, Secretary of the Interior Douglas McKay withdrew his Department from its previous intervention against the license application filed by the Idaho Power Co. with the Federal Power Commission to construct a small dam at Oxbow site on the Snake River—a dam which would prevent the construction of the great Federal multiple-purpose dam at Hells Canyon.

The next step demonstrated how our Federal power policy could be rendered meaningless without changing a single law—demonstrated that the policy could be changed merely by administering it out of existence.

The demonstrator was Assistant Secretary of the Interior Fred G. Aandahl. Shortly after his appointment, he said this, in a speech delivered before the United States Chamber of Commerce:

> There is a sizable indication that the preference clause has been used as an implement to practically force local communities to establish public power at the local level to take advantage of low-cost hydroelectric power * * * if we just break away from that concept of a Federal power wholesale monopoly, tied into local public power, ever increasing local public power which can later easily be absorbed by the federalized wholesale power system * * * in which the organization has been administered for a number of years, and please get this, administratively we can correct a good many of the evil effects that the Federal power system has brought on our communities during the past years.

Here, again there is shown a part of the pattern. Here is the Secretary of the Interior saying to the chamber of commerce, "Although Congress passed these laws, we do not particularly care about them. A lot can be done to correct some of these things by administrative action."

Ask anyone in my State what are the evil effects of the Federal power policy, and there will be a statement that it has done a pretty good job in the past 20 years.

Assistant Secretary Aandahl is faulty on his facts, faulty on his implications, and faulty on his history. He has conveniently failed to mention that the Washington Public Utility District Act was passed in 1930, and the first district was in operation in 1935 before either Grand Coulee or Bonneville had gone on the line. He conveniently fails to mention that in 1930 the private utilities distributed about 84 percent of the Northwest region's power to the ultimate consumer, while in 1953, omitting sales direct to industry by the Bonneville Power Administration, it still accounted for 70 percent.

Assistant Secretary Aandahl vaguely talks of evil effects of the Federal power program, and omits describing them. He would have quite a problem convincing the REA people, for instance, of the evil effects of their program, or the public-utility districts in my State, or the workers in aluminum plants energized by cheap Federal wholesale power, or the new homesteaders on the great Columbia Basin irrigation project made possible by that "white elephant"—Grand Coulee Dam.

But the most ominous part of his statement, the administrative nullification of legislation, has been brought to pass by the Department of the Interior.

I shall describe it, but first I wish to pay my respects to a fellow westerner and to discuss also some of the actions of the Secretary of the Interior, or apparent policies of the Department of the Interior, all of which must, of necessity, be approved by the Secretary.

It was on May 5, 1953, that Secretary McKay announced his Department's abandonment of Hells Canyon to the Idaho Power Co. It was the beginning of the big dam-site giveaway, repeated at Kings River, Paradise, and Niagara.

Naturally, in accordance with the Republican platform and translated into the Eisenhower partnership power policy, if a "local interest"—a quaint and homespun term for an eastern controlled private-power monopoly—wants to build a dam, any kind of dam, where a Federal project is proposed, it is necessary to back down in the interests of fair play and giveaway.

The Idaho Power Co. had made a majority of southern Idaho irrigators enemies of their own Federal Government—had made them enemies of a Government which had spent millions of dollars in providing water for new land, and supplemental water for land already under ditch. The company used the same kind of fear symbol as the one of creeping socialism, but with a local twist. This time it was, "Man the headgates; the bureaucrats are after your water."

Idaho Power showed its tender regard for the farmers in Long Valley, Jordan Valley, and the Malheur sections of Idaho and eastern Oregon, by crushing three little REA's. It did this by means of the most skillful and, I think, ruthless tactics ever employed by a private power company—the only known instances, up to now, of a private power company taking over a rural electric cooperative.

Idaho Power fought against the Columbia Valley Administration, together with the other Northwest power companies, spending thousands of dollars in opinion forming. Idaho Power has fought inveterately against the high Federal dam at Hells Canyon with every trick in the book.

Idaho Power bled the farmers on the Minidoka project of $750,000, which was added onto the cost of the project in order to pay damages to the company for the alleged loss of its water rights on a small power dam at American Falls Reservoir, built by the Federal Government. It obtained valuable storage rights in this reservoir, and adds hundreds of thousands of firm-up kilowatts to its system every year, from reservoir release, without costing the company a dime.

Idaho Power Co.'s low power dams in the Snake River east of Boise, Idaho, have prevented the construction of a major storage dam which would have provided power and irrigated several hundred thousand acres of fertile, arid land.

This is the self-styled citizen wherever it serves, which is the hopeful recipient of a colossal giveaway by the Federal Government, with all the aid and comfort which a friendly administration can provide. We in the Senate who are fighting alongside the farmers, organized labor, public power, and other groups, to save one of our last remaining great natural dam sites for full and comprehensive development, know how heavy the hand of an unfriendly Federal Government can be when that Government has turned away from the people.

The citizen, wherever it serves, cries "havoc" whenever anyone has the temerity to suggest that it is not a local interest—that, instead, it is an eastern-controlled monopoly; incorporated in the State of Maine; holding its stockholders' meetings there annually; and with its voting control east of the Mississippi. The 1952 report to the Oregon Public Utility Commission shows that of its first 30 largest shareholders, in terms of votes, all except 4 are located east of the Mississippi, mainly in New York, New England, and Philadelphia. These 30 insurance companies, investment banks, and securities houses controlled 458,617 votes, or slightly more than 35 percent of the total number of votes cast at the 1952 stockholders' meeting at Augusta, Maine.

During the course of an interview published last year by United States

News, when he was asked who controlled Idaho Power Co., Secretary McKay, with a straight face, replied: "The people." We are glad to have your definition of what you regard as the people, Secretary McKay.

When Secretary McKay abandoned Hells Canyon Dam to Idaho Power Co., he gave notice that his Department was going on a standby basis; for he said:

> The granting of licenses for the construction of dams and hydroelectric plants on the rivers of the United States is the primary function and responsibility of the Federal Power Commission and not of this Department.

This seems to me to be some artful passing of the buck, which has resulted in absolute stultification of the Federal program in the Northwest at any site on which either a private power company or a public group in self-defense files upon. The joint comprehensive plan of 1949 drawn up after 20 years of river study by the Bureau of Reclamation and the Corps of Army Engineers is being dismembered, piece by piece.

As I have pointed out before, there has not been one single new start on the river by this administration, in the face of a crying power shortage which will require Federal and non-Federal new generation of 7,500,000 kilowatts, and which, according to BPA, will still leave our region lacking 1,200,000 kilowatts in 1963. That is, unless we fight through with Hells Canyon and its 1,124,000 prime kilowatts.

The citizens of our region, aided by groups elsewhere, have risen to take up the colossal burden of trying to hold open Hells Canyon for maximum development. In the hearings before the Federal Power Commission they have been trading blows with the Idaho Power Co.—despite its fearsome backing of Ebasco Services, Morrison, Knudsen Construction Co. and the eastern securities houses. They have exposed the emptiness, the inadequacies, and omissions of the power company case for its three Beaver Dams. Government witnesses have demonstrated, even testifying under wraps, the overwhelming superiority of the Federal project to the power company's three-dam plan.

I am proud to have been one of the sponsors of S. 1644, to authorize Federal construction of Hells Canyon Dam. This Congress should have held hearings on that measure, so that the Federal program of comprehensive river basin development and basinwide integration of power output could go forward to provide more power, more jobs, expanded opportunity, and a stronger and more democratic economy both for peace and defense.

The duplicity of Secretary McKay in his role of "repository of information" and "not that of a partisan contestant" in the Hells Canyon matter is no better shown than his inadvertent break before a Portland, Oreg., Chamber of Commerce gathering last June.

It is particularly interesting to follow the closeness which McKay adheres, in my opinion, to the private power company line—even though his style is somewhat incoherent.

In Portland McKay said, according to a tape recording of his remarks:

> So I say to you that in my opinion the Idaho Power Co. should be allowed to build these dams under specifications of the Federal Power Commission that will say you will build them and they have a million acres (sic) feet and that water will be released along with the Government-built dams and it will be.

Mr. Clarence Davis, Solicitor of the Interior Department, indignantly denied that McKay had given utterance to these words "on June 1, or at any other time." But apparently the goods were on him, and McKay finally stated that he was speaking before a group of old friends, not as Secretary of Interior, but as a plain citizen.

It was in 1949 that this same Douglas McKay, then Governor of Oregon, wrote to Gen. Lewis A. Pick, then Chief of Army Engineers, on the matter of the Corps' 308 report and the main control plan for the Columbia—which included Hells Canyon Dam—to say fulsomely that he wished "to heartily endorse the project." The same Douglas McKay also wrote a covering letter that year in June to the report of his State engineer, endorsing the Bureau's Hells Canyon project, in which McKay had this to say:

> I have examined Mr. Stricklin's statement and I concur in his conclusions and in his recommendations that the report as amended be submitted to Congress.

It was this same Douglas McKay who in the summer of 1953, wrote a form letter in reply to citizens protesting the Hells Canyon giveaway; and I quote that letter:

> To say that the Snake River is a natural resource belonging to all the people, and, therefore, should be developed only by the Government is contrary to basic American standards.

It will be recalled—before we shake our heads sadly and place Secretary McKay in the category of a crazy, mixed-up kid—that his endorsement of Bureau-Corps development came at the time when such endorsement was universal by all the Northwest governors, prodded by the private power companies as a club to beat the proposed Columbia Valley Administration over the head. As soon as CVA was temporarily stalled, the power companies, followed by the governors, turned upon the Bureau of Reclamation and smote it hip and thigh—in other words, divide and conquer.

The adoption last year of the 20-year contracts between the Bonneville Power Administration and the private power companies is another basic policy decision by the Eisenhower administration aimed straight at the heart of the public body preference clause—which the bill before the Senate would also be—and toward the weakening of the public bodies in the region.

The Bonneville Power Act requires protection to be given domestic and rural consumers, explicitly through preference and priority of sale of Federal wholesale power to public bodies. Furthermore, section 5a provides that any other customer's contract with Bonneville Power Administration shall be subject to cancellation in 5 years—thus further protecting public groups in their preferential rights.

Let us now examine into the provisions sponsored by the administration. The resale provision in the 20-year contract refers to the courts any disputes arising from section 5 (a), but it has no meaning in control of resale rates by private utilities. In contracts with public bodies, however, resale rates are subject to more direct controls, hence, the contracts tend to place public groups at a bargaining disadvantage with the private companies.

I shall now discuss some of the more glaring discriminations in the new 20-year contracts, and why the new contracts, in my opinion, do not protect the public at all.

First. They deal with the private companies as a single combination, whereas the public agencies negotiate separately.

Second. They contain a provision for arbitration not existing in public body agreements.

Third. They raise the question of violation of the act by excluding from a public customer's priority needs any power in excess of 10,000 kilowatts in any year needed to serve an industry obtaining its power from a public group. The provision of the act dealing with priority for public body power requirements does not place any statutory limitation on the kind of customers to be served by these agencies.

Fourth. If point, or points, of delivery are changed to private companies, the contracts need not be reopened, but can be determined by negotiation. With public body contracts, the entire matter must be reopened.

Fifth. They contain a provision guaranteeing that more favorable terms given any contractor in the future will be included in the present 20-year contract—a benefit not conferred upon the public body contracts.

Sixth. They do not contain provisions requiring private power companies to wheel public power to any public agency, although previous negotiations between BPA and private utilities have shown BPA as insisting on this kind of provision to protect public groups' priority rights.

Seventh. They contain monthly billing provisions for the private companies as against present contracts between BPA and public agencies, which are computed on the basis of the largest amount of power taken in any month of the year. This could result in considerable savings to the private power companies—savings which are not passed on to customers in the form of reduced rates.

On August 31, 1953, another passing strange policy was formally placed into effect by Interior, at a meeting held in Tacoma, in my own State of Washington. It allows private utilities to oppose construction of any facilities which they might consider as infringing on themselves. That this policy was on the way

had been revealed even earlier by power company rejection of certain facilities proposed by BPA to serve public groups. In fact, a transmission line authorized by Congress to serve the Coos-Curry Electric Cooperative in Oregon was removed from activation by an order from Interior, after we authorized it by legislation, because it had been given the thumbs-down sign by the California-Oregon Power Co. Up until now it has been the President of the United States who was solely empowered to veto an act of Congress.

I shall now illustrate another part of the power company pattern. The next blossoming of the Eisenhower-McKay power policy took place in the summer of last year, when a special statement on the subject was made by Secretary McKay: "Primary responsibility for supplying power needs rests with the people locally," this statement read, with Interior content to "give leadership and assistance," not stepping in unless there is a multipurpose project, which, "because of its size and complexity, is beyond the means of local public or private enterprise. In general, the Federal Government will not oppose the construction of facilities which local interests, either public or private, are willing and able to provide."

With respect to transmission facilities, McKay promises that there will be continued Federal activity and construction, unless other public or private agencies have or will provide the necessary facilities upon reasonable terms and make power available at rates no higher than if the Federal Government had built the lines.

McKay pledged allegiance to the public body preference provision, with no more expansion of power to serve directly new industrial consumers, such as aluminum, but only to carry out existing contracts, or expanding them.

Rate schedules, McKay promised, would be held at lowest feasible levels consistent with repayment of the power investment with interest, subject to review every 5 years. Control over resale rates would not ordinarily be exercised on the assumption that sellers of power to ultimate users are responsible to the customers, and are always on the lookout for his interest, and that Interior would insure that private companies purchasing Federal power would reflect in their rates as nearly as possible the cost of the service plus a reasonable return on the investment at work.

Mr. President, the new power policy of the Eisenhower administration, as set forth by Secretary of the Interior McKay, is one which is damaging the economy, the morale, and the political freedom of the Pacific Northwest. Secretary McKay, a Westerner, a native Oregonian, has demonstrated beyond a shadow of a doubt that he is actively carrying into effect a program aimed at the destruction of the Federal program which has meant so much to his own State, the region, and the Nation. Apparently, he aims to reimpose absentee domination by eastern monopoly, with the Pacific Northwest once again reduced to the role of economic milch cow, producing raw materials for the industrial East, with no diversified economy to provide the bolstering of agriculture and lumbering, and prey to the seasonal fluctuations in employment which reduce earning power, production, and levels of living among its citizens.

We need, of course, a dynamic program, coordinated, comprehensive, and under Federal leadership, to get the kilowatts on the line. We need the great, upstream storage plants, like Hells Canyon, to firm up downstream power and avoid the brownouts that occurred during the great drought of 1952. We need more transmission lines to complete a gridback network throughout our region to every load center, and to achieve, through this kind of interconnection, the widest dissemination and use of cheap, wholesale Federal power—to industry, to public groups, to rural areas, to private power companies. The latter also depend in part upon the Federal Columbia River Power System, which provides more than 57 percent of the region's power supply.

The region and the Nation demand such a program. But apparently McKay's answer is to "pass the buck" to what the Republicans are pleased to term "local interests," which by odd coincidence turn out to be private power companies, controlled by eastern share holders. These "local interests" are the only agencies which can even partially move into the vacuum created by the buck-passing of McKay. The people ask for bread, and McKay gives them a stone.

The Republican heirs of Hoover are returning us to the Republican policy of scarcity—scarcity in power, in new industry, in jobs. We shall need 7,500,000 kilowatts of power in the Northwest by 1963, to take care of reasonable expansion. Yet there have been no firm steps by the Eisenhower administration in a year and 3 months to give us a single new kilowatt on the Columbia.

The Eisenhower administration is returning us to the days before we had a comprehensive plan, to the days before we had a schedule of multiple-purpose main control projects. For the Columbia, to provide power for the region and the Nation. We now can see the clock turned back to the days of normalcy of the Harding, Coolidge, and Hoover regimes: Back to the days of single purpose beaver dams on multiple purpose sites, with monopoly, in the saddle, building these dams with a single purpose, namely, dollars.

The Eisenhower administration, through the Interior Department, has made its policy clear. It is much easier to analyze it through actions, rather than the pious words of Douglas McKay. I have told about the fragmentation of the comprehensive plan of the Corps and Bureau, by the giveaways at Hells Canyon, Kings River, and Paradise. I have told about the attack on the public groups in the Northwest by imposition of the 20-year contracts between the Bonneville Power Administration and the private power companies.

I wish to talk now about three more matters which plainly demonstrate that the Eisenhower administration is operating as an aid to monopoly—at the expense of the people in the Pacific Northwest.

1. THE POLITICAL RIVER STUDY

The ire of the citizens of the Northwest over the giveaway at Hells Canyon has been a constant source of embarrassment and frustration to the plans of McKay, Tudor, and Aahndahl, as they seek to carry out their scuttling of the Federal power program in the Northwest. The heat of indignation has been generated among groups representing farm, labor, public power, and consumers, with a membership of more than 2,500,000 citizens in my region, and supported by the endorsement and active assistance of similar organizations, with an aggregate membership of more than 15 million, all over the Nation. This kind of opposition is something to reckon with. It is felt by incumbent Senators and Representatives in the Columbia watershed. They are worried; and they have good reason to be worried, for these people still vote, and they know how to vote.

Apparently, with this in mind, the administration, with the aid of the Senator from Idaho [Mr. DWORSHAK], instigated last summer two political river studies in order, I believe, to reduce the pressure for construction of Hells Canyon Dam, divert opinion, and appear to propose a reasonable compromise.

The Corps of Engineers was given a $140,000 appropriation to study the Clearwater River in Idaho, in order to come up with a suitable alternative for the Kooskia Dam. The Kooskia Dam was opposed by local people because of the damage to the economy by flooding.

The Bureau of Reclamation obtained funds to investigate the Snake River below Hells Canyon, to come up with an alternative for that project. These studies were begun in the middle of September, and the findings and recommendations were made public at a local hearing in Orofino, Idaho, on November 20.

The corps proposed two storage dams, for power, flood control, and navigation, at Bruces Eddy and Penny Cliffs, on the Clearwater. The Bureau recommended a large dam at the Mountain Sheep site on the mid-Snake.

What has become of this river study? It received the plaudits of the power company fronts. Len C. Jordan, Idaho's Governor, stated that Mountain Sheep had for years been his favorite site. This is an interesting switch from his testimony in 1952 on the Hells Canyon bill. Then, he said that there should be no storage dams on the Snake River, in Hells Canyon and below, but only a series of low-head dams similar to the ones the Idaho Power Co. was then pushing—pushing chiefly for propaganda purposes.

What these gentlemen neglected to tell the public was that development of the Clearwater, except as an alternate to Glacier View, had been deferred to a later construction phase in the main-control schedule for the Columbia by the Corps of Engineers. Moreover, Clearwater de-

velopment would not in any way interfere with Snake River development in the Hells Canyon area and below, but would be complementary to it.

Another significant omission was that Mountain Sheep was merely set as an alternate to another ultimately scheduled project of much greater potential in power and flood control, namely, Nez Percé. If Nez Percé could not be built because of its interference with the salmon runs, then Mountain Sheep was to be considered as second choice. But the site at Nez Percé was to be held open until studies by Federal and State agencies on anadromous fish runs provided a final verdict. Mountain Sheep, as proposed in 1953 by the Bureau, would forever prevent the construction of the great Nez Percé Dam, larger even than Hells Canyon.

The reports were heralded as a new day in river development, demonstrating, apparently, that the Eisenhower administration had not abandoned a dynamic program. Let the Hells Canyon area be developed by the Idaho Power Co., these people implied; we can get you a better deal somewhere else.

But 1954 rolled around, and the Bureau-Corps reports came in to Washington. There was the Bureau report of January 23, submitted to the Commissioner of Reclamation by the Director of region I.

Something had gone wrong. The rock at the Mountain Sheep site, after more thorough exploration, had developed to be faulty—so faulty that a special board of engineers and geologists from the Bureau recommended that no large dam be built there. Instead, they recommended a small, run-of-the-river plan, for a small amount of power only.

The report then suggested that there was a site several miles upstream from Mountain Sheep which might be feasible for a medium-sized storage dam, impounding about half a million acre-feet. This was the mouse that was produced by the Mountain Sheep. It is no wonder that this story had to be broken by the local press in my region, and that neither the Department of Interior nor the Governor, nor the Idaho Republican delegation have been talking about it.

The Clearwater report was examined by the Board of Review of the Corps of Engineers this spring, here in Washington. It was found that there were insufficient data on navigation and flood control, so it was referred back to the region for remedial action.

That is the status of the great political river study instigated by the Eisenhower administration.

Mr. President, I wish to state quite bluntly that the competent engineers and technicians of the Bureau and the Corps have been exploited for cheap politics. Remember Dr. Astin, the Department of Commerce, and the great battery additive fiasco? This is the same kind of situation, and it must be stopped. The economic needs of my region are too acute for this kind of playing with matches. We want cheap power, not cheap politics.

A part of the plan follows:

2. THE EBASCO-POWER CO. DRIVE TO TAKE OVER THE FEDERAL POWER PROGRAM

The McKay political river study provided some grim amusement at its sorry outcome, even though it gives aid to the Republican policy of power scarcity by preventing resumption and acceleration of the projects which have long been proposed or authorized on the Columbia.

But behind all this vaudeville acting, the private power companies have been moving with swift thoroughness to make the partnership policy their own. The situation is alarming in the extreme. Here are some of the reasons:

The Governors of the Northwest called a meeting on December 7, 1953, to establish a power policy committee. This group was organized to give life and meaning to what has been called the Eisenhower partnership policy. We have been listening to that for months. It is some vague partnership policy, but with no kilowatts on the line.

From the start this group, in my opinion, has been taken over by the power trust and its operating and engineering agency, Ebasco Services, which is a subsidiary of Electric Bond & Share.

In Seattle, on December 7, a group of five power companies in the region—all contractually affiliated with Ebasco Services—announced through their spokesman, J. E. Corette, president of Montana Power Co., that they had formed a single working combination and would gladden the administration by filing soon on an announced site.

Two weeks later, Corette anounced that this combination—Washington Water Power, Portland General Electric, Pacific Power and Light, Montana Power, and Mountain States Power—had filed with the Federal Power Commission application for preliminary permit to investigate Bruces Eddy and Penny Cliffs on the Clearwater, which had just been studied with $140,000 worth of taxpayers money by the Corps of Engineers.

This was merely the first gun fired in a much more ambitious enterprise—that of becoming the unchallenged leader in developing the power resources of the Columbia and relegating the Federal Government to the role of silent partner.

On January 30 a press release was issued from the offices of Bozell and Jacobs, the private power public relations firm. Mr. Corette, in this story, announced that the five companies, with more to come in, were ready, willing, and able to assume the responsibility of meeting future power needs in the watershed of the Columbia. Said Corette:

> The companies see a combined need of 150,000 to 200,000 kilowatts a year for the next 20 years, and they are willing to spend about $50 million a year to provide that power. I have long felt that power shortages will continue in any area so long as the people rely entirely upon the Federal Government for their power supply.

The "good housekeeping" seal of approval on this project, Bozell and Jacobs, announced had been received from Under Secretary and Assistant Secretary of Interior Tudor and Aahndahl; Gov. Len C. Jordan, of Idaho; and Col. F. S. Tandy, of the Corps of Engineers, in Walla Walla, Wash.

Corette stated that on all multiple-purpose projects the combination would pay for the reimbursable power investment, while legislation would be introduced to enable a grateful taxpaying public to pick up the check for the nonreimbursable features of the dams, including flood control, navigation, and irrigation. This is what the Interior Department approved, just as approval is sought for the present bill.

Nothing was said about system operation, control of power marketing, all-important subject of rates, public-body priority, or planning.

The way had already been cleared by Interior for the power monopoly to take over the planning and power pool operations formerly under the responsibility and leadership of the Bonneville Power Administration. First, as I have mentioned previously, was the veto power on new BPA proposed transmission and substation facilities proposed by the private companies.

Next was the wholesale reduction in force of the vital power planning section of BPA. By the end of 1953 Under Secretary of Interior Tudor was pleased to announce great accomplishments. BPA personnel had been reduced 20 percent, mostly in the planning areas, as against only 7 to 8 percent in Interior generally.

Tudor announced that under present Interior policy—

> We envision Bonneville Power Administration as properly a wholesale utility company. * * * Bonneville will no longer push for development of power resources, which will be left more to agencies, both public and private, of the communities concerned.

He served further warning that a management survey team would be out to study the agency.

That team has been there. It is hoped that it will not complete the job of emasculating BPA just as has been recently done by the Republican administration on Southwestern Power Administration.

With this accomplished, the control of planning, marketing, and resale of power in the Pacific Northwest will pass into the hands of the Northwest Power Pool. The Northwest Power Pool is dominated by companies with EBASCO contractual relationships. In effect, the future policy will be made and carried out by guidance of EBASCO services.

Here, Mr. President, is local interest with a vengeance. A better term for it is "monopoly on the loose." Here is a combination which may well become a single corporation with capital of between $600 million and $800 million, which would be controlled by a small common stock issue held by the component Northwest Utilities, guaranteeing a return between 8 and 12 percent. Insurance companies would underwrite the power financing, with a healthy assist by the taxpayers on the nonpower features, without which the major projects would not be economically feasible.

Then, with the Federal Government no longer providing the planning and

estimating of future power needs and power loads, it is only a matter of course that the 150,000 to 200,000 kilowatts of the 5-company combine—at high rates—would be set as the optimum goal in our region. Forgotten would be the 700,000 kilowatts actually required, according to estimates by BPA in 1953.

It adds irony to McKay's remarks before the American Power Association on March 25, when he said:

> It is with considerable satisfaction that I can report to you that the dynamic new Federal power policy is now in effect, and what is more to the point, it is working effectively.

I pause to smile.

McKay stated later in this address:

> In addition to the participation of public bodies, a healthy interest in the partnership program is being manifested by private power companies.

There, Mr. President, are two examples of the magnificent overstatement and the magnificent understatement.

The one praising the no-new-starts policy, and the anarchy that reigns supreme. The other coyly mentions the healthy interest manifested in the partnership policy by a group of rapacious power companies who are in a fair way gobbling it up.

We may depend upon it that since the departure of Dr. Raver from BPA, no one in the Department will lift a hand to defend this agency as it is pushed toward the chopping block.

Dr. Pearl, Raver's successor, has already stated his reasoned opinion on the comparative virtues of the Idaho Power three dams and Hells Canyon. He has stated that he favors multiple dams. Subsequently when he was asked the basis on which his opinion was formed, Dr. Pearl said he had once listened to a debate on the matter during a Kiwanis Club luncheon.

The administrative management team could take its cue from that, when it formulates recommendations on BPA. Here's what the report should say: "Eliminate all engineering and technical personnel, and assign Dr. Pearl the responsibility of obtaining his data by listening to luncheon club debates on the power issue, with the admonition that he stay awake after the sherbet has been served. This is the kind of economy that pays off."

Behind these fronts, Mr. President, our region is facing a situation which is perilous in the extreme. The governors' power policy committee is numerically and policywise controlled by the private power companies, with its technical adviser a representative of Ebasco Services still on the Ebasco payroll.

There is the threat of a monopoly, which is going forward rapidly.

Is it any wonder, Mr. President, that the public utility districts in the State of Washington have been forced to act in self-defense to preserve the sources of their future power? They have been made strong by the Federal power program, but now the Federal program is being destroyed by the administration—some people say to pay off an election debt to the Power Trust. The public utility districts filed on Rocky Reach; they have asked for deauthorization of Priest Rapids. They have filed on wells.

Partnership seems bankrupt. It means no kilowatts for the region.

Mr. Herbert West, secretary of the Inland Empire Waterways Association of my region, has cogently measured the promises of partnership against its performance. There does not seem to be any connection between what they say and what they do.

The Inland Empire Waterways Association is comprised of prominent businessmen, farmers, shippers, and all segments of the economy, and has been performing a useful service in my region for nearly 50 years.

Under the so-called partnership policy, West said, each applicant for a dam has suggested in effect that Uncle Sam provide the money for economic and engineering surveys, and then build the nonreimbursable features, like fish ladders, navigation locks, and flood control storage, while the other partners construct the power producing or profit producing end of the dam.

That is a partnership that should interest taxpayers. The private power company gets in on the producing end, and we furnish the rest of it.

Mr. West goes on to say:

> Regardless of what we think out here, it doesn't make sense to Congressmen and Senators from other parts of the country who have to vote on appropriations.
>
> Previously Congress was assured that the money it had loaned us would be repaid. Now, under proposed partnership participation—

This New Look, this Eisenhower program—

> Congress would be making a direct appropriation with no assurance that it will ever see the return of a dollar to the United States Treasury. They don't like it and they won't vote for it.

The blame, West says, lies with the administration and the Interior Department. "I can reach no other conclusion than this," West said. "Unless the administration and Interior Department present an operating plan for partnership participation, our water resources program in the Pacific Northwest will come to a complete halt."

I wish to remind my friend Mr. West that it is at a complete halt.

Mr. West made his statement with full accord of his membership. His concern is echoed by citizens of Oregon and has found utterance in editorials of such a conservative newspaper as the Portland Oregonian, which had earlier given wholehearted endorsement to McKay's policies.

With this kind of realistic and responsible concern among the conservative elements of the Pacific Northwest, the fatuous assurances of McKay about grassroots support for a dynamic power policy have fallen flat, no artful dealing in semantics can cover up this dismal fact.

3. THE ACCELERATED AMORTIZATION OF PRIVATE PROJECTS

I wish to sum up my remarks on the power-company conspiracy to seize control of the power and politics of the Pacific Northwest and the Nation, by a brief discussion of the rapid amortization program.

Instituted shortly after the Korean war, by act of Congress creating the now famous section 124–A of the Internal Revenue Code, companies engaging in defense production of various kinds could expand their plant for defense purposes and receive permission from the DPA and then ODM to write off in 5 years the costs of such facilities in taxes.

The private power companies were quick to participate in this program. Since its inception, the total value of rapid amortization certificates issued to commercial electric companies to September 1953 was $1.9 billion.

It was estimated by the National Rural Electric Cooperative Association that this $1.9 billion, by means of excess depreciation, plus tax savings for 5 years, plus 6 percent interest compounded over the average 33.5-year lifetime of the facilities, less deferred taxes to be paid from the sixth year to the end of the 33.5 years would result in net aggregate benefits amounting to more than $2.8 billion.

Compare this with the $3 billion expended by the Federal Government on its multiple-purpose power dams most of which is repaid to the Federal Treasury at 3 percent interest per year, while after the payout period annual power revenues continue to be returned to aid in paying for the costs of government.

Under our Federal program for the past 20 years, all our dams in the Pacific Northwest are far ahead of their repayment schedules, with interest.

The quick writeoff program for the power companies has been correctly termed by a congressional committee as the "biggest bonanza that ever came down the Government pike." But it was upheld by a 4 to 1 decision for the private power companies last fall, when the Federal Power Commission found that to require the power companies to pass on these savings to customers in the form of lower rate structures "would be inconsistent with the effort of Congress to aid our national defense," and took the usual buck passing out by contending that "we cannot veto the acts of another agency of the Government."

The Federal Power Commission was simply saying this:

> We wish to make these cash donations available only to the companies and not to the consumers, and that if another agency of Government does something which affects our own powers and responsibilities conferred by Congress, we will do nothing about it.

Mr. President, one of the biggest guns of the power company propaganda artillery has been the dark accusation that low-cost Federal power has been obtained by subsidization, while tax-paying red-white-and-blue private power pays its own way. You have read it in the full-page advertisements in the leading magazines. You have read it in the full page advertisements in your newspapers. You have heard it over the radio. Your civic club has pro-

vided a forum for the power company opinion former to make the same fallacious statement. Now here we have a subsidy at the taxpayers' expense going to the power monopoly which nearly equals the total investment in power that has been made by the Federal Government in 50 years.

Prior to the moratorium finally imposed by the Office of Defense Mobilization on further quick writeoffs for electric powerplants and facilities, the Idaho Power Co., still in the hearing process on its licenses to build 3 small dams in Hells Canyon, applied for rapid amortization certificates on 2 of them Brownlee and Oxbow, even before they were built and had their licenses. The Brownlee certificate would represent the largest on record of any private power company.

Mr. President, I stated to the press at that time that the Idaho Power Co. had requested certificates which would amount to probably 65 percent of the costs of the dams, estimated by the company—and this has been shown to be an understatement—at $103,762,000. Since that time I find that in 40 years it would present the company with a total of $168,218,000, all at Uncle Sam's expense. I said this:

> I take the position that if the people are going to have to pay for these private dams, in whole or in part, through tax concessions, FPC and the public should have full knowledge of the facts. It is difficult for me to imagine either defense or economic benefits growing out of construction of the dams, should the Federal Power Commission license the Maine corporation to build them.

These, Mr. President, are the sorry results, the ominous unfolding of the so-called "new, dynamic" Federal power policy of the Eisenhower administration in the Northwest. The power trust is smelling warm meat. Where the body of our 50-year Federal power policy lies, the vultures seem to be gathering. I have used the unfolding of destruction in my area only because, as I have said, the tremendous power potential there, causes the Pacific Northwest to be the proving ground for the strategy of this conspiracy against the people.

Mr. President, I feel that what is going on raises a grave question as to how long we can entrust the conduct of a great public industry like electric power to private interests which are consistently using the great funds which the grant of a public privilege gives them to pervert the processes of democracy.

There is every evidence of a linking up between the campaign of the electric utilities, that of the Iron and Steel Institute, that of the Association of American Railroads, and that of the American Medical Association in a grand conspiracy to drug the public mind, to frighten the American people, to distort any action of Government in the public interest into the bogey man, the specter of creeping socialism, and so to control the functioning of democracy.

The editors of Fortune have pointed out that—

> The free enterprise campaign is shaping up as one of the most intensive sales jobs in the history of industry. * * * At the current rate it is accounting for at least $100 million of industry's annual advertising, public relations, and employee-relations expenditures.

The tragic thing is that the American taxpayers and consumers are, in fact, footing the greater part of the bill for this colossal effort to control the very motivations of democracy.

So, Mr. President, I conclude by expressing by conviction that if the present campaign against Federal power policy succeeds, it will mean not only great losses to consumers of electricity and serious consequences to our future expansion in this power age, but also immeasurable and perhaps permanent damage to democracy itself. It must not succeed, and it will not succeed when the people get the facts.

I think the bill fits into the whole picture, and it is very important, in view of what has happened in the past and what is now happening, not to allow a bill like the one now before the Senate to be passed on 2 or 3 days' notice, in spite of its bad features.

Mr. President, on July 13 the Secretary of the International Joint Commission, Mr. Jesse B. Ellis, sent me a letter and two statements relating to Libby Dam and Reservoir on the Kootenai River near Libby, Mont.

This is the dam which Secretary of Interior McKay and the administration are pointing to as the next big start in the Pacific Northwest. The Secretary and the administration have turned their backs on all other logical new starts, saying, "No, let us build Libby first."

Well, Mr. President, this looks like another hoax. The facts certainly support the suspicions that the Secretary and the administration are supporting Libby Dam because they know full well that Libby Dam may never be constructed.

I ask unanimous consent to have inserted in the RECORD the letter from Mr. Ellis, a statement by the Honorable L. B. Pearson, Canadian Secretary of State for External Affairs, and the Honorable W. A. C. Bennett, Premier of British Columbia.

These statements from our Canadian friends clearly demonstrate that construction of Libby Dam is a long, long way off.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

INTERNATIONAL JOINT COMMISSION,
Washington, D. C., July 13, 1954.

Hon. WARREN G. MAGNUSON,
United States Senate,
Washington, D. C.

DEAR SENATOR MAGNUSON: The Government of the United States recently filed with the International Joint Commission an application, dated May 22, 1954, for approval of the construction and operation of the Libby Dam and Reservoir on the Kootenai River near Libby, Mont., a copy of which the Acting Chairman of the Commission sent to you on June 8, 1954.

To date, the Commission has received 2 statements in response to the application, 1 from the Government of Canada and 1 from the government of the Province of British Columbia.

I am pleased to enclose a copy of each of the above-mentioned statements for your information and files.

Sincerely yours,

JESSE B. ELLIS,
Secretary, United States Section,
International Joint Commission.

IN THE MATTER OF THE APPLICATION OF THE GOVERNMENT OF THE UNITED STATES TO THE INTERNATIONAL JOINT COMMISSION, DATED MAY 22, 1954, FOR APPROVAL OF THE CONSTRUCTION AND OPERATION OF THE LIBBY DAM AND RESERVOIR ON THE KOOTENAI RIVER, NEAR LIBBY, MONT.

STATEMENT IN RESPONSE

To the International Joint Commission,
Ottawa and Washington:

In response to the above-mentioned application, the Government of Canada states that it is not prepared at present either to consent to an order of approval or to oppose the granting of such an order. Sufficient data has not yet been assembled by the International Columbia River Engineering Board to make it possible to determine the most advantageous use of the waters concerned from the points of view of both countries.

If in the light of such a study it is found that more advantageous use of the waters concerned could be achieved by other methods, such as a diversion of part of the waters of the Kootenai River into the Columbia River in Canada, the Canadian Government reserves the right to oppose the issuance of an order of approval in the present application.

If, however, it should be found that the issuance of an Order of Approval for the Libby Dam project would be in the best interests of both countries, the Canadian Government submits that any Order of Approval should be on such conditions as to ensure:

(a) the protection and indemnity against injury of all interests in Canada which may be affected by the construction and operation of the said dam and reservoir, as provided by Article VIII of the Boundary Waters Treaty of 1909;

(b) an equitable recompense to Canada for the use in the project of Canadian natural resources, which will include an amount of power based on the increase of level permitted at the International Boundary and a share in down-stream benefits or storage in power on a basis to be negotiated;

(c) any rights to the use of storage in Canada which might be approved will be for the life of the present project as expressed in a term of years to be settled in accordance with sound engineering and financing practice;

(d) all considerations which may be deemed relevant as a result of the Commission's study of all engineering and economic factors in the Columbia River Basin in general, and the Kootenai River in particular, should be taken into account.

L. B. PEARSON,
Secretary of State for External Affairs.
OTTAWA, *July 7, 1954.*

IN THE MATTER OF THE APPLICATION OF THE GOVERNMENT OF THE UNITED STATES TO THE INTERNATIONAL JOINT COMMISSION, DATED MAY 22, 1954, FOR APPROVAL OF THE CONSTRUCTION AND OPERATION OF THE LIBBY DAM AND RESERVOIR ON THE KOOTENAI RIVER NEAR LIBBY, MONT.

STATEMENT IN RESPONSE BY THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

To the International Joint Commission,
United States and Canada:

The Government of the Province of British Columbia respectfully submits, in the current absence of adequate and complete

factual data now in process of compilation by pertinent Canadian and International agencies, that it is not in a position, at present, to either agree to an order of approval or to oppose the granting of such an order. As and when the studies and compilation now in process in respect to the Columbia Basin are completed and made available, the Province may then determine, from its particular point of view, the most advantageous use of the waters involved and formally state its position in the matter.

If it is finally determined that an order of approval for the above-noted project shall issue, the Province further submits that such order should embody provisions entirely satisfactory to the Province in respect of the following points:

(1) The preservation of all rights of the Province of British Columbia under article II of the treaty of 1909.

(2) Any rights to the use of storage in Canada which might be approved to be for the life of the present project as expressed in a term of years to be settled in accordance with sound engineering and financing practice.

(3) In the implementation of any permissions given, all labor that may be employed on the project by or for the United States within British Columbia to be restricted to residents within the Province.

(4) Indemnity for lands and property flooded by the project, for all interests in the Province which may be injured by the erection and/or operation of the project, for the loss of taxes by the Province, for the loss to the economy of the Province for the productive capacity of lands flooded, to be settled in terms of power allocation in favor of the Province.

(5) Recompense for natural resources contributed by the Province to include:

(a) A share of at-site power proportional to the head and storage contributed by the Province through increase in level permitted at the boundary—the conditions governing generation, delivery, and acceptance of such power to be satisfactory to the Province.

(b) A share in downstream benefits accruing from storage made available in the Province of British Columbia or by consequence of permission to raise the level at the boundary—such share to be in terms of power on an agreed basis acceptable to the Province of British Columbia.

(6) Where any benefit to the Province of British Columbia is determined in terms of power under 5 (a) and/or 5 (b) above, such power should be available at a point or points on the International Boundary to be designated by the Province of British Columbia.

(7) That an international board of authority upon which the Province of British Columbia is adequately represented be set up with power to regulate the storage and release of water from the reservoir proposed under the project.

(8) Any order which issues shall in no way prejudice the right to the use of water in the Province of British Columbia for waterworks, irrigation, or other local consumptive purposes.

On these and other bases the Province of British Columbia will crave leave to adduce evidence at any formal hearings pertinent to the application and to make such submissions as counsel may advise.

Dated at Victoria, British Columbia, this 2d day of July 1954.

W. A. C. BENNETT,
Premier of the Province of British Columbia on Behalf of the Government of the Said Province.

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. PAYNE in the chair.) The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ANDERSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE TO PRESERVE THE CIVIL SERVICE SYSTEM

Mr. JOHNSTON of South Carolina. Mr. President, last week the United States Court of Appeals for the District of Columbia reversed a lower court decision which threatened the destruction of the American civil service system. The appeal to the higher court was brought about by the act of a small group of men and women who believe in a government of freemen under the law. It was a courageous act, worthy of our traditions, and I should like to make it a matter of public record.

The name this small group has assumed for the accomplishment of its purpose is the Committee To Preserve the Civil Service System. It was called into existence less than a year ago to provide counsel for the appeal of Leo A. Roth, a civil service career employee. Mr. Roth had been summarily dismissed from the Department of Justice without charges, presumably to create a vacancy of political advantage to the administration. Mr. Roth took his case to the United States District Court for the District of Columbia, claiming that, as a career civil service employee, under the Lloyd-LaFollette Act he was entitled to know the charges and to have a chance to answer. In an almost apologetic opinion, Justice Keech found against Mr. Roth, and the young attorney found himself on the street.

Government employees everywhere, and many of us in this chamber, read Judge Keech's decision with dismay, for he had said:

> The court is aware that under its decision the statutory safeguard from summary removal relied on by a large number of Government employees is held not to exist.

William C. Doherty, president of the National Association of Letter Carriers, also read the decision. He saw immediately its corrosive effect on American government and resolved to support appeal of the case. The Committee To Preserve the Civil Service System was born of that resolve. It is a small but determined group. Mr. Doherty is its chairman. It raised money, procured legal services, and appealed the case. Last week, in the appellate court's unanimous opinion to reverse the lower court's ruling, the courage and determination of the members of the committee were rewarded.

I call this to the attention of the Senate today, because I believe that, in the prevailing climate of doubt, uncertainty, and cynicism which surrounds Government service, no significant act contributing to the dignity of man should go unnoticed. I call attention to it also because of the unseemly haste with which the Civil Service Commission undertook to change its procedures under a decision which it knew was being appealed and which acknowledged severe abridgement of the rights of all civil servants to whom the Lloyd-LaFollette Act extends protection.

In my experience, tyranny is not a single sweeping dramatic act, brightly lighted for all to see. It is rather the accumulation of countless small tyrannies, unnoticed by those whose rights are threatened and uncontested by those responsible for their defense. Unless we are alert and oppose the small tyrannies, we cannot hope to defeat the great ones.

I should like to urge, therefore, that the Members of the senior legislative branch of our Government join with me in expressing sincere gratitude to Mr. William C. Doherty, who successfully opposed this incipient tyranny; to the firm of Woll, Glen & Thatcher, who provided counsel without hope of equitable reward for their services; and to the men and women who have given liberally of their time, their energy, and their financial resources. Moreover, I should like to suggest that it will be most interesting to observe whether the Civil Service Commissioners respond to the appellate court's decision with the same sense of eagerness which characterized their reaction to the lower court's decision.

Finally, I hope that the work of the Committee To Preserve the Civil Service System is just beginning. It has demonstrated its high courage and its potential for effective service. It is a noble instrument in the cause of freedom.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. ANDERSON] to the amendment of the Senator from Michigan [Mr. FERGUSON], as modified.

Mr. HUMPHREY. Mr. President, the bill presently before the Senate, as has been stated again and again in the debate, is one of the most significant, and possibly one of the most far-reaching bills presented in Congress in recent years. It has tremendously far-reaching implications which will affect the political, economic, and social life of this country for decades and generations to come. It sets the pattern by which the peace-time benefits of atomic energy will be made available to the people of this Nation.

I suggest that there is no subject of greater importance today, in connection with the long-run economic future of the United States, than what is to be done with the atomic energy resources which have been unleashed and which have been made available through Government research.

Depending upon the nature of the bill passed by the Congress, atomic power will be used either to lighten man's burden and bring higher levels of prosperity for all the people of America, or

this new source of energy will be used to strengthen economic concentration of power within the hands of a few restricted, limited, large corporations.

I digress to point out that we are dealing not merely with a resource which has such names as "fissionable" and "nuclear," but that we are dealing with economics; and we may very well be setting a pattern for the economic future and the economic development of the Nation.

This bill is important not alone for its provisions relating to the international exchange of information on atomic energy, but perhaps even more so for its provisions dealing with the production of electrical power from nuclear reactors. So important are the power aspects of this bill that I would like to devote most of my discussion today to those features, and particularly to the amendments which I have introduced on this subject.

Mr. President, one of the sources of greatness of this Nation has been its rapid development of electrical energy. Use and production of electricity have had a phenomenal growth in the United States ever since central station generation of electricity was introduced commercially in 1882. Since 1920, its use has approximately doubled every 10 years, contributing greatly to increased labor productivity, larger national economic output, and improved living standards.

By 1950, electricity was being used for lighting and other purposes in 92 percent of all houses in the United States and in 83 percent of rural homes. It is estimated that electric motors provided at least 90 percent of the mechanical power used in industrial plants. An analysis of comparable industries, as covered by the census of manufactures, shows that the use of electric energy per man-hour of labor increased from 2.61 kilowatt-hours in 1929 to 4.60 in 1933 and 5.71 in 1947. By 1950, the average was estimated at 6.29 kilowatt-hours units of energy for our average industrial plan.

Total consumption of electric power in the United States in 1950 had reached 334 billion kilowatt-hours, compared to 74 billion in 1925. By far the largest part of the 1950 total, about 200 billion kilowatt-hours, was used for industrial purposes. Residential and farm consumption was about 75 billion kilowatt-hours, and commercial consumption, some 50 billion kilowatt-hours.

The President's Materials Policy Commission reported in June 1952 that the demand for electric energy in the United States during the next 25 years may be expected to increase 2½ times if there is to be a doubling of the Nation's goods and services in that period. With such a growth, the electricity demand in 1975, according to the President's Materials Policy Commission, would be about 1,400 billion kilowatt-hours, compared with the generation of 389 billion kilowatt-hours in 1950.

I digress to point out that the President's Materials Policy Commission's study is the most comprehensive one made to date of the need of natural resources and power in the United States.

And it is noteworthy of comment that the estimates of practically all Government commissions and other agencies usually tend to be extremely conservative in estimating the growth of the electric industry. The Federal Power Commission, regarded by many in the industry as too optimistic in its projections of power requirements, made a forecast in 1947 for the following 5 years. Actual demand exceeded their estimate by 50 percent. This cannot be explained by the unexpected industrial demands imposed by the Korean mobilization program, although that contributed to the heavier demand. Residential and rural loads, as well as those of the small nonresidential users such as trade and service establishments, were grossly underestimated. Actual load for these classes of consumers exceeded the forecast demand by about 35 percent.

Likewise, the semiannual surveys conducted by the Edison Electric Institute, national trade organization of the privately owned power companies, have repeatedly underestimated requirements during the postwar period. Over the years, actual demands also have exceeded TVA's long-range estimates.

In other words, to summarize, it means that when the use of electric energy is projected, regardless of whether it is by the Federal Power Commission or any other Government agency, or the Edison Electric Institute of the private utilities, or any other private group, the estimate has always been much less than the actual need or the actual use of power over the period that was in contemplation.

There has been a particularly sharp increase in the demand for electricity by rural users. The needs of these consumers—who in many cases have had to wait too long to receive electric service—have far exceeded the most optimistic estimates. In the past 5 years the electric loads of REA borrowers have increased from 3.3 billion kilowatt-hours in 1947 to 11.4 billion in 1952, or more than 3 times in these 5 years. During the past 10 years the increase has been tenfold.

The importance of electricity to our Nation's energy base cannot be overestimated. Our great industries, our homes, our businesses, our hospitals, our farms—in fact, all facets of American life—are dependent upon electrical energy. Moreover, the future welfare of our Nation demands that this supply of energy must be both abundant and available at low cost.

Thus far in our history we have developed electrical energy from two sources—fossil fuels and falling water. In other words, from coal, gas, and oil, and from hydroelectric resources. During 1950, 100.9 billion kilowatt-hours of electric energy were produced from hydroelectric power resources, while 287.8 billion kilowatt-hours were produced from the burning of coal, oil or natural gas.

Now we are on the threshold of a new source of energy—nuclear power. Varying estimates have been given by our scientists as to how soon this new source of energy will be economically competitive with electric power produced from thermal or hydroelectric powerplants. But all are agreed that within the next decade, if not sooner, nuclear power will be one of our important sources of electrical energy.

Therefore, it seems to me to be of the utmost importance, as a matter of public policy and public law, that we be very careful in whatever we now design as a legislative program for the furtherance of the use of nuclear energy or nuclear power.

The advent of this new source of energy opens entirely new horizons. In the past, low-cost hydroelectric power plants, of necessity, have been confined to those areas where there are great river systems which can be developed for the production of electric power. Thus, to date, our most comprehensive development has been in the Tennessee River Valley and the Columbia River Basin, and it is those areas which have enjoyed the greatest reduction in electric rates as a result of the development of hydroelectric power.

Possibly that explains why some of us in the Senate who do not come from the Columbia River Basin or the TVA area are very vitally concerned with the proposal before the Senate. As one Senator in part representing a Midwestern State, where power costs are high, I would like to see atomic energy or nuclear power made available, with priority given particularly to areas in which power costs are high. We in the Midwest find ourselves in a most unusual situation; with high freight rates on the one hand and high power rates on the other, it becomes extremely difficult to compete industrially.

I should like to suggest to those of my colleagues in the Senate who have been at times somewhat critical of programs such as the TVA, the Grand Coulee, and projects in the Columbia River Basin, that there is now before us a golden opportunity to see to it that nuclear power is made available to those areas in America where hydroelectric resources are not available. I want to make sure that, if nuclear power is made available on terms comparable to those for hydroelectric power, there will not be a public law written, and rules and regulations promulgated under the law, which will restrain or restrict the development of such power for the public good. I regret to say that, in my examination of the bill now before the Senate, I see in it not much in furtherance of the public interest, but provisions which favor special interests.

There are still great hydroelectric resources to be developed, and within the relatively near future it is my earnest hope—and I have been working with every effort at my command in that direction—that the great St. Lawrence and Niagara power projects can be developed, and that we can continue the progress which has been made in the Missouri Basin, the Southwest, the Northwest, and other sections of the country.

I point out that even if we were able to develop every available kilowatt-hour of energy in the Missouri River area, there would still be a power shortage in the foreseeable future in the area within the Missouri Basin.

Although there are vast hydroelectric power resources which are yet to be developed—the Federal Power Commission estimated only recently the undeveloped waterpower could add approximately 88 million kilowatts of capacity—we must recognize that there are limitations in the development of these resources, insofar as certain regions are concerned.

Similarly, certain areas are more fortunate than others in the availability of coal, natural gas, or oil. Areas which have these resources close at hand naturally can produce electric power at a lower cost than areas where substantial transportation costs are a factor in bringing fuel to the generating station. It is this problem which confronts some of our friends in the New England States, where it is necessary to haul coal and other fuel long distances, at expensive rates, thus increasing the cost of the generation of electricity, and making the generation cost unusually high, with the result that the electricity rates are also very high.

Although I am deeply interested in such areas of our country as New England, I predict that unless they can reduce their electric-energy costs and, in turn, the rates, they will be through as industrial sections, because one of the reasons why industry is going into the TVA area and elsewhere in the South is not so much because of the tax structure but because of the lower cost of fuel and power. I think we have had sufficient good examples of that situation to prove beyond the shadow of a doubt the accuracy of what I have just said. For instance, in recent months, numerous businessmen, whom one would think would, at least ideologically, be opposed to Government production of electricity, have made strong protests to the Government when it appeared that there would be a curtailment of the production of electrical energy in the Columbia River Basin. If business people can anticipate the possibility of lower fuel costs or lower power costs, they will naturally do all they can to obtain them. Lower costs in some areas lead to the development of the situation with which we are faced in almost every part of the country, namely, the competitive disadvantage of those located in high-cost power areas. That competitive disadvantage must not be underestimated.

Therefore, Mr. President, as one who wishes to have the peacetime benefits of atomic energy made available for proper and beneficial civilian purposes, I shall do all I can to see to it that the same standards which for approximately 50 years have been applied to the production of other power in the United States likewise are applied to the production of power from atomic energy.

Happily, with the production of nuclear power, these regional problems disappear. The cost of the nuclear fuel itself is extremely low, and we are informed that it can be transported safely and at relatively low cost. Thus, the advent of nuclear power brings to many areas renewed hope for industrial development and low-cost power for homes and commercial establishments.

It can readily be seen that the development of this new source of energy can, and undoubtedly will, have profound effects on our future industrial progress, and upon the entire economic, political, and social structure of the future.

Therefore, I do not intend to be a party to a program which will place in the hands of a limited number of corporations the vast resource of atomic energy, which may well determine the future economic life of our Nation. That is really the subject we are debating now, and not merely the Dixon-Yates project or the proposal to pool the production of electrical energy. What we really are debating is the proposal to rewrite the Atomic Energy Act. The proposal is to rewrite that act in such a way that atomic energy will be available primarily for civilian purposes, for the purpose of peaceful pursuits. I wish to make sure that in rewriting the act we do not engage in a sell-out to monopolistic groups or in providing a limited number of persons with monopolistic control over this fabulous resource, the development of which has been paid for by all the people of the Nation.

I see in atomic energy a great opportunity for forward economic development in many areas of our Nation. Some areas are somewhat underprivileged and underdeveloped. If we can consider pooling atomic energy, so as to make it available to our allies and our friends abroad, certainly we had better be sure that we write into the law provision for pooling atomic energy for use for peaceful purposes at home, so that our people can have access to it. I wish to be sure that our REA's and other public groups are included in the program, and that the program also will include provision for the granting of licenses to them, under appropriate conditions. I do not wish to see only the corporations that can raise from $100 million to $500 million or more, given the exclusive or sole right to develop the atomic energy resource for use for peaceful purposes in the United States.

Those who wrote the 1946 Atomic Energy Act, the McMahon Act, foresaw the far-reaching implications of peacetime development of atomic energy, and they wisely provided section 7 (b) of the act, which reads, in part, as follows:

> Report to Congress: Whenever in its opinion any industrial, commercial, or other nonmilitary use of fissionable material or atomic energy has been sufficiently developed to be of practical value, the Commission shall prepare a report to the President, stating all the facts with respect to such use, the Commission's estimate of the social, political, economic, and international effects of such use, and the Commission's recommendations for necessary or desirable supplemental legislation. The President shall then transmit this report to the Congress, together with his recommendations.

The framers of the first Atomic Energy Act knew that a tremendous new world was being opened up. They knew that at some time in the future this tremendous new discovery would have to be integrated into our human society, and that possibly it would revolutionize our way of life.

So the framers of that act provided in section 7 (b) that when a commercial application of atomic science approached feasibility the Atomic Energy Commission should make a public and publicized report on the social, economic, and international implications of the new development. After that report was made, and only after the public had been given a glimpse at its great importance, was it contemplated that Congress would act to permit the release of the discovery. Then, and only then, could the Members of Congress and the American people have any conception of the importance of the release. Then, and only then, would they be qualified to prescribe the conditions, the regulations, and the manner in which the release of this great publicly owned asset should be made.

Mr. President, I make note of the fact that the administration has not made such a report regarding the commercial feasibility of atomic energy. I make note of the fact that the President has not made such a presentation to Congress. I charge that neither the Atomic Energy Commission nor the President has reported to Congress, as required by section 7 (b) of the McMahon Act, the Atomic Energy Act of 1946. In other words, the pending bill is not based upon that requirement of existing law, namely, the requirement of section 7 (b) of the Atomic Energy Act. If a report has been made by the Atomic Energy Commission, as prescribed under the provision of the act I have just read—namely, under section 7 (b)—I should like to know where the report is. As one Member of the United States Senate, I certainly have as much right to see such a report as does any other Member. The Atomic Energy Act makes it quite clear that—

> Whenever in its opinion any industrial, commercial, or other nonmilitary use of fissionable material or atomic energy has been sufficiently developed to be of practical value, the Commission shall—

Not "may"—

> prepare a report to the President stating all the facts with respect to such use.

