drilling. If they object to the proposals, no lease will be issued. This places authority where it ought to be, with the agency having primary responsibility and interest in refuge values.

This was not the case under the previous regulations. In the past it has happened more than once that in spite of Fish and Wildlife Service objections leases have been issued. The new regulations do not permit this.

Yet, it has been argued that placing responsibility for approving or rejecting lease applications with the Fish and Wildlife Service will force refuge personnel to neglect their fundamental duties and become oil and gas experts. I can't imagine a refuge manager not being delighted at the chance to have the say about what will be done on the area in his charge. I believe the refuge experts are the people who should decide what effect certain proposed activities will have on their areas. I intend to see to it that they do the deciding. Conservationists, in general, I am confident will say amen to this. If those people who are denouncing these protective segments of the code were responsible for carrying out the many mandates of the Fish and Wildlife Service I am sure they would welcome the reassurance the new regulations provide.

A look at some of the facts may tend to dispel unwarranted conclusions, and fears, and point out why so many refuge areas are not, and cannot be, entirely inviolate.

First, category A under the revised code, contains the so-called inviolate refuges, the areas on which no lease will ever be considered except in case of national emergency or when drilling may be required to protect publicly owned oil from being drained by other operations. These areas are the ones determined indispensable for rare or endangered species, remnant big game herds, and irreplaceable examples of unique plant or animal ecology. However, it should be noted that the Secretary of the Interior lacks authority to make even these refuges entirely inviolate. He can not prevent oil and gas developments where mineral rights within these refuges are privately owned.

At present category A contains about 3,200,000 acres. Of these more than 50,000 acres are subject to oil and gas rights retained by former owners. The Fish and Wildlife Service could not in the past, and cannot now, prohibit oil drilling on these 50,000 acres.

Category B, consisting of approximately 6 million acres, includes refuges designated as wilderness, recreational, and water development or marsh. These are refuges on which, the Fish and Wildlife Service has declared, oil or gas development might seriously impair or destroy usefulness of the lands for wildlife conservation purposes. Only after a complete, detailed operating program guaranteeing full protection of the particular refuge values has been approved by the Fish and Wildlife Service, will leases be issued for any of these B areas.

Of the 6-million acres of these group B refuges, more than 800,000 acres are outside the Fish and Wildlife Service's jurisdiction so far as oil and gas rights are concerned.

Of nearly 8 million acres of other National Wildlife Refuge lands, more than 2 million in the United States are available for oil and gas development, because under terms of their establishment as wildlife areas there is a provision that "nothing is to interfere with prospecting or development."

But there is reassurance in the fact that while heretofore this provision was interpreted as meaning that prospecting and developing could be permitted even over Fish and Wildlife Service objections, now operations on these areas require Fish and Wildlife Service approval. Wildlife values will be afforded protection they never had before.

Under the old regulations big-game ranges were open to leasing without consideration for wildlife values. This was true because most of these areas were administered jointly by the Bureau of Land Management for grazing and by the Fish and Wildlife Service for wildlife use. As a result, in the past many leases for oil exploration were granted on game ranges without the consent or even knowledge of the Fish and Wildlife Service.

This situation has been changed. Game ranges are to be accorded the same protection regarding wildlife values as all other areas in the Federal refuge program.

The frantic fear some conservationists have expressed over secondary uses on refuge lands is not justified. Multiple-use of many refuges has been pointed to with pride by both Department and Service people for years. Surplus animals have been transferred to restock underpopulated States areas. Timber—millions of board feet annually—and hay have long been harvested and sold. When certain fur animals, notably muskrats, become too numerous they are trapped and sold for their pelts. Grazing and share-crop farming have long been accepted as good refuge management practices. Numerous producing oil wells have been in operation on refuges for many years. Mr. Salyer has stated emphatically that those producing wells which are on Federal leases have not harmed wildlife values.

Over the years a good deal has been made of the fact that the law requires that 25 percent of revenues resulting from these secondary uses must go to the counties in which the refuges are located, for the local school and road funds. The point has been made that this compensation offsets loss to local tax rolls when lands are withdrawn for refuge purposes. Total revenue from these secondary uses last year was almost $2¼ million. It is clear that modern wildlife management as practiced by our refuge technicians is also good business.

Secondary uses are not limited to profit-making business. Last year 5¼ million people visited the refuges. Nature study, bird watching, biology classes, field trials for retrievers and pointing dogs and beagles, fishing, picnicking, and, on a few areas, hunting are some of the recreations that attracted these millions. We know the number of visitors will increase. Human values will have to be considered in future refuge program plans.

To make sure the people in the Fish and Wildlife Service who will be evaluating lease applications and drilling operation plans will understand fully the intent of the revised regulations definite guidelines have been prepared. These instructions tell which areas are to be inviolate refuges. They point out that where drilling may be consistent with an area's primary purpose it may be possible to gain improvements by establishing certain conditions in the lease agreement. For example, access road dikes may be used to create needed pools. Or eventually they may be cut to form nesting islands. Pest vegetation may be reduced and food plants established in sections where operations tend to spread the pest species.

To assure the refuge technicians that the new regulations have teeth in them, the instructions emphasize that refuge managers are authorized to suspend oil or gas operations where conditions of a lease are not being complied with. Indemnity bonds to guarantee conformance to approved plans are required automatically. Final approval for a lease can be given only by the Director of the Fish and Wildlife Service. He is sole judge, in case of dispute, as to compliance with operating plans.

There is no loophole. Every restriction and requirement suggested by the Fish and Wildlife Service has been incorporated in the regulations. The refuges have protection now they never had before.

Since becoming Secretary of the Interior I have frequently stated my belief that we need to expand our Federal refuge program. Nine new refuges comprising 28,095 acres have been established since January 1, 1953. The Migratory Bird Conservation Commission, of which I am Chairman, approved purchase of 30,189 acres of waterfowl habitat in 1955, and an additional 4,219 acres for the first half of 1956. Cost of these 34,408 acres of refuge land was $842,014. As of June 30, 1955, the number of refuges in our national program had increased to 276, having a total of 17,908,682 acres.

Our wildlife refuge program is healthier and bigger now than it has ever been. In addition, under the new lease regulations the refuges now have safeguards to insure their primary objectives.

SENATE

TUESDAY, MAY 15, 1956

(Legislative day of Monday, May 7, 1956)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

The VICE PRESIDENT. In the absence of the Chaplain, the Members of the Senate will repeat the Lord's Prayer.

Thereupon Senators, led by the Vice President, repeated the Lord's Prayer, as follows:

Our Father, which art in heaven, hallowed be Thy name. Thy kingdom come. Thy will be done on earth, as it is in heaven. Give us this day our daily bread. And forgive us our debts, as we forgive our debtors. And lead us not into temptation, but deliver us from evil: For thine is the kingdom, and the power, and the glory, forever.

Amen.

THE JOURNAL

On request of Mr. JOHNSON of Texas, and by unanimous consent, the reading of the Journal of the proceedings of Monday, May 14, 1956, was dispensed with.

MESSAGE FROM THE PRESIDENT—APPROVAL OF BILLS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Miller, one of his secretaries, and he announced that the President had approved and signed the following acts:

On May 10, 1956:

S. 31. An act for the relief of certain aliens;

S. 83. An act to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of three aliens;

S. 1255. An act for the relief of Brigitta Poberetski and Nickolas Menis; and

S. 1905. An act for the relief of Winston Bros. Co. and the Utah Construction Co. and the J. A. Terteling & Sons, Inc.

On May 14, 1956:

S. 637. An act to provide for the conveyance of Camp Livingston, Camp Beauregard, and Esler Field, Louisiana, to the State of Louisiana, and for other purposes; and

S. 2267. An act to direct the Secretary of the Interior to convey certain public lands in the State of Nevada to the city of Henderson, Nev.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 6782. An act to amend section 7 of "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended;

H. R. 7804. An act to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia;

H. R. 10375. An act to amend the act entitled "An act to provide recognition for meritorious service by members of the Police and Fire Departments of the District of Columbia," approved March 4, 1929;

H. R. 10768. An act to amend section 5 of the act of August 7, 1946, entitled "An act for the retirement of public school teachers in the District of Columbia," as amended; and

H. R. 11177. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1957, and for other purposes.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated:

H. R. 6782. An act to amend section 7 of "An act making appropriations to provide for the government of the District of Columbia for the fiscal year ending June 30, 1903, and for other purposes," approved July 1, 1902, as amended;

H. R. 7804. An act to provide that the Uniform Simultaneous Death Act shall apply in the District of Columbia;

H. R. 10375. An act to amend the act entitled "An act to provide recognition for meritorious service by members of the Police and Fire Departments of the District of Columbia," approved March 4, 1929; and

H. R. 10768. An act to amend section 5 of the act of August 7, 1946, entitled "An act for the retirement of public school teachers in the District of Columbia," as amended; to the Committee on the District of Columbia.