Later on, it is provided that—

> The President shall then transmit this report to the Congress, together with his recommendations.

Mr. President, I suggest that the President has not made to Congress the report called for by this part of the act. Furthermore, I say that, at least within my knowledge, no such report has come from the Atomic Energy Commission. So I am beginning to wonder why that is the case. I should like very much to see major developments occur in the field of the peacetime use of atomic energy. I recognize that the development of atomic energy for commercial, peacetime purposes must be undertaken mainly by private industry, by what we call our free-enterprise system. But I also say that the law is explicit. The law does not say "may." It says "shall." I suggest that this body insist upon fulfillment of the requirements of the law.

As pointed out in the separate views of Representatives HOLIFIELD and PRICE of the Joint Atomic Energy Commission in House Report No. 1699, the Atomic Energy Commission has never seen fit to prepare and present the report re-

quired by section 7 (b) of the McMahon Act.

There has been no such report to the people of America. We have only bits of information. We know that electric power can be generated from atomic units. We hear that it is expensive, but shows promise of becoming economically feasible. We do not know if it must be in giant central generating stations, or if there is promise of economic small units, which will provide power for a single small community, or a single small industry.

As sketchy as our information is about the use of atomic piles to produce electrical energy, it is much more than we have about the possible usefulness of atoms in other fields of activity. We hear that atomic action may prove useful in medicine, chemistry, agriculture, food preservation. There are many hints of such potential values.

The Congress therefore is currently considering legislation in this field without the benefit of the report from the Atomic Energy Commission which is required by the McMahon Act.

As Representatives HOLIFIELD and PRICE have commented—

> This omission is not a mere matter of form or one to be taken lightly. The "social, economic, political, and international effects" of using this new source of energy are certain to be profound and wide ranging, even if we discount the more exaggerated and optimistic claims. Surely the Congress is entitled, before legislating, to have the expert analysis and advice of the independent commission it created to administer the atomic energy program.

I point out that the omission of the report called for by section 7 (b) of the 1946 act is but one of many serious omissions which have been made in an effort to speed this legislation through the Senate during the closing days of the current session. The transcript of the committee hearings, some 1,157 pages in length, was made available to Senators only on July 9, and the committee report, consisting of some 138 pages, was not available until the afternoon of July 13—the same day that the bill was made the business of the Senate.

Let me say now to the majority leader and to anyone else who complains about the length of this debate, that, first of all, the committee hearings were never even made available to Members of the Senate until July 9, and I point out that the committee report was not made available until July 13. Here we are debating a subject matter which may well determine the future economic and social development of our country. Perhaps the majority leaders and others have insight into these problems which those of us of lesser ability do not possess. But I have seen too many measures literally jammed through the Congress. Apparently there is a desire to have a record of numbers, if not of quality. Apparently the legislative program is supposed to have good titles if not good substance. I am not willing to settle for just another bill that has been approved by the administration. I want to know what is in the body of the bill. Frankly, we did not debate the tax bill long enough. Many a measure has been pushed through Congress pellmell. I repeat that this kind of hasty legislative process does not yield good results.

It seems that every time there is some kind of giveaway project, every time we have a measure in Congress which deals with a selected few, it must be rammed through; and if it is not rammed through, someone says we are stalling. My view is that it would be good to stall on this bill for a great deal longer, because I am of the opinion that within the confines of the measure, this rather long bill, consisting of 104 pages, there are many hidden economic boobytraps which are going to explode in the people's faces. The boobytraps have not been set to trap the large industrialist or the large corporation. They are boobytraps which will injure millions of people.

The strange thing to me is that those who talk the loudest about free competitive enterprise are the very ones who come forth with policies which would literally monopolize a great field of endeavor. I desire to see written into the bill protective language which will make sure that no monopolistic practices are sanctioned by public law. I wish to make sure that small business, rural electric cooperatives, municipalities, and power districts have as many rights under this bill as any private utility in the Nation. Until we have debated those questions there will be no bill. Perhaps it will require a great deal longer than some persons think.

I may add that this is not only a long bill but an exceedingly complex bill, completely rewriting the McMahon Act. If one goes back and reads the RECORD he will find that the McMahon Act, the basic atomic law of this country, was not written in haste. I think he will find that no one was cracking the whip to see that it was written in haste. There is something more involved here than having a deadline. Most of the time it is important to be sure that we are doing the right thing; and in this instance we ought to be exceedingly careful.

The bill itself is some 104 pages in length, contains many cross-references, and deals with a matter which is not only of transcendant importance to the future welfare of our Nation, but is extremely complicated.

In view of these circumstances, I ask, why the rush? Why must this bill be presented for enactment in the haste for adjournment? Is this bill being rushed through before some of its deficiencies become more evident to Members of the Senate and to the voters of America?

Judging from the manner in which the administration is attempting to push this bill through the Congress, it is as if we were being asked to name the make, model, color, number of cylinders, diameter of the wheels, and color of the eyes of the driver while an automobile is being whisked before us at a speed of 100 miles per hour.

To carry the analogy a step further, I can tell the Senate that in the time that has been given me thus far to view this bill, I have observed a number of dented fenders, smashed windows and broken pistons.

It is in a sincere effort to correct these deficiencies that I have submitted a series of amendments which will make this bill a vehicle to advance the science of nuclear energy and provide for the welfare of all the American people, rather than the enrichment of a comparatively few large corporations.

One of the most serious and grievous deficiencies of the administration bill is that, for all practical purposes, it prohibits the Atomic Energy Commission from producing electrical power from a nuclear reactor.

Of all the things I ever heard of that seemed to sound as though they were on the fringes of logic and reason, this proposal takes the prize. The Government of the United States has taxed the people of the country to the tune of $12 billion, which it has put into atomic energy research and development. So long as that atomic research and development are used only to build atomic bombs, the Government can go ahead and spend. The Government has a monopoly on building the bombs. But the moment we reach the point where some atomic energy might be used for peacetime purposes, when we reach the point where atomic energy might be used to create electrical energy, which in turn is needed by the Atomic Energy Commission itself, we draw down the atomic energy curtain and say, "No; the Atomic Energy Commission will not be permitted to produce nuclear power or electric power from a nuclear reactor, either for its own purposes or for any commercial purpose."

This is equivalent to saying that the Government of the United States, even though it has jurisdiction over the rivers and streams of the country, shall be denied the right to build a hydroelectric power project. I do not believe that even the most rabid partisan would suggest that the Government of the United States ought not at least to be able to build a dam on a river. I am quite sure that we have got beyond that point.

But when we come to the new river of opportunity, the great new force of nuclear power, we are literally writing into the law a provision that the Government of the United States shall be handcuffed, that the Government shall not be permitted to develop electric power from a nuclear reactor for any commercial purpose. Indeed, it is doubtful whether the Government could even do it for purposes of research and experimentation, in a degree which would be practicable.

A draft of proposed legislation accompanying President Eisenhower's message to the Congress of February 17, 1954, contained this language:

> Nothing in this act shall be construed to authorize the commission to engage in the sale or distribution of electrical energy for commercial use except such energy as may be produced by the Commission incident to the operation of research and development facilities or facilities for the production of fissionable material.

That proposed restriction was incorporated in an earlier version of H. R. 9757, but the sponsors were persuaded finally to strike it out. The majority

report on the bill, however, construes the restriction to be still applicable to section 44. It states in this regard:

> This section will permit the Commission to dispose of that utilizable energy it produces in the course of its own operations, but does not permit the Commission to enter into the power-producing business without further congressional authorization to construct or operate such commercial facilities.

The Senator from Iowa [Mr. HICKENLOOPER], one of the coauthors of the pending legislation, defined an even more limited role for power production by the Atomic Energy Commission in a colloquy on the floor of the Senate on July 16.

I quote as follows from page 10731 of the CONGRESSIONAL RECORD of that date:

> Mr. HICKENLOOPER. * * * So far as the public-power problem is concerned, it is not even touched in the bill; in the bill there is no provision for the development by the Commission of public power. The only place in the bill where that subject is touched is in the section that provides that if, in connection with research and development, the Atomic Energy Commission produces some incidental power—power which is not primary in its operations—and if the Commission has an opportunity to sell the power, it may sell a few kilowatts which otherwise might be wasted.
>
> The question of the direct production of competitive power by the Atomic Energy Commission is not raised in this measure, and it is not authorized.

This position taken in the bill, and as enunciated by our colleague, the Senator from Iowa, has a close analogy in the field of hydroelectric power production.

In our navigable rivers we have a resource which is clearly owned by the Government. Occasionally we find a few persons who like to think they own it, but they do not own it; certainly not when the Government at least exerts its authority. No one has questioned the right of the Federal Government to build dams to produce power on streams which are owned by the people. Yet, if the philosophy of the Cole-Hickenlooper bill were followed, we would say, "Oh, no, the Federal Government cannot develop power from our water resources. We will not countenance that. Private power companies are the only ones who can build hydroelectric power projects."

The analogy is so apt because in atomic energy we have another resource that is owned by the Federal Government. That is acknowledged even in the Cole-Hickenlooper bill, for the Federal Government, under this bill, retains ownership to fissionable materials.

Moreover, the Government's, and hence the people's, stake in this resource is derived, too, from the fact that the Government has spent some $12 billion of tax money in the development of this resource.

What I am saying is that we have been treating the atomic resource in the same way we have treated any other natural resource. After all, when we get right down to it, the same great forces that made the rivers and streams made the atom. The only thing that mankind has done is to split the atom, and perhaps confuse it. Now we are about to apply it to modern man's living; but as soon as we get atomic energy to the point where it may help mankind, the Government, or at least the present administration, says: "This is a field from which the Federal Government must be excluded."

I do not intend to stand idly by and permit a precedent to be established which will deny the Government of the United States the right to use its own resources, any more than I would permit the establishment of a precedent that the Government of the United States should not have any control over navigable rivers and streams.

Mr. LEHMAN. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. Is it not a fact that we who are opposing the bill in its present form in no way object to free enterprise and in no way are trying to prevent cooperation with industry in the development of power? What we are objecting to—and I emphasize this point because it is so widely misunderstood—are the provisions in the bill which completely prohibit the Federal Government from developing any of this power, which is power that obviously belongs to the people, because the people have put up $12 billion for the development of this great resource, which is now of such tremendous value to our country and to our friends and allies. Am I not stating the situation accurately when I say that we are in no way opposed to free enterprise and that we are not trying to prevent the participation of free enterprise in the peacetime development of atomic energy?

Mr. HUMPHREY. I would say that the Senator from New York states exactly what my interpretation of the bill is. Not only are we not trying to prevent the participation of free enterprise, but we are trying to open the door for the participation of free enterprise. However, I do not call the colossal corporations exponents of free enterprise. Some of them represent nothing but free socialism. I am talking about people who can get together, put up a little money, and participate in a development such as this. Some of the loudest voices raised in praise of free enterprise are far from praising actual free enterprise. I am talking about competitive enterprise. I am talking about permitting the participation of a small private utility. When I say small, I mean a utility of about $20 million or $50 million capital, which is not so small in my language, even though some persons may think it is. It is that kind of corporate entity I have in mind.

A reading of the language of the bill shows that it will permit only a handful of the large investment companies in America to participate in the development of atomic energy. I am opposed to that. I am of the opinion that a small REA should have just as much right to the resources which have been created by the taxpayers as the largest investment company.

I shall have a little more to say about that in a few minutes, but speaking about investment companies reminds me of the Dixon-Yates contract. Mr. President, that has really smelled up the atmosphere, and has certainly brought a stench into Washington. The mess is now being taken out of Washington and is being transferred to the Tennessee and the Mississippi Rivers. We will soon come to that mess.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I am glad to yield further.

Mr. LEHMAN. Is it not a fact that the Government of the United States now uses plutonium and uranium and other fissionable materials in production processes, but, under the bill, may not use it in the production of any power which would benefit the people of the country?

Mr. HUMPHREY. That is my understanding. Incredible as it may seem, that is the way the bill reads.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. The reason the distinguished Senator from Minnesota, the junior Senator from New York, and some of our colleagues are carrying on this fight, even though we are sometimes accused of filibustering, which is a completely false and inaccurate accusation——

Mr. HUMPHREY. I interrupt the Senator to say that those who make that kind of accusation never gave us any help to eliminate the filibuster. So far as this Senator is concerned, they made their bed; now let them lie in it.

Mr. LEHMAN. Is it not a fact that we are carrying on this fight—and thank God we are—in order to bring home to the people facts they do not understand and which have been misrepresented, and of which they have absolutely no knowledge and no conception? For the first time, because of the debate which we have been carrying on for the past 3 or 4 or 5 days, we are bringing at least some of the facts home to the people. So far as I am concerned, I want the fight to continue until the facts are known, and then others will support and back up our position and fight with us.

Mr. HUMPHREY. I believe that is exactly what has happened. I venture to say that 2 weeks ago not a handful of people in this country knew what the amendments to the Atomic Energy Act were. I venture to say that not 1 out of 10,000 ever heard of the Dixon-Yates contract. I venture to say that the public did not know that the McMahon Act was being amended.

Mr. President, every time this administration gets ready to give away half the public domain, they want a "quickie." In this instance they are not getting one. The stop lights are on. They are not even going to blink that yellow light. Interest rates went up overnight without any discussion in the Senate; the tidelands were given away; public land bills are all over the place. We now have a tax bill which gives accelerated depreciation of almost unlimited amounts. That was done in a hurry, too. Everything seems to be in a hurry. Why does

not the administration get into a hurry about doing something for the schools of the country? In America today there is greater need for more school buildings than there is need for the passage of this bill. There is on the calendar a bill providing for additional schools, and any time the majority leader wants to set aside this bill for the consideration of that bill, he can do so. The Cooper bill is on the calendar providing $250 million for Federal aid to school construction. But the President says that it must be studied by a committee. Well, let them study it. But I think almost everyone knows what the needs of the schools are.

We spent a great amount of money approximately 2 years ago to make a study of the schools of America. The late Senator Taft and I were cosponsors of the resolution providing for the study. Forty-eight States participated. A profound study was made, the results of which have been submitted to the Congress and to the President. The President, in his first state of the Union message, said he wanted to see the Federal Government do something about Federal aid for school construction. Such a bill is on the calendar. There is no hurry about it, apparently. There was no hurry about helping the unemployed; there was no hurry about doing a lot of things. The things we have to hurry about are to reduce farm income, raise the interest rates, scuttle the housing program, give away the offshore oil, and now give away our atomic energy resources.

No, Mr. President, that is not going to happen without a fight. If we cannot fight it out here we shall fight it out on the hustings, and we shall continue the battle.

The administration seems to be trying to reverse our public-land policy, and it is now trying to set a pattern with reference to atomic energy for civilian and possible home uses.

I say, frankly, that I do not trust this administration's judgment with reference to this bill, and I may as well bare my conscience. I am not willing to allow the private interests of the Nation, with their apparent hold on this administration, to write the public laws of the land or to circulate propaganda which molds public opinion in this area. It is time to protect the public. Atomic energy is as public as a postage stamp, and it is time we so term it, and not turn it over to private interests. There have even been ideas about turning over the Post Office Department to a private concern. The next thing we know we shall be turning the Department of Defense over to the Remington Arms Co.

I shall not stand idly by and see public laws written which literally have no safeguards for the American people.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. The Senator from Minnesota said it was his understanding that the bill denied authority to the Federal Government to generate power from uranium, plutonium, or other byproducts. The Senator from Minnesota is, I take it, aware that this is not only his impression, but it is also the direct admission or assertion of the majority of the joint committee itself. I should like to call the Senator's attention to page 15 of the report of that committee. In the paragraph at the top of the page, beginning on line 4, speaking of section 44, we find the joint committee saying this:

> This section will permit the Commission to dispose of the utilizable energy it produces in the course of its own operations, but does not permit the Commission to enter the power-producing business without further congressional authorization to construct or operate such commercial facilities—

I invite particular attention to the words—

> but does not permit the Commission to enter the power-producing business without further congressional authorization to construct or operate such commercial facilities.

So it is not only the impression of the Senator from Minnesota, it is the direct assertion of the joint committee itself which drafted the bill which drew forth the very able minority views of Representatives HOLIFIELD and PRICE.

Mr. HUMPHREY. The Senator from Illinois has emphasized what I consider to be one of the main weaknesses in this measure. I believe it was the Senator from Oregon [Mr. MORSE] who said the other night that it substituted a golf stick for a yardstick. There is no yardstick in this measure—none whatsoever. There is no real protection of the public interest, and there cannot be so long as the Government's hands are tied.

Despite the Government's vested interest in this resource, the Government's hands are being completely shackled insofar as being able to develop this resource for the benefit of all the people. It is an incredible, shocking limitation.

Mr. President, my interest in having the people of America share in the benefits of this program, through their rural electric cooperatives and public institutions, is not new.

On June 1, at the time the Senate was debating appropriations for the Rural Electrification Administration, I engaged in a colloquy with the distinguished junior from North Dakota [Mr. YOUNG], who was chairman of the subcommittee that had handled that appropriation. At that time the Senator acknowledged that the appropriation for the Rural Electrification Administration could be used to make loans to rural electric cooperatives to construct a nuclear powerplant.

Again, in a speech which I delivered on June 9 before the annual meeting of the Minnesota Valley Co-op Light & Power Association at Montevideo, Minn., I stated:

> Steps must be taken now to protect the public's interest in future peacetime uses of atomic power, rather than permit it to become a private monopoly.

I went on further to say:

> Our great national system of rural electric cooperatives must be alert to the new opportunities that may lie ahead, and to the forefront in taking advantage of these great technological advances. They must be permitted to share with private power companies in experimental development of nuclear power sources.

Mr. President, the possible availability of REA loans to rural electric cooperatives to build nuclear power reactors is important, but I fear that such authorization is entirely inadequate to assure the rural electric cooperatives, municipalities, and other nonprofit electric systems an opportunity to share in the benefits of this new source of energy.

The reason why I am apprehensive is that I am informed that the minimum economically feasible size for a nuclear powerplant is about 250,000 kilowatts. Such a plant undoubtedly will cost many millions of dollars, and the rural electric cooperatives, which are relatively small by comparison with the private power companies, could not begin to finance the construction of such large generating stations.

Mr. DOUGLAS. Mr. President, will the Senator from Minnesota yield further?

Mr. HUMPHREY. I yield.

Mr. DOUGLAS. I saw estimates running as high as a thousand dollars a kilowatt, indicating that the approximate cost of an efficient reactor would range somewhere between $180 million and $250 million.

Mr. HUMPHREY. For a plant of reasonable size or one which would do the job of actual testing the cost factors involved in such power production. Is that the Senator's understanding?

Mr. DOUGLAS. Yes, I do not want to anticipate the Senator's argument. But we are not likely to see, are we, a number of firms competing within an area if an entrance fee of $200 million is required?

Mr. HUMPHREY. I think it is beyond the realm of possibility, and it certainly does not sound as if within our lifetime it would be a very practical proposition to expect a small company, an REA, or a municipality, to engage in that kind of a program.

Mr. DOUGLAS. Has the Senator ever seen two private transmission lines running down the same road on different sides of the street?

Mr. HUMPHREY. Not that I recall.

Mr. DOUGLAS. In other words, even today the distribution of electric power is a local monopoly.

Mr. HUMPHREY. It is by its nature; and therefore it is all the more important that we see to it that this resource shall not be controlled simply by a handful of large combines but shall be made available to the largest number which is economically or engineeringly feasible.

Mr. DOUGLAS. In the days before England became a democracy, is it not true that England was parceled out in duchies: The Duchy of Cornwall, the Duchy of Devonshire, the Duchy of Northumberland, the Duchy of Lancashire, the Duchy of Yorkshire, and so on? England was parceled out into some 15 or 20 different duchies. The duke in each region controlled the economic and political life of that region.

Is there danger that we will be setting up, in the democracy of the United States, similar economic duchies, each

having powers of life and death over industry in its area?

Mr. HUMPHREY. The Senator, I think, has put his finger upon what is the very obvious possibility, under the terms of the proposed legislation now before the Senate. Occasionally there are times in our national development when individuals or combines come to look upon themselves as separate principalities or separate duchies, but we generally do not underwrite them by law. Laws are passed against them. In fact, there is a prohibition in the Constitution against any form of nobility or title in the United States.

Certainly I do not wish to see public law literally prescribe conditions which would make possible what the Senator from Illinois has so ably described as economic duchies, because that would lead to great economic consequences for the United States, and they would be bad. The nuclear resources are tremendous. We have only barely scratched the surface of their overall development. From all we understand atomic energy, certainly we should proceed with caution.

The Senator from Illinois will probably recall that under section 7 (b) of the Atomic Energy Act, the Atomic Energy Commission is supposed to make a report—not supposed to, but required to—whenever the Commission believes that the developments in atomic energy have proceeded to a point where there are commercially feasible projects. Once the Commission makes its finding, it must report it to the President, and then the President must transmit the report to Congress. Congress, then, is supposed to legislate. I say again, in the vernacular of the electrical industry: We have been short circuited. There has not been any report from the Atomic Energy Commission, as prescribed by section 7 (b) of the act. There has not been any report from the President following the report by the Atomic Energy Commission.

Again I say we have had short-circuit treatment. We have had only tid-bits of information. On that basis we are asked to amend the basic law which pertains to our atomic economic development.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. The Senator from Minnesota is, of course, familiar with the struggle which extended over a period of 30 years against the public development of water power resources on the St. Lawrence River, in New York State. I am certain the Senator also is familiar with the struggle which is still continuing, and unfortunately up to this point has been successful, on the part of the large power and industrial concerns to block the public development of hydroelectric power on the Niagara River, which would serve not only the State of New York, but also portions of Ohio and Pennsylvania, just as the St. Lawrence will serve not only New York, but also portions of New England.

I wish to ask the Senator from Minnesota whether, in view of that history, and in view of the great interest which has been shown in the public utility companies by the large corporations, he believes, even if sufficient capital could be made available by private industry, it is likely that they would set up reactors there which would come into serious competition with the great privately owned public utility companies like Niagara-Mohawk, Consolidated Edison, and the 4, 5, or 6 other great public utility companies.

I raise that question because I believe that there would be no disposition to do anything which would lessen the cost of power to the consumers in the State of New York, or in any other States similarly situated. They would not only not take steps to bring about such competition, but, in my opinion, they would do everything possible to block it.

Under the bill the Government of the United States would be powerless to accomplish anything along that line. It would be powerless to take action which would provide substantially cheaper power to all the consumers throughout the country where reactors could be erected to supply power rates which would be a yardstick, rates which would develop industry and business, and lead to far greater prosperity and far greater savings to the people of the United States.

Mr. HUMPHREY. I think the Senator from New York is absolutely right. It appears to me that we must face up to the realities of investment and business practice. Interests which already have invested millions of dollars in, let us say, a steam plant, whether using coal, gas, or oil as a means of fuel, are going to be hesitant to experiment in a very costly operation for the production of electrical energy or electric power. I think we still should expect that. As a matter of fact, if I were an investor in such a plant, I would expect the management to be somewhat careful and prudent in the use of its money.

Therefore, it is natural that we should expect the Government of the United States to do the pioneering. If the Government is to pioneer, it must pioneer in a way which is practical. It is not practical, as I understand, to build a plant which is too small, because it is not possible to determine what can be produced in terms of quantities of electrical energy, thereby reducing the rate per kilowatt-hour.

So I feel that there must be in the proposed legislation, authorization which, at least, unties the hands of the Government so that it may protect the public interest, and contains a yardstick as a competitive factor in a field of economic activity which, by its nature, at least in a particular area, is monopolistic.

In my colloquy with the Senator from Illinois [Mr. DOUGLAS], we were discussing the cost of nuclear powerplant construction, particularly if the plant were one of 250,000 kilowatts capacity. I said that such a plant undoubtedly would cost many million dollars, and that rural electric cooperatives, which are relatively small by comparison with private power companies, could not begin to finance the construction of such generating stations.

It is clear, therefore, that the Federal Government must assume in this field the same responsibilities as it has assumed in the field of development of hydroelectric power resources.

This is not to say, by any means, that the Federal Government is the only organization that should be permitted to build nuclear powerplants. Certain private power companies likewise should be given an opportunity to build such reactors, and I do not oppose the licensing of private companies, under proper safeguards, to build nuclear powerplants, just as I do not oppose the licensing of private power companies to build hydroelectric power projects, under conditions in which the public's interest is adequately protected.

I do not believe we should ever be driven into a position of all or nothing—public or private. What we are talking about is a balance between private and public utilities; between the use of public resources and private resources. But at all times, whatever agency may be used to develop hydroelectric power or atomic energy for electric production purposes, the public interest must be protected.

But unless the Government undertakes a program of building some reactors itself, as was pointed out by the Senator from New York [Mr. LEHMAN], I fear that the advantages of this new source of energy will not be made available to the rural electric cooperatives, the municipally owned electric systems and other local public agencies.

The Federal Government has ample justification to undertake such a program for other reasons.

First of all, prudent business practices demand that the Government, in order to supply its own needs, undertake a vigorous program of power production from nuclear energy. The Atomic Energy Commission today is the largest single consumer of electricity in the world. When presently authorized facilities are completed, the Commission will be utilizing capacity on the order of 5 million kilowatts, exceeding the combined capacity of the New England States. Its consumption of electrical energy in the near future may reach 8 or 10 percent of the Nation's total, with an outlay of some $150 million to $200 million a year.

In view of the staggering amount of power which the AEC requires for its own operations, one would think that the Commission would be seeking energetically to supply at least a portion of its own needs by the development of nuclear power facilities.

For the life of me I cannot understand how the Commissioners, the Commission, the President, or the Congress should want in any way to deny the Atomic Energy Commission the right to produce the power to service its own needs, just as a matter of economy, as a matter of saving the taxpayers money. Surely we ought to be considerate of that objective. Yet I am afraid that, under the terms of the bill, supplying the Atomic Energy Commission with its own

power needs might very well be considered as commercial sale of power. Therefore, the Commission might be denied that opportunity or that responsibility.

If the Commission supplied its own needs, the Commission would merely be engaging in practices which are followed by many of the largest industries, a great number of which have installed power generating stations to supply their needs for electrical energy. That is not at all uncommon. From one end of the country to the other large industries have built their own powerplants for their own needs. Yet here we are talking about a law which would deny the Federal Government the right to build power facilities for its own needs; and, by the way, its needs may represent the defense and security of the United States of America.

I point out that there has always been in this Nation a shortage of electric energy for an hour of crisis. There always has been. It will be recalled that in the hearings of the late thirties, before appropriate committees of Congress, the private utilities said there was more power than we could ever use, that there was plenty of power. Then came the defense period. Then came the war period. Then came dimouts and blackouts. I can say that had it not been for the TVA and the development in the Columbia River Basin we would never have had the supply of electricity essential for electric power and for the mass production of defensive weapons in the war period. The power requirements of the many industries I have mentioned are but a fraction of those of the AEC, and for an administration which prides itself upon being a "business" administration, it is incredible that it should attempt to hamstring the operations of one of the largest enterprises of the Government.

I consider the language of the bill before the Senate literally to threaten the effectiveness or possible effectiveness of the atomic-energy program itself. There cannot be atomic energy without electric energy. I do not believe we should rely upon the caprice of fortune or upon events or upon private companies to supply the electric energy which may be necessary for the very defense of the country.

But besides the necessity for supplying the AEC's own requirements, there are other equally compelling reasons why the Atomic Energy Commission or other agencies of the Federal Government should be empowered to produce electric power commercially from nuclear reactors.

The history of the electric industry in this country has proved conclusively that regulation of a basically monopolistic business such as the electric industry is largely ineffective. Rate reductions in the electric industry have resulted primarily from competition from what we call the yardstick plants of the Federal Government or other public agencies, rather than from the operation of regulatory agencies. In areas where public power is available, it will be found that reasonable rates are charged by private utilities. I may say that it will also be found that in those areas good profits are made. The private utilities of America have made plenty of money. I am delighted they have. They are paying good dividends on their stocks. They are able to expand. The private utilities have received tax concessions and quick tax writeoffs.

The private utilities literally have done most of the construction of electric generating plants. Only 13 percent of the electric power produced in America comes from Government plants; 87 percent comes from private resources. A smokescreen has been blown up in our land which would lead one to believe that we were socializing the electric industry. That is a lot of "hogwash," and it ought to be so branded. The American electric industry is one of the largest private industries in the world. Eighty-seven percent of all electric energy produced and used comes from private plants. The electric industry has invested hundreds of millions of dollars in plant expansion. The private utilities industry has received tax writeoffs under the law of the land. I am not complaining about it; I simply do not want them complaining as to their particular predicament.

The operation of a public yardstick as a means of regulating rates was strikingly shown in the President's Water Resources Policy Commission report of 1950. Table 3 on page 231 of this report shows how the wholesale rates of power to rural electric cooperatives were reduced steadily by the private power companies in areas where these companies were adjacent to public-power developments. It is noteworthy, however, that there were no corresponding rate reductions in areas such as New York or New England, where there were no Federal power projects.

So if one wants to ascertain where cheap power or reasonably priced power is obtained, all one has to do is find out where there are available Federal electric-power resources. In such areas, because of the competition, there will be found available reasonably priced power. Likewise the private utility will be making money, serving more customers, and industries will be using more electricity. Everyone seems to profit.

For example, the report I have just mentioned, the Water Resources Commission report, shows that rural electric cooperatives in Oklahoma were paying 1.16 cents per kilowatt hour in 1941 to their private-utility suppliers. But with the advent of the Southwestern Power Administration the wholesale rates were reduced to 0.88 cent per kilowatt-hour by 1945, and by 1950 the wholesale rate charged by these same companies was down to 0.58 cent per kilowatt-hour—exactly half the rate charged in 1941. In other words, using approximate figures, the rate went down from 11½ to 5½ mills in a period of a few years, primarily because of competition from the Southwestern Power Administration.

Yet, in the New England States, the wholesale rate to the rural electric cooperatives during this same period increased from 1.25 cents per kilowatt-hour in 1941 to 1.47 cents per kilowatt-hour in 1950. In other words, in an area where there were no yardstick plants, in the great New England area of America, the rural-electric cooperatives rates increased from 12½ mills to 14½ mills, approximately. Yet in the Southwestern Power Administration area, the rates decreased from 11½ mills to about 5½ mills.

I wish to say to my distinguished colleague, the junior Senator from Massachusetts [Mr. KENNEDY], who is now present, that power rates in the New England States are not only working a hardship on farmers, as I have noted, as compared with other areas of America, but upon industrialists, businessmen, and investors. The possibility of using atomic energy or nuclear power for the production of electric energy means everything to an area such as New England, and to some of the other areas in America where natural water resources are not available.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield to the Senator from Massachusetts.

Mr. KENNEDY. I agree with the Senator from Minnesota that the lack of a yardstick has resulted in a great deal of difficulty in trying to bring down power rates in New England. I was glad that the committee accepted the amendment of the Senator from Rhode Island [Mr. PASTORE] and Representative HOLIFIELD, which provides that reactors shall be constructed in geographic areas which might be the first to benefit from commercial atom power. It would be of particular benefit to New England because our power costs are so high. Atomic power will become feasible, therefore, first in the New England area.

Mr. HUMPHREY. I thank the Senator from Massachusetts for his comment. We do owe a debt of gratitude to the Senator from Rhode Island and others who joined with him in the amendment. At least when the licensing is done, the geographical considerations, or the necessities or problems due to geography and to the lack of certain natural resources for power development, will be taken into consideration. I hope the language of the bill is strong enough to accomplish that purpose. I have been discussing it with the Senator from Illinois [Mr. DOUGLAS] and other Members. We wish to make crystal clear that if the Government should undertake research development, consideration would be given to the so-called power-drought or the high-cost power areas.

Mr. President, the rate reduction on the part of the private power companies in Oklahoma, to which I have referred, was accomplished without creating any hardship to the financial stability of the commercial companies. In fact, the companies, if anything, improved their financial position during this period.

The process of rate reduction which I have described in the case of the rural electric cooperatives in Oklahoma has been repeated in every other section of the country where the private power

companies have experienced competition from Federal power projects or local public power systems.

Thus, public power has brought great benefits not only to the consumers who are served directly by the publicly owned utilities, but likewise by the customers of the private power companies which have been forced reluctantly and begrudgingly to reduce their own rates in order to meet competition.

This process of rate reduction obviously has brought savings to the electricity consumers. But, as in other facets of our economy, lower rates have also brought corresponding increases in consumption. The areas which are blessed with the advantages of public power have the highest residential consumption of electricity of any in the country. Moreover, this source of low-cost electricity has made possible industrial development through electro-chemical and electro-metalurgical industries whose very existence depends upon an abundant supply of low-cost electric power.

But as I pointed out earlier, these advantages of public power necessarily must be confined to the regions which have hydroelectric power resources susceptible of economic development. Unfortunately, not every section of the country is so blessed.

To make the advantages of this new, potentially low-cost source of energy available to all sections of the country, it is imperative that the Government be given the opportunity to build some "yardstick" nuclear powerplants. Only in this manner will the public have a means of measuring the cost of electricity supplied to them from nuclear powerplants. Only in this manner can we be assured that the benefits of this resource belonging to all the people will be passed on to the public at large.

It is inconceivable that the Government should be prohibited from engaging in the production of electric power from a source of energy which the Government itself has created.

For that reason, on July 16, I submitted to Senate bill 3690 the following amendment, proposing a new section 45:

SEC. 45. Electric power production: a. The Commission is empowered to produce or provide for the production of electric power and other useful forms of energy derived from nuclear fission in its own facilities or in the facilities of other Federal agencies. In the case of energy other than electric power produced by the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to other users at reasonable and nondiscriminatory prices.

b. The Commission may undertake any or all of the functions provided in subsection 44a through other Federal agencies authorized by law to engage in the production, marketing, or distribution of electric energy for use by the public, and such agencies are hereby empowered to undertake the design, construction, and operation of nuclear-power facilities and the disposition of electric energy produced in such facilities when funds therefor have been appropriated by Congress. Nothing in this act shall preclude any Federal agency now or hereafter authorized by law to engage in the production, marketing, or distribution of electric energy from obtaining a license under section 103 of this act for the construction and operation of facilities for the production and utilization of special nuclear material or atomic energy for the primary purpose of producing electric energy for disposition for ultimate public consumption.

It is my understanding that the senior Senator from Colorado [Mr. JOHNSON] introduced a similar amendment.

This amendment would permit the production of electric power from nuclear reactors, either by the Atomic Energy Commission or by other Federal agencies which already are empowered by the Congress to engage in the production, marketing, or distribution of electric energy for use by the public.

It will be noted that this amendment is merely an enabling one, and that appropriations would have to be made by the Congress before any such Federal agency could engage in the production or marketing of power from nuclear reactors.

The amendment I propose means that the Tennessee Valley Authority, for example, would be empowered to build a nuclear reactor for the production of electric power. This agency has already been delegated by Congress with the responsibility of supplying the electrical-energy requirements of the Tennessee Valley, and it should not be prohibited from engaging in new methods of producing electric power, just as any commercial utility should not be prohibited from taking advantage of new and improved techniques for the production of electrical energy.

My mention at this time of the Tennessee Valley Authority serves as a reminder that the President has already directed the Atomic Energy Commission to contract with a new company, to be formed by two holding companies, in order to supply the energy requirements of the TVA system.

It would seem that rather than use the AEC as a broker to provide TVA with its needs for more power, the President would be far better advised to empower the AEC to produce economically feasible atomic power for the TVA system, or permit the TVA itself to produce such power. This would be possible under the amendment I have proposed.

Mr. President, in mentioning the contract the President has directed the Atomic Energy Commission to make with what is known as the Dixon-Yates firm—composed of the two holding companies—there are some questions which I think could be asked in making the public record.

In this connection let me state that I have in my possession—as I am sure every other Member of this body does—a telegram which was sent a few days ago. It is dated July 19, and it arrived at my office at 3:54 p. m., having been sent from New York City.

The telegram was sent from New York City, and it reads as follows:

NEW YORK, N. Y., *July 19, 1954.*

Senator HUBERT H. HUMPHREY,
Senate Office Building,
Washington, D. C.:

We, the undersigned, have made an offer to finance, design, build, and operate a steam generating station at Fulton, Tenn., to supply the power needs of the TVA in the Memphis area. The cost of this power is to be 3½ mills per kilowatt hour or less. This is practically at the same rate as power produced by the TVA. Our offer will cost the Government between $90 million and $150 million less than any alternative proposal you have for consideration. We are repeating this offer, made to TVA and other governmental agencies concerned, to you and to every other Senator and Representative. We are now adding to this offer as follows:

"We will build steam generating stations on the same basis wherever they are needed in the TVA area. Power from these generating stations will also be available to the private utility companies in the adjacent territory at the same rates as TVA."

We respectfully ask that you interest yourself in the consideration of this offer by the proper Government agency, for the following reasons:

It is best for the Government, because: it saves $90 to $150 million. It eliminates the need for the AEC to make a power contract to supply the needs of TVA. It takes the AEC out of the power business. It eliminates need for further Government appropriations for the construction of TVA generating stations.

It is best for TVA because the Authority can continue to make its own power contracts for its own needs. It enables the TVA to supply all the power the AEC needs at the cheapest price. The Authority retains its ability to meet the growing needs of its own customers. The cost of power remains the same to its present customers. The great benefits, brought by TVA to the area it serves in seven States, are maintained through private money and private initiative.

It is best for the private utility companies in the territory adjacent to TVA because it enables them for the first time to obtain power at TVA rates and to compete with TVA on a price basis.

It is best for the consumer because his monthly bill for electricity in the TVA area remains the same and will be substantially less than he is paying now in the adjacent territory.

It is best for the country because it spreads the benefits of low-cost power over a vastly greater territory to a larger number of people.

Respectfully yours,

Walter von Tresckow, for Walter von Tresckow, New York City; Burns & McDonnell Engineering Co., Kansas City, Mo.; Salomon Bros. & Hutzler, investment bankers, New York City; Long Construction Co., Kansas City, Mo.; Robert W. Larrow, Burlington, Vt.; Harvey Weeks, New York City; George H. Schwartz, Zelig R. Nathanson, Schwartz Nathanson, I. Cohen, New York City; John N. Mitchell, Caldwell, Marshall, Trimble & Mitchell, New York City.

What I like about this telegram is that following the line "Respectfully yours," there is set out the name of every single person associated with the project, so that people may see who they are. We see, for example, the name of Burns & McDonnel Engineering Co., of Kansas City, Mo.; Walter von Tresckow, for Walter von Tresckow, New York City; Long Construction Co., at Kansas City, Mo.; Salomon Bros. & Hutzler, investment bankers, of New York City.

My question is this: Who are the investors in the Dixon-Yates project? What investment bank or banks support that project? Who are the bonding companies? How does it happen that we have a contract proposed, but do not even have the information I have

suggested? I do not think it is a matter of public record as to what great financial resources will be utilized for this particular contract. It is customary, it seems to me, when the Government makes a contract which runs into such proportions, to know about the background. If we can examine the background of every clerk, every riding page, and every officer of the Government, we can examine the background of those who are engaged in contractual relationships with the Government of the United States.

I say there is something "fishy" about this contract. It does not look right. If I were in Denmark, in the words of Shakespeare I would say that there is something rotten in Denmark. It seems to me that there is something not so good in Washington, and it seems to be worse near Memphis.

Who are the investment bankers who are financing the Dixon-Yates contract? What banking houses? What engineering firms? What bonding companies? Who are the investors who are going to be able to get the Government-guaranteed contract, the most amazing contract which has ever been brought to the attention of the Congress? There is to be an investment of slightly more than $5 million for construction which will cost more than $100 million. There is to be a Government-guaranteed, 25-year contract, the Government to pay Federal, State, and local taxes. We have discussed this contract at great length. It is not necessary to go into it further.

I say that there are many unanswered questions. I am of the opinion, from the recent press dispatches which have been brought to my attention, that the President was not fully informed as to some of these questions. I read from a dispatch which came over the ticker tape this afternoon:

> The President said it had long been his policy to change his plans if someone showed him a better way of accomplishing his purpose.
>
> He then said that his action on the power contract was motivated by a fear of the consequences of continued Government power development in one area of the country, without providing similarly for the development of other river basins.
>
> As for anyone saying he wanted to destroy the TVA, the President said the politest way he could answer that was that such an interpretation was in error. On the contrary, he said he was prepared to support the TVA with all of his heart.
>
> A reporter said that one of the principal objections to his position stemmed from the fact that three AEC members opposed signing the power contract, but had to do so on presidential orders.
>
> Mr. Eisenhower was then asked whether he felt he could order independent agencies to execute administrative policies to which they were opposed.
>
> The President said in the first place that he was governed by the recommendations of the Attorney General. He added that someone must exercise responsibility when the chips are down.
>
> He said that was his position in the power contract, adding that he did not believe the AEC could be classed in the same independent group, with, for example, the ICC.

It seems to me that we do not need to argue too much over the latter part of the question, as to whether or not the Atomic Energy Commission is an independent agency. One thing is certain, and that is that the Atomic Energy Commission has the responsibility to report to the Congress and to the President. In the case of the pending legislation, it has not done so.

Another point—and I should like to know what the President's answer to this question was, because it is not reported here—Did the President really know that three members of the Commission were opposed to the contract? It seems to me that the press reports skip over this question very quickly, without any answer whatsoever.

Finally, I should like to comment on the fact that the President said, "that his action on the power contract was motivated by a fear of the consequences of continued Government power development in one area of the country, without providing similarly for the development of other river basins."

The answer to that is not to weaken the TVA, but to put more push behind other power projects. We do not help the country by distorting the historical relationships between the Tennessee Valley Authority and its area and the Atomic Energy Commission and the private utilities. If we are worried because one area of the Nation is getting too much public power, we help the entire country by helping another part of the country. The answer is to help the other areas of the country.

Only a month ago I was pleading on the floor of the Senate for $400,000 for the beginning appropriation to bring high voltage transmission lines into the State of Minnesota from the Missouri basin, to bring them up to the Benson-Fergus Falls area, so that we could tie into a grid coming from the southern part of the Missouri River basin, from the Fort Garrison Dam in the Missouri River basin. I did not get any support. The administration did not recommend that project. Surely the people of my section are concerned about the ever-increasing facilities of the TVA. There has been concern about what they consider to be special treatment for the TVA area. I am not concerned. The answer to that is to give other parts of the country the same kind of special treatment which has taken place in the TVA area. From what I have seen of the TVA area, the result has been an improvement of the entire area. There has been an expansion of industry, and an improvement of homes, schools, parks, and playgrounds. There has been an improvement in health, and an improvement in income. The answer is not to try to shackle that development, but to try to help other parts of the country to move ahead.

In view of what the President has said, as reported in his press conference, I suggest that in areas which do not have river systems susceptible to hydroelectric development, in areas which do not have coal, oil, and gas which can be used for the development of low-cost electrical energy, we should provide for the development of electrical energy from nuclear power.

It is in that very respect that the pending bill is weakest, because the bill does not provide for the Atomic Energy Commission to enter into the kind of experimentation and pilot plant projects which will make it possible for many areas of the country to benefit in the foreseeable future from low-cost electrical energy to be developed from nuclear power.

I hope those who are advising the President will point out to him that all we seek is fair play and fair treatment. No effort is being made here to restrain private utilities from their legitimate aspirations and legitimate investments. However, an effort is being made to make certain that the great pattern of electrical power development, which has been established for years, shall continue to move forward. We do not want our REA's to die on the vine. We do not want to permit public bodies furnishing electrical energy to die because of lack of adequate electric power.

I have just had brought to my attention a matter which I believe is of significant importance. In the bill, S. 3690, on page 10, in "Chapter 3, Organization," section 21, the present law, known as the McMahon Act is reenacted. That is the chapter which created the Atomic Energy Commission. In line 13 of page 10 the pending bill provides that the President shall designate one of the members as chairman of the Commission, and then in line 25 the bill provides:

> Action of the Commission shall be determined by a majority vote of the members present.

It is quite clear from that language in the bill that when the Atomic Energy Commission is to undertake a program, it will be a majority of the Commission that will determine the program. It does not say that it will be done by the Bureau of the Budget or by the President. It says it will be done by a majority decision of the Commission. To be sure, the Commissioners are appointed by the President and confirmed by the Senate. However, once appointed and confirmed, the Commissioners are empowered to make decisions. In this instance, the decision that they made on the Dixon-Yates contract was "No." Three members said, "No."

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. HICKENLOOPER. Is the Senator from Minnesota under the impression that the Atomic Energy Commission voted to take action on that contract?

Mr. HUMPHREY. No; the Senator from Minnesota is under the impression that they did not have a chance to take action.

Mr. HICKENLOOPER. There was no action by the Commission on that score, and no vote. There were some preliminary opinions expressed by some members of the Commission, but the Commission took no action on the contract.

Mr. HUMPHREY. That is what I am complaining about. The President ordered the contract. The Commission was bypassed. Does the Senator from Iowa say that three members of the

Commission did not write reports or letters, or make statements in opposition to the contract?

Mr. HICKENLOOPER. Four members of the Commission, 3 or 4 years ago, took a position against the development of the H-bomb, but the President saw fit to take a different position—and I am glad he did—and then the Commission took a different position, after the President had determined what the policy should be.

Mr. HUMPHREY. Let us keep the facts straight. Is it not a fact that in that area the President did have authority to act, which authority is given to him expressly under the law?

Mr. HICKENLOOPER. I think he had authority.

Mr. HUMPHREY. Under the terms of the law, I mean. Is it not true that the Commission referred that question to the President?

Mr. HICKENLOOPER. I think that is true.

Mr. HUMPHREY. Let me ask the Senator this question——

Mr. HICKENLOOPER. When I say that is true, I will have to explain to the Senator what happened. There was a dispute between the Commission and the military liaison committee, and others, and the general advisory committee, and all of them said, "Well, let us take it to the President."

Four members of the Commission originally said, "We will not go into the H-bomb program." A little later one of them went to the other side, which made it 3 to 2 against the H-bomb program. However, they got together and agreed that they would take the matter to the President and submit it to him. They did. The President made the direction, and the Commission carried out the President's direction.

Mr. HUMPHREY. May I point out to the Senator from Iowa, who knows much more about the matter than any other Member of the Senate, because he has been for years a member of the joint committee, that the law specifically gives the President unusual powers insofar as the development of weapons is concerned? There is nothing in the law which says the President may designate who shall be the contracting parties to a contract for the production of a kilowatt of electricity. There is a great deal of difference. The President is the Commander in Chief. The President has great constitutional powers when it comes to the question of weapons. In the McMahon Act itself that fact is spelled out.

Furthermore, in the instance of the hydrogen bomb, the Commission itself unanimously referred it to the President for his decision. I say to the Senator from Iowa that the Commission did not refer to the President of the United States the Dixon-Yates contract. I say further to the Senator from Iowa that 3 members of the Commission expressed their disapproval of that contract, not so much because of the terms of the contract, but because they objected to the Atomic Energy Commission acting as broker for TVA.

We are talking about something else than the legitimate work of the Atomic Energy Commission. As concerns the H-bomb, that decision had to be made by the Commission and the President.

The Dixon-Yates contract does not call for the production of any electric energy for the Atomic Energy Commission—not one kilowatt, as Senators have pointed out on the floor again and again—but what it represents is an order to the Atomic Energy Commission to contract with a private firm to supply electricity to the TVA for the purposes of serving the Memphis area. In that great Memphis area that electricity will be serving such great defense installations as race tracks, peanut vending machines, hamburger stands, pop bottlers, and similar installations of equal importance to the security of our country.

I suggest that we have a most amazing situation. The TVA did not want the Dixon-Yates contract. The Atomic Energy Commission, or at least a majority of it, did not know about the contract. Congress apparently did not know anything about it until it happened. Congress did not ask for the contract. In fact, Congress had legislated in other areas last year for the Paducah plant and had excluded this one. The terminology of the other law is crystal clear.

I think the only thing one can say is that someone advised the President, "If you want to make a sort of flank attack upon the TVA, the way to do it is through a contract known as the Dixon-Yates contract with the Atomic Energy Commission."

I think the burden of proof for the legitimacy of that contract, or even for its desirability, rests upon those who have propounded it and who have made it and who have wanted it. Surely there is no reason at all to assume that it is of importance to the security of the country, or that it was wanted by the Commission, or that it was wanted by the TVA.

That argument has been worked over so much that I am sure there is nothing more that can be said about it.

I go back and ask a simple question: Who is financing this project? We found out who the financiers would be in the alternative proposal. Is the City National Bank of New York City financing the project? I do not know. I just wonder. Is the Continental Trust of Chicago financing the project? I do not know. I just wonder. If it is, it may be bad or it may be good. I just wonder. I merely want to know. What is the secret about it?

If there were need to provide greater power resources for the Atomic Energy Commission, the TVA could have built the plants, or Congress could have authorized more plants. That is what we did a year ago in that area, when we authorized private steam plants as a part of the Tennessee Valley system.

Therefore, what we really have is the use of the Atomic Energy Commission as a broker to provide TVA with power, and in this instance to provide it with power that it did not even request.

I have some other amendments which I have proposed. I believe they are necessary to bring the power features of the pending bill in line with the provisions of the Federal Power Act.

As I pointed out earlier, I have no objections to licensing privately owned power companies to use nuclear fuels for the commercial production of electric power. These companies are permitted by present law to obtain licenses to develop another great resource owned by the Government—the Nation's navigable streams.

But whereas as early as 1920 the Congress enacted the Federal Power Act to set up certain safeguards to the people when private institutions are permitted to develop resources belonging to all the people, no comparable safeguards have been provided in the Cole-Hickenlooper bill.

In fact, there is almost a complete absence of such safeguards. The lack of such safeguards is evidence of this administration's total disregard for the people's interest in resources belonging to all the people. To permit the Government to husband its resources in such a flagrantly loose manner is unconscionable.

Therefore, the following is one of the amendments which I have provided to set up standards for licensing private utilities in obtaining nuclear fuels:

On page 44, after line 3, add the following proviso:

"*Provided*, That upon not less than 2 years' notice in writing from the Commission the United States shall have the right upon and after the expiration of any license to take over and thereafter to maintain and operate any facility or facilities for the utilization of special nuclear material for the generation of electric energy on payment of the net investment of the licensee in such facilities, with severance damages, if any, in general accordance with the terms of section 14 of the Federal Power Act: *And provided further*, That if the United States does not exercise its right to take over the facility or facilities on the expiration of any license, States, municipalities, and cooperatives shall have a prior right of acquisition on the same terms in connection with the issuance of a new license for such facility or facilities."

The principle of this amendment is rooted in the Federal Power Act, which contains a similar provision generally known as the "recapture clause." The reason for such a provision in the Federal Power Act is that the Federal Government is the owner of our navigable waters, and merely licenses private companies to utilize those streams in the public interest. When a private company receives a license to build a dam on a navigable stream, at no time is it deemed that the company has ownership of that structure in perpetuity. At the conclusion of the term of the license, the Federal Government is given the option of taking over and operating the dam, upon payment of just compensation to the company.

In the field of atomic energy a similar situation exists. The Federal Government retains ownership of the nuclear material, giving licenses to private companies for a maximum of 40 years to build reactors to utilize the nuclear materials in the public interest. There-

fore, at the expiration of such licenses, the Government should have the option to maintain these facilities, if it deems necessary in the public interest.

It should be noted that under my proposed amendment, the licensee must be given at least 2 years' notice in writing if the Government decides to exercise its option of maintaining the facility, and the licensee must be justly compensated in accordance with the procedures established under the Federal Power Act.

Mr. President, that seems like elemental justice. I cannot imagine a licensing system under which anyone in government would grant a license in perpetuity. There is not a franchise that is not limited, in terms of years, at least. Yet here, with these fabulous resources in which the people have invested billions of dollars, resources which may change the face of America, the pending bill literally permits the Government to give a license extending into infinity, with no recapture clause whatsoever even if it should be deemed necessary in the public interest or in protecting national security. This seems to me to be the most loosely drawn provision of the bill.

Mr. HICKENLOOPER. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. HICKENLOOPER. There is always the opportunity to recapture the essential material, upon certain conditions arising. Certainly, in the recapture of the material we recapture the business. The business cannot operate if the material is taken back by the Commission under the circumstances set forth in the bill. It becomes a recapture provision.

Mr. HUMPHREY. It is quite common in municipalities that taverns, restaurants, and so forth, are licensed. Licensing is nothing new in American life. We do not recapture the license by shutting off the sale of spirits. I have never heard of a Government agency that did not have written into the law a provision for recapture.

Again, Mr. President, this is one of those backdoor, subterranean techniques. If there is a need of recapture of the license, why do we not write it into the law? Why have the kind of provision that says, "All we need to do is to take away your material." That is not even being fair.

Under the amendment I am offering we at least serve notice to the licensee 2 years ahead of time that the Government can reclaim its right to the license. I think that is fair and equitable, and it should be included in the measure. I am not at all satisfied with the idea that merely because the materials are under Government control it is adequate, or even fair. That may lead too much to capricious authority in the hands of the Government. I want it more formal.

The next two amendments which I introduced, and which relate to the procedures to be followed by the Atomic Energy Commission in processing applications for licenses, are as follows:

On page 86, line 18, after comma, insert the following: "to municipalities, private power companies, public bodies, and cooperatives within transmission distance authorized to engage in the distribution of electric energy to the public."

Line 21, insert new sentences after the period, as follows: "In case of protests or conflicting applications or requests for the establishment of special conditions in prospective licenses, the Commission shall, prior to issuance of any license, hold public hearings on such application or applications in general accordance with the procedures established in connection with consideration of applications for licenses under the Federal Power Act and interested parties shall have the same rights of intervention in such proceedings, application for rehearing, and appeal from decisions of the Commission as are provided in that act and in the Administrative Procedure Act. In any proceeding before it, the Commission, in accordance with such rules and regulations as it may prescribe, may admit as a party any interested State, State commission, municipality, public or cooperative electric system, or any competitor of a party to such proceeding, or any other person whose participation may be in the public interest."

Let us see what that does to the pending measure. On page 86 of the bill it is provided as follows, beginning in line 14:

The Commission shall not issue any license for a utilization or production facility for the generation of commercial power under section 103, until it has given notice in writing to such regulatory agency as may have jurisdiction over the rates and services of the proposed activity, and until it has published notice of such application once each week for 4 consecutive weeks in the Federal Register, and until 4 weeks after the last notice.

Let us consider the State of Minnesota, Mr. President. I am rather surprised that my good friend from Iowa [Mr. HICKENLOOPER] is not aware of the fact that there is no regulatory agency for private utilities in Minnesota. I am not proud of it, but that is the way it is. They had that fixed early in the State constitution. We have no regulatory agency. I should like to have the city of Minneapolis know if there is going to be a license issued. I should like to have the rural cooperatives know; I should like to have the Northern States Power Company know if there is an application for license and a license granted. After all, how else would the State which I partially represent know? How would we get any notice? It may be said, "You will get it in the Federal Register." If all the other people of the Nation are going to hear by letter or telegram or some other means of communication, I would suggest that we hear also.

I am only suggesting that the language be broadened so as to include what is now in the Federal Power Act. If that is done, we shall not get into any trouble. It is not written into the bill now. The amendment only places in the proposed law what is already in the Federal Power Act.

The amendment to be inserted on line 18 provides that, before issuing a license for the utilization of nuclear materials for the commercial production of electric power, the Atomic Energy Commission must give notice to municipalities, private utilities, public bodies, and cooperatives within transmission distance of the facility where the proposed nuclear power facility would be located.

This provision merely assures that utilities—both public and private—already serving electric consumers in an area must be given ample notice if a generating station using nuclear fuel is to be constructed in the service area of the existing utilities. Such a provision would assure that the Commission would not issue a license for a new generating facility without the knowledge of those utilities which have the most direct interest.

That seems a fair requirement. I would hope it would give them at least advance information as to what was going to transpire in terms of competition.

The latter part of this amendment, containing the language to be inserted on line 21, would require the Atomic Energy Commission to hold public hearings and follow the other time-tested procedures of the Federal Power Commission before issuing a license for a nuclear powerplant.

I notice no particular reference in the bill, so far as I can see, to the public hearings, or any reference to the Legislative Procedure Act. I merely ask that what is now established law—and Republicans and Democrats proudly proclaim this law—be applied to the pending bill, so as to include that provision as a part of the language of the statute.

I know the argument will be made, "Well, that was the intent." I am not satisfied with all the good intentions, which do not seem to materialize at times. Nor am I satisfied with the so-called legislative history. If there is a legislative history which interprets something in the bill that I do not see written there, then why not write it into the bill? If legislative history means what it says it means, let us include it as a part of the statute. All too often the so-called legislative history is window dressing. I want to be sure it is a part of the window sill, a part of the structure or the device we are creating.

Section 182c of the bill requires that the Atomic Energy Commission give preference to applications for commercial power facilities to those located in high-cost power areas of the United States. The amendment which I propose to this section is as follows:

Where conflicting applications include those submitted by public or cooperative bodies such applications shall be given preference.

My amendment would require that within the preference to applications for high-cost power areas, a further preference should be given to applications from public or cooperative organizations.

This amendment, again, follows the policies established by the Congress in the Federal Power Act. In fact, the preference to public bodies in the Federal Power Act is even stronger than the one which I now propose to be added to the Cole-Hickenlooper bill, in that the Federal Power Act provides that if the application by the public body is not equal to that of the private company, the public body shall be given reasonable time to amend its application to make it comparable to that of the private utility.

We are dealing with a public law which may very well supersede the Federal Power Act, because it is entirely probable that from the vast resource of energy which is available from atomic power, the development of hydroelectric facilities may be on its way out, may be a thing of the past. I have read many fine articles saying that we have approached a new horizon, a new period, in the development of electrical energy. I do not want to see that new period retarded or weighted down by a public law which will give preference to a privileged few, and not fair treatment to the many.

Therefore, I want to see written into the proposed legislation all the safeguards which have been proved to be workable and of benefit to the public interest.

We are not in the realm of theory. The amendments which many Senators are offering are amendments which already are in other statutes, already tried and tested, and proved by experience.

Certainly we cannot quarrel with the principle that nonprofit public agencies and rural electric cooperatives should have the first opportunity, where there are competing applications, to utilize a resource owned and developed by the Federal Government.

The next amendment which I have proposed is as follows:

(e) Every licensee under this act, holding a license from the Commission for a utilization or production facility for the generation of commercial power under section 103, shall be subject to the regulatory provisions of the Federal Power Act applicable to licensees under that act as established by sections 301, 302, 304, and 306 thereof and to such other provisions of the Federal Power Act as provide for the enforcement of the regulatory authority of the Federal Power Commission with respect to licensees for development of water power.

That is the technical language. What does it mean?

The purpose of this amendment is to assure that those licensed by the Atomic Energy Commission to use nuclear materials for the generation of commercial power are subject to the regulatory provisions of the Federal Power Act.

That is as reasonable a request as could be made. I suggest that under the terminology of the bill before the Senate, it is not at all clear that the Federal Power Commission or the Federal Power Act regulatory provisions would be applicable to the atomic installations.

In view of the fact that the Federal Government has spent some $12 billion in the development of atomic energy, and is continuing to retain ownership to nuclear materials, it would be inconceivable to permit exploitation of the public by those which are licensed to use this public resource. Therefore, I say that their business must be subject to close regulation.

Accordingly, the amendment to which I have just referred would require licensees to be subject to the regulatory provisions of the Federal Power Commission. The yardstick operation of nuclear powerplants by the Federal Government must continue to be our first line of defense against exploitation of this resource, but the control by a regulatory commission such as the Federal Power Commission is imperative as a second line of defense against exploitation by private licensees.

I am rather amazed that that language was not included in the act. Why all at once ignore the Federal Power Commission? Why all at once abrogate the preference clause of the Federal Power Act? Why fail to establish more standards for the use, development, and distribution of electrical energy from nuclear power, if we have them for the development of electrical energy from hydroelectric power? We are talking about electricity, and electricity is made for the people. Electricity can be used for good, or it can be used for bad. We are talking about something which is not new at all—electrical energy. Why should not the same tried and tested rules and regulations be applied to electrical energy generated from nuclear power as to electrical energy generated from thermo or hydroelectric power?

I think it is very strange that the bill before the Senate literally rewrites the whole pattern of the regulatory power of the Government over a great natural resource which can produce electrical energy. I do not think this is merely an inadvertent omission. I am of the opinion that it was calculated.

There has been a long-time battle in this country to weaken the Federal Power Commission. There has been a long-time fight to weaken, and ultimately destroy, the TVA. There has been a long-time fight to put our great natural resources of power and fuel into the hands of a limited number of monopolistic interests.

I am afraid that we now see an attempt being made in Congress—in the last days of this session of Congress—to drive through a bill, and to make it a public law, which would erase from the statute books, for all practical purposes, the regulatory mechanisms and the regulatory rules which have governed the sale, distribution, and generation of electrical energy; because, make no mistake about it, within the next decade electrical energy will be produced in ever-increasing quantities from nuclear fuel and nuclear reactors.

I think we should be exceedingly careful as we work on the proposed legislation to make certain that we do not open up, so to speak, a Pandora's box of trouble, or, should I put it, of special privilege, because millions and millions of dollars will be made out of atomic energy, just as billions and billions of dollars have been taken from the people in taxes to develop this resource. So, Mr. President, millions and millions of dollars will be available in terms of profits for those who receive the licenses.

I say that when anyone gets a license, it is prima facie evidence that he is receiving from a public institution a grant of authority or a delegation of power which belongs to the public institution or the public agency. When one receives any kind of license in other areas, he is subject to regulation. The regulations in this area should be drawn to protect the public interest. I do not want to see any ifs, ands, buts, or ors. I want to make certain that the regulations are contained in the law. Much as I respect the words of my colleagues, much as I respect what is called the legislative history, much as I have been brought up to respect committee reports, they are poor substitutes for statutory language. They do not have the same meaning, or the same directness of approach and application as the words written into the act. I say any provision which can be subject to misinterpretation, should be made clear in the law. Then we shall know what the law is, and there will be no guessing or proceeding in the realm of theory.

Accordingly, therefore, one of the amendments I have offered would require licensees to be subject to the regulatory provisions of the Federal Power Commission. That is the least amount of regulation, or the most equitable regulation, there could be.

One further amendment which I have submitted is as follows: "and no construction permit shall be issued by the Commission until after the completion of the procedures established by section 182 for the consideration of applications for licenses under this act."

This is one of the most important of the series. For, oddly enough, under the bill as now drawn, the Atomic Energy Commission is permitted to issue a construction permit for a nuclear power facility before a license is finally issued. I do not know why that is so. I am sure that no alderman or mayor would stay long in his position if he issued a license for a saloon before it was in existence. That is a poor comparison, but we are talking about licenses. A person is not issued a license for a car before he buys one. He generally has to produce the engine number of the automobile. Here is a situation in which the Atomic Energy Commission could issue a permit for the construction of a plant long before the license would even be granted. That is the old game of the camel's getting his head under the tent.

Let us assume the Commission finds later there is a reason why perhaps the license should not have been granted. Then pressure will be put on the Commission and on the Congress. Every Senator and every Representative will have persons saying to them, "We have already spent $200 million. We have already spent $50 million. You cannot deny us the license now."

I repeat, Mr. President, what is the hurry? There does not seem to be any hurry in the bill to help the REA's. There does not seem to be any particular hurry in the measure to help the municipalities. Who is asking for such a big rush? As a matter of fact, I now respectfully suggest, as I did earlier, that before we rush pell-mell into the revision of the Atomic Energy Act, we should use the old act a little bit. The old act, the McMahon Act, the basic law, as I have said, and as I shall continue to say, requires—it says "shall"—that there be a report made by the Commission to the President, and by the President to the Congress. The Commission has not made any report. There has been an argument in the Commission as to who is running it. The President has not made

any comprehensive report. The President apparently went to the Attorney General to get information about the Dixon-Yates contract. I doubt that he went to the Atomic Energy Commission, because had he done so, he would have found that a majority of the Commission was not in favor of the contract. He found a majority in the Justice Department—a majority of one.

It is clear that the ability of the Commission to issue the construction permit makes academic the procedures which must be followed by the Commission before issuing the license, for a prospective licensee could spend many millions of dollars, acting under the authority of the construction permit. It would then be highly doubtful whether such a company could be denied a license after being permitted to make such construction expenditures.

The amendment which I have proposed would insure that a fait accompli would not be effectuated before an applicant for a license ran the full gamut of the procedures required by law.

As I conclude, I should like to comment at this point on another amendment submitted by the Senator from Iowa [Mr. GILLETTE], whom I was proud to join as a cosponsor. It requires the Atomic Energy Commission to give a preference to local public agencies and rural electric cooperatives in marketing surplus power from its own installations.

The roots of the amendment go deep into American history. In fact, it was almost a half centry ago—in 1906—that the first so-called preference clause was first enacted by the Congress in connection with the marketing of power from Federal hydroelectric power projects.

I should like to give my Republican colleagues a little opportunity to redeem themselves. When we talk about the year 1906, we are talking about the period, in the history of this country, of the service of Theodore Roosevelt, one of the great Presidents of the United States—Theodore Roosevelt, the great conservationist; Theodore Roosevelt, who believed in the preference clause in the Power Act; Theodore Roosevelt, who said, "Speak softly and carry a big stick." This Republican administration has abandoned Theodore Roosevelt. It has forgotten his conservation messages. It is trying to do away with his Federal power policy. The administration talks loudly and, as one of my colleagues said the other day, carries a feather duster. It is not engaged in trying to pursue the great liberal spirit of that great Republican, Theodore Roosevelt.

I say to those on the other side of the aisle that effort after effort has been made to emasculate, to weaken, and to destroy the concept of protecting the great public and natural resources of the United States.

I am sure that in the days of Theodore Roosevelt we would not have lost the tidelands. I am sure that in the days of Theodore Roosevelt we would not have had the so-called stockmen's bill and similar bills before us. I am sure that in the days of Theodore Roosevelt there would have been a real struggle to protect the preference clause in the Public Power Act and the basic regulatory provisions which are necessary to protect the great natural resources, such as nuclear energy.

Gone are the days of Theodore Roosevelt. Of course, he did not stay long in the party. He had to bolt in 1912 in order to have his voice heard. But we are grateful to him for his years of service. We are particularly grateful for the fact that he was an ardent conservationist, that he recognized the public interest, and set a pattern for us to follow. That pattern today is no longer being followed. There are some persons who would tear it up.

I repeat, it was almost a half century ago, in 1906, that the so-called preference clause was enacted by Congress. That preference clause, 48 years later, in the year 1954, is threatened. The preference clause has been an important part of all the Federal power policy for almost a half century. In fact, up until recent years it has never even been contested. Now, when there is a proposal to utilize atomic energy for the production of electrical energy, according to the provisions of the bill before the Senate, it is proposed to scuttle the preference-clause section of the Power Act.

I call upon my friends across the aisle to return to the faith of their fathers. Some of their modern-day cousins are getting them into trouble. Return to the faith of their fathers, I ask them, and return to the faith of Teddy Roosevelt. Return to the faith of Abraham Lincoln. Let us have less of making speeches about them and more of following their spirit. This preference provision I think I shall call the Roosevelt preference provision, and in order not to alarm any of my colleagues, I mean the Theodore Roosevelt preference clause which, by the way, was endorsed by his cousin, Franklin Roosevelt. It represents a bipartisan effort to preserve this great public power feature which has served our Nation's interest so well.

The preference provision is equitable and has served our Nation's interests well. During the past half century it has been reaffirmed and strengthened on 12 occasions under both Democratic and Republican administrations. It is another indication of the appalling deficiencies of the present bill that a preference clause for local public agencies and rural electric cooperatives has been omitted.

Mr. President, the need for amendments such as those which I have introduced serves but to underscore the grievous failings of the pending bill. The bill, in its present form, is more than a giveaway of colossal magnitude—a magnitude so great that in the present stage of the atomic science we are still unable to calculate the extent of the giveaway. The bill establishes a pattern of complete and willful abdication of governmental responsibility in a resource development program which will have a profound influence on the economic, social, and political life of our Nation for many generations to come. This abdication by the Government would be in deference to a handful of large corporations which already are relatively free from competitive influence, and which would represent an even greater and more dangerous concentration of economic power if the pending legislation is approved by the Congress.

Even with the amendments which I have proposed the bill contains many inadequacies. But without such amendments it is a travesty upon the noble traditions which our Government has established in the past in conserving and developing our Nation's resources for the welfare of all the people.

Mr. President, I want my friends across the aisle to know that this is their first opportunity as a party to write public preference as a power policy for the Nation. I want them to know that by failing to take definite steps to write public preference as a power policy of the Nation, they are, in effect, tearing up the historic record of the development in the United States of public preference as a power policy.

Mr. President, in connection with this matter we are not discussing ordinary power, but we are discussing the use of nuclear energy for the generation of electric power. We are putting into the open, where all may see it, the policy of the administration with regard to public power; and in connection with this matter we are pointing to the Dixon-Yates contract, a contract which the administration cannot defend, for it is the most unconscionable contract that has been brought to public notice for years and years. That is the Dixon-Yates contract—a contract which no one wanted, but which was ordered from high places. The Dixon-Yates contract gives a bonanza the like of which has not been seen in Congress for 100 years. The Dixon-Yates contract will establish a precedent which will plague the Government for years to come. I say here and now that if special treatment is given to the Dixon-Yates group, then I want similar special treatment given to all the utility groups in the part of the country I represent. If there is to be a public feeding trough, there should be more than one snout in it; there should be many of them in it.

The administration is getting into a position from which I am sure it would like very much to extricate itself. The administration has ignored section 7 (b) of the Atomic Energy Act of 1946. In its proposed amendments to the McMahon Act, the administration has not had included in the pending bill any safeguards, or at least not any proper safeguards, of the public interest regarding the use, distribution, and development of electrical energy as generated from nuclear power. The administration has in the pending bill a provision for the making of a contract about which the administration does not dare speak. The administration has been driven into a corner, so to speak, because that contract is an indefensible one.

So, Mr. President, we are now beginning to see the real, true image of Republican doctrine. Let us have no more public relations announcements, such as have dribbled out from time to time, regarding Republican policy, for here we are beginning to see the real substance of Republican policy, namely,

a reversal of the public power policy which thus far has stood for 50 years. Certainly every good Republican should rally now in defense of the spirit of that policy.

However, by means of the pending bill, the Republicans will be repudiating Theodore Roosevelt, and will be repudiating the conversation policies, and will be repudiating the Federal Power Act. They will be turning back the pages of history.

Certainly the present so-called "businesslike" administration is guilty of violating almost every principle or concept of good business. The Dixon-Yates contract will cause the name of this administration to be recorded in history as a horrible example of what not to do. I think the Dixon-Yates contract will plague this administration in the way the Teapot Dome plagued another Republican administration.

Mr. President, we shall have more amendments to offer. As I have previously asked, why the hurry to act on this bill? I have not see any prairie fires of political anxiety over the adoption of amendments to the Atomic Energy Act.

Mr. President, as I have said earlier, I have received many letters of inquiry as to what Congress will do in regard to school construction. I am much more interested in the passage of the school-construction bill than I am in the passage of the pending measure. I am sure that when I examine the calendar, I shall find listed on it the bill known as the school-construction bill, which recently was reported from committee. That measure was sponsored by the Senator from Kentucky. I am sure the bill is on the calendar.

I wish to point out that every day I receive great numbers of letters inquiring about what action Congress will take on the school-construction bill. Furthermore, many persons send me letters in which they ask what Congress will do about unemployment compensation benefits. In addition, I have received, today, many telegrams about the conference report on the housing bill.

Mr. President, I am happy to find on page 10 of the calendar the listing of Calendar No. 1797, Senate bill 2601, to provide for Federal financial assistance to the States and Territories in the construction of public elementary and secondary school facilities. I wish to congratulate the Senator from Kentucky [Mr. COOPER] for that bill. I have had a long-time interest in that subject. In the 81st Congress, I introduced the first measure on that subject. As I have said earlier in the debate, I was fortunate in having that bill passed, and it is now public law, and it authorizes a nationwide study of the school needs.

School administrators have recently been meeting in Washington, D. C. The National Education Association met recently in this city. The national educators also met in Atlantic City, where they talked about school construction needs.

I do not recall receiving one telegram or one letter regarding the urgency of the passage of Senate bill 3690, to permit the Atomic Energy Commission to give special licenses to special persons, for special purposes, to make bigger special privilege. I have not received any request of that sort.

So far as the international aspects of the pending bill are concerned, I am of the opinion that the President can do under existing law everything he needs to do. If he cannot, we shall join the Senator from New York [Mr. LEHMAN] in taking specific action upon that section of the measure.

Mr. President, I am a little worried about the efforts to hurry us along. It was about 1 year ago that we were being hurried regarding the question of giving away the synthetic rubber plants. I think my colleagues will recall that, as a result, we hurried through some amendments to prevent the handling of the rubber plants from becoming a scandal.

Now we are told we must hurry other measures into law.

I myself have good reasons for wishing to hurry, for I desire to leave Washington and return to my State, to see my constituents. But so long as I am a Senator, I wish to protect them from what I consider to be an inequitable provision and, furthermore, a very unwise legislative policy.

That is why I have offered certain amendments. By the way, Mr. President, several other amendments will be sent to the desk by me today; those amendments will apply to the civilian aspects of the development of atomic energy.

Mr. President, before we conclude the debate, I think it will be good to know whether some of the other more urgent measures will be taken up. I see the majority leader in the Chamber. I wonder whether he plans to have the Senate take up the school-construction bill, once the Senate completes its action on the pending bill. I hope the school-construction bill will be taken up very soon.

Let me say that I believe that if today the majority leader were to conduct a public-opinion poll in the United States, I would be willing to make a sizable bet—that is, under the $1 figure—with the majority leader that for every response he would receive regarding the urgency of the pending measure, he would receive 100 responses regarding the urgency of the school-construction bill. Furthermore, I am sure I can find on the calendar other bills which can accurately be said to fall in the same category.

Mr. KNOWLAND. Mr. President, will the Senator from Minnesota yield for a question?

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). Does the Senator from Minnesota yield to the Senator from California?

Mr. HUMPHREY. I am delighted to yield; I had hoped to get a response soon.

Mr. KNOWLAND. Does not the distinguished Senator from Minnesota know that several days ago the majority leader announced a whole series of bills that will follow the taking of final action by the Senate on the pending measure? Does not the Senator from Minnesota also know that included in that list of bills was the school-construction bill, the farm-program bill, the foreign-aid-authorization bill, and the bill for extension of social security coverage? Let me say that when the filibuster is ended—the filibuster in which the liberal wing of the Democratic Party in Senate is engaging—we shall reach all those important measures.

Mr. HUMPHREY. I am very grateful for the Senator's informative comments.

Let me say to him that the best way for us to reach such very vital proposed legislation will be to have the pending measure placed where it properly belongs, namely, at the tail end of the docket. Where is the great hue and cry for this bill? One thing we can say about the farm bill is that plenty of people are for it and plenty against it. There is no doubt about it being a matter of public interest. We can rest assured that the social-security bill is a matter of public interest. There is not a Senator who has not received plenty of mail on that subject. We are interested in the mutual security bill and the other measures to which the Senator has referred.

The interesting thing is that this measure was brought up in such a hurried manner. The hearings were published on the 9th day of July. The report was available on the 13th of July. I am not quite sure, but it seems to me that within the next day we were debating the bill. This was represented as a bill that we just had to do something about. Why? We do not even have a report from the Atomic Energy Commission to justify the bill. No evidence has been officially presented by the Atomic Energy Commission, as required by law, to justify the measure.

I say further to the majority leader that while this legislation may represent a beginning, it is not the first chapter in the scripture in this field. Moreover, I am quite sure that deep down in their hearts the majority leader and other Senators realize that this bill does reverse public policy, insofar as regulation of a great natural resource is concerned.

The trouble is that some Members of Congress and of the public have come to believe that the atomic energy program is a private resource, or in the domain of private interests. Large companies have been doing research work in this field. They have been paid well, and they have done outstanding work. We honor them for the work they have done. But when we write a public law as important as this without proper guidance from the Atomic Energy Commission, because the Atomic Energy Commission did not make a report, as it was supposed to do, when we write legislation as important as this without a full-scale message from the President, and without the kind of public interest which ought to be involved in such a legislative proposal, we must be very, very careful.

Finally, I should like to say to my friend, the majority leader, that I commend him for his hard work and industriousness, and for his ability to get this program underway. I have not taken very much time in this debate. I started

speaking this evening at 4:10. I conclude my remarks at 22 minutes after 6. I have engaged in some colloquy, but not a great deal. If the Senator is of the opinion that there is a filibuster in progress, I remind him that a reading of the RECORD of last night will show that there was a pledge that we were to vote today. If there is a filibuster in progress, I assure the Senator that there is a great deal to talk about. We could talk about every one of the bills on the calendar. There is no filibuster, but there is a determined effort by some of our distinguished colleagues who led off in this debate to alert the public as to what is involved in this 104-page document known as Senate bill 3690. Senate bill 3690 was just another number until the Senator from New Mexico [Mr. ANDERSON], the junior Senator from Tennessee [Mr. GORE], the senior Senator from Tennessee [Mr. KEFAUVER], the senior Senator from Alabama [Mr. HILL], the junior Senator from Alabama [Mr. SPARKMAN], the Senator from New York [Mr. LEHMAN], and other Senators took this issue to the people. The bill could have been marked "secret and confidential" and no fewer people would have known about it from the mere fact of its printing.

This is one of the "must" measures. On whose list? "Must" for whom? It is a "must," just as the Dixon-Yates contract was a "must." For whom? I wish to know where the great outcry for this measure came from. There is no "must" list at all.

I conclude my remarks by paying tribute to those Senators who have again been the political Paul Reveres. This time it was not the British who were coming. This time it was a few more of the special interests who were waiting around to see what was going to happen. They have been coming, coming, and coming, running off with the oil, running off with some of the public lands, running off with accelerated depreciation allowances, and running off with depletion allowances. Now they would like to run off with the atomic energy resources.

Paul Revere had his hands full when he rode up and down the streets announcing to the people that the British were coming, but he knew from what direction they were coming, and he had the signals ready—"one if by land and two if by sea."

We find ourselves in a situation in which we do not quite know from what direction the enemy is coming. Those who would raid the public resources come from so many different directions and so many different sources that it is rather difficult to get the signal out.

I commend Senators who have joined in this debate thus far in order to give the signal to the American people.

Mr. HILL. Mr. President, will the Senator from Minnesota yield to me to make an insertion in the RECORD?

Mr. HUMPHREY. I was about to yield the floor. I yield to the Senator from Alabama.

Mr. HILL. Mr. President, I ask unanimous consent to have printed in the body of the RECORD at this point as a part of my remarks a letter addressed to me by Dr. Harry A. Curtis, vice chairman of the Board of Directors of the Tennessee Valley Authority, together with a memorandum which Dr. Curtis enclosed with his letter.

There being no objection, the letter and memorandum were ordered to be printed in the RECORD, as follows:

TENNESSEE VALLEY AUTHORITY,
Knoxville, Tenn., July 19, 1954.

Hon. LISTER HILL,
United States Senate,
Washington, D. C.

DEAR SENATOR HILL: In response to your request for a statement from TVA regarding recent allegations that TVA has been overcharging the Atomic Energy Commission for power at its Paducah plant, the TVA Board has requested Mr. G. O. Wessenauer, our manager of power, to prepare a memorandum summarizing the history of TVA-AEC negotiations for power at Paducah.

We believe that Mr. Wessenauer's memorandum and its attachments show clearly that comparisons made in support of these allegations are misleading. The power which is currently being delivered to AEC is of two categories: (1) The basic power supply produced from modern and efficient plants constructed for the purpose, and (2) supplies of interim power from other sources which are required to supplement the basic power supply while the new generating units are being completed. AEC is receiving its basic power supply from TVA at very low cost, far lower than the costs of any other power which it purchases for its gaseous diffusion plants, and while new generating units are being completed has been receiving supplementary supplies of interim power at costs as low as are consistent with the costs to TVA of purchasing such power from neighboring utilities or of generating it at the high-cost plants on its system.

Much of the time of the TVA staff over a period of months was devoted to assembling the large blocks of interim power which the crash program of AEC demanded.

Very truly yours,

HARRY A. CURTIS,
Vice Chairman, Board of Directors.

JULY 19, 1954.

To John Oliver, General Manager.
From G. O. Wessenauer, Manager of Power.
Subject: Summary of power supply relationships with AEC for the Paducah project.

This is in response to your request for a summary of the development of power supply arrangements to AEC at Paducah, in view of the recent allegation that the rates contained in these arrangements are not as low as they should be.

INITIAL POWER SUPPLY ARRANGEMENTS FOR PADUCAH

At AEC's request a proposal under which TVA would supply one million kilowatts of power to the Paducah project was presented to AEC in November 1950. AEC indicated that the proposal was generally acceptable, and requests were made for appropriations for TVA to build the necessary power supply facilities. AEC then solicited and received a proposal from a group of privately owned utilities. As a result, the request for TVA power was cut in half and a block of 500,000 kilowatts was purchased from Electric Energy, Inc., a company created by the utilities. At the time, it was estimated that the price from Electric Energy, Inc. would be the same or a little lower than the price of power from TVA.

The AEC contract with Electric Energy, Inc. was on a cost-plus basis. The TVA contract was essentially a firm contract with all adjustments and escalations, except the cost of fuel, tied to national averages, not TVA's performance. We preferred such an arrangement because it provides an incentive for TVA's forces—both construction and operating—to do the best and most economical job possible. We made our best estimates of costs, and then the entire organization set out to try to beat the estimates. We suggested that the escalation for changing cost levels during the construction period should be tied to a national index instead of TVA's particular construction costs. Similarly, we suggested that the escalation for the labor costs involved in operation and maintenance should be tied to a national wage index instead of to our actual expenditures for labor. AEC willingly adopted our suggestions.

LEVEL OF TVA RATES IN THE PADUCAH CONTRACT

It was recognized at the outset, and made as clear as possible to AEC, that the urgency and special characteristics of their load made it necessary for TVA to quote a somewhat higher price for its share of the permanent power supply at Paducah than might otherwise be the case. We expected to spend and, in fact, have spent a considerably larger amount per kilowatt for the construction of the Shawnee plant to serve AEC, than we have spent in building other plants. The principal factor was the highly accelerated schedule, involving millions of dollars of overtime labor costs and premium prices paid to suppliers of some of the building materials.

TVA not only experienced extra costs, but it was necessary to amortize them during the contract period of about 15 years, thereby further increasing the annual cost of power under the contract. As AEC was advised at the time, the accelerated amortization of special costs would have the effect of providing for amortization of the total investment over an equivalent of about a 28-year period instead of the period of 35 to 40 years that would be normal in connection with service to our other loads.

It was also made clear that TVA's price was computed to provide, if our estimates were correct, an average annual return of 4 percent on the investment over the contract period. AEC felt that a figure of about 2½ percent would be more appropriate since it would amply cover the Government's cost of money. We explained that for a number of years we had been earning an average return of about 4 percent on our power operations and that Congress, which had established a schedule for the repayment of power investment, had not given any indication that it considered this return excessive and our rates too high. While AEC would naturally have preferred a rate based on a lower return on the investment, they accepted our position. A not insignificant consideration in this connection was that, under the contract we proposed, the expected return was an estimate on which TVA took the risks. If TVA costs overran our estimates, the return would be lower. The estimated 4-percent return to the Government would be realized only if TVA kept costs within estimates. It would be improved only if we built and operated below estimates. TVA took the risk; AEC was protected. As it developed, TVA built and is operating the Shawnee plant for somewhat less than the estimated costs; therefore it can expect to earn a little better return than estimated, with the result that the money invested will be repaid to the Treasury a little faster.

EXPANSION OF THE PADUCAH PROJECT

The foregoing comments relate to the term contract for TVA's share of the initial million-kilowatt load at Paducah. When an additional 940,000 kilowatts was required, TVA offered to expand its contract with only minor modifications. Electric Energy,

Inc. offered AEC power at a higher price than its first block, which it was clear by then would itself cost more than was first estimated. AEC chose to obtain one-fourth of its additional requirements from Electric Energy, Inc. and three-fourths from TVA. The assignment of part to each reflected AEC's continued desire for diversity in supply, but the assignment of the much larger share of the block to TVA reflected the fact that AEC would obtain more for its money from TVA.

INTERIM SUPPLY OF ADDITIONAL POWER

Large blocks of interim and supplemental power have also been supplied to AEC at Paducah, and are now being supplied. These are in a different category from the power covered by the long-term contract and require some separate explanation. AEC wanted power more quickly than it could be provided from the Shawnee plant even on an emergency construction schedule. To help provide this power, TVA built transmission lines that would not otherwise have been required from various points on its system into Paducah, accelerated the construction of other lines that were under construction, and took all possible steps to maximize the availability of power from its standby plants and over its interconnections with other systems. The price of power delivered to AEC for the interim period was based on estimates of the probable out-of-pocket costs of generating or buying the power, the costs of transmission, including the costs of the accelerated construction of some lines, and estimates of the transmission losses and the handling costs. The price recognized the provision of reserve capacity and the assumption of risks by TVA where firm commitments of availability were made.

Two factors have had an adverse effect on the cost of interim power. One has been the weather. The last 2 years have both been years of extreme drought which has severely limited the output of the system. The second is the fact that the TVA system in recent years has not had a normal margin of capacity over anticipated loads.

ATTACHED STATEMENTS

In the effort to support the accusation of overcharge to AEC, various misleading comparisons have been made of—

1. TVA's price for Shawnee power at Paducah and the cost to the Government of producing power at the Fulton site;

2. TVA rates to Memphis and the price in the Paducah contract;

3. TVA and EEInc prices for interim power at Paducah, and

4. TVA prices for interim power at Paducah and the average cost to TVA of power obtained from other systems.

We are attaching separate statements listing some of the points that ought to be considered when each of these comparisons is made.

ATTACHMENT 1

DIFFERENCES BETWEEN PRICE OF TVA POWER SUPPLIED TO AEC AT PADUCAH AND ESTIMATED COST TO GOVERNMENT OF PRODUCING POWER AT FULTON

Two basic tables were prepared jointly by the Bureau of the Budget, AEC, and TVA to help evaluate the Dixon-Yates proposal. These two tables, dated April 21, 1954, are attached.

Table 1 compared the price of power to AEC under the Dixon-Yates proposal with the price AEC pays TVA for power at Paducah. (For the sake of comparison it was arbitrarily assumed that delivery of the Dixon-Yates power onto the TVA system near Memphis would be equivalent to delivering it to Paducah.) This comparison showed extra costs to AEC for the Dixon-Yates power of $2,923,000 a year as estimated by the Budget Bureau and AEC, or $4,025,000 a year as estimated by TVA.

Table 2 compared the cost to the Government of obtaining power on the TVA system near Memphis in two ways: Buying the Dixon-Yates power or producing it from TVA generating units at Fulton and Johnsonville. This comparison showed extra costs to the Government for the Dixon-Yates power of $3,685,000 a year as estimated by the Budget Bureau and AEC, or $5,567,000 a year as estimated by TVA.

Efforts to use these tables as a device to appraise the fairness of TVA rates to AEC at Paducah have created a confusing picture. The implication is that the price for power delivered from the TVA system at Paducah, set forth in Table 1, must be too high because it is higher than the cost to the Government, set out in Table 2, of power delivered to the TVA system from the proposed Fulton plant. Aside from the fact that power from Fulton would not be and has never been proposed as a source of power supply for AEC at Paducah, there are a number of other factors which make any such comparison without value. Some of the more important of these factors are listed below.

1. The Paducah contract was designed to provide a return of 4 percent on the related TVA investment, and this is reflected in Table 1. Power from Fulton would also be expected to earn a 4 percent return, but Table 2, which compares the cost to the Government of Dixon-Yates power with power from Fulton, is not concerned with the rates at which TVA would sell the power. It was intended to show a comparison of the costs to the Government of obtaining the same amount of power in two different ways. To show the net cost to the Government, the Government's cost of money was assumed to be 2½ percent.

2. In serving AEC at Paducah, because of the desirability of providing ample system standby over the life of the contract and considerable interim transmission capacity before the Shawnee plant could be completed, TVA has a heavy investment in transmission lines into Paducah from Kentucky Dam and Johnsonville and via Kentucky Dam from other parts of the TVA system. The transmission facilities required in connection with the Fulton plant are less extensive.

3. Because of the rush schedule on which power had to be provided at Paducah, TVA had construction costs that are not normally experienced in connection with other additions to its system such as the contemplated additions at Fulton and Johnsonville which are the subject of table 2. Heavy expenditures were made for overtime labor costs and for premium payments for construction materials.

4. The abnormal capital costs referred to in the preceding paragraph not only added directly to the total of fixed charges included in rates for Shawnee power, but because prudence required that TVA amortize these abnormal portions of the investment during the period of the contract rather than over the entire life of the facilities, the annual charges are larger in the first years covered by the contract. The initial period of the Paducah contract will end about 8½ years after the beginning of the period used in the comparisons with Fulton, and TVA estimates that at the end of that 8½ years the bill to AEC at Paducah can be reduced by about $1,500,000 a year. The proportionate reduction assignable to 600,000 kilowatts would be about $720,000 a year. An adjustment in table 1 to reflect this situation was suggested by TVA but rejected by AEC and the budget. Had it been accepted, their estimate of the excess costs of Dixon-Yates power would have been nearly the same in both tables.

5. There have now been 4 years of further technological development since the Shawnee project was planned. As a result, it is possible to build generating equipment of greater efficiency and to design a plant with somewhat lower operating and maintenance costs. These factors can be reflected in an estimate made today for the Fulton addition. They were not present when the Shawnee plant was planned.

6. As the system grows, TVA is installing larger generating units. At the time the Paducah atomic energy plant was projected the TVA system was smaller. For that reason and also because of the need for proceeding rapidly, calling for the use of equipment already developed, 135,000-kilowatt units were selected for the Shawnee plant.

The Fulton units, on the other hand, are planned to be of 225,000-kilowatt rated capacity. Many elements of operating costs are very little larger for a 225,000-kilowatt unit than for a 135,000-kilowatt unit. This means that the operating costs per kilowatt-hour will be smaller at Fulton than at Shawnee.

7. Another factor that changes as the system grows is the proportion of reserve capacity that is necessary to insure continuity of supply. Even in the Paducah case TVA guaranteed a firm supply without including in its estimated costs nearly as large an allowance for necessary reserve capacity as had been included in the cost-plus arrangements for AEC power at Paducah from Electric Energy, Inc., and at Portsmouth, Ohio, from OVEC. In the case of Fulton, however, the further growth of the system now permits TVA to reduce further the proportionate reserve capacity required. This means that in this respect, also, TVA can serve additional load more economically by adding the Fulton plant to the system capacity than it was able to do at Paducah. (It is of interest in this connection that the Dixon-Yates proposal is based on the same assumption of reduced reserve capacity, but with the difference that the power supply is not guaranteed to be firm if more than one unit in the Dixon-Yates plant is out of service. In this respect the power offered by Dixon-Yates is less dependable that AEC's supply under any of its major power purchase arrangements. AEC recognizes this in referring to its need for continuity of service as one of the reasons it does not wish to reduce its contract with TVA to substitute Dixon-Yates power.)

8. There are certain costs which TVA has as a power supplier which are more or less independent of the source of the power. To simplify comparisons such items of cost were omitted, at the request of the Bureau of the Budget, from the comparisons between Dixon-Yates power and Fulton in table 2, although they are, of course, included in the actual rates charged for Shawnee power, shown in table 1. The type of costs referred to here are those distinguished from the costs incurred at the generating plant or in the receipt of purchased power. They include all such costs as those incurred by the central staff of the power system—the costs of load dispatching, and communication, as well as costs of service from other divisions in the TVA organization, such as personnel, law, and accounting, and other applicable items of overhead and general expense.

Table 2 was not intended to represent the price at which power from Fulton or Johnsonville would be sold, but rather the cost to the Government of providing capacity there in comparison with the cost to the Government of purchasing power from Dixon-Yates; therefore, marketing costs, overheads, etc., were not included.

TABLE 1.—*Comparison of annual cost of power supply for the AEC Paducah project (for 600,000 kilowatts of capacity and 5.2 billion kilowatt-hours per year)*

TVA-PADUCAH CONTRACT		REVISED DIXON-YATES PROPOSAL	
Demand charges	$8,208,000	Demand charges	$8,775,000
Energy charges (fuel cost 15½ cents per million B. t. u.)	[1] 9,828,000	Energy charges (fuel cost 19 cents per million B. t. u.)	[1] 9,688,000
		Additional TVA transmission costs	[2] 177,000
Total charges:		Total charges:	
Per year	18,036,000	Per year (excluding taxes)	18,640,000
Per kilowatt-hour (mills)	3.47	Per kilowatt-hour (mills)	3.58
		Taxes:	
		Arkansas—State and local	$1,499,000
		Federal income	820,000
		Subtotal	2,319,000
		Total charges:	
		Per year (including taxes)	20,959,000
		Per kilowatt-hour (mills)	4.03
		Additional charges per year	$2,923,000
Adjustments TVA would make:		Adjustments TVA would make:	
The initial term of the Paducah contract would end after 8½ years from July 1, 1957. With certain special costs at Shawnee amortized then, it is estimated that thereafter the monthly demand charge would be 10 cents per kilowatt lower. The resulting change in average annual cost for the 30-year period considered here would be.	−$51,000	Standby power, 2 units out	+200,000
		Increased off-peak transmission losses	+186,000
		Amortization of special costs at Shawnee	+200,000
		Total adjustments	+586,000
Adjusted total charges:		Adjusted total charges:	
Per year	17,520,000	Per year	21,545,000
Per kilowatt-hour (mils)	3.37	Per kilowatt-hour (mills)	4.14
		Adjusted additional cost, per year	4,025,000
		Total for 30 years	120,750,000

[1] Presently available coal prices were used, with an assumed transportation cost differential of 80 cents a ton (equivalent to 3.5 cents per million B. t. u.) between the Shawnee plant and the Dixon-Yates site.

[2] Represents the difference in TVA's annual transmission costs to deliver power from the Fulton and Johnsonville plants ($430,000) and their corresponding costs from the receiving point for Dixon-Yates power ($607,000).

TABLE 2.—*Comparison of annual cost to Federal Government for power supply delivered to TVA system in Memphis area (for 600,000 kilowatts of capacity and 5.2 billion kilowatt-hours a year)*

INCREASING TVA CAPACITY 650,000 KILOWATTS (AT FULTON OR AT FULTON AND JOHNSONVILLE)		ACCEPTING NEW DIXON-YATES OFFER (NEW PLANT AT WEST MEMPHIS, ARK.)	
Fixed charges, plant and stepup substation (interest, 30-year amortization, replacements insurance)	$5,077,000	Demand charges	$8,775,000
Production cost:			
Operation and maintenance	1,780,000		
Fuel (a) 9,917 B. t. u. heat rate (fuel cost 18.4 cents per million B. t. u.)	9,537,000	Energy charges (fuel cost 19 cents per million B. t. u.)	[1] 9,688,000
TVA transmission costs	490,000	TVA transmission costs	607,000
		Subtotal (excluding taxes)	19,070,000
		Per kilowatt-hour (mills)	3.67
		Taxes:	
		Arkansas (State and local)	$1,499,000
		Federal income	820,000
		Subtotal	2,319,000
		Total cost	21,389,000
		Less: Federal income tax	820,000
Cost to Government	16,884,000	Cost to Government	20,569,000
Per kilowatt-hours (mills)	3.25	Per kilowatt-hour (mills)	3.95
		Additional cost to Government per year	$3,685,000
		Total, 25 years	92,125,000

Adjustments TVA would make

Amortization 35 instead of 30 years:		Standby power, 2 units out	+$200,000
(1) Plant and step up substation	−$496,000	Increase offpeak transmission loss	+186,000
(2) Transmission	−35,000	Amortization specification costs at Shawnee	+200,000
Plant heat rate 9,350 instead of 9,917 B. t. u.	−548,000	Income tax from bondholders	−174,000
Income tax from bondholders	−391,000		
Total adjustment	−1,470,000	Total	+412,000
Adjusted cost to Government	15,414,000	Adjusted cost to Government	20,981,000
		Adjusted additional cost, per year	5,567,000
		Total for 25 years	139,175,000
		Total for 30 years	167,010,000

[1] If coal can be barged to Memphis site of Dixon-Yates (55 miles further from Fulton) at same cost as at Fulton as assumed by D-Y, then this cost would be reduced by $309,000.

ATTACHMENT 2

DIFFERENCES BETWEEN THE TVA PRICE TO AEC UNDER THE PADUCAH CONTRACT AND TVA'S RATES TO MEMPHIS

It has been said that if TVA billed the city of Memphis for power under the rate schedule in the TVA-AEC Paducah contract, the resulting rate per kilowatt-hour would be higher than TVA charges Memphis. This is interpreted as indicating that the rate in the Paducah contract is too high. There are several reasons why this is an unwarranted conclusion. Some of the more important of these reasons are noted briefly below.

1. TVA's commitments to Memphis and the other municipal and cooperative distributors were made a number of years ago. They were based on the operation of a generating system comprised largely of some very economical hydro projects which were designed and built to supply that type of load, that is, a load which varies from hour to hour and season to season. Those plants were built largely during a period of low construction cost levels. In contrast, the Shawnee plant, built to supply AEC at Paducah, was built during a period of much higher cost levels, and, in addition, as noted in attachment 1, the cost was increased by use of overtime labor, etc., to meet an urgent construction schedule.

2. While the cost of much of the power for Memphis and other distributors is related to hydro plants built in a period of low

prices, steam power from more costly new plants is also required for increments of around-the-clock industrial load served through the distributors' systems. The power so supplied is priced accordingly. Memphis, for instance, pays an additional half mill per kilowatt-hour for power resold to industrial customers.

3. Some of the points noted in attachment 1 apply in this case also. The limited term of the arrangements and uncertainty of continuation of AEC's use of power make it necessary to write off certain parts of TVA's costs over a limited contract period rather than over the useful life that the facilities would have if power deliveries could be expected to continue indefinitely and without diminution.

4. The rate to Memphis does not include consideration for major risks involved in guaranteeing a fixed rate over a long term. The power contract with Memphis, as well as those with the other distributors of TVA power, permits the rate to be changed from time to time to reflect changes in TVA's costs. This contract provision was used, for example, as a basis for negotiating an increase in the rates to the distributors effective a little more than 2 years ago. The rate in the Paducah arrangement is fixed for the term of the contract except for changes in the cost of fuel or those resulting from changes in a national wage index.

5. The wholesale rate schedule applicable to Memphis and the other distributors takes into account the hourly, daily, and seasonal diversity among the loads of all TVA power distributors. Because of such diversity the total peak load imposed on the TVA system by these loads is less than the sum of the billing demands. Large, high load factor loads such as AEC practically exclude all opportunity for diversity.

ATTACHMENT 3

PRICE DIFFERENCES BETWEEN TVA AND ELECTRIC ENERGY, INC., FOR INTERIM POWER DELIVERED TO PADUCAH

Until quite recently much of the power supplied to AEC at Paducah has been supplied on an interim basis. AEC needed large blocks of power before TVA and Electric Energy, Inc., could build their steam plants nearby. In addition, AEC has found that it could use advantageously more power than it had contracted for. As a result of these circumstances, interim arrangements were made for power supply from both TVA and Electric Energy, Inc. The arrangements with both suppliers were similar in many ways, but were and have become enough different and have involved such a variety of sources of power that comparisons are difficult and complicated.

During the entire period from the beginning of power use at Paducah through March 31, 1954, Electric Energy, Inc. delivered just under 4 billion kilowatt-hours and TVA 4.5 billion kilowatt-hours. The average price paid for the Electric Energy, Inc. energy was 5.53 mills per kilowatt-hour while the average price paid to TVA was 6.16 mills per kilowatt-hour. These figures (and corresponding figures for fragmentary parts of the period) have been referred to as suggesting that TVA has been charging too much for power supplied on an interim basis.

Some of the factors that ought to be considered in appraising whether TVA's prices were fairly related to costs are referred to below.

1. Initially both Electric Energy, Inc. and TVA committed themselves to supply equal parts of the interim power needed. Subsequently the amounts committed were renegotiated by AEC because for a time it was falling behind schedule and wanted to reduce its commitment accordingly. The reduction by AEC of the amounts of power it wanted to commit itself to take from TVA during the early months reduced the amount of its overall dollar obligations to TVA, but resulted in some increase in cost per kilowatt-hour, because certain TVA expenditures had already been made in anticipation of the earlier schedule.

2. Later AEC needed supplemental power over and above the advance commitments. TVA had to supply a greater portion of this power than Electric Energy, Inc., because Electric Energy, Inc. did not have as much transmission capacity to bring power into Paducah over and above the amounts under contract. Periods when large additional amounts of supplemental power were needed by AEC unfortunately included some periods when TVA, because of drought, was using most of the economical and moderately costly sources of steam and purchased power to firm up the supply under its previous commitments to others (as well as AEC), making it necessary for TVA to call on the more expensive sources of power, including TVA's own standby steam plants as well as purchases from other systems.

3. TVA's charges during the interim period included about half a million dollars for the cost of accelerating construction of certain transmission lines needed to maximize the supply of interim power to AEC. This added, of course, to the average overall payment per kilowatt-hour to TVA as compared with Electric Energy, Inc.

4. As soon as any unit in the Shawnee plant began operating, TVA began amortizing the corresponding investment. As a result, the charges collected from AEC by TVA during the interim period have already provided for the amortization of some of the investment in the Shawnee plant and related transmission facilities. On the other hand, Electric Energy, Inc.'s arrangements with its bankers and with AEC were such that it postponed any amortization of the investment in its Joppa plant until after four units were completed. That point had not been reached by the end of the period under study, that is, through March 31, 1954. Therefore, AEC still faces the necessity for reimbursing Electric Energy, Inc. for the entire cost of the Joppa plant, while it has already paid for part of the Shawnee plant. For this reason, also, the 5.53-mill average paid Electric Energy, Inc. therefore is not comparable to the 6.16-mill average paid to TVA. It did not represent the entire cost to AEC of power received during the period, for AEC has yet to pay that part of the capital cost of Joppa that is represented by the portion of the useful life of the first three units that has already been expended.

5. During much of the period in question, TVA provided standby or reserve generating and transmission capacity for both its supply and Electric Energy, Inc.'s supply to AEC. It did so because Electric Energy, Inc.'s capacity was sharply limited, and the total supply to AEC would have had to be reduced if Electric Energy, Inc. had been obliged to provide its own reserves. The result, of course, was that the costs and risks associated with the provision of such reserves were borne largely by TVA rather than by Electric Energy, Inc.

ATTACHMENT 4

DIFFERENCES BETWEEN TVA'S PRICE FOR INTERIM POWER AT PADUCAH AND TVA'S AVERAGE COST OF ENERGY OBTAINED FROM OTHER SYSTEMS

During the fiscal year 1953, TVA delivered to AEC at Paducah a total of 976,956,000 kilowatt-hours at an average price of 8.59 mills. It has been stated that the price was too high—that during the same year TVA purchased and received by net interchange from private power companies 2,696,749,000 kilowatt-hours at an average cost to TVA of 5.07 mills, to which TVA must have added a 70-percent profit margin. This is an effort to compare figures that are not at all directly comparable. Some of the more important factors that need to be taken into account in understanding the figures are listed below.

1. It is incorrect to assume that all the power that was delivered to Paducah during the fiscal year was obtained from private companies, or that the energy so obtained was typical, costwise, of the large total amounts of such energy. The intent of the arrangements agreed upon with AEC was to keep TVA whole as far as the impact of the interim AEC requirements on TVA's existing operations and customers was concerned. It was not intended to take away from TVA or its customers energy which it would have been obtaining without the existence of the AEC load. The basic question, then, is: What were the incremental additions to TVA's energy supply, by purchase and by TVA's own generation, by means of which the AEC interim requirements were met?

2. The number of kilowatt-hours stated to have been received by purchase and net interchange from private companies was wrong. Reference to the TVA annual report for 1953 will show (in schedule G of the financial statements) that the purchase and net interchange accounts reported 2,948,290,000 net kilowatt-hours received for the year. However, this total included 411,469,000 kilowatt-hours purchased not from private companies but from AEC itself at Oak Ridge and largely redelivered to AEC at Oak Ridge and, therefore, not available for use at Paducah. This reduces the net quantity received from private companies to 2,536,821,000 kilowatt-hours.

3. The net interchange received, as distinguished from the purchases, was 2,059,749,000 kilowatt-hours at a little less than 4 mills. The great bulk of this energy was energy which TVA would have received anyway irrespective of the AEC Paducah load. Furthermore, most of it was obtainable only at night and over weekends, whereas the AEC plant operates around the clock.

4. The purchases from private companies, as distinguished from the net interchange and as distinguished from the energy obtained from and returned to AEC at Oak Ridge, totalled 477,072,000 kilowatt-hours, and was received by TVA at an average cost of 9.72 mills. The range in cost of this energy was rather wide, some costing much more and other parts, much less than the average of 9.72 mills.

5. TVA also used during this fiscal year, as a result of the abnormally high load in relation to supply, power produced at old standby steam plants. Without the AEC load the use of such steam plants would have been eliminated or greatly reduced. Included among such generation, as shown also in schedule G of the 1953 financial statements, were 224,914,000 kilowatt-hours generated at the Wilson steam plant at a cost of 8.111 mills per kilowatt-hour, 91,384,000 kilowatt-hours generated at the Nashville steam plant at an average of 10.728 mills per kilowatt-hour, and 171,984,000 kilowatt-hours at the Hales Bar plant at an average cost of 7.719 mills per kilowatt-hour.

6. Not only did the availability of power from other systems vary widely between daytime and night hours as compared with the uniformity of the AEC load around the clock, but also the seasonal pattern of availability of energy from other systems was different than the pattern of the buildup of the AEC load during the year. Some of the sources that were available to TVA and used by TVA for other purposes in months when AEC's load was relatively small were not available in other months when AEC's load had grown.

7. The reported cost to TVA for power obtained from other systems is the cost delivered at the point of interconnection between the other system and TVA. During the fiscal year 1953 the largest amounts obtained from other systems were received at 2 points, 1 about 100 miles northeast of Nash-

ville, Tenn., and another about 50 miles north of Knoxville, Tenn. Other points at which energy was received ranged from Bristol, Va., to locations in Mississippi. Such parts of this power as were delivered to Paducah, along with the power delivered to Paducah from such TVA steam plants as those at Nashville, Wilson, and Hales Bar, had to be carried over scores or hundreds of miles of transmission lines. Because of the loss of energy in transmission, more kilowatt-hours had to be received than could be delivered, adding to the cost per kilowatt-hour delivered.

8. Most of the energy received from other systems was obtained on an "if, as, and when available" basis. TVA, rather than the supplying system, provided the operating reserves, and bore the associated costs and risks of making the supply dependable. These factors, of course, are over and above the price per kilowatt-hour paid by TVA to the other systems. In the case of the great bulk of the energy delivered to AEC at Paducah during fiscal year 1953, TVA guaranteed months in advance that the power would be delivered. In contrast, most of the energy received from other systems was obtained without any assurances of availability, and in most cases for intermittent intervals.

Mr. HILL. Mr. President, I also ask to have printed in the body of the RECORD at this point as a part of my remarks a brief telegram sent to the President of the United States as of this day by the Tennessee Valley Public Power Association and signed by Raleigh V. Taylor, president.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

The 148 municipal and cooperative distributors of power in the Tennessee Valley Area are disappointed that our letter to you of July 9 is unanswered. We hope your silence does not represent a lack of interest in the economic welfare of the Tennessee Valley. However, the vigorous attacks made on us by your friends in the Senate are causing people in the Tennessee Valley to ask whether these Senators are asserting your position? We are the minority partner with TVA but feel entitled to an answer to our July 9 letter before, not after, the Congress has acted.

TENNESSEE VALLEY PUBLIC POWER ASSOCIATION,
RALEIGH V. TAYLOR, *President.*

Mr. HUMPHREY. I yield the floor.

Mr. KEFAUVER. Mr. President, my remarks will be comparatively brief.

During the early part of this session, this body spent weeks on end discussing the danger of one branch of the Government encroaching upon the perogatives of another.

A stack of CONGRESSIONAL RECORDS 3 feet thick literally bulges with argument and complaint that the Congress has been forced to swallow, against its will, policies which were forced upon it by the Executive.

I am somewhat disturbed to note that individuals and organizations who were so sensitive to the danger in January and February, when it was nebulous and indistinct, are reluctant to see it today when its outlines are sharp and clear.

For, Mr. President, if there ever was a clear-cut case of the Executive usurping a congressional right, or a case in which the Executive unilaterally changes policies already set by the Congress, it is exemplified by the Dixon-Yates contract.

As has been pointed out on this floor so often and so well by so many distinguished Members, the Congress of the United States established the Tennessee Valley in 1933, and the Atomic Energy Commission in 1946. One of these executive agencies, such as the Interstate Commerce Commisison or the Federal Trade Commission, is as important in the place it holds as any of the others. The Congress gave those agencies certain areas of authority in which to operate. Originally, and from time to time subsequently, the Congress has prohibited those agencies from entering certain other areas. But clearly, the TVA and the AEC were intended to be independent agencies, carrying out basic policies determined by Congress itself.

Let us look for a moment at how the AEC's purpose is defined in the United States Government Organization Manual, produced by the National Archives and Records Service of the General Services Administration:

It is the purpose of the Atomic Energy Act to effectuate the declared policy of the people of the United States that, subject at all times to the paramount objective of assuring the common defense and security, the development and utilization of atomic energy shall, so far as practicable, be directed toward improving the public welfare, increasing the standard of living, strengthening free competition in private enterprise, and promoting world peace.

Now let us see how the same manual defines the authority of the TVA:

The Tennessee Valley Authority is a corporation created by act of Congress May 18, 1933 (48 Stat. 38; 16 U. S. C. 831–831dd). The statute directs the corporation to take custody of the Wilson Dam and appurtenant plants at Muscle Shoals, Ala., and to operate them in the interest of national defense for the development of new types of fertilizers for use in agricultural progress. These purposes governed the original construction of the Muscle Shoals properties pursuant to section 124 of the National Defense Act of 1916 (39 Stat. 166, 215; 50 U. S. C. 79). The statute further provides for the development of the Tennessee River and its tributaries in the interest of navigation, the control of floods, and the generation and disposition of hydroelectric power. Executive Order 6161 of June 8, 1933, which implements sections 22 and 23 of the Tennessee Valley Authority Act, confers upon the corporation the authority to conduct investigations upon which additional legislation may be predicated in order to aid further the proper conservation, redevelopment, and use of the resources of the region. In the conduct of its operations and investigations, the corporation is authorized to cooperate with other National, State, and local agencies and institutions so that the fullest measure of effectiveness can be achieved.

Those quotations simply point up the fact that the two agencies are operated on the basis of long-range policy determined by the Congress and spelled out in public law.

We are today confronted with the spectacle of the executive branch of the Government losing its sense of perspective. Probably acting under the influence of the private-utility lobby's insidious propaganda, the Executive Office of the President has nudged, prodded, and finally commanded the Atomic Energy Commission to enter into a contract for which the AEC has no legal authority under its organic act.

And, Mr. President, the American people do not have to be hit over the head with a cyclotron to realize that this same contract is tailormade to wreck TVA.

The backstage maneuvering and negotiation leading to the Dixon-Yates contract just cannot be gilded into respectability. Here is a flagrant attempt to do, by administrative action, something that AEC has no legal right to do, and something Congress has no right to sanction by the surrender of constitutional powers.

If it wants to, Congress can change the organic structure of the TVA and the AEC, and can change the direction in which we want them to go. But if that is what Congress wants done, Congress ought to do it itself.

It would be downright cowardly and immoral for us to wink slyly and look the other way while the administration does Congress' dirty work.

We all appreciate that the present administration has a rather different outlook from the previous ones. Despite disclaimers to the contrary, certain forces in the administration do not look with sympathy or favor upon the objectives of the Tennessee Valley Authority. Whether it realizes it or not, the administration is bent on striking down the TVA and the philosophy that brought it into being 21 years ago.

Mr. President, I hope both branches of the Government—both the Legislative and Executive—realize that the present administration will not be with us from here to eternity. It will surely pass away and be followed by others—Republican as well as Democratic. Under the laws of change and nature, those administrations yet unspawned will have viewpoints as different from the present one as it has from the last. It has always been so.