H. R. 11177. An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1957, and for other purposes; to the Committee on Appropriations.

COMMITTEE MEETINGS DURING SENATE SESSION

On request of Mr. JOHNSON of Texas, and by unanimous consent, the Juvenile Delinquency Subcommittee, the Internal Security Subcommittee of the Committee on the Judiciary and the Committee on Interstate and Foreign Commerce were authorized to meet today during the session of the Senate.

ORDER FOR TRANSACTION OF ROUTINE BUSINESS

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that there may be the usual morning hour, with a limitation on statements of 2 minutes.

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

EXECUTIVE SESSION

Mr. JOHNSON of Texas. Mr. President, I move that the Senate proceed to the consideration of executive business, and act on the nominations on the Executive Calendar under the heading "New Report."

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

EXECUTIVE MESSAGES REFERRED

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting several nominations, and withdrawing the nomination of George T. Anderson to be postmaster at Mayville, Mich, which nominating messages were referred to the Committee on Foreign Relations.

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

The VICE PRESIDENT. If there be no reports of committees, the clerk will state the nominations on the Executive Calendar under the heading "New Report."

POSTMASTERS

The Chief Clerk proceeded to read sundry nominations of postmasters.

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that the nominations of postmasters be considered en bloc.

The VICE PRESIDENT. Without objection, the nominations will be considered en bloc, and, without objection, they are confirmed.

Mr. JOHNSON of Texas. Mr. President, I ask that the President be notified immediately of the nominations today confirmed.

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

LEGISLATIVE SESSION

Mr. JOHNSON of Texas. Mr. President, 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. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

AMENDMENT OF SECTION 104, TITLE 4, UNITED STATES CODE

The VICE PRESIDENT laid before the Senate a letter from the Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend section 104, title 4, United States Code, which, with the accompanying paper, was referred to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A letter, in the nature of a petition, from Charles M. Baxter, of Seattle, Wash., relating to reciprocal trade agreements, and so forth; to the Committee on Finance.

A letter, in the nature of a memorial, from the American Tariff League, Inc., New York, N. Y., signed by Richard H. Anthony, executive secretary, transmitting a list of sundry officials of companies and agricultural groups, as well as labor unions and employees, who signed memorials remonstrating against the enactment of the bill (H. R. 5550) to amend the Tariff Act of 1930 with respect to the administration of the General Agreement on Tariffs and Trade; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

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

H. R. 4604. A bill relating to the issuance of certain patents in fee to lands within the Blackfeet Indian Reservation, Mont. (Rept. No. 1999).

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

H. R. 6990. A bill to provide for the conveyance of certain lands by the United States to the Board of National Missions of the Presbyterian Church in the United States of America (Rept. No. 2000).

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

S. 3547. A bill to amend section 1 of the act of August 9, 1955 (69 Stat. 555), authorizing the sale of certain land by the Pueblos of San Lorenzo and Pojoaque (Rept. No. 2003);

H. R. 6374. A bill to repeal legislation relating to the Gallup-Durango Highway and the Gallup-Window Rock Highway at the Navajo Indian Reservation (Rept. No. 2001); and

H. R. 9207. A bill to authorize the Secretary of the Interior to contract with the Middle Rio Grande Conservancy District of New Mexico for the payment of operation and maintenance charges on certain Pueblo Indian lands (Rept. No. 2002).

By Mr. ANDERSON, from the Committee on Interior and Insular Affairs, with amendments:

S. 1907. A bill to provide that the United States hold in trust for the Pueblos of Zia and Jemez a part of the Ojo del Espiritu Santo Grant and a small area of public domain adjacent thereto (Rept. No. 2004).

By Mr. SPARKMAN, from the Committee on Banking and Currency, without amendment:

H. R. 7540. A bill to provide for the sale of a Government-owned housing project to the city of Hooks, Tex. (Rept. No. 2006).

HOUSING AMENDMENTS OF 1956

Mr. SPARKMAN. Mr. President, from the Committee on Banking and Currency, I report favorably an original bill to extend and amend laws relating to the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities, and for other purposes, and I submit a report (No. 2005) thereon. I ask unanimous

consent that a statement prepared by me relating to the bill may be printed in the RECORD.

The VICE PRESIDENT. The report will be received and the bill will be placed on the calendar; and, without objection, the statement will be printed in the RECORD.

The bill (S. 3855) to extend and amend laws relating to the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities, and for other purposes, reported by Mr. SPARKMAN, from the Committee on Banking and Currency, was received, read twice by its title, and placed on the calendar.

The statement, presented by Mr. SPARKMAN, is as follows:

STATEMENT BY SENATOR SPARKMAN

These are the main features of the bill (S. 3855):

A new program of Federal Housing Administration insurance would provide liberal mortgage terms for elderly persons housing. Elderly persons 60 years of age or over would qualify for the new program. The bill provides for 40-year mortgages on both sales housing and rental housing.

On sales housing, mortgage insurance could be up to 100 percent of value. The only cash payment would be $200 at the time of purchase, which would cover closing costs, insurance, and similar expenses. Mortgage insurance on rental housing would be available to both private builders and to nonprofit organizations. An insured mortgage would be up to 100 percent of value if the sponsor is a public or private nonprofit organization or a public body such as a local community.

An important feature of the new program is a provision that permits third parties to make the required downpayment on sales housing, contribute toward rental payments, or assist in meeting equity requirements. A $50 million revolving fund is created in Fanny Mae to assist in financing the new program.

In addition to a new private housing program for elderly persons, the bill authorizes 15,000 low rent public housing units for elderly persons for each of 5 years beginning July 1, 1956. These would be specially designed units for elderly persons aged 65 or over.

The committee, by a 10-to-5 vote, restored the public housing program started under the Housing Act of 1949. This means a program of 135,000 units of public housing a year for at least 3 years, with authority for the President to raise this number to 200,000 or lower it to 50,000, depending upon economic conditions. The administration had asked for 35,000 units a year for 2 years. Senator SPARKMAN has said that the administration's request would fall short even of meeting the minimum needed to house low-income families displaced by Goverment action in urban-renewal areas. The administration itself has estimated the public housing needs of displaced families at approximately 130,000 units over a 3-year period.

Under a provision proposed by Senator DOUGLAS, of Illinois, the bill would authorize payments of up to $100 to individuals or families, and up to $2,000 to business concerns, to reimburse them for the expense of relocation or business losses if forced out of their existing premises by slum clearance and urban-renewal activities.

The FHA program of insurance for home repair and modernization loans would be extended. The maximum loan amount would be increased to $3,500 from the present limit of $2,500 and the maturity could run to 5 years instead of 3. The committee also added a provision setting a ceiling on the interest rate at $5 discount on the first $2,500, and $4 discount on the portion of the loan over $2,500.

An expanded military housing program would increase the authorization from the present level of $1.4 billion to $3 billion and extend the program for 3 years. A provision was also included to protect existing military housing projects at installations where the Department of Defense is planning to build new housing projects.

A number of amendments are included to stimulate slum clearance and urban renewal. The committee report also urges the administration to accelerate its activity in the slum-clearance and urban-renewal field.

The farm housing program is renewed and extended for a 5-year period.

Liberalizing amendments are also included to assist the cooperative housing program and the program for families displaced by slum clearance and urban renewal.

The committee increased the revolving fund for college housing loans from $500 million to $750 million and rejected an administration proposal to increase the interest rate for college housing loans.

A Commission on National Housing Policy would be established to make recommendations, by June 30, 1957, on the housing needs of the Nation; the discounting of Government-supported mortgages; the prospect for developing new sources of investment funds; the extent to which the resources of Fanny Mae can be used to stabilize the mortgage market; and ways and means of increasing the supply of adequate housing for families of moderate income. The Commission would consist of 11 members—5 officials from the executive branch and 6 persons to be appointed by the President from private life.

A $2.5 million research program is authorized to study various aspects of the housing market. The Housing Administrator could enter into research contracts with agencies of State or local governments, educational institutions, and other nonprofit organizations.

The Administrator is also authorized to spend $500,000 annually for a 3-year period to provide scholarships and fellowships at the graduate level to train planning officials in the housing field.

BILLS AND JOINT RESOLUTION INTRODUCED

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

By Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request):

S. 3851. A bill to amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes; to the Committee on Armed Services.

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

By Mr. MUNDT:

S. 3852. A bill to provide for the reconveyance of certain land to the city of Spearfish, S. Dak.; to the Committee on Interior and Insular Affairs.

S. 3853. A bill to amend title VI of the Public Health Service Act, as amended, in order to make certain nonprofit corporations and associations eligible for Federal aid under such title; to the Committee on Labor and Public Welfare.