I would suggest to my colleagues the possibility that some future administration might be just as unsympathetic toward the AEC as the current one is to TVA—and that if this Congress allows the present administration to use one independent agency as a tool to fight another, it is setting the stage for similar action in the future.

Who knows but that the Federal Power Commission might not one day be used as a means of attacking AEC, or the TVA against the AEC, or the Federal Communications Commission against some other independent agency, or the CIA against them all.

The Dixon-Yates contract is bad in itself—malum in se—for reasons that have been copiously examined on this floor. But it is doubly evil in that it is a front runner for chaos. This Congress must strike it down in its tracks, if we are not to be a party to the disintegration of government in the future.

It is nothing short of amazing to me that certain persons, in and out of Congress, are willing for the Congress to assume this role.

I would have Senators read how casually the whole matter is treated by

the chairman of the House Appropriations Subcommittee, who handles both the AEC and TVA appropriations. In a congressional newsletter published in the July 15 edition of the Riverside (Calif.) Enterprise, Representative JOHN PHILLIPS, with whom some of us served in the House of Representatives, said:

The present hot argument arose because the Committee on Appropriations suggested to the AEC that it look around and see if the additional 600,000 kilowatts it needs for Paducah could be brought from private sources. Several power companies in the area agreed to talk about a contract to build a new plant, to run the power into the TVA grid and to supply Memphis, taking out the additional power for Paducah as was most economical and convenient.

Of course, that is not what is being done here. This steam plant has no connection at all with the Atomic Energy Commission in Paducah. The Paducah atomic energy installation has two steam plants, which will supply its needs for all time to come, or at least for the foreseeable future. This is just using the AEC to build a steam plant to put electricity into the TVA system to supply commercial users in the Memphis area, which is something the Atomic Energy Commission has no connection with whatever.

Quoting further from Representative PHILLIPS' newsletter:

All the liberal commentators and columnists are screaming their heads off. If anyone shows that the deal is to the advantage of the taxpayers, or for the security of the country, he can hardly get in the news. I have no concern over the outcome. The President is getting a bit mad over the attacks and the misstatements. He will stand hitched. Those of us who thought this was a little matter, of small importance, will have to take the floor and give the facts.

A little matter of small importance indeed. An illegal contract, a perversion of the Atomic Energy Commission's authority, an unconstitutional seizure of congressional jurisdiction, and the implicit destruction of a useful Government agency. I do not regard that a little matter, or an unimportant one, either.

Nor can I find one scintilla of advantage to the taxpayers, or of security for the country, as my one-time colleague purported to find. It is inconceivable that the annual payment of an extra $3,685,000, I take the Atomic Energy Commission's figure, but, of course, the TVA's figure is much higher than that, to a utility combine can be called an advantage to anyone but the combine itself. The only security in it is not for the country, but for the old-age stockholders in the Southern Co. and Middle South Utilities.

What is this $3,685,000, this additional annual amount that AEC says it will cost to get its power from Dixon-Yates?

We cannot call it a swindle, because it is ordered by our highest executive authority. And we cannot call it robbery because Dixon-Yates are not armed with anything more irresistable than their corporate charter. We cannot say it is theft or a steal, because it is taking place in broad daylight. It is not a purchase, because we are not getting anything back. And we cannot say it is a grab because the administration is literally fighting for the privilege to hand over the money.

Mr. President, the nearest I can come to defining it is to call it an annual gratuity, a donation, if you will, to Dixon-Yates. I personally do not know what service Dixon-Yates have performed for us as a Nation that merits such preferential treatment.

The manner in which the entire problem of obtaining more power for the Atomic Energy Commission's Paducah works, and for the Tennessee Valley area in general, has been mishandled very badly.

It would be a very simple matter to restore the situation to reason and decorum.

We can reject the Dixon-Yates deal, and, in a supplemental appropriations bill, we can include the funds needed for TVA to build the Fulton steam plant.

In that way, AEC can get the 600,000 kilowatts it needs for the Paducah works, the integrity of both TVA and the AEC will be assured, and the Congress will not have surrendered its right to determine policy for those two great independent agencies.

Mr. President, let me here make one more plea that the Tennessee Valley Authority be preserved.

Since its establishment 21 years ago, it has meant much to the seven-State valley area. But it has been something more than an area project. It has put new economic breath into a whole great region of our country, a region that was only two decades ago called "The Nation's No. 1 Economic Problem."

The valley today is the show window of democracy in action. It is a great national asset.

When foreign visitors come to this country to see how they can develop their own resources, and lift the living standard of their people, in the first place, they go to see the inspiring example of people working together with government for the development of a nation. They find it in the Tennessee Valley Authority. I think it is significant that the President of the United States and others have recommended projects similar to the TVA for many other parts of the world. It is a great national asset, and if it is preserved it will be in the future, as in the past, a vast arsenal of electric energy for the defense of our country and of our civilization.

Mr. President, let it be remembered by those living in other areas of this Nation that the TVA is a great national asset. It is the best market in the Nation for products made in other parts of the United States, where most of the farm machinery, electrical appliances, generators, and other products of that kind are purchased.

Some of us are firmly convinced that this Dixon-Yates contract means the beginning of the end of TVA—a tearing apart of the agency that has served us all so well.

In the name of national sanity, this must not be done. Even if the Fulton steam plant is not built, surely there is some other way we can work out this power need without the destruction of TVA itself.

We have here an occasion for statesmanship, and I am sure that if we look at the facts clearly and without preconceived judgment, we will rise to it.

Mr. President, I said there was an alternative. Personally, I think it would be a calamity not to allow the TVA to have its own source of supply of power, but a feasible plan has been submitted on behalf of representative people who have the ability to put it into effect, whereby a steam plant can be built at Fulton, Tenn., without the appropriation of $1 by the Congress. It will save $125 million or $130 million to the Government and, in the end, will be owned by the Government or the Tennessee Valley Authority, and will not violate the position of the AEC or the TVA. The plan has been submitted to the Atomic Energy Commission, which has paid little heed to it.

In a letter dated July 19 Mr. Walter von Tresckow, on behalf of himself, Burns & McDonnell Engineering Co., Kansas City, Mo.; Salomon Bros. & Hutzler, investment bankers, New York City; Long Construction Co., Kansas City, Mo.; Robert W. Larrow, Burlington, Vt.; Harvey Weeks, New York City; George H. Schwartz, and Zelig R. Nathanson, of Schwartz-Nathanson-Cohen, New York City; and John N. Mitchell, of Caldwell, Marshall, Trimble & Mitchell, New York City, and, I am sure, Mr. Lucius Burch, of Memphis, states that they are able to build and finance a steam plant which would avoid an appropriation, which would save the Government money, which would not wreck the TVA, and which would not cause a perversion of the Atomic Energy Commission's program.

Mr. President, I ask unanimous consent that this letter be printed in the RECORD following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JULY 19, 1954.

HON. ESTES KEFAUVER,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR KEFAUVER: We, the undersigned, have made an offer to finance, design, build, and operate a steam generating station at Fulton, Tenn., to supply the power needs of the TVA in the Memphis area. The cost of this power is to be 3½ mills per kilowatt-hour or less. This is practically at the same rate as power produced by the TVA. Our offer will cost the Government between $90 million and $150 million less than any alternative proposal you have for consideration.

We are repeating this offer, made to TVA and other governmental agencies concerned, to you and to every other Senator and Representative. We are now adding to this offer as follows:

"We will build steam generating stations on the same basis wherever they are needed in the TVA area. Power from these generating stations will also be available to the private utility companies in the adjacent territory at the same rates as TVA."

We respectfully ask that you interest yourself in the consideration of this offer by the proper Government agency, for the following reasons:

It is best for the Government, because—
It saves $90 to $150 millions.

It eliminates the need for the AEC to make a power contract to supply the needs of TVA.

It takes the AEC out of the power business.

It eliminates need for further Government appropriations for the construction of TVA generating stations.

It is best for TVA, because—

The authority can continue to make its own power contracts for its own needs.

It enables the TVA to supply all the power the AEC needs at the cheapest price.

The authority retains its ability to meet the growing needs of its own customers.

The cost of power remains the same to its present customers.

The great benefits, brought by TVA to the area it serves in seven States, are maintained through private money and private initiative.

It is best for the private utility companies in the territory adjacent to TVA, because—

It enables them for the first time to obtain power at TVA rates and to compete with TVA on a price basis.

It is best for the consumer, because—

His monthly bill for electricity in the TVA area remains the same and will be substantially less than he is paying now in the adjacent territory.

It is best for the country, because—

It spreads the benefits of low cost power over a vastly greater territory to a larger number of people.

Respectfully yours,

WALTER VON TRESCKOW.

(For Walter von Tresckow, New York City; Burns & McDonnell Engineering Co., Kansas City, Mo.; Salomon Brothers & Hutzler, Investment Bankers, New York City; Long Construction Co., Kansas City, Mo.; Robert W. Larrow, Burlington, Vt.; Harvey Weeks, New York City; George H. Schwartz, Zelig R. Nathanson, Schwartz - Nathanson - Cohen, New York City; John N. Mitchell, Caldwell, Marshall, Trimble & Mitchell, New York City.)

Mr. KNOWLAND. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SALTONSTALL in the chair). The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Aiken	George	McCarran
Anderson	Gillette	McCarthy
Barrett	Gore	Millikin
Beall	Green	Monroney
Bennett	Hayden	Morse
Bowring	Hendrickson	Mundt
Bricker	Hennings	Murray
Bridges	Hickenlooper	Neely
Burke	Hill	Pastore
Bush	Holland	Payne
Butler	Humphrey	Potter
Byrd	Ives	Purtell
Capehart	Jackson	Reynolds
Carlson	Jenner	Robertson
Case	Johnson, Colo.	Russell
Chavez	Johnson, Tex.	Saltonstall
Clements	Johnston, S. C.	Schoeppel
Cooper	Kefauver	Smathers
Cordon	Kennedy	Smith, Maine
Crippa	Kerr	Smith, N. J.
Daniel	Kilgore	Sparkman
Dirksen	Knowland	Stennis
Douglas	Kuchel	Symington
Duff	Langer	Thye
Dworshak	Lehman	Upton
Eastland	Lennon	Watkins
Ellender	Long	Welker
Ervin	Magnuson	Wiley
Ferguson	Malone	Williams
Flanders	Mansfield	Young
Frear	Martin	
Fulbright	Maybank	

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

Mr. CLEMENTS. I announce that the Senator from Arkansas [Mr. MCCLELLAN] is necessarily absent.

The PRESIDING OFFICER. A quorum is present.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, its reading clerk, announced that the House had passed the following bills of the Senate, severally with an amendment, in which it requested the concurrence of the Senate:

S. 599. An act for the relief of Corporal Robert D. McMillan;

S. 1203. An act for the relief of Lieutenant Colonel Rollins S. Emmerich; and

S. 2070. An act for the relief of the estate of Givens Christian.

The message also announced that the House had passed the bill (S. 1225) for the relief of Brunhilde Walburga Golomb, Ralph Robert Golomb, and Patricia Ann Golomb, with amendments, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 252) to permit all civil actions against the United States for recovery of taxes erroneously or illegally assessed or collected to be brought in the district courts with right of trial by jury.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the House to the bill (S. 2759) to amend the Vocational Rehabilitation Act so as to promote and assist in the extension and improvement of vocational rehabilitation services, provide for a more effective use of available Federal funds, and otherwise improve the provisions of that act, and for other purposes.

The message further announced that the House insisted upon its amendment to the bill (S. 3344) to amend the mineral leasing laws and the mining laws to provide for multiple-mineral development of the same tracts of the public lands, and for other purposes, disagreed to by the Senate; agreed to the conference asked by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. WHARTON, Mr. D'EWART, Mr. DAWSON of Utah, Mr. YOUNG, Mr. ENGLE, Mr. ASPINALL, and Mrs. PFOST were appointed managers on the part of the House at the conference.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 4854) to authorize the Secretary of the Interior to construct, operate, and maintain the irrigation works comprising the Foster Creek division to the Chief Joseph Dam project, Washington.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H. R. 9040) to authorize cooperative research in education.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7434) to establish a National Advisory Committee on Education.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7601) to provide for a White House conference on education.

The message also announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8571) to authorize the construction of naval vessels, and for other purposes.

The message further announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the joint resolution (H. J. Res. 534) to authorize the Secretary of Commerce to sell certain war-built passenger-cargo vessels, and for other purposes.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 669. An act for the relief of George D. Kyminas;

H. R. 787. An act for the relief of Israel Ratsprecher and Maryse Ratsprecher;

H. R. 818. An act for the relief of Mrs. Emma Martha Staack;

H. R. 842. An act to restore United States citizenship to Atsuko Kiyota Szekeres;

H. R. 905. An act for the relief of Franciszek Wolczek;

H. R. 950. An act for the relief of Panoula Panagopoulos;

H. R. 1171. An act for the relief of Mrs. Wai-Jan Low Fong;

H. R. 1209. An act for the relief of Stylianos Haralambidis;

H. R. 1324. An act for the relief of Georgina Chinn;

H. R. 1897. An act for the relief of Mrs. Betty E. LaMay;

H. R. 2051. An act for the relief of Ivo Markulin;

H. R. 3742. An act for the relief of Paul Bernstein;

H. R. 7508. An act for the relief of James Dore, Jr.;

H. R. 7636. An act for the relief of Mrs. Helen Aldridge;

H. R. 7762. An act for the relief of M. M. Hess;

H. R. 7924. An act for the relief of Giuseppe Clementi;

H. R. 7925. An act for the relief of Mrs. Dina Mianulli (nee Kratzer); and

H. R. 8334. An act for the relief of Helmut Cermak and Hana Cermak.

The message further announced that the House had agreed to the following concurrent resolutions, in which it requested the concurrence of the Senate:

H. Con. Res. 254. Concurrent resolution favoring the granting of the status of permanent residence to certain aliens; and

H. Con. Res. 257. Concurrent resolution authorizing the printing of additional copies of the hearings relative to the contribution of atomic energy to medicine.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 669. An act for the relief of George D. Kyminas;

H. R. 787. An act for the relief of Israel Ratsprecher and Maryse Ratsprecher;

H. R. 818. An act for the relief of Mrs. Emma Martha Staack;

H. R. 842. An act to restore United States citizenship to Atsuko Kiyota Szekeres;

H. R. 905. An act for the relief of Franciszek Wolczek;

H. R. 950. An act for the relief of Panoula Panagopoulos;

H. R. 1171. An act for the relief of Mrs. Wai-Jan Low Fong;

H. R. 1209. An act for the relief of Stylianos Haralambidis;

H. R. 1324. An act for the relief of Georgina Chinn;

H. R. 1897. An act for the relief of Mrs. Betty E. LaMay;

H. R. 2051. An act for the relief of Ivo Markulin;

H. R. 3742. An act for the relief of Paul Bernstein;

H. R. 7636. An act for the relief of Mrs. Helen Aldridge;

H. R. 7762. An act for the relief of M. M. Hess;

H. R. 7924. An act for the relief of Giuseppe Clementi;

H. R. 7925. An act for the relief of Mrs. Dina Mianulli (nee Kratzer); and

H. R. 8334. An act for the relief of Helmut Cermak and Hana Cermak; to the Committee on the Judiciary.

H. R. 7508. An act for the relief of James Dore, Jr.; to the Committee on Finance.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 254) favoring the granting of the status of permanent residence to certain aliens, was referred to the Committee on the Judiciary, as follows:

Resolved by the House of Representatives (the Senate concurring), That the Congress favors the granting of the status of permanent residence in the case of each alien hereinafter named, in which case the Attorney General has determined that such alien is qualified under the provisions of section 4 of the Displaced Persons Act of 1948, as amended (62 Stat. 1011; 64 Stat. 219; 50 App. U. S. C. 1953):

A-6682832, Abraham, Joseph Heskel.
A-6517191, Fiala, Anna Elisabeth.
A-6517192, Fiala, Emerich.
A-6420597, Fiala, Silvio Emerich.
A-7863237, Fridenwalds, Alida.
A-7863236, Fridenwalds, Eris.
A-7863238, Fridenwalds, Ivars.
A-7962367, Millevoi, Miro or Casimiro Millevoi.
A-9526008, Mow, How Shan.
A-6050640, Nawrocki, Irene or Bytniewska (nee Raciborska).
A-6967645, Shih, Usang-Lung.
A-8155725, Aikler, Antonio or Anthony.
A-9280465T, Andjelini, Joseph.
A-8039701, Babich, John.
A-7244982, Bierman, Mariam.
A-7244983, Bierman, Zbighiew Edward.
A-7863022, Bills, Eriks Arturs.
A-7249879, Butlers, Alfreds.
A-7249878, Butlers, Anna.
A-7250164, Butlers, Taiga.
A-7849222, Cakste, Katherine Konstance or Kitty Cakste.
A-17849223, Oakste, Anastasija (nee Stipnieks).
0300-402166, Chan, Chock.
0300/414144, Chan, Yok.
A-6702181, Chang, Yeanne Chung Kwang Ward.
A-6967712, Chang, Zee or Alfred Zee Chang or Alfred Chang.
0300-415492, Chao, Lin, or Lam Chiu.
A-6620867, Chao, Mrs. Mary (nee Chang).
A-6620866, Chao, Sally.
A-6620696, Chao, Helen.
A-6620869, Chao, Robert.
A-6967478, Chen, Simon Ko-Siang.
A-7640625, Ching, Chang or Alice Chang Loo.
A-8057915, Chong, Moo.
A-8065358, Chong, Wong Wing or Wong Wing.
A-8065446, Choy, Yee.
T-666666, Chu, Tsoo-Whe.
T-666667, Chu, Sou-Mei Chen.
0501-19723, Chu, Sou-Lien or Dorothy Chu.
0501-19634, Chu, Chun-Liu or Clive Chu.
0501-19635, Chu, Cheng-Wu or Sherwood Chu.
A-6735293, Chu, Han-Ping or Glorida Chu.
A-9151151, Chu, Yu Fu.
A-7099687, Chu-Tow, Mabel S. or Mabel Cho-Shin Chu or Mabel C. S. Dor.
A-8057309, Chun, Chang or Chong For Po.
A-7079579, Chun, Rose Ting or Rose Ju-Yu Ting.
A-6730484, Danhu, Emily Isa or Emily Daniels.
A-7243858, Dankers, Vilis.
A-9562975, Dee, Chan San.
A-7061869, Doo, Kyi-Ioong or Gerald Kyi-Ioong Doo.
A-684771, Doo, Tseng-Hsiang or Lucy Tseng-Hsiang Doo.
A-7050046, Duck, Choy Kun or Choy Pak.
A-7962195, Faldich, Ermano.
A-7351657, Farnadi, Dezso Geroge.
A-9560954, Fat, Chan Ping or Woo Lin.
A-4840603, Fook, Yeung.
A-7348811, Freienbergs, Janis.
A-7863241, Freimuts, Arvids.
A-7863242, Freimuts, Inara.
A-7863243, Freimuts, Alise.
A-6933877, Friedman, Bernath.
A-6967568, Fu, Chen.
A-6698393, Fuchs, Ignac.
A-6698394, Fuchs, Regina.
0300-406016, Fung, Ng.
A-6857685, Georgescu, Haralamb H. or Haralamb Georgescu or Gorge Haralambre or Harald Georges.
A-6857686, Georgescu, Daisy Alice or Daisy Alice Odile Georgescu, formerly Daisy Alice Odile Michailescu (nee Daisy Alice Odile Kern).
0300-28896, Gong, Chee.
A-6982900, Hasenfeld, Alexander.
A-6704063, Ho, Hsing Ching (nee Chang) or Deanna Ho.
A-8065448, Hoom, Leung See.
A-6690371, Houri, Emelie J.
A-6690375, Houri, Yvette Joseph.
A-7298503, Hsi, Kung K'ai.
0300-392667, Huang, Kenneth Kang.
0500-38567, Huang, Meng Cho or Dick Huang.
A-7056902, Iee, Huo-Sheng.
A-8196137, Kan Fan.
A-6507005, Katem, Alice Semele Elizabeth.
A-6887704, Kent, Frederick George or Bedrich Salansky.
A-7073773, Kertesz, Hargit Kornelia Maria.
0804-6263, Kertesz, Agnes Martha.
A-7898855, Koh, Hoo Ah or Ah Koh Hoo.
A-9633956, Kok, Ah or Lui Kok or Ah Koh.
A-8190272, Kow, Low or Lou Kou.
A-9778388, Kow, Tsang.
A-6855585, Kuan, Tak Kong or Kuan Tak Kong.
A-6851469, Hsu, Rosana Wen Hsing or Wen Hsing Hsu or Hsu Wen Hsiang.
A-8091378, Kwai, Lee.
A-9211255, Kwan, Lam.
A-8082015, Kwang, Chan Gee or Chan Kwang.
A-9245409, Lam, Chau or Chow Lam or Lam Chau.
A-6887564, Lamberts, Andrejs Andris.
A-6897067, Landau, Simcha or Sidney.
A-6403577, Lee, Mei Rau or Mei Yoi Lee or Madelina Mei Rau Lee.
A-8001236, Lee, Yuen or Li Yuen.
A-6843462, Li, Li (nee Lu).
A-6975626, Lin, Yee Sang.
A-7962366, Ling, Ping Chung.
A-7809909, Ling, Yu Ru Yuan.
A-8015149, Lizzul, Giovanni Maria.
A-9743559, Lock, Ying or Lock Ying.
0300-161017, Lung, Lam Ah.
A-6703359, Ma, John Baptist or Tsiun Fa Ma.
A-6772580, Madison, George.
A-6953280, Mak, Wei Kang.
A-6962953, Mak, Marion An Wing.
A-9710391, Matkovic, Petar.
A-9745494, Miksons, Alfreds Alexsanders.
A-9836851, Ming, Kwok.
A-6851454, Moeson, Florence Tsui-Yung Tan (nee Tsui-Yung Tan).
A-7138420, Nowicki, Stanislawa.
0400/46406, Nowicki, Paul Zygmunt.
A-7241994, Osis, Karlis.
A-7241995, Osis, Emma.
A-6971762, Ounpuu, Edward Johannes.
A-6971790, Ounpuu, Alviine.
A-6381295, Pan, Lan or Pan Nien Tze.
0300-403720, Pezzulich, Francesco.
A-9825156, Pizestrzelski, Kazimierz.
A-6355174, Poe, Leong or Leong Kwong.
A-8091319, Poglianich, Claudio.
A-6805619, Rashty, Aziz Khedoori.
A-6819607, Reuben, Eliahoo Menashy.
A-7439273, Rostas, Ilona formerly Rottenstein.
A-7282693, Sabel, Dezso.
A-7292689, Sabel, Roza.
A-7282690, Sabel, Oszkar.
A-7282691, Sabel, Sandor.
A-7282692, Sabel, Elza.
A-8082092, Salamon, Carlo.
A-7967450, Sassoon, Salman Saleh Hakham.
A-6441717, Shio, Cheng.
A-9778387, Sin, Lee See.
A-8057261, Sing, Man.
A-6704254, Siwek, Jadwiga.
A-7243267, Soccolich, Giulio Roberto.
A-7991771, Stipanov, Petar.
A-9124876, Sun, Som Cheung.
A-7250499, Tang, Tse-Ming or Constance Tse-Ming Tang.
A-7056850, Teitelbaum, Leopold.
A-6923159, Tibor, Wollner.
A-8190346, Toh, Lam Kong or Siw Ning Lim.
0300-405914, Tong, Ling or Ling Kam.
A-6928455, Tse, Tong.
0501-19742, Tseng, Ching Lam.
0501-19745, Tseng, Shu Chuan Lo.
0501-19743, Tseng, David Yuin-Chi.
0501-19747, Tseng, Nancy Yuin-Ming.
0501-19741, Tseng, Bamber Yuin-Chung.
A-8039693, Tsong, Chang Ngok.
A-6916021, Tyrnauer, David.
A-7184429, Tyrnauer, Helen (nee Grunfeld).
A-9669174, Viemann, Peeter or Peter Weinman.
0300-421694, Wah, Chan.
A-6178340, Wan, Jeh-Chai or Jack Chai Wan.
A-9561565, Wan, Ng.
A-6953084, Wang, Doris Hsueh Pih (nee Chen).
A-6542213, Wang, Jen Hsien.
0501-19695, Wang, Ling Nyi Vee or Mrs. Shou-Chin Wang.
0501-19699, Wang, I, Chyau or Daniel I.-Chyau Wang.
0501-19698, Wang, Ju Yuan or Judy Ju-Yuan.
A-6910233, Wang, Sui (nee Yen) or Dr. Sui Yen.
A-7069100, Weiss, Eugene.
A-7356381, Weiss, Rosa.
A-8091548, Wen, Tsang.
A-9635431, Wen, Wong Hsin.
A-8106936, Wing, Lee or Chester Lee.
A-7079928, Wolf, Magdolna (nee Zimmerman) or Magda or Madeleine Wolf.

0300–387747, Wone, Nom.
A–6699851, Wou, Leo Shang.
A–6923203, Wu, Tzu Lin.
0300–417752, Yeong, Tsang or Twang Young.
A–7511752, Yueh, Herman Yu-Heng or Yu-Heng, Yueh.
0300–458536, Yung, Chan.
A–7118700, Arnolda, Sister or Tsui Hwa Chang.
A–6053039, Chan, Choy.
0300–402234, Chang, Yuan Ah or Chang Ah Yuan or Ah Hsiang Yuen or Yuen Ah Hsiang.
A–8039780, Chao, Ah Chang.
A–9167093, Fat, Lam.
A–7249876, Feimanis, Voldis.
A–9037851, Fook, Yip or Fook Yey.
A–7863029, Gaide, Janis Voldemars.
A–8190487, Hoy, Chen or Chan Hoi.
A–6694100, Hsi-Tsao, Ching or Frank.
A–8091391, Hsing, Cheng Ho or Cheng Wo Hing.
A–7244981, Innus, Martins Arvids.
A–7125153, Jallouk, Rafiq.
A–7125162, Jallouk, Nelli Shammes.
A–7853244, Jankevics, Pauls Alexanders.
A–7863245, Jankevics, Alise Valija.
A–6971752, Kalde, Enn.
A–6971788, Kalde, Ida Rosilda.
A–6971773, Ruut, Priit.
0300–352483, Kwong, So.
A–8065349, Ling, Tang Kin.
A–7863200, Pienups, Janis.
A–7863201, Pienups, Anna.
A–7863202, Pienups, Inars.
A–6959829, Pour, Ivan George.
176/1140, Shin, Tsang Kun.
A–6845497, Sun, Wellington I-Tsung.
A–6628887, Sun, Ying-Seng Yeng or Ying-Sheng Yen.
A–6845498, Sun, Gerald Tze-Ping.
A–6627388, Sun, Teddy Tze-Ho.
A–6905013, Tauber, Armin.
0300–238968, Tauber, Esther Chard.
0300–113720, Tauber, Josef.
0300–414479, Tsing, Ching.
0300/18249, Tsu, Lung Shi.
A–6940565, Woo, Ji Jih, or Chi Chieh Hu or Hu Chi-Chieh.
A–7118706, Yao, Ching Ju or Sister Antsila.
A–6986583, Yao, Chu Sheng.
A–8091362, Yee, Lee.
0300/400014, Yung, Ming.
A–6949477, Altoja, Ants.
A–6949478, Altoja, Maria.
A–7809994, Belz, Juda.
A–7809010, Belz, Krajndla Waks.
0300/397598, Bing, Ng.
0300/397512, Bit, Kai Kong.
A–7962368, Carcich, Domenico.
A–9635193, Chan, Fook or Chan Fook.
A–7491704, Chang, Chung Fu.
A–7841171, Chang, Shan Fin (nee Chen).
0200–86200, Chang, Robert Shihman.
A–7469989, Chang, Yinette Yu.
A–6884721, Chang, Yi-Chung.
V–33406, Chang, Ta-Chuang Lo.
A–7377001, Chang, Yuan Yang.
A–6847876, Chao, Chen-Sung.
A–9782694, Che, Chen Chung or Chi.
A–6848004, Chen, Ning Shing or Nicholas Sing Chen.
A–7118701, Chen, Shih-Yuan.
A–9831315, Chen, Yi Fu or Yi Fu Chen or Nee Fu Chen.
0401–19333, Chen, Betty or Betty Yi Fu Chen.
A–6141277, Chen, You-Min.
V–611691, Chen, You-Li (nee She).
0300–391264, Cheng, Tong or Cheng Tung.
A–8039699, Chi, An Chang.
0300/412426, Chik, Lam.
A–6967716, Cho, Alfred Chih-Fang.
A–9528818, Choe, Cheng Ka.
A–7243257, Chouprov, Vcevolod Mathew.
0300–398161, Chow, Low or Chow Low or Lou Choy or Lou Joe.
0300–410648, Choy, Dai.
A–9798380, Chu, Lee Chong.
A–6982875, Chung, Mary A.
A–9738866, Drensky, Groziu Nicolaef.
A–7809777, Eng, Chong Park or Wo Po or Ng Park.
A–7948353, Erikson, Johan.
A–9528817, Fah, Wong Hwa.
A–6923151, Fisch, Moses.
0300–245718, Fisch, Serena.
A–7138327, Fischhof, Maria.
A–8091357, Fong, Lo Wai.
0300—420478, Foo, Li.
A–9530725, Franelic, Justin.
A–7088621, Frideczky, Jozsef Istvan.
A–7097507, Frideczky, Erzsebet Eva Maria.
A–7090885, Frideczky, Ferenc Antal Andras.
A–6848205, Friedlander, Adolf.
A–8106517, Fung, Liang Chung.
A–6989377, Gineika, Leopoldas.
A–8082012, Goh, Chin Hee.
A–6848193, Grinberg, Jozef.
A–6696238, Hayim, Albert Joseph.
A–9777290, Hee, Lau or Liu Shi or Lau Chee.
A–9561135, Hing, Heng Pow.
A–7726007, Hsi, Teh Tsang.
A–6041697, Hu, Alexius Yuan or Chungling Hu or Yuan Hu or Alexius Hu Yuan.
V–57211, Huang, Chin-Chun.
A–9765965, Hung, Yan Si.
A–8091388, Kam, Choy.
A–6864078, Kampe, Albert Valdemar.
A–6971751, Kangur, Justin or Juri.
A–6971750, Kangur, Esisaueta.
A–6971745, Kangur, Arno.
A–6627321, Kao, Wayne King or Wen Chun Kao.
A–6742035, Kao, Mabel Chen or Mei Pu Chen.
0300–440248, Kim, Soo or Ah Pat.
A–7640623, Kit, Loo Man or Man Kit Loo or Melvyn Loo or Loo Min-Chieh.
A–9518348, Kong, Chin or Chan Sang.
A–7095524, Kose, Bernhard or Bernhard Germann.
A–8021272, Kue, Bok Leng.
A–7274020, Yuk, Fay Choy.
A–8091390, Kwan, Chan or Kwan Chan or William Chan.
A–9686567, Kwong, Wong or Kwong Wong.
A–6933805, Lacis, Peter.
A–9190756, Lai, Tung.
A–9574851, Lau, King Teng.
A–7922860, Lee, Choi.
A–7120689, Lee, Frank Hsu Hwi.
A–8190038, Lee, Johnne or Lee Ching.
A–6971812, Lepson, Rein.
A–6971744, Lepson, Helmi (nee Harma).
A–6971797, Lepson, Indrek.
A–7962250, Li, Tsung Han.
0300–421371, Liang, Chin-Tung.
0300–423646, Liang, Yun-Chao Lin.
A–7009523, Liivat, Valdeko.
A–7095522, Liivat, Liidia.
A–6887553, Link, Azriel Abraham or Abe Link.
A–6026149, Liu, Chang Keng.
A–6848584, Liu, Hong-Zoen (nee Jui).
0300–392467, Liu, Chu-Kai or Lau Choow or Hwang Toi.
A–7123432, Locke, Yan-Chun or Lawrence Yan-Chun Locke or Lawrence Locke.
A–6848152, Locke, Eva Theresa (nee Eva Theresa Woo).
A–9695049, Loi, Fong.
A–6730658, Loo, Mrs. Fay or Fay Yung.
A–6971799, Lossmann, Johannes.
A–6971800, Lossmann, Helmi.
A–6971801, Lossmann, Jaan or John.
A–7064141, Lowinger, Mor.
0300–403238, Man, Shum.
A–8082025, Ming, Chan Sek.
A–6958660, Mok, May Lee.
A–6775636, Nahmias Andre Youssef or Andre Joseph Nahmias.
A–9560888, Nai, Chan.
A–7057877, Obet, Victor.
0300–398021, On Lai or On Lia or Sai Yew.
A–6624928, Ou, Felix.
0500–32371, Pei, Ching Hwa or Ching Hwa Pei Chang.
A–8082486, Po, Kwan or Kong Po or Ching Kwan Po.
0300–418801, Poa, Woo Ah.
A–7457749, Polli, Elmi.
A–7249881, Reinla, Mihkel.
A–7249873, Reinla, Maimu (nee Sade) formerly Stahl.
A–6752988, Rodman, Juliet H. Zakkai.
A–7048807, Rubin, Artur.
A–7345325, Rubin, Irena.
A–6798996, Savisaar, Ernestine.
A–6910016, Schoenfeld, Eugen.
A–9782758, Shing, Lum.
A–6731298, Shukur, Edward Khedore.
A–7056017, Sinaj, Vilian.
A–8057497, Sinaj, Liyza or Ethel (nee Moskowitz).
A–7890718, Skansi, Nikola.
A–7980295, Sojat, Savko Marko.
A–6983572, Stark, Michael.
A–7096111, Stark, Eva (nee Gancfried).
A–6938814, Sudelis, Krigs.
A–6936815, Sudelis, Elfanora.
A–6851653, Sung, Ming Yang.
A–7244294, Svede, Arthur Gustave.
A–7244299, Svede, Valija Emilija.
A–7244295, Svede, Ausma Imara.
A–7244296, Svede, Ilgvars Gunars.
A–7244297, Svede, Aris Visvaldis.
A–7244298, Svede, Vilnis.
A–7244293, Svede, Janis Olgerts.
A–9511408, Tai, Lam or Tai Lam.
A–9245009, Tak, Ko.
A–6851697, Tang, Yu-Sun.
A–6949783, Tapp, George.
A–6949784, Tapp, Maria or Maria Umb.
0500–46780, Teng, Stephen Yueh-Min.
A–7350666, Teodorescu-Valahu, Anna (nee Capitan).
A–6694104, Tikotsky, Wolf.
A–6444674, Ting, Lucy or Lucy Ju-Chen Ting.
A–8082089, Ting, Shih Yung.
A–7095529, Tomson, August.
A–7095530, Tomson, Alma.
A–6933873, Treiber, Evzen or Eugene.
0300–249547, Treiber, Helena or Helen.
A–6702188, Tseu, Margaret Teresa or Yu-Ying Tseu.
A–7193928, Tu, Tsung Cheng or Shin Jai.
A–1290133, Tuck, Joseph.
A–6702360, Tuck, May C.
A–6702361, Tuck, Sylvia E. E.
A–6971754, Uustal, Johan.
A–6971791, Uustal, Linda.
A–6971780, Uustal, Jaan.
A–7244301, Veinbergs, Talivaldis.
A–7244984, Vesik, Mihkel.
A–7244986, Vesik, Arno.
A–6986496, Wang, En Ming (nee Chen).
A–8021404, Wang, Hubert Chang-Hsu.
0300–392608, Wang, Susan or Wang Chou Chen.
A–6922671, Weissmann, Elias.
0300–244065, Weissmann, Serena.
V–795888, Wen, Adam Kung-wen or Kung-wen Wen or Kuag-wen Wen.
V–795887, Wen, Mimi Szeto-wen or Mimi Wen.
A–6271272, Wen, Ronald or Wen Shu Hsuan.
0300–420772, Wen, Judy or Wen Chi Hou Nieu.
A–6739753, Wen, David or Way Wen.
A–6739752, Wen, Louis or Loy.
0300–403935, Wood, Shi-Chioh.
0300–403935, Wood, Shu Ying Chen.
A–3268532, Yao, Nai Zer.
A–5928218, Yee, Kwak or Yee Kwak.
0300–422403, Yen, Mu Pin or Yen Pin Mu or Mubin T. Yen.
0300–422404, Yen, Margaret Chu or Chu Chuan-Chu.
A–9782659, You, Hee or Hee Leong Kee or Hee Yau Hui.
A–6855581, Zucker, Ruzena.
A–8082070, Zulich, Ivan or John or Giovanni Zulich.
A–6803911, Akka, Rouben, Ibrahim.
0300–418049, Bonetta, Carlo.
A–7056848, Brukirer, Pincus (Pinkus) or Broker.
A–7181916, Butte, Henry Wilhelm.
A–7181917, Butte, Herta, Inez.
A–7243258, Carcich, Giovanni.

A–7222368, Cereobori, Luciano.
A–8065704, Chan, Lin Ah.
A–6848607, Chang, Kuo Tsun.
V–184676, Chee, Shun Chu.
A–6849466, Cheng, Hugh (Robert) Siang.
A–6949788, Childress, Helgi.
A–9513665, Chojnacki, Bogdan Joseph.
0300–429235, Chong, Ah or Li Cuk Cauk or Chong Kong.
A–6975623, Chun, Ben Hung-Ten.
A–5928208, Chung, Mok Chee or Sau Mok.
A–9765567, Ciogan, Eustafie or Christaki.
A–8021321, Coglievina, Giuseppe.
A–7243857, Dankers, Ella Rodina.
A–7244979, Ermansons, Arturs.
A–7244980, Ermansons, Anete.
A–8091315, Fat, Chan or Ching Fa.
A–6916033, Feldman, Emanuel Gerson.
0300–252494, Feldman, Chaja Ida.
A–9506918, Fong, Han Agh.
A–8082840, Fook, Chan or Chan Cheong.
0300–392291, Fook, Tsang Wah or Wah Fook Tsang.
0300–398103, Fook, Wong.
A–8031972, Franza, Matteo Daniele de.
A–7125014, Halter, Bela.
A–6163761, Han, Shu Tang or Yao Ling Chang.
A–8091327, Harabaglia, Hugo.
A–8082008, Helich, Stefano.
A–9694017, Hi, Chu or Joe Hee.
0300–428098, Hong, Ho Wai or Ho Yau or Hong Ho Wai.
0300–410649, Hong, Lee.
A–7111657, Hsi, Edith Yu-Shih.
A–6052464, Hsieh, Te-Cheng or Fred Shaw.
A–6505776, Hsieh, Mary Sukin Cheng.
A–6505409, Hsieh, Man Lynn.
A–6505407, Hsieh, Lucy Mei Chi.
A–6505408, Hsieh, Paul Tze-Li Ching San or Paul Hsieh.
A–6847777, Hsu, Ming Po.
A–7841813, I, Helen Yeo.
A–6651024, I, Bernard.
A–6819125, Jakubovic, Sarolta (nee Weinheber).
A–7057090, Jankai, Tibor or Tibor Deutsch.
A–7096058, Jankai, Iren (nee Alexander).
A–6694005, Jirak, Karel Boleslav.
A–7200698, Jirak, Blazena.
A–9717383, Kalmet, Arseni.
0300–410499, Kan, Tsang or Tsang Kun.
0300–331005, Kerra, Walter.
A–6095136, Khadra, Omar Abou.
0300–399097, Kit, Yu or Yu Shek.
A–8031936, Korm, Leonida.
A–7863019, Krumins, Alvine.
0300–403711, Kuen, Cheung.
A–6847968, Kuo, Kwang-Lin.
A–7241996, Kurcbaums, Vilis Pauls.
A–7241997, Kurcbaums, Mirdza Valija Csiz.
A–6356317, Kurz, Julia Beatrice (nee Cheng).
A–8196599, Kwan, Cheung.
A–7863214, Lans, Ilvars.
A–7863215, Lans, Vilma Irma (nee Birze).
A–6503645, Lebovic, Marton.
A–6712033, Lee, Kuan Lou.
0501–19708, Lee, Wei Kuo.
0501–19709, Lee, Pei-Fen Tang.
0501–19710, Lee, Bernard Shing-Shu.
0501–19711, Lee, Katherine Tseng-Shu.
A–8190046, Lee, Wing Nin.
A–7073609, Lettrich, Julius.
A–6349782, Li, Shui-Mei.
A–8001420, Lin, Shun-Hua.
A–8057857, Ling, Yuen.
A–7863020, Linis, Oktavija.
0300–390643, Lo, Kong.
A–6847928, Loe, Lucy Mary or Hsiao-Bien Loe.
A–7962031, Loodus, Arnold.
A–6012603, Martinovic, Petar.
A–7185511, Mazur, Dyonizy Piotr.
A–9290471, Meng, Foo See.
A–9836572T, Mon, Lee.
A–6887714, Niemcewicz, Josef.
A–7184072, Niemcewicz, Regina (nee Borenstein).
A–6971760, Ohakas, Evald.
A–6971782, Ohakas, Olga.
A–7243869, Ozolins, Alfred.
A–7849670, Ozolins, Ulois.
0300–423623, Pao, Lee Chen.
A–6142745, Pong, Arthur Y. Y. or Pang.
A–9643928, Pong, Wai.
A–8010467, Rasiulis, Aleksas.
A–6903775, Rimpler, Samuel.
A–6849123, Sheena, Edward Haroon.
A–6851504, Shih, Cheng.
A–7365385, Shing, Yeung or Yeung Sheng or Yang Sing.
A–7415177, Shueh, Shih-Yung or David Shueh.
A–8082003, Sing, Tsang or David Tsang.
A–7200778, Sirdleck, Anna Albertine (nee Tobolik) or Anna Albertine Ida.
0300–418899, Stankic, Ivan.
A–7210493, Streicher, Bela.
A–7210492, Streicher, Olga (nee Ehrenthal).
A–7439701, Streicher, Gabor.
A–7439700, Streicher, Otto.
A–8091341, Tang, Tseng Shu.
A–6949781, Tapp, Mihkel.
A–6949782, Tapp, Patjana (nee Vesik).
A–6949785, Tapp, Nikolai.
A–6798997, Treiman, Karl or Karlis Treimanis.
A–7863209, Trusis, Karlis.
A–7863210, Trusis, Zenta (nee Abrins).
A–7863211, Trusis, Ivar or Ivars.
A–7178945, Tsien, Maud Chaoling.
A–6694205, Tsu, Norman Chang Kang.
A–9621877, Un, Cheng Zung.
A–6798998, Vaart, Elmar.
A–7184420, Vajda, Paul or Paul Davay.
A–9948288, Vitich, George.
V–886518, Wang, Keh Chin or Richard Keh Chin Wang.
A–6026125, Wang, Kia Kang.
A–6026160, Wang, John H. or Shu Hsu Wang.
A–6028173, Wang, Jonesie or Shu-Joan Wang.
A–8082073, Wang, Yin Pao.
A–8082074, Wang, Ho Yin Lee or Alice Wang.
0300–229774, Wang, Nancy or Lindsay.
A–6918465, Wang, Elsie.
A–7060507, Werner, Karol Gabrel.
A–9526181, Wong, Ho or Wong Ho.
A–7445844, Wong, Kong Hee.
T–1892931, Woo, Chong or You Woo.
A–8106034, Wun, Chow.
A–9525850, Yee, Chow or Ng Chow Yee.
A–6967316, Yee, Pan Kut.
A–9669640, Ying, Tsing.
A–6667798, Yu, Jung Kwong.
A–6847868, Yu, Mary Ann (nee Hui Ying Lu or Mary Ann Lu).
A–8091073, Yuen, Choy or Fong Choi.
A–7469082, Zgagliardich, Ivan or Giovani Zgagliardich or John Zgagliardich.
A–8082072, Zulich, Enrico or Ricardo Zulich.

ADDITIONAL EXECUTIVE REPORT OF A COMMITTEE

As in executive session,

The following additional favorable report of a nomination was submitted:

By Mr. MILLIKIN, from the Committee on Finance:

Charles Irwin Schottland, of California, to be Commissioner of Social Security, of the Department of Health, Education, and Welfare.

REVISION OF THE ATOMIC ENERGY ACT OF 1946

The Senate resumed the consideration of the bill (S. 3690) to amend the Atomic Energy Act of 1946, as amended, and for other purposes.

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. ANDERSON] to the amendment of the Senator from Michigan [Mr. FERGUSON], as modified.

Mr. ANDERSON. Mr. President, I have two items I should like to have printed in the RECORD at this point. One is a letter directed to me by the American Public Power Association. If this letter has been sent to other Senators and has already been placed in the RECORD, I shall not ask that it be reprinted.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

AMERICAN PUBLIC POWER ASSOCIATION,
Washington, D. C., July 21, 1954.

DEAR SENATOR ANDERSON: The American Public Power Association, which represents over 700 local publicly owned electric utilities in 38 States and Puerto Rico, is greatly disturbed about certain features of the Cole-Hickenlooper bill (S. 3690) to amend the Atomic Energy Act of 1946.

This is, without doubt, one of the most important pieces of legislation to be brought before the Congress in recent years. Its passage would have a profound influence on American life for many future generations, for it would set the pattern for peacetime use of a great new source of energy. Needless to say, it would have a particularly great effect on the future of the electric industry, including the portion represented by the American Public Power Association.

Thus far, much of the Senate debate has centered about the so-called Dixon-Yates proposal by which a private utility holding company combine would furnish 600,000 kilowatts of power to the Tennessee Valley Authority, as a replacement for power which TVA now furnishes the Atomic Energy Commission.

Under this arrangement the AEC would be used as a broker to buy power, for the TVA is already adequately furnishing the power requirements of the AEC. It has been estimated that under the Dixon-Yates contract the additional cost of power to the AEC would range from $3,685,000 a year to $5,567,000 a year. Moreover, the Federal Government would reimburse the Dixon-Yates combine for its payment of Federal income taxes—a scheme which we understand is unprecedented in the history of our Government.

Although the Dixon-Yates controversy is extremely important particularly from the standpoint of the future of TVA, the debate on this contract has largely obscured from public view some of the extremely important power and related provisions of the atomic energy legislation. They are as follows:

1. Patents: Testimony which representatives of our association presented to the Joint Committee on Atomic Energy on May 12, 1954, described the patent provisions of the identical bills then before the committee (S. 3323 and H. R. 8862) as affording "opportunity for the creation of a monopoly on a scale never before known in America." Although we believe that the patent features of the bill presently before the Senate have been improved by their alteration in the direction of the 1946 Atomic Energy Act, we believe that the patent provisions of the new bill are still complicated, the procedures to be followed by the Commission in compulsory licensing are not well defined, and the way is opened for favoritism in the granting of exclusive patents.

2. Construction of nuclear reactors for power production: For all practical purposes, the Atomic Energy Commission and other Federal agencies are prohibited from building nuclear reactors for the commercial generation of electric power.

Since the Federal Government to date has invested some $12 billion in the field of atomic energy, and since the Federal Government will continue to retain ownership to nuclear materials, it would seem that the Government should not be prohibited from building pilot or "yardstick" plants for the generation of electric power, particularly in view of the fact that the Atomic Energy Commission itself is the largest single consumer of electricity in the world, its requirements exceeding about 5 million kilowatts of capacity. Certainly the Federal Government should not be prohibited from supplying its own needs for power.

To prohibit the Government from constructing plants of its own would be the same as saying to the Government that it had ownership of the navigable streams of the Nation, but could not build hydroelectric power facilities.

3. Preference in power marketing: In any incidental surplus power which the Atomic Energy Commission may produce as a by-product to experimental work, the present bill does not require that the Commission give a preference to local public agencies and rural electric cooperatives in the marketing of such power. Such nonprofit agencies are given preference in the marketing of federally produced hydroelectric power, the first such preference condition having been adopted by Congress in 1906.

4. Issuance of licenses: In the future, both local public and private power systems, as well as rural electric cooperatives, will be required to come before the Atomic Energy Commission to obtain 40-year licenses to build powerplants for the commercial production of electric power from nuclear materials. Here we are confronted with a situation similar to that of the Federal Power Act, since non-Federal agencies are required to go before the Federal Power Commission to obtain a license to build hydroelectric power projects on navigable streams. But whereas the Federal Power Act required that the Federal Power Commission give preference to applications submitted by local public agencies, no such condition is included in the pending atomic energy legislation.

5. Following procedures of Federal Power Act: As noted above, the Atomic Energy Commission, under the pending bill, would be authorized to issue 40-year licenses for nuclear power facilities. Yet, none of the significant regulatory procedures contained in the Federal Power Act have been included in the atomic energy legislation to govern the conduct of the Commission in issuing such licenses.

To correct these serious deficiencies, we urge your support of amendments, most or all of which have already been introduced in the Senate, which would do the following:

1. Prohibit the signing of the Dixon-Yates contract, which we believe is not only contrary to the purposes of the Atomic Energy Commission, but would be a devious means of opening the door to destruction of the TVA power system.

2. Substitute for the applicable provisions of the Cole-Hickenlooper bill the essential provisions of the 1946 Atomic Energy Act relating to patents.

3. Permit the Government itself, where specifically authorized by the Congress, to build nuclear powerplants.

4. Require that the Atomic Energy Commission give a preference to local public agencies and rural electric cooperatives in the marketing of power from federally owned nuclear power facilities.

5. Require that local public agencies and rural electric cooperatives receive a preference in obtaining licenses for nuclear power facilities, where there is a limitation on the availability of such materials.

6. Bring the licensing provisions of the Atomic Energy Act into line with the procedures established under the Federal Power Act.

The American people can rightly take pride in the careful manner in which the Congress, over the past 50 years, has developed legislation which protects for all Americans their rights to natural resources. We are at the threshold today of developing for the benefit of many future generations an entirely new source of energy. Depending upon the manner in which Congress acts upon the pending legislation, this energy source—holding such bright potentialities for the future—can either be developed for the benefit of all Americans, or it will become the province of a relatively few large corporations.

Unless the amendments to which we have referred are adopted, we fear that the latter will be the result.

We therefore strongly urge that the Congress, in formulating legislation of such transcendent importance, follow the same principles which in the past half century have guided the actions of Congress in preserving a national resource for the benefit of all the people.

In submitting these recommendations, we do not in any sense advocate a Federal Government monopoly in the field of nuclear energy, just as we do not advocate a Federal or public power monopoly in the electric industry. Local public agencies, whom we represent, and private companies should be permitted to share in the opportunity of making this resource available to all the people. But the Federal Government, which in the first instance has made this resource available through the expenditure of some $12 billion of tax funds, should not abdicate its responsibility by permitting unbridled exploitation of this resource or licensing of its use under loose procedures which do not protect the public interest.

Sincerely,

ALEX RADIN,
General Manager.

Mr. ANDERSON. Mr. President, the second item is a telegram from the board of directors of the National Rural Electric Cooperative Association with reference to their meeting at Wausau, Wis., on July 21, expressing their opinion as to certain phases of the pending bill. I ask that this telegram be printed in the RECORD at this point.

There being no objection, the telegram was ordered to be printed in the RECORD, as follows:

WASHINGTON, D. C., *July 21, 1954.*

Senator CLINTON P. ANDERSON,
The Capitol, Washington, D. C.:

By resolution passed unanimously at a meeting of the board of directors of the National Rural Electric Cooperative Association at Wausau, Wis., July 21, 1954, the following message is sent to all Members of the Congress:

"It is our firm belief that the atomic-energy program, developed with the people's funds to the extent of $12 billion, is a part of the public domain as much as public lands, the navigable rivers, and other resources long considered to be the people's property. We feel most strongly that this is the basic premise which should guide the Congress in the consideration of S. 3690 and H. R. 9757.

"We commend those Members of the Senate who have courageously set forward the issues in S. 3690 and urge the continuation of debate until all issues are clarified and the bill satisfactorily amended.

"We urge that the licensing provisions and procedures be brought into line by appropriate amendments to make such licensing subject to the same safeguards applicable to water resources under the Federal Power Act. This includes public notice to interested parties, public hearings, and preference to public bodies and cooperatives on all licenses for the construction, operation, and fueling of atomic establishments for the production of electric power.

"We oppose the granting of private patents on discoveries made with Government funds, in the past or the future, directly or indirectly, and we urge compulsory licensing of all patents affecting the use of this great resource. No private monopoly should be permitted to jeopardize the domestic welfare and national security.

"We urge that preference in the purchase of electric energy generated as a byproduct of the atomic-energy program be given to public bodies and cooperatives. Section 44 should be so amended.

"We urge amendment of the bills to empower the Atomic Energy Commission to construct and operate or license any other Federal agency to construct and operate electric-generating facilities, and that preference in the purchase of electricity generated in such facilities be given to public bodies and cooperatives.

"We deplore the attempt to use the Atomic Energy Commission to open the way for invasion of TVA by the private power companies via the so-called Dixon-Yates contract, and we urge both Houses to amend the Atomic Energy Act to specifically forbid the signing of such contracts.

"We urge the Congress to recognize the vital importance of this wholesale revision of the Atomic Energy Act; that the Congress recognize that S. 3690 and H. R. 9757 are primarily electric-power bills; and that the rights of the people to the full benefits of their investments of $12 billion be recognized and safeguarded against monopolistic restraints and exploitation, through licenses, patents, subsidies for atomic fuel, and any and all other devices."

J. E. SMITH,
President

(For the Board of Directors of National Rural Electric Cooperative Association).

Mr. ANDERSON. Mr. President, I shall try my best not to detain the Senate very long, but I believe that the pending amendment and the amendment offered by the able Senator from Michigan [Mr. FERGUSON], present an issue that should be settled and needs to be settled, and that therefore the Senate should pass upon the issue in a clear fashion.

The two amendments now under consideration, the one of the Senator from Michigan, and my substitute, bring squarely before the Senate the question as to whether or not the Atomic Energy Commission, in dealing with the problem involved in the measure before the Senate, shall make contracts for power with those who may not be directly connected with the installations involved, or whether, as I have tried to provide, they must have a direct connection with the projects involved.

I wish to say in the beginning that so far as I am concerned, and speaking only for myself, we are not dealing with a quarrel between public power and private power. I do not believe the question of free enterprise enters into consideration in any way. Actually, I would remind the Senate that there was before the Joint Committee on Atomic Energy the question of two very substantial contracts known as the EEI and the OVEC contracts. In both those cases the Atomic Energy Commission had tried to contract with private organizations for all the power they might require at Paducah and Portsmouth. They found that while the private companies were

willing to be of assistance to the Government, they were not able to meet the entire demand at Paducah and Portsmouth, and very properly, I think, the Atomic Energy Commission gave them all the energy they were willing to furnish, and gave them contracts for it.

There was no question about those contracts. There was no great outcry by any Senator on this floor. We recognized that the Government had moved to give people power for these atomic installations, and we had no objection whatever because the contracts were made with private power companies. Nor do I believe the private power companies had the right to object, and they did not object, so far as I know, when the Atomic Energy Commission said the remaining power needed, which could not be supplied by the private companies, should be supplied by the TVA.

I think that, in fact, the whole situation illustrates the desirability of going as far as it is possible to go with the private power groups; and that when they are no longer able to carry the load, it is then desirable to turn to the TVA and ask the TVA to fill in the gap. That was done.

Therefore, so far as I am concerned, I hope this matter will be considered, not as being a squabble between private power and public power, but as relating to the question of whether in getting the power, the Atomic Energy Commission is to be used as a broker for the purpose, or whether the law which was passed with the clear understanding, at least, of every member of the Joint Committee on Atomic Energy, shall be used to permit the setting up of additional corporations to deal in a roundabout way with the Atomic Energy Commission.

Second, I wish to point out that these are not small contracts. Nearly a billion dollars is involved in these 2 plant—several times the amount involved in the Dixon-Yates plant. So we are not dealing with this matter solely because a large contract is available. I think it is extremely important to remember that many sincere friends of the Tennessee Valley Authority, who raised the question of the invasion of its territory, have a right to do so; but that is not why I have objected so strenuously to the proposed Dixon-Yates contract.

My amendment forbids the final execution of the Dixon-Yates contract. My amendment requires the company which gets the contract to produce directly for the Atomic Energy Commission. I do not desire to review the history of this matter; but if Senators will examine the hearings again, they will find that not one kilowatt of the power to be generated by this plant will be used by the Atomic Energy Commission. If Senators will examine pages 958 and 959 of the hearings, they will find that language specifically set forth.

Furthermore, they will find that this contract was not initiated by the Atomic Energy Commission. That testimony appears on page 959 of the hearings. The general manager of the commission testified at the hearings that this program was not initiated by the Atomic Energy Commission, but came to the Commission from another source.

If Senators wish to see how the original proposals from private utilities compare with what was finally worked out, they need only examine page 960 of the hearings, from which they will find that the original costs proposed were high, running into several hundred million dollars.

I say that the fact that the amount was brought down to a more sensible one, seems to me to be an extremely good thing.

Question has been raised, if AEC did not do all these things, if the Atomic Energy Commission did not initiate the contract, how does the Commission happen to be involved in it? Of course, the answer is that the Atomic Energy Commission is involved in it by virtue of the directive of the President of the United States.

It needs to be remembered that if the contract is finally negotiated on the terms which have been proposed, it must be done on the basis that is in the record. It has been suggested that these terms may be modified, when the parties come to negotiate the final contract.

I should like to have the Members of the Senate turn to page 952, and there read the statement that—

> The President has asked me to instruct the Atomic Energy Commission to proceed with negotiations with the sponsors of the proposal made by Messrs. Dixon and Yates with a view to signing a definitive contract on a basis generally within the terms of the proposal.

So when someone said, "You need not point to the cancellation clause, because it has no bearing on this matter; if that clause is bad, we will change it when we get through"; or when it is said, "Pay no attention to the rates prescribed; if they are not good, we will toss them out when we get through," I say the fact remains that the Commission has no authority whatsoever to execute this contract unless it be done under the directive of the President of the United States; and that directive says the contract must be signed "on a basis generally within the terms of the proposal."

So if the contract is negotiated, it will be negotiated on the basis of their bad proposal. Therefore, we cannot now attempt to reform the proposal by deciding what should have been offered if the parties had not been as exceedingly liberal to the companies as they were.

I was interested in certain questions put today to the President of the United States at his press conference. The following question was asked of the President:

> One of the major points in the debate on the Atomic Energy Commission-TVA contract arose out of testimony before the Joint Committee on Atomic Energy that three Commissioners of the AEC opposed signing the contract. Therefore, the Senators are asking the question of whether the President has the power to order independent agencies to take action that their administrators or a Commission majority oppose. Would you discuss your attitude toward this problem?

Then the quotation is given:

> I have an Attorney General; and when a matter of legality arises, why, I have to be governed by what the legal staff of that office decides is correct.

Mr. President, I pause here to say that only a short time ago I listened to a radio-television program on which the able and distinguished Attorney General of the United States, Mr. Brownell, was a guest. That occurred on July 11. When, during that program, a question arose regarding the contract, naturally I listened with extreme interest to what the Attorney General would say, because I had once found that a member of the Cabinet of the President of the United States must depend upon the Attorney General as his chief legal adviser.

So, when the following question was put to the Attorney General by Mr. Peter Edson—

> With reference to the Dixon-Yates contract, did you give your approval to that contract?

I noted that Mr. Brownell replied:

> No, that has not come over to the Department of Justice in any way.

Yet at the press conference there was the statement:

> I have an Attorney General; and when a matter of legality arises, why, I have to be governed by what the legal staff of that office decides is correct.

Yet the President's directive went to the Atomic Energy Commission months ago, whereas as late as July 11, the Office of the Attorney General had never been consulted in any way in regard to the Dixon-Yates contract.

Mr. President, if I may do so, I should like to go a little further.

In today's press conference, the President said:

> The AEC, I do not believe, is an independent commission in the sense that the ICC or the FCC is. It is something that I am compelled to take action on, and over which, to exercise supervision.

I submit to the Senate that when the McMahon Atomic Energy Act was before the Congress, there never was in the mind of anyone a feeling that the Atomic Energy Commission was not an independent commission, but was something over which the President was compelled to exercise supervision.

In that connection, I say that when the President of the United States, many of whose policies I have supported, and whose policies on farm legislation I probably shall be arguing for, on this floor, in a very few days—I say that when the President of the United States had to reach a decision on this question, rather than take the advice which was given him, which quite obviously was not from the Attorney General of the United States, the President would have done far better if he had consulted the only Republican Senator who lives in the Tennessee Valley Authority area, I refer to the able and distinguished junior Senator from Kentucky [Mr. COOPER], whose address on this subject was one of the finest addresses delivered in the Senate for a long, long time. I regret that the President has not sought that advice, as apparently he has not. I

think a far better decision would have been reached for the country, for the Tennessee Valley Authority, and—yes—even for the Republican Party, if the President of the United States had called the able junior Senator from Kentucky [Mr. COOPER] to the White House, and had said to him, "Tell me what this is all about. Tell me what your reason is for believing that this contract should not be entered into. Tell me what you propose that I should do now."

Mr. President, knowing the able junior Senator from Kentucky [Mr. COOPER] as I do, I think he would have proceeded to point out to the President of the United States the philosophy behind the Tennessee Valley Authority Act, and would have tried to bring to the mind of the President the reasons why people in that area fight so strongly against the Dixon-Yates contract and for TVA. I, of course, feel that the Senator would be an excellent person to do it. I hope that today he may bring some of that information to the Senate.

There are basic provisions in the contract that are bad. The President of the United States, by his directive, has said that this contract must be negotiated with Dixon-Yates with a view to signing a definitive contract on a basis generally within the terms of the proposal. That basis, I believe, is bad.

In the first place, I believe the cancellation costs are too high. In case there is a change in the program, and either the Paducah or the Portsmouth plant is closed down, if the current is sold to a Government agency, well and good; it is proper that the cancellation provision shall not apply. However, I think it is wrong, if every kilowatt of that current is sold to some private buyer at a rate greater than the Federal Government was expected to pay, to provide that the builders of a $100-million plant may collect up to $40 million in terminal cancellation damages. I think that is a bad provision, and I think the Commissioners of the Atomic Energy Commission are right in shying away from negotiating that contract. I do not believe they should be compelled to sign it under any circumstances.

In the second place, if the Atomic Energy Commission does not want the power, there is this interesting provision in the cancellation clause:

Buyer—

Meaning the Atomic Energy Commission—

may assign any balance to any other governmental agency at an increased price to be approved by the Federal Power Commission.

Why at an increased price? If one looks at page 947 of the hearings, in the testimony of General Nichols, he will find an answer and realize that TVA would be the only agency which might buy that power. Mr. Nichols says, quoting from the third paragraph from the bottom of the page, where he is talking about the Dixon-Yates people:

However, their rates to furnish TVA are higher than what they would furnish AEC for reasons of their own.

What are those "reasons of their own?" The "reasons of their own" are that they do not want TVA rates to be low. I say to the Senator from Kentucky and others who have fought here for the TVA that I think it is wrong for a private utility to have the opportunity to sell power to TVA at a price higher than that at which it will sell it to the Atomic Energy Commission, in order that when TVA passes the power on to some other purchaser, it may then be shown that TVA's rates are high, and that its method of operation is not a good one.

I do not believe that the strong arm of the Government of the United States should be used to interfere in a fight—if there is a fight—between private and public utilities. It seems to me that that very testimony by the General Manager of the Atomic Energy Commission, in which he said that private companies desired to sell to TVA at a price greater than they charge the Atomic Energy Commission, for reasons of their own, is very significant. I do not believe for a moment that the Congress of the United States should be a party to that sort of warfare. I think the Senate ought to see to it that the contract is made impossible, as my amendment would make it.

Finally, I come to a reason which compels me—and I hope will compel the Atomic Energy Commissioners, even though directed by the President to sign it—to refuse to sign this contract. I do not see how any man who lifted up his hand and swore to uphold the constitution and laws of this country can support a provision which permits the payment by this Government of Federal income taxes, as this contract would.

This contract might run for 25 years plus two 5-year extensions—a total of 35 years. According to a table which I have been furnished, and which I am quite sure is correct, at the end of 30 years the entire bonded investment in the plant will have been paid and all the bonds will be retired. It is a little difficult to obtain information on this subject. The amortization table is not in the files of the Joint Committee on Atomic Energy. It was not in the general files of the Atomic Energy Commission. It was in the personal file of a man who was careful enough to put it away, and I commend Mr. Cook for keeping track of it, so that when I needed it I could obtain it from him. I regret to say that it is not in the files of the Joint Committee on Atomic Energy because I think that when a contract runs as high as $100 million there should be a little interest in how the money is to be paid back.

If at the end of 30 years every dollar of investment has been paid back, and 9 percent earned in the interim upon the $5½ million supposedly venture capital—but which could easily be earned out of the profits involved in building a $100 million plant—then the Government of the United States is still obligated to pay the income taxes of the people who own the $5½ million worth of stock. I shall place the table in the RECORD because it will show that between the 29th and 30th years $5,300,000 will have been paid off in principal, in addition to the interest that will be paid on this transaction. I ask unanimous consent to have the table printed in the RECORD at this point as a part of my remarks.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Amortization of Dixon-Yates debt

Amount of debt, $101,750,000; 3⅛ percent interest, 30-year level debt service (sinking fund)

[Millions of dollars]

Year	Cumulative interest paid	Cumulative principal repaid		Total cumulative payment
		Amount	Percent	
1	$3.54	$1.96	1.9	$5.50
2	7.01	3.99	3.9	11.00
3	10.42	6.09	6.0	16.51
4	13.75	8.27	8.1	22.02
5	17.00	10.52	10.3	27.52
6	20.18	12.86	12.6	33.04
7	23.27	15.27	15.0	38.54
8	26.27	17.78	17.4	44.05
9	29.19	20.36	20.0	49.55
10	32.01	23.04	22.6	55.05
11	34.75	25.81	25.4	60.56
12	37.38	28.68	28.2	66.06
13	39.91	31.66	30.1	71.57
14	42.34	34.73	34.1	77.07
15	44.66	37.92	37.3	82.58
16	46.86	41.22	40.5	88.08
17	48.95	44.64	43.9	93.59
18	50.92	48.18	47.3	99.10
19	52.76	51.84	50.9	104.60
20	54.48	55.63	54.7	110.11
21	56.06	59.55	58.5	115.61
22	57.50	63.62	62.5	121.12
23	58.80	67.83	66.7	126.63
24	59.95	72.18	70.9	132.13
25	60.94	76.69	75.4	137.63
26	61.78	81.36	80.0	143.14
27	62.45	86.19	84.7	148.64
28	62.95	91.20	89.6	154.15
29	63.28	96.38	94.7	159.66
30	63.42	101.75	100.0	165.17

Mr. LONG. Mr. President, will the Senator yield?

Mr. ANDERSON. Let me finish this one thought.

After the 30 years and through the next 5 years, if the rates are established at the same level, the company would be making more than $6 million a year, but because of the contract with the Federal Government, the Government of the United States could not collect a thin dime in income taxes from it. There would be a 100-percent return on the investment of the sponsor's every year, and not a penny would go to the Treasury of the United States in income taxes. Let Senators go home and explain that to the businessman who is paying to the Federal Government a 52-percent tax on his corporation's earnings. Go home and tell him why these power moguls have been placed in such a position by a negotiated contract, for which the General Accounting Office suggested there should be competitive bidding. There was no competitive bidding. Let Senators explain to their home folks why these power companies can get a 100-percent yearly return on their money and not pay a penny of income taxes to the Federal Treasury, while the home folks have to pay such taxes.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LONG. It seems to me that there is a great difference between the two kinds of taxes. For example, if one had in mind the corporation income tax, that might be an entirely different matter from the individual income tax. I have in mind particularly the fact that the individual income tax is a graduated

tax, under which some persons pay as little as 20 percent, and others pay as much as 85 percent, while on the other hand the corporation tax is more or less a flat-rate tax, at 52 percent. Could the Federal Government be held under any circumstances, under this contract, actually to make good the individual's personal income tax on that profit?

Mr. ANDERSON. I will say to the Senator from Louisiana that I do not know. The reason I do not know is that on page 58 of the hearings, which had to do with the EEI and OVEC contracts, there is a provision which would have allowed the renegotiation of those contracts. That same provision, I assume, because of the language of paragraph 12 in the Dixon-Yates proposal, could be carried forward into the Dixon-Yates contract. But there is no requirement that the Dixon-Yates people agree to renegotiation. There is no requirement that they permit themselves to be taxed at a high rate or at any rate.

I wonder how this provision gets into the bill—particularly a Senate bill. I thought bills to raise revenue had to originate in the House of Representatives. When I was a member of the Way and Means Committee of the House of Representatives I was very jealous about any other committee or any other body coming forward with a bill providing that someone need not pay an income tax. The only reason I never protested against a provision of this exact nature is that never in the history of this Republic, so far as we know, has anyone ever proposed that a business organization should be excused from payment of Federal income taxes, simply because it builds a powerplant at the directive of the President of the United States.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ANDERSON. I yield.

Mr. LONG. It occurs to me that generally under utility laws and utility regulations a utility is permitted to make a fair return on its investment. I understand that that is often construed to mean a fair return beyond taxes. In other words, if it were an 8-percent return, it would have to be a return over and above taxes. Otherwise taxes would account for perhaps 50 percent of the net profit. It seems to me that might have something to do with the fact that this contract proposes to reimburse those who would owe the corporation tax for their taxes. It would be an entirely different matter if it provided that they should be entitled to make a fair return over and above their personal income tax. That is the reason I asked the question.

Mr. ANDERSON. I wish to say to the able Senator from Louisiana, who is a member of the Committee on Finance, that I do not understand these ramifications. I have some business interests, and I would be very sorry to be expected to pay my personal taxes and the corporate taxes on my business interests if at the same time I knew there was an organization building power plants with a chance to make a very nice return—I will not say a guaranteed return—of 9 percent on its investment every year; and that at the end of 30 years, when it would not have one dime invested in the business except its venture capital in the approximate amount of $5½ million, it would be able to make a profit of approximately $6 million annually and, in addition, have its income taxes paid for it by the Government and be able to keep all of that amazing return.

Mr. President, I promised to be brief, and I shall try to be brief. I believe we had better try to keep the Atomic Energy Commission independent. I do not believe that the President of the United States should be allowed to direct the Atomic Energy Commission to enter into this contract any more than he should be allowed to direct, in the case of the other provisions of the bill, if the bill is passed, that the Atomic Energy Commission shall license a particular firm or shall refuse to license a particular firm, or grant a patent right or refuse to grant one.

Once a man is selected by the President for service on the Atomic Energy Commission and his nomination by the President is confirmed by the Senate, I do not believe that a Presidential directive should go to him or to the Atomic Energy Commission as a whole, that a license be granted to General Motors but not to General Electric.

I do not believe that a directive should be given to the Commission that it shall give a patent provision to one organization, and not to another.

I believe that we tried to frame the present law on the basis of having the Atomic Energy Commission operated by men of independent judgment, who would study the problems involved, and try to decide issues on the basis of what was best for the United States, and who, knowing all the facts, would move our atomic program in the direction which promised most for our country.

If they are no longer to be independent, we shall certainly need additional safeguards for almost every provision in the bill; and in that case we had better start to rewrite the bill from stem to stern, if we are to have a Commission composed of men who, after being confirmed by the Senate, are not to be allowed to exercise their independent judgment.

Mr. President, in a very short time there will come before the Senate the nomination of a man for appointment to the Atomic Energy Commission. What manner of man will he be? It matters not what we think of him if he is to be only a rubber stamp, if he can be directed to do something which in his conscience he believes he should not do, or if he can be directed to go ahead when he says, "I do not want to go ahead," or if—as Dr. Smyth and Mr. Zuckert said—he says, "It is wrong for us to do it," he can nevertheless be directed to do it. If such a man is directed to go ahead, and he accepts the direction, then I say to the Senate that he should not be confirmed by the Senate.

I suggest, Mr. President, because of this controversy, it will be more than a mere formality to confirm the next nominee for membership on the Atomic Energy Commission.

Very shortly, too, there will come to the Senate an appointment for chairman of the Tennessee Valley Authority.

Again I say that the President of the United States might have listened to the importunings of what I understand was the voice of one of the Members of the Senate whose heart is very close to that subject. But he did not and must appoint a new chairman. When the President sends the name of such an appointee to the Senate, it will be natural, again, to ask, "Can the President direct him? If he can direct him, why bother with Senate confirmation? Why try to find out what kind of man he is? Why place any reliance upon him at all?"

Mr. President, downstairs in this Capitol where the Joint Committee on Atomic Energy meets, there is a tablet on the wall which the members of the joint committee walk by every time they come and go to meetings. It is the famous message which was the first message sent by telegraph, and it was sent from that room. It reads, "What hath God wrought?"

When Senators have voted on this bill, and they go home, they should tell their constituents what the Congress of the United States, and particularly what the Senate of the United States, hath wrought. Let Senators go home and tell their constituents that they voted for a provision which pays the income tax of one particular corporation. Let them go home and try to make their constituents understand the cancellation provisions that are contained in the bill. Let Senators go home to their constituents and make them understand, although when the original McMahon Act was passed, and the Senate, acting jointly with the House, decided that an independent organization should be established, and that the great problem of atomic energy, as it is used for wartime as well as for peacetime purposes, should be in the hands of men who should reach out and make sound decisions, that the Senators now have decided that these men should not be free and independent at all, but should be under the direction of the President of the United States.

I do not believe that I would want to take that decision home. Therefore, Mr. President, without trying to inject myself into a public and private power fight, and realizing that I voted for private power contracts for AEC running up to a billion dollars, I have offered an amendment which would forbid the granting of this contract running to a hundred million dollars, and instead, I want to require that such contract shall be made directly with a firm supplying the direct current needs to this plant.

I trust that the Senate of the United States will make certain that that shall be done.

Mr. COOPER. Mr. President, last Thursday I spoke briefly in support of the amendment offered by the distinguished Senator from New Mexico [Mr. ANDERSON]. I support his amendment because I believe its purpose is good. Among other things, it is designed to prevent the execution of the proposed contract between the Atomic Energy Commission and the Dixon-Yates utility company to supply 600,000 kilowatts of

power to the Tennessee Valley Authority. At this late hour I shall not attempt to detail at any length the reasons which lead me to support the amendment. However, I wish to emphasize the importance of the issues which it presents to the Senate, and also to make some suggestions which I hope the administration will take into account.

This debate has made it clear that the purpose of the proposed contract is not to supply the power needs of the Atomic Energy Commission at Paducah or Oak Ridge. It is, rather, to replace in the Tennessee Valley Authority system, power which the AEC purchases from it. Its ultimate purpose is to supply electric energy to the domestic consumers of the Tennessee Valley Authority system. It is clear, I think, that provision for obtaining additional power for the Tennessee Valley Authority has been made a function of TVA by the act which created it. In the 20 years which have passed since the creation of TVA, that function has been approved and confirmed again and again. It would seem reasonable that if the power is to be directed into the Tennessee Valley Authority system, that TVA would be made a party to the negotiation, and to the contract, and its views would be sought. Yet in this case the Tennessee Valley Authority is not considered equally a party to the negotiation or to this contract. TVA has not requested that this power be directed into its system. It has not assented to it.

The determination of the policies of the Tennessee Valley Authority, its provision of sources of power and need of power at this time, has been made by another independent agency, the Atomic Energy Commission.

Therefore, it has been made clear to me, at least, that the first issue which the contract presents is whether the Atomic Energy Commission has the power under its act to exercise a primary function of the Tennessee Valley Authority that is to provide power for its area.

It is a power given by the Congress to the Tennessee Valley Authority.

Surprisingly, this argument has borne little weight in the debate. It may be termed a legalistic argument, and one of no great practical relation to the problem of the supply of power in the Memphis area of the TVA.

I wish to speak to this viewpoint before we vote tonight, and to address my remarks to my own colleagues on this side of the aisle.

During the past 20 years our party has been the legalistic party; it has been the constitutional party; it has been the party, watchful and jealous of the wrongful exercise of power by the agencies and officers of our Government. In our position of opposition we have guarded closely the exercise of power by our opposition when we did not believe it proper. It has been a position of which we have been proud, and one which has guarded and protected the country over these years.

The principle, and the necessity of asserting it does not change because there has been a change of party or a change in situation. The principles are still the principles in which we have said we believed, on which we have held a strong position throughout the years.

So, Mr. President, I repeat my question to my own colleagues, namely, Where is the power, where is the authority in the AEC to exercise such an extensive power? Where is the statute or language which gives to the Atomic Energy Commission authority to take over the function of another independent agency, the Tennessee Valley Authority?

I leave that question with my colleagues for their own decision and determination.

Congress created these agencies. It defined their power, and, in defining it, it also limited their power. It gave certain powers in connection with their operation to the executive branch and by the very definition of these powers it limited the powers of the executive branch. Whatever may be our views concerning the Tennessee Valley Authority, whether we think it is a good or a bad agency, we cannot escape this question of power when other agencies act with respect to it.

As I said in my statement a few days ago, I know that the President is motivated by the sincerest desire to assist the residents and people of the Memphis area in their search for electric power. I also stated that I believe the purpose of the AEC is simply to replace power in the TVA system. But under our governmental system, no agency of the Government is authorized to take a course of action which it believes good unless it possesses governmental authority.

It can be said, of course—and I am sorry the distinguished Senator from Michigan [Mr. FERGUSON] is not present—that his amendment as modified by the amendment of the junior Senator from North Carolina [Mr. ERVIN] and will correct for AEC this question of statutory authority about which I have been speaking. It will be said, that when the amendment of the Senator from Michigan is passed, that the question of the authority of the AEC to act for the Tennessee Valley Authority will be academic, and the AEC can then enter into the contract, with all doubts about its authority to do so removed. Then it can coerce and require the Tennessee Valley Authority to assent to the contract, and thereby remove all questions of legality or power, and no objection can be made.

I must say, as one who has been a practicing lawyer, that it is perhaps time that if the Ferguson amendment is passed, all question of statutory authority will have been removed. But we will not, in passing the amendment, escape another question, namely, the question of whether, if it is a good policy, it is right and proper to change the functions and character of TVA and AEC in this easy way. Again I speak to my colleagues on this side of the aisle. In addition to being a constitutional legalistic party of opposition, our party has stood for orderly legislative processes. We have resented, in the past, shortcuts; we have said the legislative changes must be orderly and in accord with the proper processes of Government. In weighing what we are doing, against the principle we have asserted, let us examine the consequences if it is approved. It will probably confer power on AEC to execute the contract. When it has been executed, and the Tennessee Valley Authority is then required to assent to the contract, there will later be introduced into the TVA system a public power system, a large volume of private power. It will not be by its voluntary assent, because the TVA will be required to accept the power.

The ultimate effect if such a policy is continued will change the character, the concept of TVA as Congress has determined it. The TVA is a controversial agency. I have not always gone along with the views of my colleagues on the other side of the aisle who serve the area. They know that. I have favored the appointment of a new chairman because I have believed a new and objective analysis of the TVA is needed. But the TVA is an authority created by the Congress of the United States. For 20 years the Congress of the United States has confirmed again and again its purposes by amendments and by appropriations. The Congress of the United States has the right and power to change its purposes and its functions. I remember that in 1947, Senator McKellar proposed a change in the method by which the TVA handled its revenues, a revision which, it was charged, would have changed its functions and its flexibility. The question was argued for weeks, before the Public Works Committee of the Senate of which I happened to be a member at the time. This thorough hearing was in the Republican 80th Congress, and no change was made.

This one contract may not change the TVA, the Yates-Dixon contract cannot alone change or remake TVA, but if it can be done again and again, then we shall have provided the instrument for change in the concept, the purpose, and the character of the Tennessee Valley Authority.

Whether or not we approve the TVA, it seems to me the orderly and proper thing to do, the direct thing to do if it is the desire of the Congress to change its purpose, is by the introduction of legislative proposals to revise the TVA and upon which hearings may be held and upon which an issue may be presented squarely to the Congress, and upon which it can make a decision.

If the amendment of Senator FERGUSON is not adopted, and this contract is made, it will be made not by the Congress, but by the decision and determination of the Atomic Energy Commission. But if the amendment presented by the Senator from Michigan and the Senator from North Carolina, is agreed to, then the Congress will be making through it a new determination respecting the policy of the Tennessee Valley Authority. We can do it in this fashion but I would not like to think it is being done without hearings upon the precise issue, and in a few hours of debate upon a bill which is not concerned primarily with the Tennessee Valley Authority.

For myself, I believe that the Tennessee Valley Authority has had great value. Contrary to what many persons may think, the TVA does not affect an

extensive area of my State, but it has had a great value to my State, locally, in its supply of power to REA cooperative, communities, and businesses. It is of local benefit to the area it serves. But it has rendered service to the entire Nation as a demonstration of a public power system.

In closing, all that I can offer to my colleagues is the submission of the proposition that if this action so important to the future of TVA is to be taken, it should be done directly. It should be done after hearings. It should be done after discussion and after a debate upon the issue itself.

Again, before we vote, I direct my remarks to the substantive question of whether or not there is any authority and power in the AEC to execute the contract. If the amendment of the Senator from New Mexico, which we are considering, and for which I will vote, is defeated, and later the amendment which has been presented by the Senator from Michigan [Mr. FERGUSON] and the Senator from North Carolina [Mr. ERVIN] is adopted, and Congress declares its intent thereby to modify the TVA Act, for that is what it will do, I hope the administration will still take into account this debate, and that it will not execute the contract. I hope that it will consider all alternatives, including the possibility of TVA issuing its bonds to secure capital investment fund for generating facilities. If it decides to execute the contract, then I hope there will be forthcoming from the administration a declaration policy with respect to the remaining area of the Tennessee Valley Authority. I hope it will direct and authorize the new Chairman of the Tennessee Valley Authority to assume responsibilities and functions, to analyze the capacity and need of the area and to make recommendations to the Executive and the Congress as to what steps should be taken to supply the future power needs of the Tennessee Valley Authority, as they may develop, and what the policy shall be toward maintenance of this institution created by Congress.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. COOPER. I yield.

Mr. HICKENLOOPER. With reference to the two statements which the Senator from Kentucky has made, that this question should not be decided after only a few hours of debate, and that it should have the benefit of hearings, I call attention to the fact that the entire matter has been the subject of substantial hearings before the Joint Committee on Atomic Energy. The very question of replacement power was the subject matter of hearings. It is mentioned in the report. The hearings show that they were of considerable length.

So far as the question of a few hours of debate is concerned, I shall respectfully have to disagree with the Senator from Kentucky that there have been only a few hours of debate. It seems to me that the bill has been the beneficiary not only of hours, but of long days of specific discussion, devoted almost entirely to this particular subject. So I shall have to disagree with the statement of the Senator from Kentucky that the matter has not been the subject of hearing, and that it has been given only a cursory, limited, lick-and-a-promise discussion by way of debate.

I have one other observation. At this late hour, I do not wish to engage in a ramified debate on the question.

I suggest that the Tennessee Valley Authority, after all, is the creature of the United States Government. So far as I know, there is no legal justification for the Tennessee Valley Authority arrogating to itself an untouchable attitude. It still must remain subject to the will of the Congress of the United States. It is not the exclusive property of any State or any particular area. I believe the TVA should gracefully yield itself from time to time to the properly constituted opinions of Congress.

Mr. STENNIS. Mr. President, I wish to make it very clear, in the beginning, that I shall not take much of the time of the Senate, because I want to be brief. I respectfully ask that I not be interrupted until I have concluded my remarks. Then I shall be glad to yield to answer any questions which may be forthcoming.

In spite of the very fine debate which has taken place, there is still some uncertainty, some doubt, as to exactly what the fundamental facts are with reference to the provisions of the bill. I feel that the Senate is about to take a very far-reaching step and to make a very far-reaching decision on a very important question of policy.

I desire to make it clear that I am not in favor of the territorial expansion of TVA. I live on the southern border line of TVA. Some people in the State of Mississippi have urged me to try to have the area of the TVA extended. I have declined to accede to those suggestions. I oppose the territorial expansion of TVA. My interest in it stems from the fact that it is a national organization, it is a part of the Federal Government, and there should be a fairly systematic regulation of the policy in relation to natural expansion based on the demands in that territory.

But I shall speak on two points, because I believe that the question reduces itself to this simple form: Shall the TVA continue to be the policymaking authority of the Government with reference to electric power, or shall the Atomic Energy Commission be authorized to help determine the policy?

If it is desired to authorize the Atomic Energy Commission to enter into the policymaking field with reference to electric power, then Senators should vote for the Ferguson amendment, because that is exactly what the amendment provides. It is an affirmation and an approval of the contract which has been discussed in the debate for all these days. The Ferguson amendment does not say that after the contract is referred to the joint committee, the committee may disapprove of it or stop it, or that it shall not be valid if disapproved. The Ferguson amendment, on that score, merely says that the contract shall be referred to the joint committee, and shall remain there for 30 days.

But the contract already has been before the Joint Committee on Atomic Energy, and it has not been disapproved. It is now before the Senate. If the Ferguson amendment shall be adopted, the first thing that will be said about it is that it is an approval of the contract in toto.

Someone, as I have said, has been trying to constitute the Atomic Energy Commission as a policymaking agency as to electricity. The Commission has not done that, because the Commission did not originally approve the contract. I have found that that fact is not known by a number of Senators, so I shall refer briefly to volume II, page 950, of the hearings before the Joint Committee on Atomic Energy. The witness whom I am about to quote is Mr. Nichols, who is General Manager of the Atomic Energy Commission. This is what he had to say about whether or not the Commission approved of the contract:

> Subsequent to receiving the proposal, the Atomic Energy Commission, after making an analysis to compare it with the rates that we are now paying at Paducah and the total cost, forwarded the proposal with the analysis to the Bureau of the Budget, and in forwarding it, it was made clear to the Bureau of the Budget that the Commission did not agree on the wisdom of the AEC entering into this type of contract.

There is a statement in black and white. Who is it that is trying to constitute the AEC as a policymaking agency? Not the Atomic Energy Commission, not the President of the United States, as I verily believe; but apparently some member of the Commission, or someone acting between the Commission and the President of the United States; because I believe that if the President understood all the facts, however he might feel with reference to having a steam plant built by the Government or by private companies, he would not use the Atomic Energy Commission to carry out his purpose. I say that in all sincerity.

Only a few days ago, Admiral Strauss, Chairman of the Atomic Energy Commission, appeared before the Committee on Armed Services. We are accustomed there to hearing serious discussions on matters of far-reaching consequence, on worldwide problems, on continental defense, on strategic airpower, indeed, on almost everything that is bound up in the very serious question of our defense. accustomed as the members of the committee are to hearing important facts, they sat on the edges of their chairs while Admiral Strauss testified concerning the complexities of the problem with which the Commission is faced, and the far-reaching decisions which it must make now, and will continue to make in the future.

I felt very good after hearing him testify along those lines, and it has been the most disappointing experience I have had as a Senator to come to the Senate Chamber and learn that the Commission, which has embarked upon such a high, and I almost said holy, mission, has become enmeshed—not through its own fault, but it is nevertheless a fact—in a power-policy fight which involves the integrity of the laws under which it oper-

ates, and which involves, just as certainly as we sit here tonight, the confidence the American people are going to have in the Commissioners.

As we leave this building tonight, we shall walk by a sign which reads, "Shelter area this way." All over the Nation 160 million people are reading similar signs every day. As they drive down the highways, 160 million people see signs which read, "In case of enemy attack, this highway will be closed." We are daily reminded of the terrible consequences we would suffer should there be an atom bomb attack on us. Our defense, and our sole defense, will depend upon whatever may come out of the far-reaching plans, the decisions, and the wisdom of the Atomic Energy Commission.

I say it is a shame to embroil the members of the Commission in this controversy. It is a shame to encumber and embarrass them with this subject matter. The people of the United States are entitled to have an Atomic Energy Commission that lives high above such contests as this. The men who are carrying that burden are entitled to an atmosphere in which they can work. They are entitled to the confidence of the people for whom they plan. They are entitled to work in an atmosphere far above the level of that which comes from such a contest as this. I say it is unfortunate, and I am sad to see that Commission become the victim of the battle taking place in the Senate.

I say again, if Senators want to put the Commission right in the middle of policy-making with respect to electric energy, they will vote for the Ferguson amendment, because that is exactly what it will do.

Mr. President, I wish to touch just a few of the high spots of the contract. A bare statement of the facts of the contract is enough to condemn it. It could not possibly stand on its own merits. It could not have stood on its merits before the Atomic Energy Commission. The contract had to have the favorable word of the Budget Bureau, according to the record, in order to give it a prop. It had to have the indirect word of approval of the President of the United States to give it any validity. That is the only thing that permitted it to go as far as it has gone. The only thing that is keeping the contract in the debate on the floor of the Senate tonight is the influence of the President of the United States; and I verily believe it is a misguided influence, at that.

Mr. President, in touching on the highlights of the contract, I wish first to say that the contract had no legal basis when it was conceived. As a young lawyer, I remember reading a jury verdict which had been handed down in one of the old trials in England. The case concerned the legitimacy of a child. The jurors had rendered this verdict: "Conceived out of wedlock, but born in wedlock."

I respectfully submit that what the Ferguson amendment attempts to do is get a verdict from the jury, the Senate, admitting more or less that the contract was conceived without legitimate authority, but it will be blessed by a verdict of the Senate declaring it to be legal, and thereby make it legitimate.

But let us look briefly at some of the birthmarks before we make it legitimate. The first thing that impresses me is the question of taxes, which are guaranteed at the rate of more than $2,319,000 a year. It is proposed that the Federal Government guarantee taxes, come what may. If the Nation goes to war, this company will not suffer because of increased taxes. No tax bill which may be passed by Congress will be able to affect this company. No excess profits tax bill passed by Congress will affect them, because they will have a contract with the Federal Government in which it is provided that even though they are in business and making money just as are other corporations throughout the country—and I am in favor of anyone making legitimate money—they will be immune from any tax bill the Government might send them, even a capital gains tax. If we become involved in a world war III—God forbid—Congress may provide for a capital gains tax. I hope that will not happen, but I heard a revered member of the Finance Committee a few days ago speak in terms of such a possibility. So at the very threshold, the tax provision robs the arrangement of the character of a private-enterprise contract. What is being proposed is not a private-enterprise contract; it is a subsidized contract, topside and bottom.

Another thing that impressed me was the question of the equity capital and the return thereon, which will be 9 percent on $5½ million for 25 years. I say to my friends, that is a pretty good investment. In addition, the income tax which would have to be paid on the 9 percent return will also be paid by the Federal Government. I repeat, that is a pretty good investment. That 9 percent return is guaranteed, provided the plant does not cost in excess of $107 million. I think the Dixon-Yates group are smart enough to have made an estimate that will be fairly close to what the plant will actually cost them. I am not criticizing them for that, but 9 percent on $5,500,000 for 25 years is a pretty nice tax-free income, free from State taxes, free from State income taxes, and free from Federal taxes. That does not sound to me like a private-enterprise contract.

That is another reason why the undertaking is beyond the ordinary scope of a private enterprise arrangement. It has to be guaranteed and subsidized; therefore, the plant could just as well be built by the Government.

However, I am impressed with the excess cost involved. I would call it that even according to the most conservative estimates. That amount of money is not to be laughed at. The excess cost will be $3,685,000 a year. That is the increased cost as compared to what it would cost if a plant were built by the Government. Those estimates have been prepared by the Atomic Energy Commission itself. By the way, for the 25-year period, that would be a total of $92,125,000 excess cost over what it would cost if the other arrangement were made use of.

What would the Government have at the end of 25 years? Nothing in the world—merely a clean sheet of paper with a receipt written on it; but no plant, not even a burned out fuse. The estimate of the TVA was that the difference would amount to more than $5,500,000 a year, or, for the 25-year period, $139,175,000. That is the excess, according to the estimate made by the TVA.

So, Mr. President, the bare facts, on their face—without going into the details—condemn the contract as not really being a private enterprise contract. A statement of the bare facts condemns the contract as being unsound from a public policy point of view. As I have said, the contract would long since have fallen by the wayside if it had not had the mistaken blessing of one very, very high in authority.

I shall not detain the Senate long, except to read briefly the amendment of the Senator from Michigan, and particularly the last part, with reference to submitting the contracts to the Joint Committee on Atomic Energy:

> Any contract hereafter entered into by the Commission pursuant to this section shall be submitted to the Joint Committee and a period of 30 days shall elapse while Congress is in session (in computing such 30 days, there shall be excluded the days in which either House is not in session because of adjournment for more than 3 days) before the contract of the Commission shall become effective.

That is all there is to the clause—simply a provision that the contract shall lie before the joint committee for 30 days, at the end of which time the power of the joint committee in that respect will be ended. The only authority the amendment of the Senator from Michigan will give the joint committee will be authority to have the contract lie before them for 30 days, if they so choose. But the first part of the amendment shows, beyond the possibility of misunderstanding, that there will be a change of policy, both as to the Atomic Energy Commission and as to TVA power.

After all, Mr. President, the amendment of the Senator from New Mexico, as a substitute for the amendment of the Senator from Michigan, is very, very mild. The amendment of the Senator from New Mexico does not even condemn the contract, but merely provides, in part—

> The authority of the Commission to enter into contracts for electric utility services shall extend only to contracts with persons who agree to supply the contractual amount of electric utility service directly to the installations of the Commission named herein.

In other words, it keeps the Atomic Energy Commission in the atomic energy business, in the business of making atom bombs and hydrogen bombs, and perhaps cobalt bombs; it keeps the Commission at work on its primary purpose. So the amendment of the Senator from New Mexico is a very, very mild one; it merely reiterates existing law.

Mr. President, I most sincerely submit that the amendment of the Senator from New Mexico is all that should be adopted; the Senate should do no more.

I thank the Senate for its courtesy in hearing me.

The PRESIDING OFFICER (Mr. PURTELL in the chair). The question is on agreeing to the amendment of the Senator from New Mexico [Mr. ANDERSON] in the nature of a substitute to the amendment, as modified, of the Senator from Michigan [Mr. FERGUSON].

Mr. GORE and Mr. HILL asked for the yeas and nays, and they were ordered.

Mr. FERGUSON. Mr. President, I wish to say a few words on the pending question. The vote will come on the substitute by the Senator which has been submitted for the modified amendment I have offered.

There is one difference between the substitute and my amendment, namely, regarding the right of the Atomic Energy Commission to contract for electric power. The amendment of the Senator for New Mexico, which is proposed as a substitute for my amendment, would limit the Commission to entering into contracts which would supply power directly to the Atomic Energy Commission's plant. My amendment would allow the Atomic Energy Commission to contract for electric power to be furnished to the Commission by the Tennessee Valley Authority, and to contract with any person to furnish electric energy in replacement thereof to the Tennessee Valley Authority.

Mr. President, some time ago in the Tennessee Valley, when the TVA desired to build a plant at Johnsonville, it was contended that it would be a steam plant, and that it could be built for the purpose of firming up hydroelectric power that came from dams which were built in the Tennessee Valley. It was said that this firming up was merely in order to put power into the lines; that they had lines all over the Tennessee Valley, and that electric power could not be singled out, but that when supplied at one point, it was for the benefit of all.

I remember very well the argument made by Senators on the other side of the aisle regarding that plant. It was said, "We must build this plant because the power must go to the defense plants."

We asked, "Can you prove that the power will go directly to the defense plants?"

They replied, "No; we do not have to prove that. Once the power is put into the system, that is all that is needed. That is what is essential."

Mr. President, that is the purpose of my amendment—to allow the Atomic Energy Commission to contract for power. I request this specific authority because it was claimed that the section of the act to which the amendment applies is not sufficiently clear to authorize this contract.

I believe the intent of legislation should be clear; there should be no doubt about the purpose. Therefore, I submitted the amendment in order to be specific, in order to allow a contract with a private utility, to provide electricity to go into the Tennessee Valley Authority system, and to replace power that was taken from the Tennessee Valley Authority system by the Commission. That is all my amendment authorizes.

The Senator from North Carolina [Mr. ERVIN] proposed an amendment to my amendment; he wished the contract to be submitted to the Joint Committee on Atomic Energy. I accepted his amendment to my amendment, because I believed that would be a good provision—namely, to allow the joint committee to have 30 days, while Congress was in session, to examine the contract which would be submitted; or if the joint committee believed the contract was all right, the joint committee could shorten the time to less than 30 days, or could waive entirely the requirement to wait 30 days while Congress was in session.

In other words, the amendment of the Senator from North Carolina to my amendment did not give the joint committee a veto power in case it did not approve the contract; but under the provisions of the amendment of the Senator from North Carolina to my amendment, it would be necessary for Congress to be in session 30 days after the joint committee received a copy of the contract; and then the Senate and the House of Representatives—the two bodies of the legislative branch—could act, if they so desired, to refuse to allow the contract to be made, because they could revoke the power.

Mr. President, I say that this is a proper power to give to the Joint Committee, to the President of the United States, to the Tennessee Valley Authority, and to the Atomic Energy Commission.

I hope the Senate will now proceed to reject the Anderson substitute, which would destroy what we are trying to do, namely, to put a private plant across from Memphis, Tenn., to furnish power to go into the channels of the Tennessee Valley Authority. Is this power needed? For 2 years the Tennessee Valley Authority has been asking for a plant at Fulton, Tenn., because it says it needs power. Under this contract it can get power which is being taken today by the Atomic Energy Commission.

As I contemplate the development of atomic energy, the time may come when the Tennessee Valley Authority will not be able to supply all the power required by the Atomic Energy Commission. My amendment, instead of destroying the Tennessee Valley Authority, would allow it to continue, because, as a greater amount of power is taken by the Atomic Energy Commission from the system, it will be able to provide the same amount of power to go into the system at other places. It does not make any difference where it comes from, so long as it gets into the system.

I hope the Senate will reject the Anderson substitute amendment and approve the Ferguson amendment.

Mr. FULBRIGHT. Mr. President, for the satisfaction of Senators let me say that I do not intend to speak, but I wish to insert in the RECORD at this point several memoranda which I have had prepared, dealing with questions which have been discussed in various speeches, primarily for the information of Senators, for the RECORD, and for the benefit of anyone who is interested in developing the full facts on this subject.

I therefore ask unanimous consent to have printed in the RECORD at this point as a part of my remarks several memoranda. The first deals with the income of the TVA, which, it has been asserted, belongs to the United States Treasury.

The second memorandum deals with the question of replacement of power, which was just discussed by the Senator from Michigan [Mr. FERGUSON].

The third memorandum analyzes the effect of the proposed contract and its results, which we have discussed here at various times.

The next memorandum relates to the risks assumed by the sponsoring group.

The next memorandum relates to taxes.

There being no objection, the memorandums were ordered to be printed in the RECORD, as follows:

ALL INCOME OF TVA BELONGS TO THE UNITED STATES TREASURY

The statement is made repeatedly that it is quite proper for TVA to get its money without interest and to pay little or no taxes since, after all, it belongs to all of the people of the United States. This is a high-sounding phrase but one which hardly withstands close scrutiny.

Senator GORE made the statement (CONGRESSIONAL RECORD, p. 10490) that TVA will repay its investment in power projects to the United States Treasury in 40 years. This, too, is not strictly factual.

If the TVA were to completely repay its total investment in the power business and if it were to actually pay into the Treasury its total net income (an amount which has been likened to being equivalent to carrying charges on the investment of all the people) there might be some substance to the statement that all American citizens did participate in this business venture. It doesn't work that way. The Government Corporations Appropriation Act, 1948, under title II, sets forth a formula for repayment of the investment. It provides for the repayment over a 40-year period of a fixed sum of $348,239,240 plus any further appropriated funds. It did not provide for the repayment of retained earnings. The following table using figures from the official TVA annual report for 1953 reflects the status at June 30, 1953:

Appropriations and transfers of property:	
Employed in power program	$657,858,076
Construction and investigations in progress	192,690,665
Total	850,548,741
Less payments into the general fund of the U. S. Treasury, including $10,000,000 during 1953	50,059,019
	800,489,722
Bonds outstanding	34,000,000
Accumulated net income	225,773,288
Total	1,060,263,010
The amount TVA is obligated to repay under title II of the Government Corporations Appropriation Act, 1948:	
Beginning with the year ending June 30, 1948	348,239,240
New appropriations for power facilities	351,059,817
Total	699,299,057
Less repayments since enactment of this legislation	57,500,000
	641,799,057

In summary, out of $1,060,263,010 of TVA power investment at June 30, 1953, only $641,799,057 is required to be repaid.

Section 26 of the TVA Act of 1933, as amended provides that the Board does not have to pay to the United States Treasury such part of the proceeds from the sale of power as in the opinion of the Board shall be necessary for the Corporation in the conduct of its business (copy of sec. 26 is attached).

At June 30, 1953, TVA's report shows accumulated net income or earnings retained in the business of $225,773,288. That is all of its net income from power operations during the lifetime of TVA. It has been retained for the benefit of the power customers in the Tennessee Valley.

In discussing TVA's retained earnings, Senator GORE said at page 10490 of the CONGRESSIONAL RECORD of July 14, 1954:

"All the net earnings, all the proceeds, all the properties are subject to the disposition of the United States Congress."

I have already shown that section 26 of the TVA Act permits the Board to retain such proceeds as it seems necessary in the business.

Now, I should like to quote from title II of the Government Corporations Appropriations Act, 1948, as follows:

"None of the power revenues of the Tennessee Valley Authority shall be used for the construction of new power-producing projects (except for replacement purposes) unless and until approved by act of Congress."

Now to show the Senator how TVA interprets the statutes I want to present the following excerpt from testimony of Gordon Clapp, former head of TVA, before the subcommittee of the Committee on Appropriations, House of Representatives, 83d Congress, 2d session, pages 2448–2449:

"Mr. JONAS. As I understand this justification, the request is for $142,868,000 of appropriated funds.

Mr. CLAPP. $141,800,000 is the new appropriation request, and there is a carryover balance of about $1 million.

"Mr. JONAS. Which makes the sum of $142,868,000.

"Mr. CLAPP. That is right.

"Mr. JONAS. Now from corporate funds you are asking that you be authorized to spend $221,400,000.

* * * * *

"Mr. CLAPP. I do not want to seem to be too technical in these matters, Mr. JONAS, but we are not seeking authorization to spend those corporate funds. The authorization to spend those corporate funds is in our basic law. It is a fact that the budget of 1955 includes those moneys from corporate funds in order to give the complete picture of our spending program."

The foregoing hardly supports the statements of the various Senators opposing the proposed contract during the colloquies on the floor of the Senate on July 14, 1954, typical of which were:

Senator GORE, page 10490: "In addition to that, the TVA has had net earnings. The Congress upon each occasion, in its appropriation bills, has had the disposal of the net earnings. Congress has sometimes directed the TVA to use the net earnings in a specific manner. The appropriation bill this year did exactly that. All the money has not been actually, physically transmitted to the Treasury of the United States."

Senator GORE, page 10490: "All the earnings of TVA are within the disposition of the Congress each year."

Senator GORE, page 10490: "Each year Congress acts upon the matter. The TVA has been authorized—and not only authorized, but directed—to retain certain of its net earnings to be invested in other properties. Those, too, I may point out to the Senator, are amortized. So I come back to my original statement, that all the earnings of the TVA, not simply a part of them, as is the case with respect to taxes paid by private concerns, are the property of the United States Treasury."

Senator ANDERSON, page 10490, Senator GORE, page 10490:

"Mr. ANDERSON. * * * It seems to me that if profits accrue from the operation of the TVA, and Congress, instead of making new appropriations for new capital funds, directs that the moneys shall be used for expanding powerlines, or doing anything of that nature, that is just the same kind of utilization as if the money had been taken into the Treasury, and then a brandnew warrant had been issued by the Treasury to pay for the lines.

"The able Senator from Arkansas was a Member of Congress when I became a Member of it in 1941. He and I, and all the Members permitted the TVA to do exactly that.

"Mr. GORE. And not only permitted, but directed."

Senator HILL, page 10490: "The TVA cannot start one single new power facility, it cannot put $1 of its income or any other funds into any new power facility, except by and with the advice and direction of Congress."

Senator ANDERSON, page 10494: "I said it was a matter of significance. If there were to be profits from the operation, and if there were to be new dams and new facilities constructed, without congressional approval, that would be one thing. But actually it is merely a bookkeeping charge, because Congress has control of every dollar which comes into the TVA, and Congress can decide how much shall be used for plant improvement, and what amount shall go into the Treasury."

No wonder Senator BUSH said:

"The Senator from Connecticut did not authorize them."

EXCERPT FROM TITLE II OF THE GOVERNMENT CORPORATIONS APPROPRIATION ACT, 1948

Tennessee Valley Authority: Not later than June 30, 1948, and not later than June 30 of each calendar year thereafter, until a total of $348,239,240 has been paid as herein provided, the board of directors of the Tennessee Valley Authority shall pay from net income derived the immediately preceding fiscal year from power operations (such net income to be determined by deducting power operating expenses, allocated common expense, and interest on funded debt from total power operating revenues) not less than $2,500,000 of its outstanding bonded indebtedness to the Treasury of the United States exclusive of interest, and such a portion of the remainder of such net income into the Treasury of the United States as miscellaneous receipts as will, in the 10-year period ending June 30, 1958, and in each succeeding 10-year period until the aforesaid total of $348,239,240 shall have been paid, equal not less than a total of $87,059,810, including payment of bonded indebtedness exclusive of interest on such bonded indebtedness. Total payments of not less than $10,500,000 shall be made not later than June 30, 1948.

Amounts equal to the total of all appropriations herein and hereafter made to the Tennessee Valley Authority for power facilities shall be paid by the board of directors thereof, in addition to the total of $348,239,240 specified in the foregoing paragraph, to the Treasury of the United States as miscellaneous receipts, such payments to be amortized over a period of not to exceed 40 years after the year in which such facilities go into operation.

None of the power revenues of the Tennessee Valley Authority shall be used for the construction of new power producing projects (except for replacement purposes) unless and until approved by act of Congress.

EXCERPT FROM TVA ACT OF 1933 AS AMENDED

SEC. 26. Commencing July 1, 1936, the proceeds for each fiscal year derived by the Board from the sale of power or any other products manufactured by the Corporation, and from any other activities of the Corporation including the disposition of any real or personal property, shall be paid into the Treasury of the United States at the end of each calendar year, save and except such part of such proceeds as in the opinion of the Board shall be necessary for the Corporation in the operation of dams and reservoirs, in conducting its business in generating, transmitting, and distributing electric energy and in manufacturing, selling, and distributing fertilizer and fertilizer ingredients. A continuing fund of $1 million is also excepted from the requirements of this section and may be withheld by the Board to defray emergency expenses and to insure continuous operation: *Provided*, That nothing in this section shall be construed to prevent the use by the Board, after June 30, 1936, of proceeds accruing prior to July 1, 1936, for the payment of obligations lawfully incurred prior to such latter date.

REPLACEMENT

It is often said that the proposed contract does not constitute replacement power for the Atomic Energy Commission.

The genesis of these negotiations was the President's budget message in which the following was said:

Arrangements are being made to reduce, by the fall of 1957, existing commitments of the Tennessee Valley Authority to the Atomic Energy Commission by 500,000 to 600,000 kilowatts.

The proposal of the Dixon-Yates group itself says:

"In response to the suggestion in the President's budget message that the power industry might furnish 500,000 to 600,000 kilowatts to your Commission by the fall of 1957, Middle South Utilities, Inc., and the Southern Co. submitted a proposal to you under date of February 25, 1954. It was our understanding of the budget message that this power was desired in order to reduce the commitments of Tennessee Valley Authority to your Commission for service at Paducah, with a resultant reduction in the amount of capital expenditures which would have to be budgeted for TVA. Our proposal was designed to accomplish that purpose."

The letter from the Bureau of the Budget, dated June 16, addressed to the Chairman of the Atomic Energy Commission, says this:

"Moreover, this proposal will reduce the magnitude of necessary adjustments in the TVA system which would result in the event of a reduction or termination of AEC operations in the future." Also, "He [the President] has also requested me to instruct the Commission and the Tennessee Valley Authority to work out necessary contractual, operational, and administrative arrangements between the two agencies so that operations under the contract between AEC and the sponsors will be carried on in the most economical and efficient manner from the standpoint of the Government as a whole."

In a letter dated June 16, addressed to the chairman of the Appropriations Committee of the Senate, Senator SALTONSTALL, we find the following passage:

"In exploring ways to obtain the additional capacity, consideration of the problems involved in furthering concentration of additional capacity in the Paducah area indicated that the most economical method for accomplishing the objectives stated in the budget message would be to provide additional capacity in the Memphis area. Accordingly proposals were received on the basis that TVA would continue to deliver power to AEC at Paducah where it is needed by AEC, but

would receive in substitution power purchased by AEC from private sources in the Memphis area where power is needed by TVA. This method would avoid a further concentration of generating capacity in the Paducah area."

The Bureau of the Budget's letter to the TVA on this subject contains the statement that the President "also requested that instructions be given the Tennessee Valley Authority and the Atomic Energy Commission to work out the necessary contractual, operational, and administrative arrangements between the two agencies so that operations under the contract between AEC and the sponsors will be carried on in the most economical and efficient manner from the standpoint of the Government as a whole."

Very clearly it is contemplated that the proposal is, as the President said, designed to reduce the existing commitments of the TVA to the Atomic Energy Commission. Therefore, it is a substitute for power furnished by the TVA to the AEC.

It is in accordance with the practice of the TVA in supplying power to the Atomic Energy Commission by feeding it into the TVA system at points which may be remote from the actual site of the AEC installation.

ALLEGATION

The powerplant will not be a Government-owned plant, even though the Government will have paid for it over the life of the proposed 25-year contract.

ANSWER

The Government will not pay for the plant over the life of the proposed 25-year contract. Upon expiration of the contract in 25 years, 24.6 percent of the debt and all of the equity ($5,500,000) will still be outstanding and is the sole responsibility of the sponsors. The Government will have an option to extend its contract for an additional 10 years beyond the 25-year initial contract period. It is a one-way street whereby the Government has the sole right of cancellation any time and for any reason up to the 25th year and it alone thereafter has the option to renew the contract up to 35 years. For the last 5 years, if the Government elects to continue the contract, the price of power will be reduced to reflect the fact that all of the initial debt on the project will have been amortized. The sponsors cannot by any independent act of their own regain use of the plant facilities for 600,000 kilowatts at any time earlier than 35 years from the date the plant is completed. The right on the part of the Government to cancel this contract at any time and for any reason on 3 years' notice is an invaluable one. Obviously, an inherent right to use the plant for as long as 35 years if the facilities are useful to the Government with the alternate option of withdrawing from the contract on relatively short notice, completely refutes any argument that the Government is paying for anything other than that for which full value is received.

THE DIXON-YATES GROUP ACCEPT THE MAJOR RISKS

Attempts have been made to indicate that excessive profits were to be realized by the Dixon-Yates group on a modest capital investment and that no risks were involved. In a memorandum of July 9, 1954, prepared by the Bureau of the Budget and subsequently introduced into the CONGRESSIONAL RECORD at pages 10381 et seq., we find the following (p. 10383):

"There are several significant considerations in connection with this proposal:

"1. By utilizing private utilities, the Federal Government will save a capital outlay of at least $100 million over the next 3 years, the cost estimated by TVA for the construction of equivalent capacity at the Fulton site.

"2. The sponsors' proposal is a firm offer with a stated maximum capital cost reflected in the demand charge whereby a ceiling is placed on maximum liability on capital cost to the Government. The sponsors bear one-half of any possible increased cost from an estimated cost of $107,250,000 to $117 million and all the cost above $117 million. In addition, if the plant is built for less than $107,250,000 the Government will share 50 percent of the saving." (The reference here, as I shall point out later, is to additional costs of servicing the additional capital, insurance, etc. This amounts to $58,000 per annum for each $1 million by which construction costs vary up or down from the $107,250,000 estimate. Such annual additional costs or savings within the limits set forth on the "up" side and without limit on the "down" side are shared equally by the sponsors and the Government.)

"3. There is no guaranty as to the ultimate capital cost of a TVA plant even though that agency has had a favorable construction record in recent years." (Once the Government (TVA) embarks on construction of a powerplant it will be completed no matter what construction costs turn out to be in actuality—and the Government has that money invested without recourse from now on.)

"4. The proposal provides a guaranty and a real incentive on the part of the sponsors to assure that capital costs do not exceed $107,250,000. Thus, if the cost should go to $117 million, the return on $5,500,000 of equity capital would be reduced from 9 percent ($495,000) to 3.8 percent ($210,000). If the capital cost should exceed $117 million, return on equity capital would rapidly reduce to zero. Thus, the sponsors have a real risk under the proposal offered and a compelling reason to keep capital costs below the estimated cost of $107,250,000.

"5. In addition, the plant is not completely amortized at the end of the 25-year contract. There is 24.6 percent of the debt not retired at the end of 25 years so the rate under the proposal does not provide for completely amortizing the plant over the 25-year period." (I don't know why the Budget Bureau failed to point this out because it is significant—the sponsors—at the end of 25 years will also have all of their equity still tied up in this project.)

"6. Acceptance of the proposal will help spread the risk in the event of future reduction in the AEC power requirements, which will in 1957 amount to about 30 percent of the TVA power supply."

Special attention is directed to items 2 and 4. Senator ANDERSON during his debate on the afternoon of July 14, 1954 made the statement that if construction costs exceeded the estimate of $107,250,000 the Government would put up half of the additional capital costs to a ceiling of $117 million. In other words, on an increase of $9,750,000 he indicated that the Government would put up $4,375,000 of capital and the sponsors would put up a like amount (CONGRESSIONAL RECORD, p. 10506.) This is not so. The Government will not put up one dime of capital funds. Its maximum exposure in the event that construction costs exceed $107,250,000 is limited to an amount of $285,000 per annum, or a potential increase in the power bill of less than 1½ percent.

As indicated in Item 4 above, the so-called profit to the Dixon-Yates group will be 9 percent on the equity capital of $5,500,000 and this will be realized only if construction costs do not exceed $107,250,000. Whereas utility companies generally are permitted a return of about 6 percent on the total capital invested, this enterprise, if all goes well, will yield the sponsors about 3.78 percent.[1] The money to be borrowed (about 95 percent of construction costs) is being borrowed on the credit of Middle South Utilities and The Southern Co. as well as on the basis of the Government contract. Since the contract is cancelable on 3 years' notice, it is obvious that complete reliance cannot be given by the lenders to such contract as primary security for their loan. Furthermore, the total debt will be amortized over a 30-year period after completion of the plant. Twenty-four and six-tenths percent of the debt and all of the equity (5 percent of the capital) will still be outstanding and is the sole responsibility of the sponsors upon expiration of the contract in 25 years.

The Government will have an option to extend its contract for an additional 10 years beyond the 25-year initial contract period. It is a one-way street whereby the Government has the sole right of cancellation any time and for any reason up to the 25th year and it alone thereafter has the option to renew the contract up to 35 years. For the last 5 years, if the Government elects to continue the contract, the price of power will be reduced to reflect the fact that all of the initial debt on the project will have been amortized—certainly as advantageous as if the Government actually owned the plant. The sponsors cannot by any independent act of their own regain use of the plant facilities for 600,000 kilowatts at any time earlier than 35 years from the date the plant is completed.

It should be noted from the attached excerpt from the AEC-TVA Paducah Power contract, March 26, 1953, that under such contract the AEC is far less free to cancel the contract and does not have the sole option to extend the contract beyond an initial term of 11½ years. The attached excerpt from the AEC-TVA contract dealing with conditions under which the contract may not be renegotiated is quite illuminating.

EXCERPT FROM AEC-TVA PADUCAH POWER CONTRACT, MARCH 26, 1953

1. Term of contract: The provisions of this agreement shall become effective as of July 1, 1954, and said Letter Contract of August 23, 1951, is hereby terminated as of July 1, 1954. This agreement shall continue in effect for an initial term expiring on January 1, 1966. Unless this agreement is canceled by Commission as provided for below, then on January 1, 1966, and on each January 1 thereafter through January 1, 1977, the term of this agreement shall be extended automatically for an additional year unless either party notifies the other that such extension shall not be effected, such notice to be delivered not less than 5 years prior to the date on which such extension would otherwise be effected. It is the intent of the parties that no such notice shall be delivered for the purpose of seeking a change in rates or other conditions because more attractive markets for power or more attractive sources of power may develop.

This agreement may be terminated by Commission, effective on any date not earlier than September 30, nor later than November 30, of any year during the initial term or its extension, upon not less than 51 months' advance written notice to the Authority, accompanied by a statement of Commission's intent to reduce permanently below 1,500,000 watts its total use of power at the Paducah project.

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[1] $5,500,000 equity (5 percent) at 9 percent equals $495,000; $101,750,000 debt (95 percent) at 3½ percent equals $3,561,260; $107,250,000 total capital earns $4,056,250, equal to 3.78 percent.

Unless otherwise agreed, the contract demand hereunder shall be reduced to 500,000 watts for the last 12-month period to any termination or expiration of this agreement, and to 800,000 watts for the 12-month period immediately preceding said 12-month period.

TAXES

Opponents of the proposed power contract have made every effort to confuse the issue by insinuating that there was something sinister or improper in the proposed treatment of taxes. There is nothing improper with respect to the suggested tax treatment nor is there anything unusual unless it be the great efforts made to insure that the price for power would include an amount equivalent to the tax burden and not one penny more.

To view this matter in its proper perspective, let's start in the beginning. There is to be a new company formed for the purpose of carrying out the proposed contract. It will have just one customer, the Atomic Energy Commission. It will have no source of income except from the sale of power to that one customer. It is an accepted fact that taxes represent a portion of the expense of doing business. Every product that the Atomic Energy Commission buys, be it paper clips, trucks, or uranium, has an element in its price to fully protect the manufacturer against all taxes identified with its business—State, local, and Federal. The sponsors of the so-called Dixon-Yates proposal had two alternatives: One was to include a sufficient amount in their price for power to cover all taxes at whatever rates they might be for the next 25 years. This course obviously would have resulted in setting a higher price sufficient to include all estimated taxes during the contract period. The second alternative was the one selected—a fair and decent method whereby the price for power would include an amount sufficient to pay whatever taxes may be levied and not one penny more.

There has been some alarm expressed because of the legal technicalities involved in reimbursing for taxes. The word "reimbursing" does not appear in the proposal and even if it did that would be unimportant as the proposal is merely to set forth an outline of objectives to be covered finally in a legally acceptable contract. This is what the proposal says about taxes:

"It is understood that the buyer will pay such additional amounts for capacity and energy as will result, after the payment by seller of Federal, State, and local taxes, licenses, fees, and other charges in the seller having net operating revenue (as such term is defined or derived under the presently applicable Federal Power Commission Uniform System of Accounts) in the same amount as seller would have had if seller were not liable for any taxes, licenses, fees, and other charges."

Another misconception or misinterpretation. The attempt has been made to indicate that the Goverment is to continue to pay an amount equivalent to the tax liability of the new company even after cancellation becomes effective and facilities may be operated for the benefit of sponsors. This is just not so. The proposal specifically provides that to the extent that the initial facilities (the new steam electric generating station and related facilities to be constructed by the seller) are used for purposes other than the supply of capacity and energy to or for buyer (AEC) and seller derives income therefrom and incurs tax liabilities as a result thereof, such tax liabilities shall be discharged at the sole cost and expense of seller. Can anything be clearer than that?

It is of more than passing interest that the TVA included a similar provision for reimbursement of taxes in its contract with AEC. That contract takes note of the fact that TVA currently is exempt from taxes on the sale of power to a Government agency but carefully provides that should circumstances change and the TVA be required to pay taxes like other public utilities it shall then look to AEC to pay additional charges equivalent to such taxes. An excerpt of this contract provision is set forth below:

"In the event that Authority is required by any law enacted after January 1, 1953, to pay any amounts for or in lieu of taxes which it would not have been required to pay except for the supply of power hereunder, including without limitation any payments resulting from Authority's ownership or operation of steam electric generating and other facilities required for such supply of power, Commission will reimburse Authority for such payments. Authority will confer with Commission before making any payment for which it would be entitled to such reimbursement in whole or in part."

Mr. FULBRIGHT. I also ask unanimous consent to have printed in the RECORD at this point as a part of my remarks several telegrams, together with a resolution by the board of directors of the Memphis Chamber of Commerce with regard to the establishment of a steam generating plant at West Memphis, Ark., a question which has also been discussed on the floor of the Senate.

There being no objection, the telegrams and resolution were ordered to be printed in the RECORD, as follows:

MEMPHIS, TENN., *July 20, 1954.*

Senator J. WILLIAM FULBRIGHT,
Senate Office Building,
Washington, D. C.:

For your information the following men are members of the Memphis Chamber of Commerce board of directors who passed the resolution endorsing the West Memphis steam plant. They are the men at whom Mr. GORE's remarks were cast yesterday. They represent a true cross section of Memphis business and industry and of American free enterprise:

R. W. Kirn, vice president, the Quaker Oats Co.; E. B. Lemaster, vice president, Edward Lemaster Realty Co.; H. B. Solmson, vice president, Plough, Inc.; R. A. (Dick) Tripper, vice president, Euclid-Memphis Sales, Inc.; Blanchard S. Tual, vice president, Tual and Morgan, attorneys; Walker L. Wellford, Jr., vice president, J. E. Dilworth, Co.; W. B. Pollard, treasurer, National Bank of Commerce, Memphis; Frank M. Grout, president, Colonial Baking Co.; Clifford Penland, executive vice president, Memphis Chamber of Commerce; George E. Berg, branch manager, the Kroger Co.; James J. Corbitt, president, Corbitt Motor Co.; Carl Carson, vice president, Dixie Drive-It-Yourself System; C. H. Cowan, president, Memphis Machinery & Supply Co.; William W. Farris, Farris and McKinney, attorneys; Richard D. Fuller, president, Fuller Alinement Service; Ray B. Gill, president, Inter City Trucking Co.; Richard G. Holladay, president, Marx and Bensdorf, Inc.; Virgyl D. Johnson, immediate past president, Memphis Junior Chamber of Commerce; Forrest Ladd, executive vice president, John A. Denie's Sons Co.; Lee McCourt, chairman of board, Fischer Lime & Cement Co., Fischer Steel Corp.; Clyde L. Patton, Patton Bros., cotton brokers; and Col. Roane Waring, president, Memphis Street Railway Co., and chamber president.

RESOLUTION BY THE MEMPHIS CHAMBER OF COMMERCE BOARD OF DIRECTORS IN REGARD TO ESTABLISHMENT OF STEAM GENERATING PLANT AT WEST MEMPHIS, ARK.

Whereas the details of the existing controversy as to the location of a steam generating plant in West Memphis, Ark., have been presented to the board of directors of the Memphis Chamber of Commerce by its industrial department in the following words, to wit:

"To the Board of Directors, Memphis Chamber of Commerce:

"The industrial department of the chamber of commerce is deeply concerned over the existing controversy as to the location of the steam generating plant in West Memphis.

"It is concerned, first, over the urgent need for the location of such a plant, either at Memphis, or in the near vicinity, in order that Memphis may be assured of adequate power supply for its future development. This apprehension is based upon the statement of Major Allen, of the Memphis Light, Gas, and Water Division, to the board of directors of the chamber of commerce, that at the present rate, and without the building of the Fulton Steam Plant, Memphis would suffer a shortage of power in 1957, and that, therefore, every effort should be made upon the part of Memphians to aid and assist in bringing about the construction by TVA of the powerplant at Fulton, Tenn.

"Now it is certain that the Fulton plant will not be constructed. Four times the Congress of the United States has refused TVA to appropriate the money necessary to construct the Fulton plant. Without this plant, according to the opinion expressed to your board of directors by Major Allen, Memphis will face a power famine in 1957. This must not occur.

"It is the hope and belief of all Memphians that Memphis will continue to grow. Millions of dollars have been spent in the preparation of Presidents Island for industrial development. Other industrial sites are spotted in various places in our city waiting for development. Without power, these developments cannot be made. This is the primary reason that impels your industrial department to favor the construction of the West Memphis powerplant, unless its construction will be detrimental and deleterious to the health, life, and prosperity of the city of Memphis, which is basically an engineering problem.

"We are concerned for a second reason. Memphis is vitally interested in the growth and development of its trade territory. Anything that benefits our communities, in turn benefits the city of Memphis. The people of West Memphis will be greatly benefited by the construction of this large plant immediately adjacent to their splendid city. They are vitally interested in this development.

"We are concerned and interested for a third reason, and that is because the building of this plant and its operation will be very beneficial to the city of Memphis, to West Memphis and the surrounding territory. Its construction will entail the payment of an estimated $21 million for labor and many millions more for materials. Much of this money will find its way into the trade channels of Memphis. Its construction will entail the employment of 2,500 employees, most of whom will come from our midst. When completed, its operation will add an annual payroll of a million dollars to Memphis and to West Memphis.

"One argument that is being used against the location of the powerplant in West Memphis, 8 miles below Memphis, is that the smoke from that plant will deposit ashes on the city of Memphis. No competent engineering study has been made yet that affirms it.

"The fact of the business is, that the great majority of our American cities today, including New York, Chicago, Philadelphia, Boston, Detroit, St. Louis, and Cleveland, all generate their power by coal, and many of their powerhouses are in the immediate vicinity of the uptown portions of their city.

"The chamber of commerce is here for the purpose of aiding and abetting in the development and growth, especially commercially and industrially, of the city of Memphis and its surrounding territory. We are fighting every day to bring new industries into Memphis, and, yet, we are told that in 1957 our efforts must cease unless additional power is made available.

"The industrial department is deeply concerned over a statement from Washington, D. C., made recently by the administration to the effect that the Fulton steam plant wasn't going to be approved, and if the West Memphis plant were not constructed, Memphis would be out of the picture for any additional power unless the city decides to build its own steam plant.

"The industrial department feels that its obligation is to promote and encourage all things for the good of the entire mid-South area. Any other policy would be short-sighted upon the part of our community.

"We believe this project is of such magnitude and public interest that the chamber's board of directors should take a positive public stand in the matter.

"Let us remind you that the smokestacks that are detrimental to our city, and to the mid-South, are those that are empty and their boilers cold, not the stacks that are in operation"; and

Whereas the matter has been thoroughly discussed by this board: therefore be it

Resolved, That we, the board of directors of the Memphis Chamber of Commerce, hereby endorse and ratify the statement by the said industrial department and accept same as the opinion of this board; be it further

Resolved, That this board favors the construction of the present proposed steam generating plant in West Memphis, Ark., to insure adequate power for future industrial development of the city of Memphis and its surrounding territory; be it further

Resolved, That the executive vice president of the Memphis Chamber of Commerce forward copies of this resolution to the President of the United States, members of the Atomic Energy Commission, members of the Federal Power Commission, the Bureau of the Budget, members of the delegations to the Congress from the States of Arkansas and Tennessee, the Industrial Council of the West Memphis Chamber of Commerce and the public press.

This 16th day of July 1954.

BOARD OF DIRECTORS, MEMPHIS CHAMBER OF COMMERCE.

I certify that the foregoing is a correct copy of a resolution passed by the board of directors of the Memphis Chamber of Commerce at a meeting held in the office of the Chamber of Commerce on this 16th day of July 1954.

CLIFFORD PENLAND,
Executive Vice President.

Mr. KNOWLAND. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Aiken	Cordon	Green
Anderson	Crippa	Hayden
Barrett	Daniel	Hendrickson
Beall	Dirksen	Hennings
Bennett	Douglas	Hickenlooper
Bowring	Duff	Hill
Bricker	Dworshak	Holland
Bridges	Eastland	Humphrey
Burke	Ellender	Ives
Bush	Ervin	Jackson
Butler	Ferguson	Jenner
Byrd	Flanders	Johnson, Colo.
Capehart	Frear	Johnson, Tex.
Carlson	Fulbright	Johnston, S. C.
Case	George	Kefauver
Clements	Gillette	Kennedy
Cooper	Gore	Kerr
Kilgore	Millikin	Schoeppel
Knowland	Monroney	Smathers
Kuchel	Morse	Smith, Maine
Langer	Mundt	Smith, N. J.
Lehman	Murray	Sparkman
Lennon	Neely	Stennis
Long	Pastore	Symington
Magnuson	Payne	Thye
Malone	Potter	Upton
Mansfield	Purtell	Watkins
Martin	Reynolds	Welker
Maybank	Robertson	Wiley
McCarran	Russell	Williams
McCarthy	Saltonstall	Young

The PRESIDING OFFICER. A quorum is present.

Mr. CASE. Mr. President, if I am not interrupted, I shall speak for less than 5 minutes. I do not wish to miss this opportunity to correct an impression which I think exists among many of the rural electric associations throughout the country.

I think the offering of the substitute amendment by the Senator from New Mexico [Mr. ANDERSON] has served a very useful purpose. It has resulted in bringing on the Ferguson amendment, which would establish clearly in the law legal authority for the Atomic Energy Commission to enter into contracts for the procurement of power.

It has also brought on the Ervin amendment, or the modification suggested by the Senator from North Carolina, which provides that the Joint Committee on Atomic Energy shall have an opportunity to take a look at such contract; and presumably if the contracts were improper, steps would be taken to prevent their execution.

As the Senator from Michigan has said, the difference between the Ferguson amendment and the Anderson substitute is that the Ferguson amendment would make it legal to obtain power for the Atomic Energy Commission by a replacement contract, while the Anderson substitute would place a prohibition on the power of the Atomic Energy Commission to do so.

The rural electrification cooperatives of the country, and particularly those in South Dakota, have been told that they have something at stake in this amendment. They do have something at stake, Mr. President, but it is the reverse of what they have been told. It is the reverse of what they have been told, because six of the REA's in my State are today getting their power under a replacement contract. A three-way contract has been devised, whereby the REA's in my State get power which is produced, in effect, at Fort Peck, Mont., 300 miles away, and transmitted to them by the Montana-Dakota Utilities Co., a private utility.

This replacement power which the Montana-Dakota Utilities Co. gets in Montana and then delivers to the REA's in my State and to eight REA's in North Dakota is power which is produced by steam plants fed by lignite coal.

I shall oppose the Anderson amendment and vote against it because I do not want the precedent established that public bodies cannot get power by replacement. The Atomic Energy Commission is a public body. It ought to have the right to get power produced by the TVA. It ought to have the same right we have contended the REA's should have, namely, the right to get power produced at some distant point, if it can be produced more cheaply, and transported to the agency which can supply the power near at home.

Before this contract was worked out, REA's in my State were paying from 12 to 14 mills for power. By reason of their ability to get replacement power they are able to get power for 4.8 mills to 5.5 mills.

Mr. President, it is rather ironical that a campaign has been launched which has made some REA's in my State think their stake is the reverse of what it is.

Among the REA's which are served by replacement contracts in my State are the Cam-Wal Electric Cooperative, Inc., which serves Campbell and Walworth Counties, where the president of my State REA association lives. He and his associates get their power through a replacement contract. Another REA that gets replacement power is the Central Electric Cooperative, with headquarters at Blunt. Another is the Moreau-Grand Electric Cooperative, with headquarters at Timber Lake. Also the Grand Electric Cooperative, with headquarters at Bison. Also the Northern Electric Cooperative, with headquarters at Aberdeen.

Eight cooperatives in the State of North Dakota get their power by replacement contracts. These REA's get preference which has been established by a preference clause. I do not want now, by legislation through the Anderson amendment, to say to public bodies that they cannot get their power unless it is produced and delivered directly to them by the producer. I want them to have the right to get it through replacement contracts, if by doing so they can get cheaper electricity, or get the benefits of production which they could not get if the source of production for supplying additional power happens to be some distance away.

I believe that the debate on the Anderson amendment has produced a good result in that it has brought forth the Ferguson amendment, as modified by the suggestion of the Senator from North Carolina [Mr. ERVIN]. However, having produced that good result, I hope it will not be compromised or nullified by the adoption of the first part of the Anderson amendment. I urge the rejection of the Anderson amendment.

SEVERAL SENATORS. Vote! Vote! Vote!

The PRESIDING OFFICER. The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. ANDERSON] to the amendment, as modified, of the Senator from Michigan [Mr. FERGUSON].

The yeas and nays have been ordered, and the Secretary will call the roll.

Mr. McCARRAN. Mr. President, will the Chair state the question?

The PRESIDING OFFICER (Mr. PURTELL in the chair). The question is on agreeing to the amendment in the nature of a substitute offered by the Senator from New Mexico [Mr. ANDERSON] to the amendment, as modified, offered by the Senator from Michigan [Mr. FERGUSON].

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAYBANK (when his name was called). On this vote I have a pair with the Senator from Arkansas [Mr. McCLELLAN], who is necessarily absent. If he were present and voting, he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

Mr. YOUNG (when his name was called). On this vote I have a pair with the junior Senator from Arizona [Mr. GOLDWATER]. If he were present and voting he would vote "nay." If I were permitted to vote, I would vote "yea." I withhold my vote.

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent, and if present would vote "yea."

The result was announced—yeas 36, nays 55, as follows:

YEAS—36

Anderson	Hennings	Lehman
Burke	Hill	Magnuson
Clements	Humphrey	Mansfield
Cooper	Jackson	Monroney
Daniel	Johnson, Colo.	Morse
Douglas	Johnson, Tex.	Murray
Eastland	Johnston, S. C.	Neely
George	Kefauver	Pastore
Gillette	Kennedy	Russell
Gore	Kerr	Sparkman
Green	Kilgore	Stennis
Hayden	Langer	Symington

NAYS—55

Aiken	Ervin	Mundt
Barrett	Ferguson	Payne
Beall	Flanders	Potter
Bennett	Frear	Purtell
Bowring	Fulbright	Reynolds
Bricker	Hendrickson	Robertson
Bridges	Hickenlooper	Saltonstall
Bush	Holland	Schoeppel
Butler	Ives	Smathers
Byrd	Jenner	Smith, Maine
Capehart	Knowland	Smith, N. J.
Carlson	Kuchel	Thye
Case	Lennon	Upton
Cordon	Long	Watkins
Crippa	Malone	Welker
Dirksen	Martin	Wiley
Duff	McCarran	Williams
Dworshak	McCarthy	
Ellender	Millikin	

NOT VOTING—5

Chavez	Maybank	Young
Goldwater	McClellan	

So Mr. ANDERSON'S amendment to Mr. FERGUSON'S amendment, as modified, was rejected.

Mr. FERGUSON. Mr. President, I move that the Senate reconsider the vote by which the Anderson amendment was just rejected.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Michigan.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California [Mr. KNOWLAND] to lay on the table the motion of the Senator from Michigan [Mr. FERGUSON].

The motion was agreed to.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON], as modified.

Mr. GORE and other Senators requested the yeas and nays.

The yeas and nays were not ordered.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Michigan [Mr. FERGUSON], as modified. [Putting the question.] The "ayes" have it, and the amendment is agreed to.

Mr. FERGUSON. Mr. President, I move that the Senate reconsider the vote by which my amendment was agreed to.

Mr. KNOWLAND. Mr. President, I move to lay on the table the motion of the Senator from Michigan.

Mr. GORE and other Senators requested the yeas and nays.

The PRESIDING OFFICER. There is a sufficient second. The yeas and nays are ordered, and the clerk will call the roll.

Mr. BUSH. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BUSH. Mr. President, what is the question?

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from California to lay on the table the motion of the Senator from Michigan [Mr. FERGUSON] to reconsider the vote by which the amendment offered by the Senator from Michigan was agreed.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. MAYBANK (when his name was called). On this vote I have a pair with the distinguished Senator from Arkansas [Mr. McCLELLAN], who is necessarily absent. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

Mr. YOUNG (when his name was called). On this vote I have a pair with the junior Senator from Arizona [Mr. GOLDWATER]. If he were present and voting, he would vote "yea." If I were permitted to vote, I would vote "nay." Therefore, I withhold my vote.

The rollcall was concluded.

Mr. SALTONSTALL. I announce that the Senator from Arizona [Mr. GOLDWATER] is necessarily absent.

Mr. CLEMENTS. I announce that the Senator from New Mexico [Mr. CHAVEZ] is necessarily absent, and if present would vote "nay."

The result was announced—yeas 56, nays 35, as follows:

YEAS—56

Aiken	Ellender	Mundt
Barrett	Ervin	Pastore
Beall	Ferguson	Payne
Bennett	Flanders	Potter
Bowring	Frear	Purtell
Bricker	Fulbright	Reynolds
Bridges	Hendrickson	Robertson
Bush	Hickenlooper	Saltonstall
Butler	Holland	Schoeppel
Byrd	Ives	Smathers
Capehart	Jenner	Smith, Maine
Carlson	Knowland	Smith, N. J.
Case	Kuchel	Thye
Cordon	Lennon	Upton
Crippa	Malone	Watkins
Daniel	Martin	Welker
Dirksen	McCarran	Wiley
Duff	McCarthy	Williams
Dworshak	Millikin	

NAYS—35

Anderson	Douglas	Gore
Burke	Eastland	Green
Clements	George	Hayden
Cooper	Gillette	Hennings
Hill	Kerr	Morse
Humphrey	Kilgore	Murray
Jackson	Langer	Neely
Johnson, Colo.	Lehman	Russell
Johnson, Tex.	Long	Sparkman
Johnston, S. C.	Magnuson	Stennis
Kefauver	Mansfield	Symington
Kennedy	Monroney	

NOT VOTING—5

Chavez	Maybank	Young
Goldwater	McClellan	

So Mr. KNOWLAND'S motion to lay on the table the motion of Mr. FERGUSON was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. JOHNSON of Colorado. Mr. President, for myself and on behalf of the Senator from Iowa [Mr. GILLETTE], I call up amendment 7-16-54-C and ask that it be stated.

The PRESIDING OFFICER. The amendment offered by the Senator from Colorado [Mr. JOHNSON], for himself and the Senator from Iowa [Mr. GILLETTE], will be stated.

The CHIEF CLERK. On page 23, between lines 12 and 13, it is proposed to insert a new section, as follows:

SEC. 45. Electric power production:

a. The Commission is empowered to produce or provide for the production of electric power and other useful forms of energy derived from nuclear fission in its own facilities or in the facilities of other Federal agencies. In the case of energy other than electric power produced by the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to other users at reasonable and nondiscriminatory prices. Electric power not used in the Commission's own operations shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power in accord with the provisions of section 5 of the Flood Control Act of 1944.

b. The Commission may undertake any or all of the functions provided in subsection 45 a., through other Federal agencies authorized by law to engage in the production, marketing, or distribution of electric energy for use by the public, and such agencies are hereby empowered to undertake the design, construction, and operation of nuclear power facilities and the disposition of electric energy produced in such facilities when funds therefor have been appropriated by Congress. Nothing in this act shall preclude any Federal agency now or hereafter authorized by law to engage in the production, marketing, or distribution of electric energy from obtaining a license under section 103 of this act for the construction and operation of facilities for the production and utilization of special nuclear material or atomic energy for the primary purpose of producing electric energy for disposition for ultimate public consumption.

On page 102, line 7, before the period, insert the following: "(other than for such acquisition, condemnation, construction, or expansion as may be undertaken under the authority of section 45 a. of this act)."

The PRESIDING OFFICER. Does the Senator from Colorado desire to have his amendments considered en bloc?

Mr. JOHNSON of Colorado. Yes; I ask that they be considered en bloc.

The PRESIDING OFFICER. Without objection, the amendments offered by the Senator from Colorado, for himself and the Senator from Iowa will be considered en bloc.

Mr. HICKENLOOPER. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Iowa will state it.

Mr. HICKENLOOPER. Do I understand that the Senator from Colorado is submitting the three amendments en bloc?

Mr. JOHNSON of Colorado. Yes; they are all part of the same amendment. It is necessary, in accordance with the parliamentary situation, and under the language of the bill, to submit an amendment to each of three different provisions of the bill: The authorization provision itself, the licensing provision, and the appropriation provision. That is why there are three parts to the amendment. But they all pertain to the same subject, and they are all a part of the same proposal.

Under the amendment, the Atomic Energy Commission is empowered—and that means it is permitted, of course—to do what the amendments provide. This amendment is permissive; it is not directive. The Atomic Energy Commission, which is the greatest user of electric energy in the whole United States, is charged with the responsibility of handling and developing the great new source of power—atomic energy—and yet, under the bill which is now before the Senate, the Commission, which has been given this great responsibility and this tremendous task, would not have the authority to produce its own electric energy. My amendment would give it that authority. The Commission could produce its own electric energy, provided, of course, the Congress appropriated the money for that specific purpose.

If the Commission should produce more electric energy than the Commission needed or was going to use for its own purposes, temporarily or otherwise, it could sell the surplus electric energy, but under the provisions of the amendment it would have to sell it through the Secretary of the Interior. The Secretary of the Interior would sell it and distribute it under a provision which the Congress adopted in the Flood Control Act.

After the electric energy was turned over to the Secretary of the Interior, the Secretary could dispose of it only in accord with a principle and a formula which the Congress has already adopted as a standard for the handling of electric energy. That principle and formula are contained in section 5 of the Flood Control Act of 1944, in the well-known preference clause. Since it is rather brief, I shall read into the RECORD section 5 of the Flood Control Act of 1944:

Electric power and energy generated at reservoir projects under the control of the War Department and in the opinion of the Secretary of War not required in the operation of such projects shall be delivered to the Secretary of the Interior, who shall transmit and dispose of such power and energy in such manner as to encourage the most widespread use thereof at the lowest possible rates to consumers consistent with sound business principles, the rate schedules to become effective upon confirmation and approval by the Federal Power Commission. Rate schedules shall be drawn having regard to the recovery (upon the basis of the application of such rate schedules to the capacity of the electric facilities of the projects) of the cost of producing and transmitting such electric energy, including the amortization of the capital investment allocated to power over a reasonable period of years. Preference in the sale of such power and energy shall be given to public bodies and cooperatives. The Secretary of the Interior is authorized, from funds to be appropriated by the Congress, to construct or acquire, by purchase or other agreement, only such transmission lines and related facilities as may be necessary in order to make the power and energy generated at said projects available in wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies. All moneys received from such sales shall be deposited in the Treasury of the United States as miscellaneous receipts.

I have just read section 5. My amendment would adopt the formula prescribed in section 5 of the Flood Control Act for the disposition of whatever electric energy the Secretary of the Interior might sell from that source.

As I have said, Mr. President, the Atomic Energy Commission is the greatest user of electric energy in the United States. It would seem strange indeed if we should enact legislation which would not permit that Commission to produce its own power, if it should find it feasible and necessary to do so.

The mere fact that such a provision was in the law, Mr. President, I am sure would give the Atomic Energy Commission greater bargaining power when it went into the market and attempted to buy electric energy which it might need. Even though the authority which would be given to the Atomic Energy Commission might not actually result in plants being built, the mere fact that it would be a club behind the door should be helpful in enabling the Atomic Energy Commission to secure favorable rates, or at least rates which would be reasonable and fair.

Mr. PASTORE. Mr. President, will the Senator from Colorado yield for a question?

Mr. JOHNSON of Colorado. I yield to the Senator from Rhode Island.

Mr. PASTORE. It was brought out at the hearings, that as of January 1, 1954, the highest typical residential electric rate in the United States for 250 kilowatt-hours was $9.51, a rate prevailing in Boston, Brookline, Newton, and Somerville, Mass. That rate contrasted with the 5 low residential rates of $3.20 at Tacoma, Wash.; $4.40 at Seattle, Wash.; and $4.61 at Spokane, Wash.

That being the case, does not the Senator feel that his amendment, while it carries out the philosophy of the original Federal Power Act insofar as public power is concerned, nevertheless does not reach to the problem of reducing the rates in the sections and areas of the country where the rates are now high?

Mr. JOHNSON of Colorado. It may very well be that the provision would not reach New England. It happens that at the present time there are no atomic energy plants in New England, because New England is so close to the seaboard that perhaps it was deemed not in the best interests of our security to have atomic energy plants in that location. Nevertheless, I do not think the Senator from Rhode Island can predict the future. If the Atomic Energy Commission should decide to build a plant and should be able to produce electric energy at, we will say, one-third the rate, on the average, that persons pay in New England, does not the Senator from Rhode Island believe that such a yardstick, such a measure, would have its effect, and that New England and other sections of the country which might be remote from an atomic energy installation would insist upon fair rates? Does not the Senator believe it would have that effect, or could have that effect?

Mr. PASTORE. No; I am compelled to answer the question in the negative, because, if I understand the amendment of the Senator from Colorado correctly, it is an authorization on the part of the AEC to build electric generating plants.

Mr. JOHNSON of Colorado. That is correct.

Mr. PASTORE. And provides that the AEC should build its plants in the parts of the country where the rates are already low. We would defeat the very purpose of the whole program.

Mr. JOHNSON of Colorado. The amendment does not say any such thing. The amendment does not say such a plant would have to be built at any certain place.

The other day, when we were discussing this point, I heard the Senator from Rhode Island say that he was in full sympathy with this proposal, and that he thought it was in the interest of the people that some such arrangement be made. But now he says it would not be in the interest of the people, because in the amendment there is no directive to build a plant in Rhode Island or elsewhere in New England.

If the Senator from Rhode Island wishes to have the law amended in that way—if he wishes to have a plant built in New England—he should offer such an amendment. This amendment does not provide for the location of any plant. The fact is that the Atomic Energy Commission itself uses, for its own purposes, more electric energy than is used in all of New England, including Rhode Island.

Is the Senator from Rhode Island going to deny the Atomic Energy Commission the right, if the rates for the power available to it are too high and beyond all reason, to build a plant somewhere else, where it is using electricity and needs the power?

Mr. PASTORE. The Senator from Colorado misunderstands my question. I asked whether the amendment constitutes authorization for the Atomic Energy Commission to build electric generating plants.

Mr. JOHNSON of Colorado. The amendment provides, in part:

SEC. 45. Electric power production:

a. The Commission is empowered to produce or provide for the production of electric power and other useful forms of energy derived from nuclear fission in its own facilities or in the facilities of other Federal agencies. In the case of energy other than electric power produced by the Commission, such energy may be used by the Commission, or transferred to other Government agencies, or sold to other users at reasonable and nondiscriminatory prices.

When the power is sold to private parties, the formula which Congress

adopted in 1944, for the disposition and disposal of electric energy, must be followed.

Mr. PASTORE. Mr. President, will the Senator from Colorado yield further to me?

The PRESIDING OFFICER (Mr. PAYNE in the chair). Does the Senator from Colorado yield further to the Senator from Rhode Island?

Mr. JOHNSON of Colorado. I yield. First, however, let me say that no provision of this amendment would prevent the building of a plant in Providence, Rhode Island.

Mr. PASTORE. Let us assume that a plant is built in Providence, R. I., and that surplus electricity is available from that plant. Under the amendment, to whom must that surplus electricity be sold?

Mr. JOHNSON of Colorado. It must be sold, first, to the Atomic Energy Commission; and if any is left over, it is to be turned over to the Secretary of the Interior—under the provisions of my amendment; and he must sell it in conformity with section 5 of the Flood Control Act of 1944.

Mr. PASTORE. Let us assume that the nearest public power establishment is 1,000 miles from Providence, R. I., and that the rates in Providence are high. Does the Senator from Colorado suggest by his amendment that the plant in Providence should ship the electricity 1,000 miles, to a place where the rates already are low, and thus deny that power to the people of Providence, where the rates are high?

Mr. JOHNSON of Colorado. No. I am not proposing such an outrageous and ridiculous thing at all, and the Senator from Rhode Island knows that I am not.

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield to me?

Mr. JOHNSON of Colorado. I yield.

Mr. HUMPHREY. Perhaps we can be of some help in connection with this matter. Section 182c of the pending bill is a provision for which the Senator from Rhode Island himself is responsible. That provision requires the Atomic Energy Commission to give preference, in connection with applications for commercial power facilities, to those located in high-cost-power areas of the United States. In other words, there is now written into this measure that provision, which specifies that special preference shall be given to applications from establishments in high-cost-power areas.

The amendment of the Senator from Colorado is not in conflict with that provision. His amendment merely provides that the Atomic Energy Commission can itself produce electric energy for its own purposes; and that if any energy is left over, the Commission then will be entitled to sell it commercially, but through the Secretary of the Interior.

Mr. JOHNSON of Colorado. Yes.

Mr. HUMPHREY. In other words, the Senator from Colorado in preparing the amendment was pretty much applying the rules of the Federal Power Act, which relates to the Bureau of Reclamation, an agency under the jurisdiction of the Secretary of the Interior. His amendment applies those rules across the board, in the case of this form of power. Is not that correct?

Mr. JOHNSON of Colorado. Yes.

Mr. PASTORE. Mr. President, will the Senator from Colorado yield to me at this point, so that I may ask a question of the Senator from Minnesota?

Mr. JOHNSON of Colorado. Yes, provided I do not thereby lose the floor. I ask unanimous consent for that purpose, Mr. President.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. PASTORE. Mr. President, I am trying to reach the essentials of the amendment of the Senator from Colorado. There are few if any such public power bodies in the New England area. That being the case, what I am trying to determine is this: The rates in New England are already high. For the areas serviced by the public power projects we are talking about now, the rates are already low, because of these large developments, which have been a great boon to the parts of the country near them; and all of us are in favor of that. But New England does not enjoy the benefit of the boon of TVA or of Boulder Dam. In New England we are compelled to pay higher rates.

Under the amendment of the Senator from Colorado, will such plants in New England be compelled to ship the power from New England, where the rates already are high, to public power bodies in areas where the rates already are low?

Mr. HUMPHREY. No.

Mr. PASTORE. Please explain why not.

Mr. HUMPHREY. Let me say, first, that I have an amendment similar to the amendment of the Senator from Colorado, and I should like to associate myself with the amendment of the Senator from Colorado. The amendment simply provides, first, that the Atomic Energy Commission shall not be denied the right to produce power for its own facilities.

Mr. PASTORE. I agree.

Mr. HUMPHREY. And, second, that if there is surplus power, it shall be disposed of through the agency of the Secretary of the Interior. In other words, once the Atomic Energy Commission has satisfied its own needs, then, under the amendment of the Senator from Colorado, the provision will be, in effect, "Now the Atomic Energy Commission will get out of the power business. It has satisfied its own needs; and if it now has extra power, it will turn it over to the Secretary of the Interior; and he can get acquainted with the New England States"—in other words, he can see that Rhode Island or Massachusetts get power, just as well as South Dakota, North Dakota, Wyoming, or Colorado get power.

So how would Rhode Island be excluded? The fact that Rhode Island may not have made the acquaintance of the Secretary of the Interior is no reason why Rhode Island should not proceed to meet him. [Laughter.]

Mr. PASTORE. As I understand the formula of the Federal Power Act, it is that once the Secretary of the Interior gets the power, he has to give it to public bodies.

Mr. HUMPHREY. That is to say, if it is within reasonable transmission distance.

Mr. PASTORE. But that is not in the law.

Mr. HUMPHREY. Reason is always in the law, I may say to the Senator from Rhode Island.

What the amendment of the Senator from Colorado really provides is a means of disposing of surplus power. Under the present act, as now drawn, there is no authority at all to sell the power commercially.

Mr. PASTORE. That is correct.

Mr. HUMPHREY. The amendment of the Senator from Colorado will plug two loopholes in the present act. First, the amendment will permit the Commission to provide power for its own facilities. Second, the amendment will allow the marketing of surplus power. That is all.

Let us assume there are no public-power facilities in Rhode Island. The Federal Power Act provides that if there are public power districts, they shall be given preference; but if there are none, the power will go to a private utility or to anyone else who wants the power.

Mr. JOHNSON of Colorado. That is exactly what is provided by section 5.

Mr. HUMPHREY. Yes; that is all there is to it.

Mr. PASTORE. In other words, as I now understand, in any area of the country where there is surplus electricity and where there are no public power bodies, and where the rates are high, under this formula the electricity can be sold to private consumers; is that correct?

Mr. HUMPHREY. Yes.

Mr. JOHNSON of Colorado. Of course.

Mr. PASTORE. And the power would not have to be transmitted perhaps 1,000 miles, to a public project, under the provisions of the amendment?

Mr. JOHNSON of Colorado. No; of course not.

Mr. HUMPHREY. Mr. President, let me refer to the Flood Control Act of 1944 and to the Federal Power Act. While containing a preference clause, that clause is not exclusive. It merely provides that if power is available, it shall go, first, to public bodies, municipalities, and cooperatives. But private utilities are getting big blocks of public power under the preference clause; and the fact that in Rhode Island there are no public power districts, does not mean that Rhode Island would be denied the right to get public power from the Secretary of the Interior. A public power district would have first claim on the power. However, in the case of Rhode Island, if there was no public power district there, then any company or other prospective customer could obtain the power. In this instance, there would be no first claim, and therefore any private utility could obtain it.

Mr. JOHNSON of Colorado. That is the way the language reads. Let me read 3 or 4 lines:

> In order to make the power and energy generated at such projects available in

wholesale quantities for sale on fair and reasonable terms and conditions to facilities owned by the Federal Government, public bodies, cooperatives, and privately owned companies.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LEHMAN. It seems to me that the amendments offered by the distinguished Senator from Colorado are almost identical with amendments which I had prepared. Like the Senator from Minnesota, I am very happy indeed to associate myself with the Senator from Colorado. It seems to me that these amendments are entirely clear. The bill before us would completely prohibit the Government from producing, in its own facilities or in the facilities of other Federal agencies, electric power and other useful forms of energy derived from nuclear fission. That means, of course, that without an act of Congress, while we would have a perfect right to produce uranium and plutonium, the production of which is, of course, a part of the operations of the Atomic Energy Commission, we would have no right, under the terms of the bill before us, to use such uranium or plutonium in the production of power for general use.

As I understand the amendments—and I hope the distinguished Senator from Colorado will correct me if my interpretation is not correct—the Commission would be empowered specifically by law to produce or to provide for the production of electric power and other useful forms of energy derived from nuclear fission, in its own facilities or in the facilities of other Federal agencies. That would do away with the present prohibition in the bill now before us. I am just as much concerned with the situation in the State of New York as my distinguished colleage from Rhode Island is with the situation in his State.

As I understand, if the Federal Government should determine to set up a reactor in the State of New York for the production of nuclear energy, it could dispose of such nuclear energy to any public or municipal body, to the Power Authority of New York, or, if necessary, to private utility companies, at a price which it considered fair, and that would serve as a yardstick or comparison with the prices now charged by the Mohawk & Hudson Power Co. or other public utilities. However, the control would always remain in the Atomic Energy Commission for the making of rates and for giving preference to public bodies in the distribution.

Mr. JOHNSON of Colorado. The Secretary of the Interior would do the actual distribution of any surplus beyond what the Atomic Energy Commission itself would use. The Senator is absolutely correct in the analysis he has made of the bill and of my amendments.

Under the present law the Atomic Energy Commission can generate electricity through use of radio-active materials. However, under the terms of the bill which is before us, it would be prohibited from doing so.

Mr. LEHMAN. Exactly.

Mr. JOHNSON of Colorado. It seems to me that that is a very unwise prohibition, not to permit it to make electricity for its own use, if and when it finds it to be in the public interest to do so. If the rates being charged are too high, it could build its own plant. The mere fact that it would be empowered to do so would, it seems to me, guarantee it a better bargaining status when it went out to buy power—and it does have to buy immense quantities of electric energy. The mere fact that it had such authority would save hundreds of millions of dollars to the United States Government and to the taxpayers of the United States.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. LEHMAN. As I understand, the provision in the bill now before us would completely prohibit the production of energy from nuclear fission by the Atomic Energy Commission. This amendment would simply make it possible, within the discretion of the Atomic Energy Commission, to proceed with the production. Let me also point out——

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. HICKENLOOPER. There is an evident misconception which I should like to correct in order that the discussion may proceed on a factual basis. If the Senator will yield, I should like to say that not only is there nothing in the bill which would prohibit the Commission from producing power, but it is a part of the duty of the Commission, under its program of research and development, to experiment in the field of production of power. So the Commission can produce power today.

Mr. JOHNSON of Colorado. For experimental purposes; yes.

Mr. LEHMAN. It can produce it for purposes of research and development.

Of course, the Commission is empowered and directed to carry on research work, but there is a definite prohibition in the bill—not in the existing law——

Mr. HICKENLOOPER. I wish the Senator would point out that provision.

Mr. LEHMAN. I shall do so in a moment, as soon as I can get at it. There is nothing in the amendments proposed by the distinguished Senator from Colorado with which the Senator from Minnesota and the junior Senator from New York have been glad to associate themselves——

The PRESIDING OFFICER. The Chair understood that the Senator from Colorado yielded for a question.

Mr. JOHNSON of Colorado. I will yield for a question.

Mr. LEHMAN. I will reword it.

I ask the distinguished Senator from Colorado if there is anything in his amendments which would in any way give exclusive rights to the Government, or prevent the licensing or operation of private-utility companies in this field. All these amendments would do would be to remove the prohibition which now exists, a prohibition which places the United States Government in a position where it cannot protect the rights of the people of the country, who have provided more than $12 billion for the development of this highly useful and valuable natural resource.

Mr. JOHNSON of Colorado. The Senator has stated the situation accurately.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. HUMPHREY. If I recall correctly, the amendment which the Senator from Colorado has offered had its genesis in a colloquy between the Senator from Colorado and the Senator from Iowa [Mr. GILLETTE] as to the interpretation of that section of the bill which pertains to the right, or the alleged right, of the Commission to produce electric energy for its own operations. Was not that the genesis of the amendment?

Mr. JOHNSON of Colorado. Instead of the Senator from Iowa it was the Senator from Rhode Island [Mr. PASTORE] and the Senator from Tennessee [Mr. GORE]. However, the Senator from Iowa has joined in the sponsorship of the amendment which I have before me, and the Senator from Minnesota and the Senator from New York, among other Senators, have prepared amendments along the same line. These amendments differ slightly as to language and procedure, but the legislative counsel came up with this version. It seems to me that this version would do the job very well, and do it thoroughly. It would amend three parts of the bill which deal with this subject. Instead of dealing with section 44, it writes a new section 45, and sets up permissive legislation under section 45.

Mr. HUMPHREY. Mr. President, will the Senator yield further?

Mr. JOHNSON of Colorado. I yield.

Mr. HUMPHREY. In other words, if the interpretation which the senior Senator from Iowa [Mr. HICKENLOOPER] has placed on this measure is correct, the amendment which the senior Senator from Colorado [Mr. JOHNSON] offers has the effect of writing into the bill what the senior Senator from Iowa thinks is already in the bill and is not excluded from the bill.

Mr. HICKENLOOPER. It does not have that effect at all. I know what is in the bill with respect to the Commission's authority to build powerplants under the research and development provisions of the bill. Today, without any amendment, the Commission can build powerplants under the research and development provisions of the bill and furnish its own power, and in so doing it can carry on all the experimental operations it wants to carry on.

The section of the bill which deals with the sale of incidental power produced as a byproduct of the Commission's experimentation does not authorize the Commission to go into the commercial production of power. That section does not authorize the Commission to do that. I do not believe it authorizes it to go into the commercial generation of power except for the Commission's own uses and purposes.

Mr. JOHNSON of Colorado. The Senator from Iowa is referring to section 44, the byproduct energy section.

Mr. HICKENLOOPER. That is correct.

Mr. JOHNSON of Colorado. The amendment I am offering adds another section at the end of section 44, and section 45, incorporates the provision which I have said is very important. It seems to me the provision is necessary for a clear understanding of the bill.

Mr. CORDON. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. CORDON. I am interested, as I know the Senator is, in making certain that the Atomic Energy Commission has authority not merely to sell surplus power or surplus products, but has the right to license the use of atomic material in the production of power, and the right to grant licenses to both public and private bodies. It would appear to me that we have achieved all that is needed if we are certain that the Commission can license to a public or private body the operation of what will one of these days be an atomic electric generating plant. That is what we need.

Mr. JOHNSON of Colorado. That is one of the very important provisions of my amendment.

Mr. CORDON. Will the Senator let me make a suggestion?

Mr. HICKENLOOPER. Mr. President, will the Senator yield at that point?

Mr. JOHNSON of Colorado. I yield.

Mr. HICKENLOOPER. The bill already amply provides that any public or private body that can meet the moral and general equipment standards—they must at least be equipped to enter the field—is eligible to receive a license from the Atomic Energy Commission. That means public-power districts, cooperatives, the TVA, private investment groups, and others. They are eligible to receive licenses from the AEC to develop their own power.

Mr. JOHNSON of Colorado. I appreciate what the Senator from Iowa is saying. The Senator is a very good lawyer, and I have great confidence in his legal ability. I know that he understands the bill and that he has given it deep study.

However, I took this matter up with the legislative counsel, and I had the office of the legislative counsel read the licensing provision in the bill. They came up with this provision and said that if we were going to provide that the Atomic Energy Commission could make the power for itself, the licensing provision of the bill, which may be found in section 103 of the act, would have to be amended.

Therefore my amendment, on page 2, subsection (b), from line 5 to line 20, inclusive, provides for such licensing.

Then the office of the legislative counsel said that there would have to be an amendment in the appropriation provisions of the bill. Therefore, on page 2 of my amendment, lines 21 and 24 provide for an appropriation. That language would be added on page 102, line 7, of the bill. Of course, Congress must first appropriate the money. I am told that in the report of the committee there is contained a paragraph which explains that there are serious restrictions, but I cannot find that paragraph in the report.

Mr. LEHMAN. Mr. President, will the Senator yield so that I may point out to him that passage in the report?

Mr. JOHNSON of Colorado. I yield.

Mr. LEHMAN. The Senator from Iowa questioned a statement which I made a short time ago. I believe this is the passage in the report to which the Senator from Colorado has referred. I should like to read from the committee report at page 15:

> This section will permit the Commission to dispose of that utilizable energy it produces in the course of its own operations, but does not permit the Commission to enter the power-producing business without further Congressional authorization to construct or operate such commercial facilities.

If that is not a complete prohibition, then I cannot read the English language.

Mr. HICKENLOOPER. Mr. President, if the Senator from Colorado will yield, I will explain to the Senator from New York——

Mr. JOHNSON of Colorado. I will yield to the Senator from Iowa, if he will be patient. The Senator from New York has found the language I was looking for. Now, when we are passing the bill, is the time to state the policy. It is not necessary to wait for some future Congress to do it. Let us put that provision in the bill. Let us have the bill as complete as we can make it. As the report indicates, before the Atomic Energy Commission can build a plant of this kind, it must have authority from Congress.

Let us put that authority in the bill now. Let us put it in while we are writing the bill. It still would be necessary to provide the appropriations. However, we are writing an authorization bill. Let us write the authorization bill now and let us make it a complete authorization bill.

As I said to the Senator from Iowa a while ago, I had to depend on the very able attorneys in the office of the Legislative Counsel to examine the bill and to find out what it did and what it did not do. They came up with the amendment I have offered, to do the things that I wanted done; and that language was written into my amendment. That is as much as I know about it.

Mr. HICKENLOOPER. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield.

Mr. HICKENLOOPER. What the Senator from Colorado and the Senator from New York and the Senator from Minnesota are trying to do with their similar amendments—and their amendments are practically alike—is to make a TVA out of the Atomic Energy Commission, and to make a production agency out of an agency which was never intended to be anything except a research and development agency and a weapons-producing agency for national defense. That is the effect of the amendment of the Senator from Colorado.

Mr. JOHNSON of Colorado. The Senator could not be any more in error——

Mr. HICKENLOOPER. It completely reorients the whole purpose of the Atomic Energy Commission.

Mr. JOHNSON of Colorado. The Senator could not be more wrong if he jumped out of one of the windows of the Capitol Building than he is in the statement he has just made. He is completely incorrect; completely in error. The Senator from Iowa knows the Senator from Colorado is not a public power fanatic. Perhaps I should not use that word.

Mr. HICKENLOOPER. I think the Senator is not a fanatic in anything. I think he is a very fine gentleman.

Mr. JOHNSON of Colorado. I know that we must have both public power and private power. Private power provides more than 80 percent of the electric energy in this country, and public power provides only 20 percent. I think it is something less than 20 percent. I believe there is a place for both public power and private power. This is a power bill. It is written especially to encourage the production of power by private enterprise. That is a good thing, and I am for it. I believe in it. Private power will take private capital and develop plants which produce electric energy. But I do not see any reason, and I can find no reason, why the public itself, which has made this great investment of $12 billion in atomic energy for this great institution it has built should be deprived of this opportunity, and I can see no reason why the Atomic Energy Commission which uses more power than does any other institution in all the world, should be prohibited from producing electric power.

Mr. HICKENLOOPER. Mr. President, will the Senator from Colorado yield for a question?

Mr. JOHNSON of Colorado. Yes; but I want, first, to yield to the Senator from Oregon. He was interrupted a moment ago. He had a line of questions. I shall be glad to yield to the Senator from Iowa shortly.

Mr. CORDON. I am interested particularly in being certain that public agencies other than the Atomic Energy Commission are legally authorized to operate atomic-energy facilities for the generation of electric power. I am not particularly interested in having the Atomic Energy Commission itself do that particular job. I think the bill fully provides that the Atomic Energy Commission may generate power for itself. Is it the thought of the Senator from Colorado, as it is that of the Senator from Oregon, that we should make certain that the bill authorizes the Atomic Energy Commission to license public bodies up to and including a State, and even Federal bodies, to operate electric powerplants?

Mr. JOHNSON of Colorado. That is exactly one of the things which my amendment provides.

Mr. CORDON. I wish to invite the Senator's attention to 1 or 2 little items, if he will permit me to do so.

Mr. JOHNSON of Colorado. That is one of the tasks I assigned to the legislative counsel. I asked them to draft this amendment. The Senator will find that the language in the first paragraph reads as follows:

> The Commission is empowered to produce or provide for the production of electric power and other useful forms of energy

derived from nuclear fission in its own facilities or in the facilities of other Federal agencies.

When the Senator looks at paragraph (b) he will find that the second point is taken care of on page 2 of the amendment.

Mr. CORDON. Mr. President, if the Senator will yield further, I should like to call attention to my own view of a minor amendment that will do everything except authorize the Atomic Energy Commission to produce electric power for commercial purposes, for sale.

On page 7 of the bill, in line 21, there is a definition of the word "person." It provides:

> The term "person" means (1) any individual, partnership, firm, association, trust, estate, public or private institution, group, Government agency other than the Commission, any State or any political subdivision thereof, or any political entity within a State, any foreign government or nation or any political subdivision of any such government or nation, or other entity; and (2) any legal successor, representative, agent, or agency of the foregoing.

That definition would include every public agency in the United States except the Atomic Energy Commission—every State and every division of a State. If the bill were specifically to authorize the licensing of persons, then the definition of "person" would include every agency of Government except the Atomic Energy Commission itself.

Personally, I should like to keep the Commission out of it. I think it has a big enough job without becoming a commercial power company. That is my own view of it. I would suggest to the Senator as an amendment on page 42, line 21, after the word "licenses", which is the first word in that line, to insert the words "to persons applying therefor"; and to insert the same language on page 44, after the word "licenses" in line 20, and on page 45, after the word "licenses" in line 3, and the same words after the word "licenses" in line 20. That would do everything that needs to be done to make power available to every agency, public or private, in the United States, excepting only the Atomic Energy Commission, which could then continue in the field which peculiarly belongs to it.

I make that suggestion to the Senator. I am sure such an amendment would accomplish the purpose.

Mr. LEHMAN. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. Of course, I have great respect for the legal ability of the Senator from Oregon. I have heard 2 or 3 lawyers in the Senate say that the Senator from Oregon is the best attorney in this body. Whether he is or not, I know he is a very able lawyer.

Mr. CORDON. I am sure if Senators said that, they were mistaken.

Mr. JOHNSON of Colorado. The Senator is very modest.

I took the matter up with the legislative counsel, and I think they came up with as simple an amendment as is possible. They studied the matter not only for a few minutes, but for a couple of days, before they gave me the answer. I think they have suggested an amendment which will stand the test and do the job. I hope the Senate, in its wisdom, will adopt the amendment which I have offered.

Mr. CORDON. Mr. President, will the Senator from Colorado yield for one more observation?

Mr. JOHNSON of Colorado. I yield.

Mr. CORDON. If the Senator desires to include the Atomic Energy Commission in the group which is authorized to produce electric power for commercial use, the amendment which I have suggested would not do that. If he wants to exclude it, then my suggested amendment would be completely adequate.

Mr. JOHNSON of Colorado. The only reason why I want to exclude the Atomic Energy Commission is so that the REA's and municipal public bodies can receive electric energy. There is no use in licensing them to distribute electric energy if they cannot get hold of some electric energy. That is the reason why that provision is in the bill, and that is the only reason, so far as I am concerned.

Mr. CORDON. I suggest once more, if I may, that associations of such groups would be completely adequate in size to operate their own plants. But I do not wish to intrude further.

Mr. LEHMAN. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from New York.

Mr. LEHMAN. It seems to me that what the Senator from Oregon is proposing would destroy one of the main purposes of the amendment. I ask the Senator from Colorado whether there is anything in the amendment he has offered, or in the amendments offered by the Senator from Minnesota [Mr. HUMPHREY] and myself, which would in any way prevent, handicap, or hinder private enterprise. None of those amendments say that private enterprise should be excluded, should not be recognized, or that the Government should have a monopoly. Quite the opposite. We all welcome private enterprise. We want it, if necessary and advisable, to do the main part of the job.

But certainly it would be beyond the realm of justice, good sense, and logic for Congress to say that although the American people have put up $12 billion to defray the expenses of constructing the facilities and of carrying on the research and experimentation and operations of the Atomic Energy Commission, the Commission cannot, if it is in the interest of the people of the United States, undertake any of this work whatsoever? I do not say that they ever will. But certainly we should not close the door. We should not give the private utilities complete monopoly over this resource.

I do not know when it will be to the interests of the people of the United States for the Government to undertake some of this work, possibly in cooperation or in partnership with private enterprise, but, considering what the people have done to make possible this resource, the sacrifices they have made, and their ownership of the resource, I can see no excuse, no reason, no logic, in the Congress of the United States refusing to make it possible for the Atomic Energy Commission to market commercially in the interests of the people the power or the energy which is generated from nuclear fission.

That is what I am arguing for, and why I think this bill is a bad bill, because it completely closes the door to any possibility of the Federal Government taking care of the people of the United States.

The PRESIDING OFFICER. Does the Chair understand that the Senator from Colorado has yielded the floor?

Mr. JOHNSON of Colorado. No. I have yielded merely for a question. I wish to thank the Senator from New York for clarifying these very important points.

Mr. HICKENLOOPER. Mr. President, will the Senator yield for a question?

Mr. JOHNSON of Colorado. I wish to make another point while I have it in mind, if the Senator will be willing to wait. Then I shall yield.

Such a provision as is contemplated in my amendment would, I think, give a great deal of confidence to the people of the United States. They would know they were receiving a square deal in the production of electric energy from atomic sources.

I cite this as an example: I have been told that for 20 years before there were sound moving pictures, science had produced them, but the industry did not want to adopt the new type of films, because it had heavy investments in theaters which were equipped for the showing of silent films. The industry simply did not want to take that progressive step. So, I am told, the public had to wait 20 years until the motion picture industry got ready to come forward with sound pictures.

If such a thing should happen in the production of power by private enterprise, there would be a great temptation on the part of private enterprise not to go too fast. Private enterprise has a tremendous investment in the plants producing electric energy. They might move along pretty slowly with something new; they might not produce electric energy from atomic sources very rapidly. If the Atomic Energy Commission should believe that the private power industry was slowing down, the Commission could move ahead on its own and could produce electric energy. They could determine what it would cost to produce electric energy from atomic sources, and that could act as a yardstick for the cost of such energy, provided that kind of provision were included in the bill. If such a provision is not placed in the bill, and if private power companies are given a complete monopoly, something which they should not have in a public venture of this kind, many persons who are a little skeptical, anyway, of the free-enterprise system might imagine that private industry was slowing down, and that cheaper power could be had if private industry wanted to move ahead.

There is another side to the question. Under the pending bill, if the private power companies in their system of producing energy integrate an atomic plant, it will be very difficult for accountants or anyone else to ascertain how much it

is costing to produce electric energy from atomic power. It will not be possible to determine the costs, because the two methods of production will be integrated throughout the system, and will include coal production, hydroelectric production, and distribution. It will not be possible to determine absolutely and conclusively, to the satisfaction of the Commission, that a good job is being done.

But if a provision of this kind is included in the bill, and the Atomic Energy Commission itself becomes suspicious, it can erect a plant of its own to make electric energy, and thus prove the truth or the falsity of such suspicions or such charges.

I now yield to the Senator from Iowa.

Mr. HICKENLOOPER. Does the Senator from Colorado believe that the Department of Agriculture should engage in the commercial sale of fertilizer, or that the Bureau of Standards, which develops electronic devices, should engage in the manufacture of new kinds of radio sets, and sell them to the public? That is what the Senator is proposing in his amendment. He is seeking to provide for a research and development organization in the Atomic Energy Commission, which now actually produces nothing under its own management, except weapons. Most of the rest of the research is done under contract with private industry. But the amendment of the Senator from Colorado proposes to put the Atomic Energy Commission into the position of a producer of commercial power for retail sale. I merely submit that that is not the basic purpose of the Atomic Energy Commission. We would be reorienting the direction and purpose of a great research and development organization, which should keep its line of activities fairly plain, and not allow them to become distorted by engaging in the commercial production of electricity.

Mr. JOHNSON of Colorado. Of course, the Senator from Iowa is very familiar with the purpose of the Atomic Energy Commission and its functions, and with all the important tasks which have been assigned to it. He is familiar with all of its activities, because he has been a member of the Joint Committee on Atomic Energy for a long time. But I beg leave to differ with the Senator when he says that it is only a research body. It is nothing of the kind. It is more than a research body, and the Senator from Iowa knows it.

Mr. HICKENLOOPER. I said it was a research and development organization. Those two words must go together.

Mr. JOHNSON of Colorado. I should like to have the Commission develop a little something for themselves. Someone said the other day that the Atomic Energy Commission is in the electric-energy business. Certainly they are in the business. They are the biggest buyer of electric energy there is. They buy more than anyone else. They buy as much electric energy in a year as does all of New England put together.

The Commission has the facilities and the responsibility for making power. Why legislation should be enacted which would deny them the authority to make power, in case they found they were being overcharged for the great amount of electric energy that they use, is simply more than I can understand.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. JOHNSON of Colorado. I yield to the Senator from Minnesota.

Mr. HUMPHREY. Is the Senator from Colorado not somewhat disturbed or moved by the comment of the senior Senator from Iowa, to the effect that the Atomic Energy Commission is not supposed to be in the electrical production business, in other words, the production of electrical energy, or engaged in the electric business, when just a few moments ago on the floor of the Senate, when we were trying to make a determined effort to take the Atomic Energy Commission out of the electric utility business the effort was defeated? In other words, did not the Dixon-Yates contract, which used the Atomic Energy Commission as its vehicle, place the Atomic Energy Commission in the electric business? How can the Senator deny it? I want to know if there is any consistency in the remarks of the Senator from Iowa.

Mr. HICKENLOOPER. Mr. President, if the Senator from Colorado will yield, I shall be glad to answer the question.

Mr. JOHNSON of Colorado. I shall be glad to yield to the Senator from Iowa, provided I do not lose the floor.

Mr. HICKENLOOPER. The Senator from Minnesota asked a question about a remark I made. I shall answer it now or later; I do not care when.

Mr. JOHNSON of Colorado. I shall be glad to yield if I do not lose the floor, but I do not want to lose the floor.

The PRESIDING OFFICER. Does the Senator from Colorado yield to the Senator from Iowa provided he will not lose the floor? Without objection, it is so ordered.

Mr. HICKENLOOPER. The action which the Senate took a short time previously did not put the Atomic Energy Commission in the electric power business any more than the Atomic Energy Commission is in the electric business when it buys electricity from any other source to run its plants.

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield so that I may make a rejoinder to the comment of the Senator from Iowa?

Mr. JOHNSON of Colorado. I yield, provided I do not lose the floor.

Mr. HUMPHREY. I may say to the distinguished Senator from Iowa that, according to all the testimony before the joint committee, the electric energy which will be forthcoming as a result of the Dixon-Yates contract will not relate to the operations of the Atomic Energy Commission at all. That energy is to be funneled into the TVA, and the TVA, in turn, is to service the community or area known as Memphis, Tenn. That is exactly what some of us were complaining about in terms of the philosophy expressed in the bill.

When the Johnson amendment is before the Senate, the cry is raised that it will permit the Atomic Energy Commission to be in the power business. I may point out to the Senator from Iowa that, by his vote a few moments ago, and by a majority vote of the Senate, we have established the precedent of the Atomic Energy Commission being in the power business because the contract with the Dixon-Yates group does not relate to the electric needs of the Atomic Energy Commission. I say to the Senator from Iowa that he can examine his own record and the testimony before the joint committee, of which he is one of the distinguished senior members, and he will find that the Atomic Energy Commission never asked for that power. He will find that there is not 1 kilowatt of that power going to the Atomic Energy Commission for its facilities or production or research. He will find that the Atomic Energy Commission was put into the electrical-power business by a contract which was ordered to service the Memphis, Tenn., area. Is that not the case?

Mr. HICKENLOOPER. Mr. President, will the Senator from Colorado yield?

Mr. JOHNSON of Colorado. I shall be glad to continue to serve as a line of communications between the two Senators provided I do not lose the floor.

Mr. HUMPHREY. I say to the Senator from Colorado he is like the Atomic Energy Commission and the Dixon-Yates case—he just sort of got in. He is in the business of setting up the conversation between the Senator from Iowa and the Senator from Minnesota just as the Atomic Energy Commission was set up in the electric business.

Mr. JOHNSON of Colorado. But not quite so explosive.

Mr. HICKENLOOPER. Mr. President, I shall try to respect the time of the Senator from Colorado. I understand it is unanimously agreed that he will not lose his right to the floor.

Mr. JOHNSON of Colorado. It is the purpose of the Senator from Colorado to try to make his amendment as clear as he can. I am absolutely certain that if the Members of the Senate understood the purpose and the effect of the amendment which I have offered, it would be agreed to by an almost unanimous vote. So I shall be glad to try to help bring out all the facts in connection with my amendment. For that reason I have been very willing and glad to yield to the two very distinguished Senators. I now yield to the Senator from Iowa, with the understanding that I do not lose the floor by so doing.

Mr. HICKENLOOPER. I thank the Senator from Colorado. In the first place, I wish to say to the Senator from Colorado, and to assure the Senate, that the basic substance of the amendment which the Senator from Colorado has offered was given long and careful consideration by the joint committee, and decisively defeated in the joint committee. That is my first point.

With reference to the statement by the Senator from Minnesota that the action which the Senate took put the Atomic Energy Commission in the power business, I dispute that. It put the Commission in a position where it can acquire replacement power for power which it must take out of the TVA tank or reservoir. The Commission is exercising its responsibility in insuring an assured source of power.

That misconception on the part of the Senator from Minnesota reminds me of a number of misconceptions he has expressed and stated in his various arguments on the floor of the Senate. I am reminded of an old biblical saying. I shall apply it to the arguments which the Senator from Minnesota has made in the debate, and say that they are like the seed of Abraham, numerous as the sands of the sea.

Mr. HUMPHREY. Mr. President, will the Senator from Colorado yield so that I may reply to the comment of the Senator from Iowa?

Mr. JOHNSON of Colorado. I hope we will not get as far off the track as the seed of Abraham, but I yield provided I do not lose the floor.

Mr. HUMPHREY. First of all I want to thank the Senator from Colorado for his generosity and also the Senate for making the courtesy possible. I want to thank the Senator from Iowa for including me in the distinguished array of persons who sprung from the seed of Abraham and the sons of Abraham. In that group were included Solomon, David, and other distinguished prophets. I have never claimed to be a prophet, but one does not have to be a prophet to see what is going on. I urge the Senator from Iowa to use that great element of commonsense for which he is so well known. I have many times praised him for his work in the field of atomic energy. I think if he will answer these questions in the meditation of his own conscience, he will get the correct answer.

No. 1: Did the Atomic Energy Commission ever ask for the Dixon-Yates contract in order to replace power it was getting from the Tennessee Valley Authority?

May I give my answer, and then the Senator from Iowa can make his own confession? It did not.

No. 2: Did a majority of the Atomic Energy Commission feel that the contract was unwarranted, undesirable, and not needed?

My answer to that is that the majority did feel it was unwarranted, undesirable, and not needed.

The Senator from Iowa can answer that question in his own way.

No. 3: Does the Senator from Iowa believe the Atomic Energy Commission is not in the power business when the Atomic Energy Commission contracts for power with a nonexistent firm, which firm will be built primarily by Government support through a guaranteed contract, which power will not go to the Atomic Energy Commission, which power will go to the Tennessee Valley Authority facilities, and the Tennessee Valley Authority facilities are located in the Memphis, Tenn., area?

Finally, I ask this question, and the Senator from Iowa may answer it in his own time: Is there any evidence that one single kilowatt of power which the Atomic Energy Commission will have control of through the Dixon-Yates contract will be used for the facilities of the Atomic Energy Commission? If there is, will he point it out in the record of the testimony? If he cannot point it out in the record of the testimony, he must admit, must he not, that the Atomic Energy Commission, through a devious method, is in the power business?

As I said earlier in the debate, when we legitimatize it, it is a very peculiar arrangement, because we are postdating the birth certificate. The birth of the child of the Dixon-Yates contract was never legal, as the Senator from Mississippi [Mr. STENNIS] put it earlier tonight.

I ask the Senator from Iowa if he can offer one scintilla of evidence to indicate that the AEC is not in the power business in the Dixon-Yates contract.

Mr. JOHNSON of Colorado. Mr. President, I have only one other point to make. I had the honor, privilege, and responsibility of serving on the original Senate Committee on Atomic Energy, from its inception; I was one of the members who was appointed when the Committee on Atomic Energy was only a Senate committee. At that time we were assigned the responsibility of writing the initial act—the present so-called McMahon Act. We had nine separate bills, before we finally came up with a bill upon which we were able to agree. The present McMahon Act is that bill.

Under the provisions of that bill, the Atomic Energy Commission was given a complete monopoly over all radioactive source materials. The Commission must maintain that monopoly even today. It is not legal for any person to have uranium, thorium, or any of the other radioactive source materials, after they have been taken out of the ground in their natural state; under the law, it is not legal for any person to own such materials. They have to be turned over to the Atomic Energy Commission. So the Commission has a monopoly, and that must be so.

Many of us who served on the first committee did not like to create the monopoly. We hesitated to do so. However, it was absolutely necessary that we do it. So we did it with our eyes wide open; and as of today, the Atomic Energy Commission, under the new bill, will retain the same monopoly. It must retain it. So long as atomic energy is more useful for making weapons than for making anything else—as is the case at the present time—the Commission is, and must be, entrusted with our security.

Under these circumstances, Mr. President, why do we hesitate to empower the Commission to make some of the electric energy required for its own use; and, if the Commission has a surplus of electric energy, to sell it through the Secretary of the Interior? Do not we trust the Secretary of the Interior? Do not we trust the formula which we ourselves have established for the distribution and sale of public power that is created at the great dams the Government has built in the canyons of the West or on the rivers in the East that, if uncontrolled, cause great flood damage—the formula applied to the hydroelectric power generated in connection with those dams, and inasmuch as the Secretary of the Interior is authorized to sell and to distribute that power?

Do not we have confidence any more in anyone except private industry? Must we turn over everything to private industry, before we have confidence? I do not think so.

I want private industry to have all the opportunity we can give it. I want private industry to have great opportunity to help develop power from atomic energy. However, I wish to point out to the Senate that at this time it is not feasible to produce power from uranium. However, I am sure all of us who have faith are sure that the time will come when atomic energy will be the source of power; and it probably will not be done by heating water first. Instead, it probably will be done directly, as the RCA proved that it could be done—when radioactive energy is taken directly from radioactive materials, is captured, is run through a wire, and is used in that way. When that system is perfected, we shall find that power will be produced very, very cheaply, through these fissionable materials. That time is coming. The scientists have worked out the process in the laboratories; and once that is done, it is only a matter of time until the scientists work all the bugs out of the process, and until it is in common use.

So I do not see why we in the Senate tonight have so little faith in the Atomic Energy Commission that we are afraid to empower it with the right to create electric energy when we surround that power with the authority of Congress.

My amendment provides that Congress shall approve the appropriations for that specific purpose. When we surround the authority with every sort of limitation, why are we so fearful and so afraid? Why will we trust only private industry?

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] for himself and the Senator from Iowa [Mr. GILLETTE].

Mr. NEELY. Mr. President, for many days and nights I have patiently listened to the Senate debate. At last I have decided to join the executioners instead of waiting in silence to be talked to death. [Laughter.]

So listen, my children, and you shall hear, not of the midnight ride of Paul Revere, but of some of the reasons why that part of the world known as the United States of America is now screwed up, as it was never screwed up before. [Laughter.]

I purpose to read from one of the oldest, and most patriotic and praiseworthy newspapers in the land. It was established 77 years ago, for the purpose of serving the Union veterans of the Civil War. It later became the promoter of the welfare of the veterans of all our wars. It has been Republican from its inception. Its present editor has been a Republican for 40 years.

Its name is the National Tribune-Stars and Stripes. So far as I know, it is one of the most reliable Republican newspapers ever published. This is not as high a compliment as it deserves. [Laughter.]

It has always put principle above politics, and courage above cowardice.

Proof of this assertion will be found in what you are about to hear.

Attention is invited to the latest issue of this paper on the front page of which

this banner appears: "Republican Party Forsakes Veterans."

Under that, extending over two columns of the page, is the subheading:

HOUSE LEADERSHIP TURNS DOWN ALL COMPROMISES ON PENSION INCREASES

Following days of high-level conferences, Speaker notifies veterans' committee White House will approve nothing but meagre boost for service-connected alone—move defeats any chance of cost-of-living hikes for those needing them most.

The article is as follows:

The Republican administration, at White House direction, has repudiated veterans and their needy dependents of all of the wars in which the United States has been engaged. The betrayal of the 20 million that constitute the veteran class, as well as of the 3,700,000 who are on the compensation and pension rolls is complete, and the Republican leadership has won for itself either a tremendous victory or a positive assurance of the loss of the House of Representatives next November.

On last Friday, after final efforts were made to compromise differences between the wishes of organized veterans—as represented in H. R. 9020 that was reported unanimously by the House Committee on Veterans' Affairs—and the Eisenhower administration, the friends of veterans in the Congress were advised that the White House would turn thumbs down on any bill excepting one to grant a 5-percent cost-of-living increase in compensation alone to veterans who suffer from disabilities resulting directly from war and to some of the dependents of those who have died as a result of war.

The House Committee on Veterans' Affairs, which may have met for a final session behind closed doors as this issue of the Tribune was on the press, had no choice before it but to accept the dictation of the White House or have no bill at all. It was a ringing victory for the House leadership under the direction of Majority Leader CHARLES A. HALLECK, of Indiana, who, according to the Congressional Directory, served in World War I and is a member of the American Legion.

Special rule is sought

H. R. 9020 proposed compensation and pension increases totaling $232 million and, regardless of the fact that it does not meet with any degree of realism the actual hikes in costs of living since the last increases were granted, it proposed roughly a 10 percent increase all down the line for service-connected veterans, picked up in part and attempted to correct inequities resulting from Public Law 356 of the last Congress and granted some relief to veterans and dependents of all wars, including the underpaid widows and totally-disabled non-service-connected veterans. The measure was written after prolonged hearings by the Veterans' Affairs subcommittee headed by EDMUND P. RADWAN, World War II veteran of New York, and was unanimously approved by the full committee on May 28. Immediately, Chairman EDITH NOURSE ROGERS, of Massachusetts, filed a request for a special rule for its consideration. Obtaining no satisfaction from the chairman of the powerful Rules Committee which is headed by World War I veteran LEO E. ALLEN, of Illinois, Mrs. ROGERS made a second appeal by letter to that committee. Even though it is known that 10 of the 12 members of the group, 8 of whom are Republicans, favored the measure, ALLEN would not permit consideration, and it is an open secret that the lack of action was due to administration interference.

On July 2, some 35 days after the Rules Committee had the first request, RADWAN introduced a House resolution (H. Res. 612) which sought to discharge the Rules Committee from further consideration and obtain a vote on the floor. The measure had to lie over for 7 legislative days before a discharge petition could be filed. That time expired on July 15, and Mrs. ROGERS sought to obtain the signatures of a majority of the House membership—218—so that the bill could come up in another 7 legislative days during which it had to lie on the Discharge Calendar.

Mr. LANGER. Mr. President, may we have order? We cannot hear the Senator.

The PRESIDING OFFICER. The Senate will be in order.

Mr. NEELY. Mr. President, I will endeavor to obviate that difficulty at once, because I want the distinguished Senator from North Dakota [Mr. LANGER] to hear what I am reading. He is the only Republican Member of this body who, to my knowledge, daily preaches and practices the political philosophy of Abraham Lincoln and Theodore Roosevelt. With the exception of the distinguished Senator from Oregon [Mr. MORSE], he is the only Senator on the other side of the aisle who seems to remember either the words or deeds of the Great Emancipator, who was one of the greatest of men.

I congratulate the Senator from North Dakota for still being a Republican of the Lincoln and Theodore Roosevelt school. He must be as lonesome in his present environment as Alexander Selkirk was on the island of Juan Fernandez.

Mr. LANGER. Mr. President, I demand order so that the distinguished Senator from West Virginia may be heard. [Laughter.]

Mr. NEELY. Mr. President, I second the motion, and accordingly proceed with the article—

Leaders fight measure.

That is, the Republican leadership of the House.

The 218 signatures were never obtained, and the list of signers cannot be available under House rules unless the petition is completed. It is known that approximately 160 Representatives filed to the Clerk's desk to affix their names, and Mrs. ROGERS sought desperately last Thursday to hold the House in session until the signatures could be had. The Massachusetts Congresswoman explained the measure in detail and sought to justify it. Surprisingly enough, only 8 House Members took the floor to help her and only 5 of them were members of the Veterans' Committee.

Minority Leader JOHN W. MCCORMACK, World War I veteran, of Massachusetts, stood stanchly by.

Mr. President, I digress to congratulate Massachusetts on having a great Republican woman and a great Democratic man in the House who were willing to stand up and fight for the veterans as they fought for their country around the world.

The five committee members supporting their chairman were JOE L. EVINS, World War II veteran, of Tennessee; JAMES A. BYRNE, of Pennsylvania; ED EDMONDSON, World War II veteran of Oklahoma; D. R. (BILLY) MATTHEWS, World War II veteran of Florida; and HARLAN HAGEN, World War II veteran of California. The others were MELVIN PRICE, World War II veteran of Illinois, and JACOB K. JAVITS, of New York. Other committee members and general Members of the House were strangely silent.

Before the attempt was made to dislodge H. R. 9020 from the Rules Committee, the week saw high-level conferences through which organized veterans and others sought to obtain legislative action. To be understood, with their consequences, the story should be told in chronological order.

CONFERENCES BEGIN

Acting in the best of faith, and faced with early adjournment, a group of veterans' leaders engaged in the interest of Republican Representative JAMES E. VAN ZANDT, of Pennsylvania, a three-time commander in chief of the Veterans of Foreign Wars. For them VAN ZANDT made an appointment with the Speaker of the House, JOSEPH W. MARTIN, JR., of Massachusetts. It is understood that invited also was Majority Leader HALLECK, who failed to show up but who was approached from the Speaker's office by telephone. There had been talk of a compromise bill in the air for weeks. The veterans had no compromise to offer. Some view in the nature of administration compromise was requested from the leaders so that it could be studied, but there was no tangible result excepting that, in discussing the entire problem with the Speaker, who apparently seemed to be in full sympathy with the original measure, possible changes in the bill were discussed.

This meeting took place on Tuesday, July 13.

At 8:30 the next morning HALLECK went to the White House for a general discussion on legislation with the President and his advisers. It was his purpose to discuss also the terms of H. R. 9020 and determine the stand of the administration on the bill. So far as is known, the results of that conference were not made available directly to the Committee on Veterans' Affairs.

On Wednesday afternoon the Veterans' Committee was called into a special executive session. It determined unanimously to name a subcommittee of ranking members who, with the chairman, were to meet with Speaker MARTIN. That conference took place and was also behind closed doors, but, it is understood, the special committee was advised that the White House sought some sort of a compromise.

Mr. President, it will be observed that those veterans and their representatives were having the same kind of success in dealing with the Republican leadership of the House that England, France, and the United States had in dealing with Russia and Red China at Geneva.

PETITION IS FILED

On Thursday, Mrs. ROGERS took the floor and announced the filing of the discharge petition, appealing to all Members of the House to affix their signatures so that the bill might have an opportunity for passage before adjournment. During the discussion in the House, and while Mrs. ROGERS sought to keep the body in session, Minority Whip JOHN MCCORMACK, reasserted his approval of the measure, insuring that many Democrats would go along.

Mr. President, Democrats always go along for the right and against the wrong.

Chairman ALLEN, of the Rules Committee, sought to indicate that the Congress had already passed a number of veterans' bills, all of which, incidentally, were of a comparatively minor nature. The House adjourned at 3:23 p. m.

Majority Leader HALLECK went back to the White House Thursday afternoon to advise that he had been victorious in stopping the discharge petition and to seek information relative to a compromise bill.

Think of an administration House leader going to the White House to celebrate with a great general, a parliamentary victory over veterans who had fought for their country and sacrificed themselves on bloody fields of battle for the American people.

One day last week a United Press dispatch carried on the front page of many newspapers, said, in effect, that during the last year the cost of living had risen higher than it had ever been before, and that in May of this year, under this administration's hard-money policy, the dollar was worth less than it had been at any other time during the past 169 years. In these circumstances it is not surprising that veterans and their friends are outraged by the mistreatment against which the distinguished editor of this great newspaper is crying out with the voice and vigor of a Jeremiah.

It is more than regrettable that General Eisenhower, who was the idol of the soldiers at the time he was elected, should confer with anyone who was boasting of a victory won over needy American veterans.

Mr. KNOWLAND. Mr. President, will the Senator yield for a question?

Mr. NEELY. I am delighted to yield to the distinguished majority leader.

Mr. KNOWLAND. I should like to ask the distinguished Senator from West Virginia if we are now advised that the liberal wing of the Democratic Party has determined not only to block the bill now pending before the Senate, but to obstruct the entire program of the President of the United States and the entire legislative program by an obvious filibuster, and thus prevent the public's business from being transacted? Is that the desire of the liberal wing of the Democratic Party?

Mr. NEELY. I have no authority to speak for the liberal wing of the Democratic Party. However, speaking for myself, I venture to say that if the rest of the program of this administration is similar to that which has already been enacted it would be no disservice to the people to filibuster to death that which remains, including the pending bill.

Mr. KNOWLAND. I take it that the Senator from West Virginia admits that he is now engaged in a filibuster to obstruct the remainder of the President's program.

Mr. NEELY. The Senator from West Virginia admits nothing of the kind. He is simply trying to protect deserving veterans. He is not filibustering. [Laughter.]

The Senator from California has consumed more time on this floor in the past 2 weeks than I have consumed since the 6th day of last January. If no one had talked more than I have, this session of Congress could have adjourned long before it gave away $50 billion worth of the Nation's oil which should have been used for the benefit of all the people.

Mr. KNOWLAND. Is the Senator from West Virginia familiar with the fact that a majority of his party in the Senate and in the House over a period of years supported that same legislation?

Mr. NEELY. I am aware of the fact that a Democratic President had the commonsense and patriotism to veto all such legislation.

Mr. President, let me encourage interruptions, if any other Senators wish to ask questions.

Mr. HENDRICKSON. Mr. President, will the Senator from West Virginia yield?

Mr. NEELY. I yield.

Mr. HENDRICKSON. Did the distinguished Senator say in the early part of his remarks that EDITH NOURSE ROGERS is a liberal or a conservative?

Mr. NEELY. I did not say, but, in my opinion, she is a liberal. I know she is a most patriotic, sympathetic, Christian woman.

Mr. HENDRICKSON. I noticed that in the Senator's remarks he classified her as a Democrat.

Mr. NEELY. Mrs. ROGERS is a Republican, at least she was when I served with her in the House. [Laughter.] But if Republicans are changing as fast in the House as they are in my home county of Marion no one can be sure that the Republican of yesterday is still standing pat today. During the past 2 years the registration change in Marion County, W. Va., has been at the rate of 7½ Democrats to 1 Republican. So I am not sure that anyone is still a Republican unless that fact is duly certified and sanctified by lie-detector tests, such as a Republican Senator recently suggested for the Republican Secretary of the Army.

Mr. HENDRICKSON. I only wanted to keep the RECORD straight, because the Senator did characterize Mrs. ROGERS as a Democrat in his earlier remarks.

Mr. NEELY. If so I misspoke I will correct that error at once. Does the Senator take exception to anything else I said about Mrs. ROGERS?

Mr. HENDRICKSON. Oh, no, indeed. I just wanted the RECORD to be straight.

Mr. NEELY. Mr. President, I hope it will be noted that, for once, I am in agreement with a Senator on the other side of the aisle.

Mr. LANGER. Mr. President, will the Senator from West Virginia yield?

Mr. NEELY. I yield.

Mr. LANGER. Is President Eisenhower a Republican or a Democrat?

Mr. NEELY. Why ask me? It took him 62 years to find that out. [Laughter.]

While we are on that point, Mr. President, do not ask me anything about President Eisenhower's religion. It took him over 60 years to find out that he could join a church. He was 60 years old before he learned that he could vote.

Mr. KNOWLAND. Mr. President, will the Senator from West Virginia yield?

Mr. NEELY. I yield.

Mr. KNOWLAND. Is the Senator from West Virginia questioning the patriotism of the President of the United States, a man who led the Armed Forces of the United States in the D-day landing? Is that what he is doing? Is he raising some question about the church to which the President belongs? What is the Senator trying to do? Is he trying to belittle the President of the United States on the floor of the Senate? I think he is showing the type of obstruction and undermining that is going on with reference to the program of the President of the United States who carries heavier responsibilities today than perhaps does any other man in the world. Is this the type of action to be taken in a great deliberative body which has before it a heavy program in the closing weeks of the session? Is this a demonstration of the attitude that is taken toward a long list of measures which must be acted upon, such as the tax bill, the unemployment compensation bill, the foreign aid authorization bill, the foreign aid appropriation bill, and the supplemental appropriation bill? Is this a spectacle the spokesman of that wing of the Democratic Party is trying to show to the people of the United States of America?

Mr. NEELY. Mr. President, of course I have not questioned the President's patriotism. I have repeatedly praised his outstanding military service. What the Senator has said about the deplorably neglected, lagging Republican program is a more caustic criticism of Republican leadership here and at the other end of the avenue than I would have ventured to utter. Let me remind the majority leader that his party is in control. If it does not redeem its campaign promises and enact promised laws, the voters, with their ballots, will on the 2d of November proclaim to the world that Republicans and not Democrats are to blame.

It is unfortunate that the Senator is afraid to have the people know that the President did not vote until he was 60 years of age, that he did not join the church until after he became President; and that he did not know whether he was a Democrat or a Republican until after he was 60 years of age. When the President became a candidate for political office he did what every other candidate does—put his character in issue. He did not become the beneficiary of anything resembling the divine right of kings. So far as I am concerned the record which the President himself has made is subject to the freest possible discussion. My right to freedom of speech about this important matter neither the majority leader nor anyone else will ever be permitted to abridge.

Mr. President, I resume the reading of the article:

The Committee on Veterans' Affairs went back into session at 4: 30 and discussed the proposition until adjournment at 6: 15, their decision being to write an amendment to grant a 5-percent boost across-the-board to service-connected and nonservice-connected veterans and dependents alike, with the single exception that the rates in H. R. 9020 as originally reported for dependent parents and service-connected widows, neither of whom had been given an increase 2 years ago, would remain as at first proposed.

On Friday, the special group from the Veterans Committee again met with Speaker MARTIN and carried with them the proposal as it had been rewritten.

TAKE IT OR LEAVE IT

This time the committee was informed that nothing would be acceptable to the White House but a straight 5-percent hike to service-connected veterans and the dependents of service-connected dead—nobody else.

That was the position as this issue of the Tribune goes to press. It is believed that the

full Committee on Veterans' Affairs would meet again in executive session on Tuesday of this week and rumors are rife that because it can get nothing better, a new amendment will be written to meet the White House proposal. If that action is taken, such a bill will doubtless pass both Houses before adjournment and be signed, and it will have come up under suspension of the rules on Wednesday.

There are other possibilities, but they are few. The Veterans' Committee could decide to take no further action and, because of the harshness of congressional leaders, let H. R. 9020 die. On the other hand, and because the discharge petition remains on the Speaker's desk, it could gamble with the adjournment date, appeal for the necessary signatures, especially in view of the fact that the so-called "compromise" is no compromise at all, depend upon House leaders to recognize the committee chairman for a vote, and send the measure on its way to the Senate. If the signatures are sought, it is more likely, however, that the House rules will be invoked and 7 days of the House in session must expire before the bill could be called up.

Either way, H. R. 9020 could pass the House before adjournment. It could also pass the Senate, provided the White House bullwhip were not used in that body, and yet if it passed both Houses, it would doubtless face either a direct or a pocket veto.

VET SPOKESMEN SHOCKED

As this is written veterans' organizations appear to be somewhat undecided as to what action they will take. Of course, none are satisfied with what has happened. Actually there is bitter disappointment.

Miles D. Kennedy, legislative director of the American Legion, while expressing disappointment, said that there is such a crisscross of confusion that he did not desire to make a public comment for the Legion. Omer W. Clark, directing legislation for the Disabled American Veterans, also chose to meet with organization officials before commenting, but he expressed the thought that anything less than a correction of the disparity created by Public Law 356 of the 82d Congress would not be acceptable to the DAV. John Holden, of the AMVETS, expressed himself in much the same language but did not desire to make a public statement, and John U. Shroyer, commander in chief of the United Spanish War Veterans, contacted in the State of Washington, could do nothing but state how highly unsatisfactory was the action taken by the House.

However, Omar B. Ketchum, legislative director for the Veterans of Foreign Wars, doubtless spoke the minds of most of his associates who testified for H. R. 9020 when he said:

"The failure to win the 218 necessary signatures on the RADWAN discharge petition constitutes a victory for the majority leader of the House of Representatives. It is my understanding that many House Members were advised not to sign the petition and that it would be unnecessary to do so because a compromise was to be worked out that would meet with the approval of all Members. Either HALLECK did not know what he was talking about, or he resorted to deceit.

"What the administration proposes he may think generous to some widows and dependents because it will give a slight lift to the service-connected group whom we have always favored and said must come first. Nevertheless those who most need help will now get nothing under the leadership's proposal. Once more the veteran class 'comes out on the short end of the stick.'"

"Doubtless this matter will be discussed in full at our coming national encampment in Philadelphia beginning August 1," Ketchum continued. "Probably the most grievous shortcoming is the failure to wipe out inequities in holding down increases to those who constitute the majority of service-connected veterans and who are rated at less than 50 percent disabled. To grant a straight 5 percent increase continues that gross inequity, and from the viewpoint of the Veterans of Foreign Wars the entire action of the administration is terribly disappointing.

"We have now the names of many who were willing to stand up and be counted. They have telephoned to us to tell us that they signed the petition. We hope that, despite what has already happened, that petition will be completed."

A DIRECT REPUDIATION

And that, briefly, is the story of the fiasco on Capitol Hill last week. The Republican administration has said, in effect, "Take this or nothing." That is what must be taken unless this week's developments differ materially from what the experienced observer can see.

The action of the Republican administration constitutes a direct repudiation of the judgment of the House Committee on Veterans' Affairs, takes into account not one iota of the thinking of that body, which has reached nothing but unanimous decisions, and goes further. It betrays all of the veterans who have fought this country's wars by refusing to keep promises made in good faith by the Republican National Convention in Chicago in 1952, promises reiterated by President Eisenhower, promises violated either directly by him or by his immediate advisers.

On the compensation and pension rolls as of May 31 there were a total of 3,699,778 veterans and dependents who were in receipt of compensation or pension. There are more now. Including peacetime veterans, who numbered 62,794, there were 2,053,467 receiving service-connected compensation, and most of them at rates below 50 percent disabling. There were 599,390 dependents of such veterans.

On the non-service-connected rolls, beginning with 1 survivor of the Civil War and going through the war in Korea, there were 528,347 non-service-connected veterans, all of whom must be totally disabled, and 515,595 dependents, all of whom must meet income limitations. The final proposal of the leadership is to grant a 5-percent boost in rates to 2,652,857 service-connected veterans and dependents and to refuse any relief to 1,042,492 beneficiaries. The increases themselves to the service-connected would amount to an additional 78 cents per month at 10-percent disabled on up to $8.62 for those who are totally disabled. There are, of course, a few who would benefit because of being rated above total. Widows would receive an additional $3.75 monthly with comparable increases to minors.

Mr. President, I now read another stirring editorial from the National Tribune, as follows:

THE GREAT BETRAYAL

Last December at the White House President Eisenhower said, "This administration is one that believes in keeping its promises," and a month later he made very kindly reference to the Nation's war veterans to whom, he said, "the country owes so much." A week ago in the Congress the President's party—the Republicans—repudiated the veterans' plank in the Republican Party platform, and, with the approval of White House advisers, turned down cold any and all legislation seeking to adjust pension and compensation payments to high living costs, thus deserting a personal Eisenhower pledge. This action of the House leadership constitutes an abject and cowardly betrayal of all United States war veterans and all of the needy and dependent loved ones of their honored dead. The promises made by the Republicans in their effort to be elected to the House of Representatives were not worth the powder to blow them up, and if the President is himself responsible for the directive to the House, the public statements of the Chief Executive himself do not have the value of the paper on which they were written.

In an adjoining column there begins a detailed and complete story of what happened to the veteran class in the Congress last week. It is a gruesome one and is as unbelievable as it is factual. For the first time since the tragic and brutal Economy Act of 1933, when a frightened and hysterical Democratic Congress rewrote veterans' laws and sent many a war hero to an untimely grave, the GOP had an opportunity to show an honorable and respectful concern for its warriors and their dependents. The party came in after a 20-year absence pledged to do that. It failed miserably on the first occasion it has had to adjust veterans' payments to living costs, and it used a bull whip to drive party members into line. As this comment is written there have been no repercussions. Veterans' leaders are stunned and the economizers off and on Capitol Hill have not had time to crow, but the reaction will come, and when it does, it is a certainty that there will be a payoff. The American people just happen to be constituted that way.

Briefly, the story is this. After many weeks of hearings on scores of pending bills, the House Committee on Veterans' Affairs came up with H. R. 9020. It sought to do two things—to grant promised cost-of-living pension hikes to most of our veterans and their dependents on the compensation and pension rolls, and to wipe out some inequities that appeared in similar legislation 2 years ago. The measure was reported unanimously by the legislative group designated by House rules to reach appropriate decisions on the subject. The bill was placed on the calendar and immediately Chairman EDITH NOURSE ROGERS, of Massachusetts, requested the powerful Rules Committee to grant the right-of-way for consideration. That was late in May. Twice since then the good lady tried again to get action, but to no avail. Subcommittee Chairman ED RADWAN, of New York, then was directed to file a resolution to discharge the Rules Committee from further consideration of H. R. 9020, which he did, this instruction also being the unanimous request of the Veterans' Committee. Under House procedure, that resolution had to lie for 7 legislative days when a discharge petition requiring the signatures of 218 Members, a majority, could be filed. That was done last Thursday and the move had to succeed if the full Congress were to have a chance to vote on the bill before an expected adjournment by July 30.

Unless the full 218 signatures are forthcoming, nobody is supposed to know who signed and who did not. That is a deep secret. But it is known that between 157 and 160 Congressmen placed their names on the petition before an early adjournment was forced. Mrs. ROGERS did a valiant job. The House leaders, however, did a better one. They milled around the Chamber telling their cohorts it was useless to go to the Speaker's desk and sign up because there would be a compromise bill submitted and everybody would get off the hook. It was a great victory for Majority Leader CHARLIE HALLECK, a dauntless World War I veteran in school at 17 when the Kaiser went on his rampage, and for those White House people who probably did the President's thinking for him.

Now let us go back a day before defining the wonderful compromise. It's as interesting as it is important, and our veterans should know where they stand. On July 13, Tuesday, a group of veterans' spokesmen

met with Speaker JOE MARTIN to try to dislodge the bill or to find out what was wanted in the nature of a compromise to cut a few dollars from the $232 million measure. MARTIN thought H. R. 9020 was all right as it was, if our information is correct. HALLECK would not put in an appearance. Nobody was going to hook him, but he went to the White House for an 8:30 a. m. conference Wednesday even though he did not offer any terms to the Veterans' Committee.

Then came the fateful afternoon session when the discharge petition failed and HALLECK won his fight by telling the Congressmen a compromise would be offered and passed. The veterans' group was told that the White House would accept a 5-percent increase deal, so it met in late afternoon for 2 hours and rewrote the bill giving, with a few exceptions, all veterans and dependents on the rolls that miserable hike. On Wednesday the chairman and several committee members had met with Speaker MARTIN. They went back to him on Friday with the new deal, to see whether or not it was acceptable. We've been unable to find out who else, if anybody, was present but it has been announced that the President would be agreeable only to a 5-percent increase for service-connected veterans and dependents alone. Under such a proposal service-connected veterans would receive the munificent sum of 78 cents additional and on up the line to $8.62 per month at total, and the widows and kids would get a comparable sop. All of the nonservice connected would be thrown to the dogs. That was the promised compromise. The purpose that is sought is to divide the sentiment of the veteran class by giving two-thirds of the beneficiaries a little just to keep them quiet and keep their votes in line, if possible, and tell the other third to go to hell or get something better, if they can, on old-age-pension rolls under the States, where the powers that be want to place them anyway, and where all others will go eventually if they succeed.

The betrayal is complete. We do not know what can be done about it or what the Veterans' Committee will have decided to do on Tuesday after we go to press. It can, if it wishes, throw a bare bone to the service-connected class and let it go at that. It can refuse to accept the White House ultimatum and let the whole bill die, or it can make a guess that the Congress will not adjourn on July 30, fight for the rest of those 218 signatures and put the bill through looking to Senate approval and a possible veto. We hope they'll do the latter because we cannot believe that the service-connected class will be satisfied to accept a miserable pittance when those who most need help—totally disabled non-service-connected veterans and helpless widows and kids—get nothing. Misled as they were by their own leadership, and realizing now that there is no compromise in the White House directive, we once more call upon all House Members who have not already done so—Republicans and Democrats alike—to place their signatures on the Radwan discharge petition, and to then assure their constituents back home that they have done so. This runout on pledges will constitute a major issue next November, because people do not forget in 3 months who helped to deny to them a meager aid required to keep body and soul together.

Now let's get back to those promises the Republicans broke for themselves and for President Eisenhower—or, for that matter, that Ike himself violated if he was responsible for the Halleck orders. The essential part of the veterans' plank on which hinges this legislation reads, "We propose * * * that compensation be fairly and equitably adjusted to meet changes in the cost of living." Apparently the boys at 1600 Pennsylvania Avenue have latched onto that word "compensation" in their effort to desert considerably over a million pensioners on the rolls. That information has come to us. We had anticipated that it might, so we wrote to Candidate Eisenhower, on August 22, 1952, as follows: "Unusually high living costs have created among the pensioner class, including veterans and their dependents, a seriously difficult situation which requires periodic adjustment of compensation and pension payments based upon high costs of living, and within the ability of the country to pay. One of the party platforms mentions this condition. Would you be good enough to interpret these planks in the light of your own thinking?" That appears to be a fair enough question, and sufficiently distinct so that nobody could misunderstand it. We would interpolate here that this correspondence was made known as recently as December 16, 1953, to the Presidential Secretary, Gov. Sherman Adams, so there can be no excuse about not understanding the English language when we spoke of pensions as well as compensation. Here is the pertinent reply by Mr. Eisenhower to that direct question: "As has been clearly stated in the Republican platform, adjustment of compensation and pension payments must be made from time to time with changes in the cost of living. This responsibility I shall never overlook."

Well, that responsibility has now been overlooked, and the concern is that of every Member of Congress who was elected on the Republican ticket in 1952. It is the word of a great political party and their nominal leader, the President. Answerable to it are the majority leader of the House, the Speaker, and every member of the party. And because a similar pledge prevailed in the Democratic Party platform, the Democrats, too, are at least morally accountable to the veteran class for last week's failure, something recognized by Minority Whip JOHN MCCORMACK, of Massachusetts. The foreign aid program, which is about to exceed payments to veterans made during our entire history and which assists many foreigners who are responsible for the plight of the country's disabled and aged veterans and their dependents, is, the administration says, "paying off." We affirm here and now that the treatment accorded to the veteran class by the party in power does not and cannot pay off, and we here and now go on record to help assure that it will not.

It is a painful thing for one who has been an active Republican for 40 years to have to write as this editor has done above. We would hope that the catastrophe of last week might in some miraculous manner be undone or that something could still be accomplished in this session of Congress to right an awful wrong. We recognize, however, that such a hope is all but futile. We regret beyond measure the road we must take in the future, but we have advised the White House that our policy as a spokesman for the veteran class must be guided by the treatment accorded to them. We know no party when the welfare of our war veterans and their dependents is at stake. Who opposes them opposes us. We cannot abide with anybody whose given word is worth nothing. In this instance direct promises have been violated without any apparent regret by the violators. We shall always fight that sort of perfidy, let the chips fall where they may.

Mr. President, for emphasis, I again read a sentence of this editorial:

It is a painful thing for one who has been an active Republican for 40 years to have to write as this editor has done above.

Mr. President, in conclusion, three cheers and sincere wishes for long life and a green old age for the National Tribune-Stars and Stripes, whose distinguished Republican editor, with his forty years of loyalty to his party, can speak out so boldly, patriotically and convincingly as he has nobly done in the notable articles I have read to the Senate tonight.

The PRESIDING OFFICER (Mr. WILLIAMS in the chair). The question is on agreeing to the amendment offered by the Senator from Colorado [Mr. JOHNSON] for himself and the Senator from Iowa [Mr. GILLETTE].

Mr. LANGER. Mr. President, we have before us what the power trust hopes will become the Atomic Energy Act of 1954. I think that the hope of obtaining this extraordinary giveaway of the people's new atomic power resource is doomed to disappointment. The people of the country are alert to what the anti-public-power policy of the administration threatens to do to low electric rates and abundant use of power. And they already recognize the bill before us for what it is—just the final blow to Federal power policy.

I refer to the hope of the well organized private power monopolies for a new Atomic Energy Act—rather than for amendment of the McMahon Act of 1946—because this bill, which has been reported by the Joint Committee on Atomic Energy, does not propose reasonable amendments to the original legislation. The authors of the pending legislation have gone out of their way to tear up the McMahon Act and to provide a new law which would deny any recognition of the fact that we are here today presiding over the opening of a new epoch, an epoch which will, without question, profoundly affect the American way of life for generations to come.

The private interests that have influenced the writing of the bill want none of that breadth of vision. They feel that the wool must be pulled over the eyes of the people before they can hope to get possession of the power of the atom—or to get control of the use of the power which the McMahon Atomic Energy Act of 1946 makes an inalienable resource of the people, whose vast investment has made it available for the uses of man.

As it always seems, in connection with the great natural resources of the world, private enterprise feels that it has a divine right to sit at the tollgate and exact tribute from the people for the use of what, in the last analysis, belongs to the people.

But I am convinced that, when it comes to electric power, the people of the United States have had too much experience with the results of a true public power policy to sit passively by while the rape of the atom is consummated. They know what it means to free rural electrification from the restrictive influence of private power monopoly; how it has raised the percentage of electrified farms from a scant 11 percent of the total in the country to more than 90 percent; how it has brought electric rates down wherever it has been effective, so that the average use of electricity in the home has increased to the point where, except in the remaining high-rate areas, housewives can use many of the electric appliances which mean higher living standards. The people have known how it has contrib-

uted to industrial expansion and full employment.

And the people, who have come to know all these possibilities springing from a Federal power policy which challenges private monopoly, are not going to stand by and let private monopoly climb back into the saddle, either through the administrative interpretations of the Eisenhower administration, or its prostitution of the Atomic Energy Commission to disrupt the TVA, or through favorable action by Congress on this atomic-energy bill, which would junk all the public safeguards which the McMahon Act of 1946 threw around the future use of the atom.

Since the Eisenhower administration began its campaign to destroy the Federal public-power program, I have followed its successive attacks carefully, because they come very much within the scope of the Monopoly Subcommittee of the Senate Judiciary Committee, of which I am chairman.

And I have followed with equal concern the rising reaction of the people throughout vast areas of the country to defend their power policy—that is, their right to ample supplies of low-cost power to supply their public and cooperative electric systems, and to assure healthy expansion of industry.

When the administration struck at the rural electric cooperatives in the Missouri River Basin with a series of so-called marketing provisions, which were in open violation of preference provisions written into Federal power marketing laws by the Congress of the United States, the Judiciary Subcommittee held hearings.

I wish that all Members of the Senate could have been present to get an idea of how the power companies are using the administration to put over private monopoly policy on the people, and how the people of the region are reacting through the leaders of the organizations.

When the administration was moving to force the rural electric cooperatives of Missouri, Arkansas, and Oklahoma on the mercy of the private power monopolies—after the House Appropriations Committee had led the 1953 session of Congress to abrogate the contract which the cooperatives had signed in good faith with the Federal Government—my committee again held hearings.

And again I wish all Members of the Senate could have listened in on the reaction of the people of those fine States to the new power policy.

Eventually, this rising of the people is going to bring not only a return of the power policy which the present administration is working so desperately to reverse before the voters again go to the polls, but it is also going to bring further steps toward establishment of a sound power policy on foundations which reactionary private power monopoly influence can never again threaten.

The people are going to look northward to the great neighboring Canadian provinces, like Ontario and Saskatchewan, with their public-power systems—or to the Tennessee Valley Authority system which, in spite of all its efforts, a private-power-influenced administration is not going to be able to destroy; and they are going to use their Federal Government and their State governments and their local governments, to whatever extent necessary, to assure them low-cost electric power for home and farm and industry in abundance.

This growing reaction of the people to the attack on their power policy includes the demand that, now that we are close to the realization of the next great step forward in the development of electric-power resources—the harnessing of the atom—this development be worked out through legislation which will assure that the atom shall serve the people whose money is invested, rather than private power monopoly.

That is why they are against the present bill—the "give away the atom" bill, which the power interests are trying to railroad through Congress in the last days of the session. They want to get control of atomic power before the popular reaction has gained full force. This they consider the major step in getting the Federal Government out of the power business so that private monopoly can proceed at its leisure to starve out and ultimately capture the nonprofit public and cooperative electric systems.

It is important that, before they act on this private monopoly inspired atomic energy bill, the Members of Congress take full cognizance of what the people, through organizations representing millions of voters, are saying about the drive on Federal power policy. For we are supposed to represent all the people—not just the United States Chamber of Commerce, and the National Manufacturers Association, and the Atomic Industrial Forum, and the National Association of Electric Cos., with Purcell Smith as its spokesman on Capitol Hill.

Because it is important for Members of the Senate to understand where the people stand on the issue before us in this atomic power bill, the people who were not consulted, I am going to devote my remarks to some of the resolutions and statements of position adopted by representatives of millions of farmers and industrial wage earners on the present state of power policy.

The statements to which I shall refer were adopted at important gatherings and express the interest of national and Statewide organizations. They express a sense of urgency which will not be denied. They include:

The statement of principles and position adopted by participants in the National Electric Consumers Conference held in Denver, Colo., December 10–11, 1953, under the auspices of the National Farmers Union.

The resolutions adopted at the 12th annual meeting of the National Rural Electric Cooperative Association, held in Miami, Fla., January 11–14, 1954.

The statement of goals, adopted at the Northeast Electric Consumers Conference, held in Albany, N. Y., February 26–27, 1954.

The resolutions adopted by the American Public Power Association, speaking for a majority of the municipal electric systems of the country, held in Chicago, Ill., May 6–9, 1954.

The report of the working committee of the Electric Consumers Workshop held in Wasington, D. C., May 10–11, 1954.

These important meetings drew representatives from rural electric cooperatives serving more than 3,500,000 farm customer-members, from a large proportion of the more than 2,000 American municipalities which own their own electric systems.

We have some of those in the State of North Dakota. We have one at Valley City, N. Dak., which has been used as the yardstick for all the private power companies within the borders of the State. That is at Valley City, which has its municipal-owned electric light plant. That has been adopted as a yardstick by other States also, who have sent men there to note the success of that particular cooperative. Also the National Farmers Union with a membership of many tens of thousand farmers; from the Cooperative League of the United States of America, representing a wide consumer and producer interest throughout practically all of the States; from the American Federation of Labor and the Congress of Industrial Organizations; and from special organizations like the National Hells Canyon Association, speaking for more than a million people in regard to the administration's disruption of the Federal power program, which was doing so much to build the Pacific Northwest.

I wish to make it crystal clear, Mr. President, that I am following in the footsteps of that great Republican, Theodore Roosevelt, under whose administration this entire public-power policy was formulated. It was Theodore Roosevelt, with a great Secretary of the Department of the Interior, that opened this path for the Republican Party.

I desire also to make it crystal clear that in my judgment I speak tonight for the Republican Party, the Republican Party of Abraham Lincoln, instead of the party of some of my colleagues, who have voted as they have voted tonight.

Mr. GORE. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield at this time. I do not care to be interrupted. I shall be glad to answer any questions at the conclusion of my remarks.

Mr. President, I wish that every Member on the floor who claims to be a Republican would read the record of Theodore Roosevelt on public power.

Anybody who reads that record cannot fail to realize that the bill we are debating tonight would wipe out all the things Theodore Roosevelt stood for at the time he was a great President of the United States.

It should be made crystal clear that what these meetings said about Federal power policy and about the atom reflects a mounting public opinion which we cannot disregard.

The National Electric Consumers Conference last December in Denver was a truly remarkable gathering which went to work with precision to develop a clear picture of the power situation and formulate the views of its participants. I had the privilege of attending the final session myself, flying to Denver after the

conclusion of the hearings of the Judiciary Monopoly Subcommittee on the administration's drive to destroy the rural electric cooperatives in the Missouri River basin. They actually sought to legislate private power companies into the preference classification reserved by Congress for public and cooperative electric systems.

The National Electric Consumers Conference brought together representatives of 88 different organizations, from 30 States, including spokesmen for major farm, labor, public power, cooperative, and rural electric groups. I have in my hand the statement of principles and position which it adopted. And I want to go over that statement briefly for the benefit of the Members of the Senate who are being called upon to take a position on the private-power monopoly atomic energy bill.

You will note as I read that splendid and forward-looking expression of widespread public opinion on the power issue that it refers briefly to the abuses of the private monopoly holding company era which characterized the administrations of Presidents Harding, Coolidge, and Hoover; it then turns to the evolution of the partnership in the power field between the Federal Government and the municipal rural electric systems; and then before taking up a positive outline of a sound Federal policy program, it touches briefly on the moves the present administration is making to disrupt that partnership.

I want to say again, Mr. President, speaking as a Republican from the Republican side, that North Dakota was beaten by the State of Vermont by only one-tenth of 1 percent in the votes cast in the last election for Dwight Eisenhower. I speak for the Republican Party, certainly of the northwestern part of the United States.

I call attention to the fact that Mr. William Howard Taft, when he was President, who had the opposite view from Theodore Roosevelt, was defeated at the end of one term. Mr. Hoover, who did not carry out the Theodore Roosevelt policy, was defeated at the end of one term. I predict tonight that if this administration goes ahead with the power policy it has formulated, against the will of millions and millions and millions of people, it will also serve one term, and no more.

Mr. President, if it goes ahead as it has done during the past few months, it should, in the opinion of the senior Senator from North Dakota, serve only one term.

Surely my Republican colleagues on this side of the aisle must have learned something as to what happened when Mr. Taft was in power. Surely they must recognize what happened when they had control of the 80th Congress. Do they never learn anything? I ask them, do they learn nothing from experience? In order to get the full flavor of the statement I shall read the text. This was drawn up in Denver. Eighty-eight organizations sent representatives, and those representatives came from 30 States.

Yet, tonight, Mr. President, one distinguished Senator arose and indicated that he knew more of what the people want in connection with electric power than do the people who represent the electric cooperatives, which I shall name.

Is it not strange how a man in public office sometimes believes he knows so much more than do the people who sent him to the Senate?

Mind you, Mr. President, this is a statement of principles and position of the participants in the National Electric Consumers Conference, held at Denver, Colo., December 10 and 11, 1953.

I might add, Mr. President, that the distinguished Senator who spoke tonight was not even present. I doubt that he has ever read what his constituents said at that meeting, which was composed of leaders of the REA.

Here is the statement of principles adopted by the representatives from 30 States, consisting of several thousand delegates, all of them experts in electric power, and who knew what they were talking about. I read:

> The assurance of an abundance of electrical energy for the farms, the cities, and the industries of America need never be a problem. However, until the early thirties of the present century, securing power needed for national development was a continuing struggle; and unbridled, unprincipled, and gigantic power monopoly was the reason.
>
> Instead of building power systems, the power monopolies watered stocks; instead of selling power at reasonable cost, they influenced and captured rate-regulating bodies. Secretly paid speakers, secretly supported front organizations, and even tampering with textbooks, were but parts of their campaign to brain-wash the American public. The financial, political, and propaganda activities of the private power companies uncovered by the Federal Trade Commission in the late 1920's and 1930's constitute one of the blackest chapters in the history of American business.

I ask, Mr. President, do we want to go back to that?

> However, in the early 1930's there was begun a true partnership arrangement between the Federal Government, municipalities, and rural electric cooperatives which began to break this electric power monopoly.
>
> Measuring sticks as to fair and reasonable costs of electric power were established. Through them was begun a great program which has brought power to millions of homes previously unserved, and power for new business and great new industries. The result has been lower electricity costs for all American consumers, either directly or through the effect of the yardsticks.

I may say, Mr. President, that on the Great Plains of the State of North Dakota lived my sister, less than a quarter of a mile from a big private power concern which had a transmission line. I endeavored to get my sister's home hooked up with that power line. They asked the great sum of $1,300 merely to connect up. The governor of the State, a few years later, had the privilege of providing an REA for the locality, and my sister joined and paid $5 and within a comparatively few months she connected with a great transmission line.

That case represents what has happened to millions of farm women all over the United States of America. They have been relieved of many, many hours of drudging slavery which previously they had to endure on the farms. Whether they churned, whether they washed clothes, whether they pumped water—no matter what the work was—it was difficult. Through the REA 90 percent of that work was taken off the shoulders of those farm women. And that is not all. Today in farm homes, because of radio, refrigerators, and many other things which are no longer considered luxuries, but necessities, the entire farm life of America has been changed. The senior Senator from North Dakota is not going to be one to destroy what has been accomplished. In one county on the edge of South Dakota, because of the policy of Mr. McKay, some of the farms have already had to dispense with some of those necessities. They no longer have them, and are back to using kerosene lamps. That is going on all over the United States.

Continuing reading the statement:

> Much remains to be done, however, to complete the job of assuring abundant power. Power use is increasing, and population is increasing. Power supply must be continuously expanded, or our standards of living will fall. Low-cost power in abundance is necessary to a full-employment economy.
>
> Events which have transpired during the year 1953 have brought the Federal power program to a halt, raising serious doubts as to its continuance, and even foreboding liquidation of existing facilities.
>
> What are these events of 1953 which are disrupting the true Federal local partnership to foster national interests?
>
> Private power monopolists, coddled and assisted by Federal officials, have moved toward its liquidation. No new Federal power projects are to be built. Power from present dams is to be leased on long-term contracts to private interests. Federal power supply responsibilities are to be denied. Our great regional resource development programs are to be impaired or to be made wholly infeasible by a giveaway of key dam sites. Present local public and cooperative power systems are to be made dependent on local private power monopolists for their continued existence. The public right to preference is to be denied.

This is not the statement of the senior Senator from North Dakota. This is the statement of representatives from 30 States—experts—who met on December 10 and 11, at Denver, Colo. This is the resolution they adopted:

> The power monopolists are today again deep in the unethical, immoral, and evil political propaganda practices of a quarter of a century ago.
>
> The current developments constitute a threat to our electric power systems, our standards of living, and our whole national economy, which has aroused the indignation of citizens across the Nation.

If anyone thinks the people are not aroused, let him get the poll of the junior Senator from North Dakota [Mr. YOUNG], a Member of this body. If any Senator thinks the people are asleep and do not know what is going on, let him get the poll of the junior Senator from North Dakota, and read for himself to see what the Republican Party will have left when it gets through with this deal they are now trying to put over. I continue:

> Recognizing this threat, we, the participants in the National Electric Consumers Conference, called at Denver, Colo., Decem-

ber 10–11, sponsored by the National Farmers Union and attended by more than 600 representatives of nearly 100 REA, farm, labor, church, consumer, and other organizations in 30 States, acting as individuals, do adopt the following statement of policies and principles:

I. PRINCIPLES FOR A FEDERAL POWER PROGRAM

In fulfilling the responsibility of the Federal Government for assuring an electric-power program that fully serves the people's needs, the following principles should be followed:

1. Establishment by Congress of the principle of Federal utility responsibility for that portion of regional power supply required to meet the expanding needs of present or future nonprofit electric systems and to support sound expansion of the regional economy.

2. Legal provisions requiring that preference be given to public and cooperative nonprofit agencies in sale of wholesale energy produced by Federal projects must not be impaired.

3. Establishment by Congress of regional development agencies which will recognize hydroelectric development as a primary objective of multiple-purpose river basin programs, but will also provide for the optimum conservation and development of all values, including flood control, navigation, irrigation, recreation, and others.

4. Construction by Federal agencies of steam-electric stations and transmission lines necessary to firm hydro power and meet power requirements of service areas, and to carry that power to load centers.

5. Limitation on the discretion of the Federal Power Commission to grant licenses for private development wherever they conflict with a Federal program.

6. Full technical and financial support for the vertical as well as horizontal expansion of the rural-electric program, including—

Assistance to generation and transmission cooperatives where needed to provide the member cooperatives with an abundant power supply in the future;

Financial and technical assistance in acquisition programs; and

Removal of population limitations on communities which rural electric cooperatives may serve, which are creating serious problems in connection with annexations and community growth, and which deprive communities of a free choice as to who shall serve them.

7. Establishment by Congress of interregional wholesale power supply grids interconnecting Federal hydroelectric systems, Atomic Energy Commission nuclear powerplants, local public and cooperative generating facilities, and private electric systems.

Who says this was not drawn up by experts? Who says these men did not know a thousand times more than a Senator, who gets up on the floor and tries to insinuate that he knows more about it than the men who represented his State and my State at that great conference? I shall go on to show what happened at some other places.

8. More active Federal development of atomic power by the Atomic Energy Commission in cooperation with the program of the proposed interregional grids. Atomic power so developed should be marketed as an element in the general power supply from the Federal grids under the general Federal responsibility set forth in this statement.

9. Federal legislation to make it illegal for any electric or other utility engaged in interstate commerce and enjoying guaranteed profits without economic risk while operating as a private monopoly under franchise privileges granted by the public, to finance or engage in, either directly or indirectly, any activity designed to influence political action at either local, State, or national levels of government, or to create public opinion for or against any such actions. This legislation should be enforced by the Federal Power Commission. The Internal Revenue Act should also be amended to preclude the charging off of expenditures for institutional advertising, contributions to organizations, or other public relations activities, to expenses as deductions for tax purposes. Owners of electric utility companies should not be privileged to advance their personal political prejudices and interests by the expenditure of tax-free income which is collected from rate payers above and beyond the legal fair rate of return.

Mr. President, how well I remember that, during the time I was Governor of my State, a State senator, a lawyer, whenever a bill came up in the State legislature, shouted to high heaven against public power and in favor of private monopolies. But when an investigation was undertaken by the State legislature, it was found that the State senator from Fargo, N. Dak., was on the payroll of a private utility.

Mr. KEFAUVER. Mr. President, will the Senator yield?

Mr. LANGER. I prefer not to yield at this time.

Mr. KEFAUVER. I was going to talk about an investigation by the Antimonopoly Committee.

Mr. LANGER. I should like to finish my speech. Then I should be glad to answer any questions. I shall take only a brief time.

Mr. KEFAUVER. I hope the Senator will talk as long as he wishes.

Mr. LANGER—

10. Federal legislation requiring that benefits from accelerated tax amortization be passed on to consumers.

11. Actions condemned.

We specifically condemn:

The Interior Department's new power policy.

It is a very strange thing that one of the men from a neighboring State, who favored the resolution, was head of the Eisenhower campaign in that State.

I continue to read the list of condemnations:

The Missouri Basin power marketing criteria which penalizes public power systems and farmer-owned electric cooperatives.

Violation of the Federal preference clause by long-term contracts with private utilities without withdrawal provisions to protect preference customers, such as already negotiated by Bonneville Power Administration and those proposed in the Missouri Basin.

The cutback of REA loan programs and crippling of its technical assistance programs.

Any alterations of established credit policies of REA which might impair the financial feasibility of the cooperatives, thereby curtailing any necessary system improvements and expansion of service to unserved consumers.

Federal withdrawal of opposition to the licensing of private power dams at Hells Canyon which will ignore tremendous downstream power benefits and great secondary flood control, irrigation, navigation, recreation, and other conservation benefits.

Federal withdrawal of opposition to private power dam license on the Kings River in California.

Surrender to the private utilities of public power from the Central Valley project in California, and destruction of the Federal preference provisions by disposal of Central Valley properties to the State.

Repeal of the 160-acre limitation on the use of water in Federal irrigation projects in the Federal reclamation law.

The shameful repudiation of legal contracts between Southwest Power Administration and REA generating and transmission cooperatives.

The proposed giveaway of Niagara Falls to five power companies, and the licensing of a New York State development on the St. Lawrence River without provision for preference to public and cooperative bodies.

In that connection, I invite the attention of the Senate to the testimony taken before the Antimonopoly Subcommittee, which showed that even after the United States district court in Washington ruled in favor of the cooperatives the Department of Justice took an appeal and has kept the REA's from getting the money justly due them, first by an act of Congress, and, secondly, by the stipulation entered into between the cooperatives and the United States Government itself. If the Government's word is not any good, in heaven's name, who are we going to trust?

The list of condemnations continues:

Failure to maintain an adequate rate of generation installation in the Tennessee Valley and the Columbia River Basin.

The proposed Georgia contract, which would establish private monopoly tollgates between Federal projects and public preference customers.

Elimination of new starts and slowdown of projects through unwise reductions of Federal investments provided in the annual national budget.

Retarding of industrial growth by refusal to see additional power from Federal transmission system directly to new industry.

Packing of administrative agencies and regulatory bodies and commissions with enemies of the public-power programs.

Wrecking sound conservation policy of the past 50 years by removing the Federal Government from responsibility for full multiplepurpose development of the Nation's river basins.

Inequitable allocation of project costs to power by deliberate, unwarranted, and unfair deflation of other multipurpose use costs so as to increase electric rates.

Proposals for a Federal tax on income of Federal, municipal, and cooperatively owned power systems, and to a Federal tax on municipal bonds.

III. A 20-YEAR PLAN

We insist that during the coming session of Congress authorizations and appropriations be made, adequate to provide the electric power and transmission lines necessary to give substance to the true Federal-local partnership power program which is based on legislation dating through a half century.

Mr. President, that was in the platform of the Republican Party. Why do they not carry it out? What is a platform for? Is it to run on, and then after someone is elected, to throw it into the wastebasket? That is exactly what the Republican Party promised when it wanted to elect their men to high office; and the American people believed it.

Necessary Federal construction programs should be planned on a 20-year basis, with authorization of construction geared to the needs of at least the 6 succeeding years, and with construction scheduled so as to assure the lowest possible construction costs.

The next session of Congress should approve funds for the construction of projects, chosen from among those already authorized or planned, so as to meet the power needs of all areas of the Nation and assure

abundant energy for national defense and full employment.

IV. A PROGRAM OF ACTION

Citizens of America who demand abundant low-cost energy for the Nation are uniting in a rising tide of indignation against the proposed new power policy through this great meeting, and at others across the Nation in Portland, Albany, Omaha, Washington, Sacramento, Oklahoma City, and elsewhere.

There is recognition everywhere that the fight to save America from the blight of energy shortages, high rates, watered and inflated rate bases, reverse yardsticks, unbridled exploitation, and continued brain washing with the canned propaganda of unprincipled monopoly publicists cannot be won by forces divided into tiny units. An enemy cannot be repulsed by each citizen waiting to fight alone at his own doorstep.

The cause of the central valley of California, the New York-New England area, Hells Canyon, the Columbia Basin, the Tennessee Valley, the upper Colorado, the Missouri, the Southwest, the Southeast and other areas is each the cause of everyone of us. Assurance of the continuation of the REA program in all areas, including an adequate and expanding generation and transmission program for the future, is also the cause of all of us.

I want to refer for a minute to the 80th Congress. Mr. President, I wanted to get out on the platform in that election. I listened to the statements that under the Republican administration Congress had appropriated more money for REA than had ever been appropriated before. And that was true. Up to that time, it had appropriated for REA more than any other Congress—$300 million. I appeared before the Appropriations Committee, together with other Senators who were interested. We had that amount raised to $400 million. What happened to it? Why, as every Senator on this floor knows, $700,000 was taken out of the funds for the administration of REA. That meant that 172 engineers were taken off the rolls. In North Dakota, South Dakota, and Minnesota, how many engineers were there? Before a mile of construction is performed by the REA, an engineer has to lay out the plans.

He had to survey it, no matter how level the land was. That was the law.

Did we have 20 engineers left? Oh, no. The housewives had to wait, wait, wait another full year. Were there 15 engineers? No, Mr. President, not when the 80th Congress got through cutting $700,000 from the administrative funds for the REA.

Were there 10 engineers or 5 engineers left for the States of North Dakota, South Dakota, and Minnesota? Oh, no. North Dakota, South Dakota, and Minnesota had only 1 engineer for all 3 of those States, in connection with constructing the REA's.

In my State I ran for reelection. I remember that opposing me was a man who said he was running on a platform of being a friend of the REA—one of the same sort of friends I sometimes see in Washington. Mr. President, when the REA consumers got through with that man, he carried only 3 of the 53 counties. I always give credit to the REA users for my carrying of the 50 counties. I give credit for that to them and to the knowledge they had of the fight I made to get more engineers. As the Senate knows, we got more. We called the head of the REA before us; and he testified under oath to the truth of what had happened, with the result that we got the additional engineers.

I read further from the resolutions:

Our Congressmen and Senators must be urged to support Federal development programs in every area. They must be judged on across-the-board support of a total national program and not on their votes on local projects alone.

Our growing unity must be perfected.

We urge all organizations to publish full voting records on all power issues.

We strongly endorse the Electric Consumers Conference being planned in Washington, D. C., for early in the coming session of Congress.

We urge that regional electric consumers associations and similar groups, already appearing in many parts of the Nation, be encouraged and supported.

We urge that the Electric Consumers Conference to be held in Washington complete an effective federation of all groups to assure nationwide unity of action on each front.

Those are the resolutions that were adopted in Denver.

You will note, Mr. President, that the National Electric Consumers Conference recognizes that atomic power will have an important place in future Federal power programs. Thus, the seventh principle adopted by the conference calls for the establishment by Congress of interregional wholesale power supply grids, interconnecting Federal hydroelectric systems, Atomic Energy Commission nuclear powerplants, local public and cooperative generating facilities, and private electric systems.

Similarly, the eighth principle calls for more active Federal development of atomic power by the Atomic Energy Commission in cooperation with the proposed interregional grids. It also calls for the marketing of atomic power so developed as an element in the general power supply from Federal grids, under the general Federal responsibility for meeting the expanding needs of present and future nonprofit electric systems, and supporting sound regional expansion called for by the statement of principles.

Mr. President, I hold in my hand a telegram I have received from one of the most distinguished men who ever served in the United States Senate, a man who served in the Senate longer than almost any other man—my great friend, Senator Kenneth McKellar, of Tennessee. I think it appropriate that I read a telegram I have received from that distinguished man, now in the declining years of his life, a man who, in my opinion, certainly is just as wise as any Senator now on this floor, if not wiser:

JULY 12, 1954.

Hon. WILLIAM LANGER,
Senate Office Building,
Washington, D. C.:

As you know, the building of public-power dams was the main work of my long career in the Congress. I got the first dam built on the Tennessee River by bill June 3, 1916, and thereafter almost entirely through amendments offered by me in the appropriation bills we built all the dams on the Tennessee and Cumberland Rivers. After it was shown that the dams were a success in Tennessee our western Senators wanted them in many of their States. First as a member and then as chairman of the Appropriations Committee I aided the western Senators in every effort to build their dams and as I recall in like manner voted for and earnestly worked for a like proposal on the St. Lawrence River. These dams in Tennessee and in the West are the pride of my services in the Congress. I beg you not to destroy the Tennessee Valley Authority. In my heart I know you do not want to do so.

With best regards,

KENNETH D. MCKELLAR.

Mr. President, I well remember the occasion when Senator after Senator on both sides of the aisle rose and paid high tribute to that grand man from Tennessee.

Mr. President, I have received the following telegram from Bismarck, N. Dak.:

BISMARCK, N. DAK., *July 15, 1954.*

Senator WILLIAM LANGER:

We, the members of the North Dakota Association of Rural Electric Cooperatives, in convention assembled, contend that the Cole-Hickenlooper atomic-energy bill now before Congress will not be in the interest of the rank-and-file public but will be the biggest giveaway of public resources to private parties ever perpetrated in history. We respectfully request your urgent efforts in opposition to this bill.

R. G. HARENS,
Executive Secretary, North Dakota Association of Rural Electric Cooperatives.

Mr. President, I may say that North Dakota is an agricultural State with approximately 60,000 farmers; and the farms of over 90 percent of them are hooked up to REA, according to the statements of their representatives meeting at Bismarck, N. Dak., on the occasion when representatives of all those cooperatives met in session.

For the benefit of any Senator who may think he knows a great deal more about electrical energy, atomic energy, and that sort of thing than do the men who have hired experts for many years, let me say that many Senators who do not know any more about the subject than I do are perfectly willing to rely on their own judgment. I frankly confess that I know very little about the subject. All I know is what I have learned from the experts. I know very little about it, but I think I know as much about it as does the average Senator, and perhaps a little more, because of the hearings I have held since I have been chairman of the Judiciary Committee. I yield to no man in this body except possibly some Senator who has specialized in engineering.

I should like to read a telegram which I have received today from Mr. J. E. Smith, president, for the board of directors of the National Rural Electric Cooperative Association. There is a man who is an expert and who has had the advice of hundreds of men in his organization. I attended one of their meetings. There were delegates present from Alaska, from every State in the Union, and from Hawaii. Surely the average member of the Republican Party, at least, in my humble opinion, ought to listen to the voices of some of those experts.

The telegram is dated July 21 and is addressed to me. It reads as follows:

By resolution passed unanimously at a meeting of the board of directors of the

National Rural Electric Cooperative Association at Wausau, Wis., July 21, 1954, the following message is sent to all Members of the Congress.

Mr. President, how often have I heard a Senator rise and say, "I am voting for this particular measure because it is recommended by Herbert Hoover. The Hoover Commission has recommended it. Therefore, it should be enacted." That is the same Herbert Hoover who was overwhelmingly repudiated by the people, a man who was my friend. The excuse given is that the Hoover Commission has recommended something. I am not quarreling with those men, but Senators often say that the reason they voted for a particular bill was that the Hoover Commission recommended it.

Here we have a situation in which we have a resolution from the National Rural Electric Cooperative Association. This message was sent to every Member of Congress. The last vote in the Senate shows that Senators paid no attention to it. I suppose if Herbert Hoover had sent it the situation would have been entirely different. But Herbert Hoover did not happen to be president of the board of directors of the National Rural Electric Cooperative Association.

This is what the telegram says:

By resolution passed unanimously at a meeting of the board of directors of the National Rural Electric Cooperative Association at Wausau, Wis., July 21, 1954, the following message is sent to all Members of the Congress:

It is our firm belief that the atomic-energy program developed with the people's funds to the extent of $12 billion—

I digress for a moment to ask, How much is $12 billion? Every acre of land, every horse, cow, and sheep, every bank deposit, and everything else we have in the State of North Dakota, based upon 100-percent valuation, is worth a trifle more than $2 billion. So the Government has spent 6 times that sum, or $12 billion. These men, as experts, are talking about the $12 billion of the people's money which has been spent in the development of atomic energy. They say:

It is our firm belief that the atomic energy program, developed with the people's funds to the extent of $12 billion, is a part of the public domain as much as public lands, the navigable rivers and other resources long considered to be the people's property. We feel most strongly that this is the basic premise which should guide the Congress in the consideration of S. 3690 and H. R. 9757.

We commend those Members of the Senate who have courageously set forward the issues in S. 3690 and urge the continuation of debate until all issues are clarified and the bill satisfactorily amended.

We urge that the licensing provisions and procedures be brought into line by appropriate amendments to make such licensing subject to the same safeguards applicable to water resources under the Federal Power Act. This includes public notice to interested parties, public hearings, and preference to public bodies and cooperatives on all licenses for the construction, operation, and fueling of atomic establishments for the production of electric power.

Mr. President, may we have order? There is so much discussion on the floor among Senators that I cannot hear myself.

Mr. WILEY. Where are the Senators, Mr. President?

Mr. LANGER. They are all around me, let me say to the distinguished Senator.

I was just reading a telegram coming from the Senator's own State, from the city of Wausau, conveying the message that the National Rural Electric Cooperative Association is opposed to the passage of the pending bill. The telegram is signed by the president of the board of directors of the association, consisting of thousands of members. I know that the distinguished Senator from Wisconsin will be very much interested in a telegram coming from his own State, because I remember how eloquently he spoke to some of the producers of dairy products in his own State, and how he stood here in the Senate hour after hour pleading so eloquently for those dairy producers. I think some of the finest speeches I have heard delivered in this Chamber have been delivered by my distinguished friend from Wisconsin. Not only that, but he made a great record in fighting the oleomargarine bill, fighting for the farmers who were producing dairy products.

Mr. WILEY. The Senator is doing fine. Carry on.

Mr. LANGER. I hope that before we are through with this debate to see the distinguished Senator from Wisconsin speaking in behalf of the REA cooperatives in the great State of Wisconsin.

To continue with the telegram——

Mr. WILEY. Mr. President, will the Senator yield?

Mr. LANGER. I decline to yield at this time. I shall be glad to answer any questions when I shall have concluded.

Continuing with the telegram:

We oppose the granting of private patents on discoveries made with Government funds, in the past or the future, directly or indirectly, and we urge compulsory licensing of all patents affecting the use of this great resource. No private monopoly should be permitted to jeopardize the domestic welfare and national security.

We urge that preference in the purchase of electric energy generated as a byproduct of the atomic-energy program be given to public bodies and cooperatives. Section 44 should be so amended.

We urge amendment of the bills to empower the Atomic Energy Commission to construct and operate or license any other Federal agency to construct and operate electric generating facilities, and that preference in the purchase of electricity generated in such facilities be given to public bodies and cooperatives.

We deplore the attempt to use the Atomic Energy Commission to open the way for invasion of TVA by the private power companies via the so-called Dixon-Yates contract, and we urge both Houses to amend the Atomic Energy Act to specifically forbid the signing of such contracts.

We urge the Congress to recognize the vital importance of this wholesale revision of the Atomic Energy Act; that the Congress recognize that S. 3690 and H. R. 9757 are primarily electric-power bills, and that the rights of the people to the full benefits of their investments of $12 billion be recognized and safeguarded against monopolistic restraints and exploitation, through licenses, patents, subsidies for atomic fuel and any and all other devices.

J. E. SMITH, *President*
(For the board of directors of National Rural Electric Cooperative Association).

I may say, Mr. President, that the hour is late, and I have no desire to detain my colleagues on the floor. I am just about half way through with my remarks, and I was about to read what some other organizations have said in passing resolutions on this subject. I shall do that at a later time, and I shall be glad to answer any questions that may be asked of me at that time. For the present, Mr. President, I yield the floor.

INDUSTRIAL ATOMIC POWER AND ITS RELATION TO DEVELOPMENT OF OTHER NATURAL RESOURCES

Mr. CASE. Mr. President, I was about to say that earlier today—it is now 12:30 a. m., Thursday—but I suppose I should say earlier on the day this session of the Senate began, Wednesday, July 21, there was delivered at Rapid City, S. Dak., a very interesting address entitled "Industrial Atomic Power and Its Relation to Development of Other Natural Resources." It was delivered by Mr. Lawrence R. Hafstad, Director, Division of Reactor Development of the Atomic Energy Commission, before the Missouri Basin Inter-Agency Committee. The Missouri Basin Inter-Agency Committee is comprised of the Governors of the States within the Missouri River Basin, representatives from the Corps of Army Engineers, from the Bureau of Reclamation, and from other Federal agencies who are involved in the comprehensive plan for flood control and the general development of the waters of the Missouri River.

The address is an outstanding paper. It was presented by the one man who probably knows more than any other person about the possibilities of industrial atomic power and its possible use in the development of electric power.

In view of the fact that it is very pertinent to the discussion that has taken place in this debate, and because it is the last word from an authority in that field, I ask unanimous consent that the address appear in the RECORD at this point, as a part of my remarks.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

INDUSTRIAL ATOMIC POWER AND ITS RELATION TO DEVELOPMENT OF OTHER NATURAL RESOURCES

It is in the tradition of science first to observe, then to understand, and finally, to utilize the forces of nature. For over half a century scientists from all over the world have been observing and studying the forces within the atom and dreaming of the time when these forces might be utilized in the interests of mankind. During the 1930's, the curve of this scientific activity began to soar upward.

In the last decade there has been a tremendous upsurge of interest in atomic energy, on the part of the general public, started by the dramatic introduction of this new force during the war for atomic-bomb explosions, and, increased more recently, in connection with the realization of the imminence of the possible use of the same force for peaceful purposes.

It is important that, as long-range planners, we keep a broad perspective in this matter. For this reason, I wish to emphasize that work has been going on in this field for several decades in a number of countries and that the ground swell of interest we are now

witnessing is international. A surge of interest in connection with military utilization has been capitalized upon in the national interest to support atomic weapons programs which give a temporary military advantage to individual nations.

IN ENERGY, CHEAPER THAN COAL

Interest in atomic energy stems from the fact that in uranium we have what promises to be both a compact and a cheap source of energy. It is certainly compact.

One pound of uranium, about a cubic inch, contains as much energy as several trainloads of coal, more precisely 1,500 tons of coal. That this energy promises to be cheap, we can see by calculating the cost of the 1,500 tons of coal. At $3 a ton, this would be in the neighborhood of $10,000, whereas the cost of 1 pound of uranium is more like $20.

When one stops to realize the endless hours of engineering effort which have gone into improving the various commonplace energy-using machines by a few percent in efficiency to reduce costs by a corresponding few percent, one can realize the challenge felt by engineers when presented with an opportunity of decreasing costs, not by a few percent, but by a factor of 500. This is the challenging technical problem that we face.

Before trying to describe for you the present status of our progress in this exciting field, I feel that it is necessary to clear away some of the misconceptions that have arisen in connection with the possible use of atomic energy for peaceful purposes. It is the very existence of this theoretical factor of 500 in the potential reduction of energy cost that has led to so much wild speculation and undue optimism. These speculations are based on calculations of energy content in the material only, and take no account of the costs of getting the energy out of the material and into a usable form.

So far as practical use is concerned, the calculations I have just given you are as significant as, but no more significant than, the calculations involving the amount of energy available, for example, in the tides of the ocean. The energy is there; no one questions that. The problem is to get the energy out and into a usable form at a cost which makes the energy, in this final usable form, no higher than that available from other competitive sources. In spite of the availability of the vast "free" energy of the tides, we do not draw upon this source.

In the field of atomic energy, the scientists have done their job and done it well. The magic and mystery have been eliminated by the discoveries of the scientists, and the nuclear reactions involved are now adequately understood. Now the problem is for engineers to provide mechanisms necessary for its utilization and for management to make the decisions connected with the economic problems involved.

PROBLEM OF HEAT EXTRACTION

By a historical accident, the possibility of utilizing this new energy source was developed during a period of international stress. As a result, the work accomplished in this field in our country has been done under Government monopoly.

In this situation, it has been necessary for the Atomic Energy Commission, in charge of the monopoly, to make decisions which, in this country, would normally be made by private industry. In either framework, however, the key question is: Will the end result justify the very high cost of development of an entirely new process for the extraction and utilization of heat.

To approach this problem rationally, it is necessary to make a market survey to determine the possibility or probable future demand for such heat or energy. This can be quickly done.

It so happens that in industrialized nations the demand for energy is going up extremely rapidly. Both the population and the per capita demand for energy are mounting. In this country the demand for electric power has been doubling about every 10 years and there seems to be no basis for assuming that this trend will stop. It is also clear from the studies of the Paley Commission and others that most of the increased demand is for energy from the fluid fuels—petroleum and natural gas, specifically. Hydropower, while still extremely important and without question the cheapest source of such energy, is unavoidably limited in availability and will, over the years, contribute a decreasing percentage of the power requirements. Coal reserves will no doubt be needed for conversion to gasoline, with substantial increases in costs.

With demand established, the remaining problem is the one of future relative costs between different sources of energy. Here the problem depends to a large extent on the color and shade of the several crystal balls used by various forecasters. In general, however, while the cost of power from atomic-energy powerplants, as now conceived, is undeniably high, historically the trend in a new industry is for a rapid reduction in cost as the technology develops and volume increases. On the other hand, in an old and established industry costs tend to stabilize, and eventually even to begin to rise again, as the technology is perfected and rising labor costs begin to dominate. Those of us in the atomic-energy business feel that the crossover point on these two curves is likely to come somewhere between 5 and 15 years from now, depending on the vigor and intensity of the development effort in the atomic-energy field.

FIVE TO FIFTEEN YEARS AWAY

For planning in connection with power and other resources, it is not unreasonable to try as best we can to anticipate the effect of events and conditions as much as 15 years in the future, and, of course, to revise our planning as we acquire more knowledge. It is for this reason I feel this conference is particularly timely and that you are to be commended for beginning to take account of the effects of atomic energy in your long-range planning.

Now let us take a few moments to look at the technical program in this field, so that I can tell you how far we have come and how far we still have to go along the road to economic atomic power. Let us first ask the question, Why is atomic power so expensive? If the fuel is cheap, why isn't the power cheap? Here we must dabble a bit in physics, but we need not go any deeper than the general knowledge one picks up from newspaper and magazine reading.

One of the first factors we must consider is the large amount of radiation, similar to that from radium and X-rays, which is given off by atomic reactors. Both instruments and personnel must be protected from this radiation. To provide this protection requires large, heavy, and therefore expensive, shielding.

A part of this radiation consists of neutrons. In fact, it is these neutrons which keep the chain reaction going. Certain materials absorb neutrons readily or are damaged by radiation. Other materials retain few neutrons—are "transparent" to them, the scientists say—and withstand radiation damage fairly well. Generally speaking the latter class of materials can be used as structural materials in the core of the reactor which produces the heat. This is clear when one remembers that the neutrons are necessary to keep the chain reaction going and that any material which absorbs neutrons would have a dampening effect on the reaction. Yet it is no more mysterious than to say that any material, added to a wood or coal fire, which would reduce the available oxygen would tend to put the fire out.

Another requirement for reactor materials is that they must stand high temperatures. If we are to extract heat from the reactor, the higher the temperature with which we start, the easier it will be for us to extract the heat. Still another important materials requirement is that they withstand corrosive attack by the coolant—usually water or liquid metal—which carries off the heat so that it can be utilized.

FOUR NEEDS IN REACTOR CORES

Thus, for the reactor core we need materials with four properties; first, they must stand high temperatures; second, they must not absorb too many neutrons; third, they must stand exposure to intense radiation; and fourth, they must stand up under corrosion.

Now we begin to see the difficulties. There are very few materials available which can simultaneously meet these four requirements. In fact, uranium itself, which obviously is a very necessary component of the reactor core, is a particularly bad actor so far as stability in the presence of radiation is concerned.

Control is another serious problem. It is obvious, I think, that the very compactness of the fuel source itself introduces a hazard. For civilian purposes, it is necessary that the enormous store of potential energy within a reactor core be released gradually and under controlled conditions. In a power reactor, uncontrolled release of this energy, while extremely unlikely to lead to an actual explosion, can conceivably lead to temperatures higher than those which available materials can stand.

DISPOSAL OF WASTES

Still another problem is that of the handling and disposal of spent fuel elements and wastes. Nuclear reactions yield fission products which are analogous to the ashes of an ordinary combustion process, though much less bulky than the ashes of combustion. They are radioactively "hot," that is, they are sources of intense radioactivity similar to the radioactivity from the reactor itself. For this reason they must be handled by remote handling devices, under water or behind shields, and disposed of in ways which will prevent contamination of the environment. All of this is expensive.

Such then are the problems, and they are indeed formidable. However, thanks to the devoted efforts of scientists and engineers in our great national laboratories at Argonne and Oak Ridge, at other AEC installations, and by our industrial contractors, solutions have been found to these problems. As you have read in the newsapers, the land-based prototype of the submarine power reactor, for example, has already operated long enough to have driven a submerged nuclear-powered submarine, at high speed, entirely around the circumference of the earth. A powerplant with such performance is no longer a scientific toy.

The Argonne and Oak Ridge National Laboratories have each produced experimental reactor powerplants which have actually generated in the neighborhood of 200 kilowatts of electric power—enough to satisfy the needs of a good-sized commercial building.

The Commission, with Westinghouse as its contractor, has underway a project to design and build jointly with the Duquesne Light Co. a nuclear powerplant that will generate 60,000 kilowatts of electricity. This is enough power for a good-sized city.

ELECTRIC POWER FROM NUCLEAR POWER

There is no longer any question then that power, specifically electric power, can be produced from nuclear powerplants. The question of practicability revolves solely around the question of cost. It is natural to ask, How close are we now to economic atomic power? Unfortunately, this is a difficult question to answer. We really don't know because as yet no plant specifically designed for economic civilian power has been built and operated. All we have available are estimates based on extrapolations from experimental units or units designed

for military operation for which costs are hardly representative of industrial or "civilian" central station plants.

It is significant, however, that the engineers' cost estimates, made by groups representing the Commission's development contractors and by independent groups representing both publicly and privately financed utility organizations, are arriving at figures which indicate that nuclear powerplants should be able to produce power at a cost within a factor of about two of the present national average.

It is significant, too, that whereas a few years ago the low-cost estimates came only from enthusiastic amateur groups, while the estimates of our experienced industrial contractors were invariably disappointingly high, in recent months accumulated reactor experience has led even our most conservative and sophisticated contractors to support predictions of power costs close to the competitive level.

For example, a recent report of the General Electric Co. considers two different types of nuclear powerplants, one estimated to cost $195 per kilowatt of installed capacity, and the other $215. These investment figures compare with $130 per kilowatt for a conventional coal plant. For the nuclear plants, however, the fuel costs are only 1.35 and 1 mill per kilowatt-hour, respectively, as against 3.4 mills for the coal plant with coal at 35 cents per million B. t. u.'s. The low fuel costs compensate for high plant costs so that, for the nuclear plants, the overall energy cost becomes 6.7 and 6.8 mills per kilowatt-hour as against 6.9 mills for the conventional plant.

FIGURES ESTIMATES, NOT COSTS

I hasten to add that the precision of these figures is not to be taken too seriously. No nuclear plants have yet been built and operated and the cost estimates must, therefore, be assumed to have large errors, whereas conventional coal plants have been perfected to such an extent that for such plants the figures can be considered firm.

Accordingly, in considering nuclear power costs, it would be prudent, in view of our ignorance and inexperience in this field, to use contingency factors considerably higher than those used for conventional plants. Even up to a contingency of 100 percent, in the case of the GE estimates, we are still within the factor of two of the conventional power costs which I discussed a few minutes ago.

It may seem to some of you that I am too concerned with mills and fractions of a mill in power costs. Before fractions of a mill are dismissed as unimportant, it would be well to realize that a 1-mill-per-kilowatt-hour saving on electricity in the United States would represent a total annual saving to the Nation of about $430 million. Conversely, if nuclear power costs stabilize at a figure 1 mill above the average of electricity from conventional energy sources, the high cost of development of nuclear power may have to be written off as premature. The stakes are indeed high.

The next question to which we might address ourselves is: Where do we go from here? While there are many conceivable reactor types based on different fuels and fuel element arrangements, different coolants and moderators, and different temperatures and conditions of operation, the Atomic Energy Commission—through its advisers and its staff—has selected five different types as being the most promising at the present time. These types will be developed in projects financed largely by the Atomic Energy Commission to the stage at which an adequate technology is proved. According to present plans, AEC money will not be used to carry these types to the stage of an operating economic powerplant.

Three of these reactor types, which I'll not have time to describe and will list by name only, are relatively short-term projects. Experimental operating units should be available within 2 or 3 years' time. These are an experimental boiling water reactor, a sodium reactor experiment, and the already mentioned Westinghouse-Duquesne large-scale experimental powerplant, known as the PWR or pressurized water reactor.

The other two approaches are longer term projects in which we hope to build experimental reactors in about 5 years. These are a homogeneous reactor in which, as the name implies, the fuel is dispersed homogeneously in an aqueous solution rather than being fabricated in metallic fuel elements, and the breeder reactor, the most exciting of all, which promises to produce more fissionable material than it burns. It would transmute the reserve of fertile material into fissionable material.

This Government-financed program is strictly an experimental program and none of the reactors mentioned are expected to produce competitive economic power. It is important that groups such as yours realize that the production of such economic power is not yet an accomplished fact, and that much work remains to be done before it can be accomplished. Yet, with the goal in sight, as a technical man I share with my colleagues their impatience with delays and their urge to get the job done.

CONGRESS TO FIX POLICY

Technical men are usually not very much concerned as to how the work is financed, whether with Government or non-Government funds. It is for Congress and the administration to determine the rate at which work on the reactor program should be pushed, evaluating probable returns against costs. However, since it already has been announced that a vigorous reactor program is a matter of national importance, it is important that either Government expenditures be maintained at significant and effective levels or that non-Government funds be encouraged to get into the program. This Nation is rich in coal and oil, and has understandably shown less interest in civilian use of atomic power than energy-starved nations abroad.

Since there are few problems in arranging for the distribution of Government funds, it would seem to be most profitable for us to discuss the problem of making the transition from the AEC-financed experimental program to a developmental program of full-scale reactors financed largely or entirely by non-AEC funds.

Let me emphasize, again, that none of the reactors to be built by the AEC is expected to be economical, and, for this reason, no board of directors of either privately owned or publicly owned utility systems could at this time authorize the choice of such a nuclear powerplant for use as a part of a system as a sound financial proposition. At the moment the situation is something like that leading to the Homestead Act, which provided that a prospective farmer, on presenting evidence of probable future diligent work, might be given 160 acres of weeds and grass and trees and stumps and stones.

EXPERIENCE IS NEEDED

If nuclear powerplants are likely to become economic at some time in the future—even if people in this country have to buy them abroad—it is worth something to a utility management, private or public, to begin to gain experience with them, in spite of likely high cost of the first plants. The need for this experience could provide the basis for a cooperative program in which the excess cost of nuclear power from these first plants would be financed partly by the operator and partly by the AEC.

Thinking by the staff of the AEC on this transition problem is at the moment about as follows: We accept the fact that the construction of nuclear plants will be for the immediate future, be more expensive than conventional plants by some unknown amount.

We ourselves are satisfied and believe we can satisfy the engineers of any interested utility operator that nuclear powerplants can be confidently expected to work, though there may be some delay and inconvenience in getting the first units up to full power. We are further satisfied that, with a fair price to the operator for the byproduct materials produced, operating revenues will exceed operating costs.

Finally, we believe that both AEC and utility organizations will gain valuable experience from the construction and operation of such plants and, further, that the Nation as a whole will gain both in immediate military strength and in potential economic strength.

PROPOSAL FOR JOINT VENTURE

The staff proposal, then, is as follows: Utility organizations, for the sake of their own education and as a contribution to the national good, should be persuaded to consider seriously substituting a few nuclear powerplants for conventional plants in the course of normal expansion.

An organization's nuclear powerplant will be essentially an engineering extrapolation from one of the experimental reactor plants now being built and financed by the AEC. The nuclear plant will cost significantly more than a conventional plant, if for no other reason than the higher contingency, or ignorance factor. Since the utilities' first responsibility is to the consumer, the higher cost of such a nuclear plant cannot strictly be justified, though the cost of the equivalent conventional plant will represent a routine expenditure. On the other hand, in the AEC, research and development costs are routine expenditures, and it is the long-continued operation of the plant which represents an anomaly.

A joint program might, therefore, be developed on this basis: As a first approximation the utility company proposes to provide an amount of money equal to the cost of a conventional plant for the location in question while the Atomic Energy Commission, as part of its research and development expense, finances the difference between the cost of a conventional plant and a nuclear plant. If a number of such proposals can be developed every year, in each fiscal year the proposal considered to be most in the taxpayers' interest, as measured by minimum cost to the Government for the greatest technological advance, might be accepted for the reactor of the year. Under this suggested plan the Government would also purchase byproduct plutonium at a fair price.

With increasing experience on successive reactors, the difference between the cost of a nuclear and a conventional plant should become smaller and smaller and eventually vanish entirely, at which point the Government could step out of the picture. This approach seems to be one that can be made acceptable to the operating industry which, because of the nature of its business does not lend itself to the accumulation of risk capital. It further has the advantage of avoiding the high cost to the taxpayer of a long-continued subsidy program, for very few reactors will be built until power reactors become truly economic. Although some accounting and ownership problems are involved, this approach seems to be the most realistic under our present boundary conditions.

EFFECT IN MISSOURI BASIN

Let us now turn to a final question. If this, or some similar program is launched, what will be the effect in the Missouri Basin area and the interest of the people here? One of the first questions asked will be: How will the emergence of atomic power affect interest in hydropower and its use where it is available? The answer to this one is simple. Hydropower is so cheap, relative to other forms, that the Nation can and must develop all that is available, but this capacity will be able to meet only a

small fraction of the future energy demand of the Nation or, in fact, of the region in which it is developed. Experience in the Columbia Valley region is evidence. A region which was once considered to have inexhaustable hydropower is now surprisingly susceptible to brownouts.

Another popular question is: Are hydro power and atomic power compatible? I believe that future experience will show that they are not only compatible, but complementary. In the days when we thought of the power available from our big dams as very large blocks of power, it was natural to consider this power as providing the base load of an area. However, as the power demand increases and the percentage contribution of hydro becomes less and less, it seems clear to me that the base load will be carried by fossil or nuclear fuels and that hydro will be used for peak loads. This seems to be a healthy trend, for I can think of no cheaper way to store potential energy in a conveniently available form than in a water reservoir behind a high dam.

COMPLEMENTARY, NOT COMPETITIVE

There are, however, more subtle implications in what I think we can now confidently predict will be the gradual incorporation of nuclear powerplants into existing networks. In the beginning nuclear powerplants will be most attractive in areas where the cost of conventional fuel is high, and in these areas nuclear power will, in the long run, have the greatest social impact. The area in which we meet today is in one such area. There are 5 high-fuel-cost areas in the United States—one in the intermountain area in the West, one here in and around South Dakota, another in Maine, a fourth in Florida, and the fifth in the upper Michigan peninsula. In each of these areas, energy costs are roughly 35 cents a million British thermal units delivered.

On the other hand, the low cost areas are in the gulf region and along the Ohio River where energy costs are in the neighborhood of 10 to 20 cents per million B. t. u. Now this does not seem to be a tremendous difference in fuel costs, but it is surprising how much effect this differential has in the location of industry which as we all know, shows a tendency to concentrate in the Ohio River Valley and more recently in the gulf region where the fuel costs are particularly low. It is true that cost of fuel represents an extremely small fraction, in the neighborhood of 1 or 2 percent of the cost of finished products, but it seems to be a percentage that gets a lot of management thinking and does have an effect on the location of industry. We might say, therefore, from a strictly chamber of commerce point of view that it behooves people interested in the future of the Missouri Basin to become acquainted with and explore rather thoroughly the potentialities of nuclear energy, because it might serve to attract industry to an area which has the other desirable attributes.

You have still another advantage over other areas of the United States in respect to early introduction of nuclear power, and that is ample space. In the densely populated East, it is necessary in the design of reactors to lean over backward to take precautions against the remote possibility of "reactor incidents," which may be defined as a polite way of saying reactors out of control. In this area, however, the cost of precaution in the form of space around the plant to guard against the effects of "incidents" should be low.

Finally, if the international situation continues "not to improve," there would be a very great element of national strength in a utility system composed of electric power plants widely dispersed throughout the heartland of the continent with plants preferably underground and each with a 20-year supply of fuel stored in some convenient corner closet. I can only hope that our mobilization planners and civilian defense planners give due weight to the implications of civilian atomic power. Groups such as the Missouri Basin Inter-Agency Committee might find study of these military and defense aspects of nuclear power particularly rewarding.

COMPARATIVE ACTIVITY OF THE 81ST, 82D, AND 83D CONGRESSES

Mr. KNOWLAND. Mr. President, on Monday, July 19, the Senator from Tennessee [Mr. GORE] and I engaged in a colloquy on the floor regarding the legislative activity of the Senate during this session of Congress. At that time I inserted in the CONGRESSIONAL RECORD a statistical analysis which compared the activity during this session of Congress with activity of preceding sessions during the 82d and 81st Congresses. My office has advised me that the statistics for the first session of the 83d Congress and the 82d and 81st Congresses had only been brought forward as far as May 31 of each year instead of the June 30 date as indicated in the chart incorporated in the RECORD on page 10873 of July 19, 1954. Therefore, at this time I ask unanimous consent to have inserted in the RECORD at this point the completed chart of legislative activity as of June 30 for the 80th through the 83d Congresses.

Although I believe the statistics will speak for themselves, I merely want to point out that counting a 5-day workweek, Monday through Friday, the Senate has been in session 114 days out of a possible 126 days since it convened on January 6, 1954.

The PRESIDING OFFICER. Without objection, it is so ordered.

The analysis is as follows:

Data on legislative activity from start of session through June 30—Senate

	83d Cong., 2d sess.	83d Cong., 1st sess.	82d Cong., 2d sess.	82d Cong., 1st sess.	81st Cong., 2d sess.	81st Cong., 1st sess.	80th Cong.[1] 2d sess.	80th Cong., 1st sess.
Date session began	Jan. 6, 1954	Jan. 3, 1953	Jan. 8, 1952	Jan. 3, 1951	Jan. 3, 1950	Jan. 3, 1949	Jan. 6, 1948	Jan. 3, 1947
Days in session	114	98	109	101	123	109	102	106
Time in session:								
Hours	630	542	591	545	738	644	591	575
Minutes	39	55	57	36	22	29	30	12
Congressional Record:								
Pages of proceedings	5,354	4,811	4,935	4,570	5,694	5,101	4,743	4,264
Appendix								
Public bills enacted into law	53	39	69	19	60	66	189	53
Private bills enacted into law	105	27	169	40	108	43	110	16
Bills in conference	3							
Bills through conference	5	4						
Measures passed, total	839	419	764	485	650	522	1,048	391
Senate bills	365	184	292	186	244	205	358	140
House bills	332	113	338	161	290	191	531	128
Senate joint resolutions	14	15	8	9	11	16	27	29
House joint resolutions	12	8	23	12	12	18	27	21
Senate concurrent resolutions	19	13	17	16	15	22	16	5
House concurrent resolutions	19	10	8	10	11	10	27	9
Simple resolutions	78	76	78	91	67	60	62	59
Measures reported, total	[2] 927	[2] 554	[2] 1,006	546	789	674	[2] 1,096	[2] 491
Senate bills	423	269	385	223	321	289	407	210
House bills	347	131	448	183	344	245	522	147
Senate joint resolutions	20	20	21	11	11	20	33	30
House joint resolutions	8	8	17	12	12	20	27	22
Senate concurrent resolutions	17	15	19	16	17	26	16	9
House concurrent resolutions	12	10	6	10	11	11	27	10
Simple resolutions	100	101	110	91	73	63	64	63
Special reports	13	16	21	20	23	17	20	13
Conference reports								
Reported measures not acted on	[3] 124	[3] 98	[3] 259	[3] 46	[3] 190	[3] 127	[3] 76	[3] 91
Measures introduced, total	1,292	2,514	1,287	2,074	1,293	2,475	1,144	1,835
Bills	1,089	2,256	1,083	1,790	1,095	2,181	973	1,537
Joint resolutions	59	96	56	80	55	113	65	140
Concurrent resolutions	39	36	33	36	29	50	22	21
Simple resolutions	105	126	115	168	114	131	84	137
Quorum calls	132	131	117	157	254	238	223	232
Yea-and-nay votes	82	51	120	90	140	117	102	91
Bills vetoed	4	1	1	1				
Vetoes overridden							(4)	

[1] Senate adjourned June 19, 1948.

[2] These figures on measures reported include all placed on calendar or acted on by Senate even if there was no accompanying report.

[3] This figure does not agree with the total difference between bills reported and bills passed, because resolutions and bills placed on the House Calendar without having been formally reported were not included in figures of measures reported to the House; the difference in the case of Senate figures is due to uncounted bills "laid on the table" or "indefinitely postponed." Reported measures not acted on include measures reported during 1st session.

(At 12:40 a. m., July 22, the Senate was still in session. The proceedings will be continued in the next issue of the CONGRESSIONAL RECORD.)

NOMINATIONS

Executive nominations received by the Senate July 21 (legislative day of July 2), 1954:

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

Lowell H. Wilson, Castleberry, Ala., in place of R. C. Salter, transferred.

ARKANSAS

James L. Latshaw, Fulton, Ark., in place of E. M. Odom, retired.

CALIFORNIA

Agnes C. Richmond, Beverly Hills, Calif., in place of M. J. O'Rourke, retired.

Bernice B. Dewar, Patton, Calif., in place of E. B. Smith, retired.

John C. Cummings, Yucaipa, Calif., in place of H. E. Rous, removed.

CONNECTICUT

Eugene F. Bull, Kent, Conn., in place of R. W. Bull, retired.

FLORIDA

John W. Turner, Hallandale, Fla., in place of B. N. Ingalls, resigned.

George E. Southard, Jupiter, Fla., in place of H. F. Aicher, resigned.

John J. Hoy, Lake Placid, Fla., in place of Carrie Bowers, retired.

GEORGIA

Valda D. Tanner, Jr., Sandersville, Ga., in place of C. B. Coopley, retired.

Ralph C. Key, Tallapoosa, Ga., in place of V. L. Howe, retired.

ILLINOIS

Carl A. Schroeder, Chicago, Ill., in place of John Haderlein, resigned.

William W. Van Gundy, Ellsworth, Ill., in place of M. M. Whalen, removed.

Lynn L. Simmermaker, Shipman, Ill., in place of C. E. Taylor, transferred.

Louise Kennedy, Villa Ridge, Ill., in place of Rosana Levitt, resigned.

INDIANA

Irvin Wesley Dolk, Chesterton, Ind., in place of F. P. Gavagan, retired.

Horace C. Little, Danville, Ind., in place of H. G. Thomson, retired.

Randall L. McCroskey, Fulton, Ind., in place of D. M. Zartman, resigned.

Granville P. Ziegler, South Bend, Ind., in place of F. C. Kettring, deceased.

IOWA

Earl W. Mayne, Sanborn, Iowa, in place of W. J. Foley, transferred.

Victor J. Hesseltine, Wayland, Iowa, in place of E. B. Wittrig, retired.

KANSAS

Charles A. Flaiz, Severy, Kans., in place of F. H. Olsen, transferred.

KENTUCKY

Paul A. Criscillis, Williamsburg, Ky., in place of E. A. Fish, deceased.

MAINE

Price Y. Tozier, Fairfield, Maine, in place of F. X. Oakes, deceased.

Hercules B. Roy, Frenchville, Maine, in place of Egline Plourd, resigned.

Henry L. Bryant, Tenants Harbor, Maine, in place of M. F. Rose, retired.

MICHIGAN

Raymond P. Brown, Copemish, Mich., in place of J. L. Romsek, transferred.

Byron R. Fowler, White Cloud, Mich., in place of Clyde Bowman, retired.

MINNESOTA

Marvin A. Halvorson, Dumont, Minn., in place of E. G. Burke, removed.

Allan J. Slezak, Hope, Minn., in place of J. E. Slezak, retired.

Peter D. McCarron, Sherburn, Minn., in place of E. T. Gibbons, retired.

Henry J. Schwegman, Taylors Falls, Minn., in place of G. W. Strand, retired.

MISSISSIPPI

Luther D. Henderson, Jr., Preston, Miss., in place of L. D. Henderson, retired.

MISSOURI

Jack E. Bradley, Harrisonville, Mo., in place of O. J. L. Brookhart, deceased.

Jim R. Preston, Sparta, Mo., in place of S. G. Greene, resigned.

NEBRASKA

Morris A. Odvarka, Clarkson, Nebr., in place of C. A. Koza, deceased.

Kenneth L. Bergstrom, Merna, Nebr., in place of G. L. Hammond, resigned.

Leslie J. Johnson, Silver Creek, Nebr., in place of C. D. Brummet, resigned.

Kermit Duane Cook, Springview, Nebr., in place of H. M. Hallock, resigned.

NEW HAMPSHIRE

Harris C. Pushee, Lyme, N. H., in place of J. L. Mayo, retired.

NEW JERSEY

Lester A. Sabo, Carteret, N. J., in place of W. J. Lawlor, retired.

Leo Mazza, Garfield, N. J., in place of J. A. Aloia, deceased.

Edwin A. Lake, Westfield, N. J., in place of W. C. Nestor, deceased.

NEW YORK

Florence Thompson, Harriman, N. Y., in place of F. L. Brady, deceased.

NORTH DAKOTA

Fayes Albert, Belcourt, N. Dak., in place of A. A. Ensor, removed.

OHIO

Winifred L. May, Mineral Ridge, Ohio, in place of J. L. May, deceased.

William C. Duff, New Concord, Ohio, in place of H. E. Miller, deceased.

Elmer Ford Simon, North Baltimore, Ohio, in place of N. Y. Roberts, retired.

Sam Verlenich, Jr., Warren, Ohio, in place of R. E. Schryver, resigned.

OKLAHOMA

Newel M. Taylor, Fox, Okla., in place of C. C. Cunningham, deceased.

PENNSYLVANIA

James W. Daubert, Allentown, Pa., in place of H. K. Bauman, deceased.

Leonard A. Quillen, Ardmore, Pa., in place of W. J. Carey, removed.

Elsie P. Bigger, Eagles Mere, Pa., in place of R. D. Kehrer, retired.

George B. Carpenter, Ulysses, Pa., in place of H. E. Merritt, resigned.

Frank F. Luek, Zelienople, Pa., in place of C. L. Druschel, deceased.

SOUTH CAROLINA

Clarence Ozell Hester, Ocean Drive Beach, S. C., in place of W. G. Griste, Sr., deceased.

TENNESSEE

Graden Featherstone, McKenzie, Tenn., in place of J. L. Marshall, retired.

TEXAS

John Harwin Parrish, Gladewater, Tex., in place of K. J. Preston, retired.

Herbert Williams, Hart, Tex., in place of C. B. Patterson, retired.

Emory D. Estes, Jr., Hawkins, Tex., in place of H. E. Minshew, removed.

Imogene M. Holt, Lockney, Tex., in place of H. B. Machen, resigned.

Billy J. Richardson, Reagan, Tex., in place of J. B. Moore, transferred.

Leila D. Kelley, Valentine, Tex., in place of J. J. Williams, removed.

WASHINGTON

Muriel June Kast, Elbe, Wash., in place of P. E. Engel, retired.

WISCONSIN

Louis J. Andrew, Sr., Fond du Lac, Wis., in place of J. C. Kiley, retired.

Amy O. Harder, Mindoro, Wis., in place of E. M. Olson, removed.

WEST VIRGINIA

Cecil C. Lanier, Coalwood, W. Va., in place of R. L. Keel, retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate July 21 (legislative day of July 2), 1954:

DEPARTMENT OF THE INTERIOR

Clarence A. Davis, of Nebraska, to be Under Secretary of the Interior.

UNITED STATES DISTRICT JUDGE

Herbert S. Boreman, to be United States district judge for the northern district of West Virginia.

UNITED STATES ATTORNEY

Joseph E. Hines, to be United States attorney for the western district of South Carolina.

HOUSE OF REPRESENTATIVES

WEDNESDAY, JULY 21, 1954

The House met at 12 o'clock noon.

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

God of all grace, as we go forth to discharge the duties of each new day, we are becoming increasingly conscious that we need a strength and a support which come from a source far greater than the ingenuities of our own finite minds.

We humbly confess that our beloved country is daily challenged by vast problems which are testing to the uttermost the wisdom and understanding, the patience and perseverance of our President, our Speaker, and the Members of Congress.

Help us to realize that a greater accumulation of material resources and this world's goods can never be the only remedy to cure and the only means to solve our social, economic, political, moral, and spiritual troubles and difficulties.

Lord, increase our faith in Thee and Thy divine providence and may it be a faith that is strong and steadfast, a growing faith that is large enough to meet with courage all our expanding needs and varied experiences.

In Christ's name, our Lord and Saviour, we bring our petition. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Carrell, one of its clerks, announced that the Senate agrees to the amendments of the House to a bill of the Senate of the following title:

S. 3605. An act to abolish the offices of Assistant Treasurer and Assistant Register of the Treasury and to provide for an Under