By Mr. CARLSON:

S. 3854. A bill for the relief of Elizabeth Schueren and her two minor children; to the Committee on the Judiciary.

By Mr. SPARKMAN:

S. 3855. A bill to extend and amend laws relating to the provision and improvement of housing, the elimination and prevention of slums, and the conservation and development of urban communities, and for other purposes; placed on the calendar.

(See the remarks of Mr. SPARKMAN when he reported the above bill, from the Committee on Banking and Currency, which appear under a separate heading.)

By Mr. MARTIN of Pennsylvania:

S. 3856. A bill to provide for the income tax treatment of indebtedness discharged more than 20 years after the date on which it was incurred; to the Committee on Finance.

By Mr. MAGNUSON (by request):

S. 3857. A bill to clarify section 1103 (d) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended; to the Committee on Interstate and Foreign Commerce.

By Mr. ROBERTSON:

S. 3858. A bill to amend the act of June 28, 1935, authorizing participation by the United States in the Interparliamentary Union; to the Committee on Foreign Relations.

By Mr. IVES:

S. J. Res. 172. Joint resolution providing for participation by the United States in the ceremonies celebrating the 300th anniversary of the signing of the Flushing Remonstrance; to the Committee on the Judiciary.

AMENDMENT OF CENTRAL INTELLIGENCE AGENCY ACT OF 1949

Mr. RUSSELL. Mr. President, by request, on behalf of myself and the Senator from Massachusetts [Mr. SALTONSTALL], I introduce, for appropriate reference, a bill which is requested by the Central Intelligence Agency and is accompanied by a letter of transmittal explaining the purpose of the bill. I ask unanimous consent that the letter of transmittal be printed in the RECORD immediately following the listing of the bill.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the letter of transmittal will be printed in the RECORD.

The bill (S. 3851) to amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes, introduced by Mr. RUSSELL (for himself and Mr. SALTONSTALL) (by request), was received, read twice by its title, and referred to the Committee on Armed Services.

The letter accompanying Senate bill 3851 is as follows:

CENTRAL INTELLIGENCE AGENCY,
Washington, D. C., April 13, 1956.

Hon. RICHARD M. NIXON,
President of the Senate,
Washington, D. C.

DEAR MR. VICE PRESIDENT: There is forwarded herewith a draft of legislation to amend the Central Intelligence Agency Act of 1949, as amended, and for other purposes, together with a sectional analysis of that legislation.

The Bureau of the Budget has advised that it has no objection to the submission of this proposed legislation to the Congress, and the Central Intelligence Agency recommends its enactment.

The purposes of this legislation are to provide for a limited amount of additional flexibility in the procurement operations of this Agency, to provide certain benefits to CIA employees serving abroad and their families, and to make certain technical changes in the existing law.

Section 1 of the proposed legislation contains three amendments to the Central Intelligence Agency Act of 1949, relating to procurement authorities. The first of these is designed to provide this Agency with authority identical to that of the armed services as to the circumstances under which purchases and contracts may be made without advertising. Although the volume of CIA purchases and contracts is negligible compared to that of the armed services, we are confronted in general with all of the typical situations with which the services are faced in this field. A second proposed amendment provides that Agency contracts in the research and development field may extend over an initial term of not to exceed 5 years, with a possible extension of an additional 5-year maximum period if funds are available therefor. I have described to committees of the Congress with jurisdiction over CIA matters certain types of special projects of a unique and important nature which this Agency undertakes from time to time in the research and development field. In order to provide necessary lead time in these projects we feel we need the authority to contract over a period of years in a manner substantially similar to authorities and procedures governing contracts by the military services in similar fields. The third and last amendment in the procurement field is technical in nature, and simply involves a redefinition of the term "head of the Agency" which conforms to the present organizational structure of the Agency.

Section 2 of this proposed bill is intended to provide a variety of benefits which will bring CIA employees and their dependents into a status comparable to that of employees and their dependents in other agencies which conduct substantial operations in the foreign field. The group of American employees serving overseas which most nearly correspond to those of CIA in terms of living conditions, medical problems, etc., are those in the Foreign Service, and for that reason the great majority of the proposed amendments are identical with authorities which are now in existence or have been proposed as amendments to the Foreign Service Act of 1946, as amended.

The attached sectional analysis contains a detailed description of the objects and purposes of each of these amendments, which deal with such matters as home leave, travel, storage, transportation, and medical care for dependents. I would simply like to add, in forwarding this proposed legislation to the Congress, that I regard the benefits proposed under this section as matters of the highest importance in maintaining the morale and effectiveness of the Central Intelligence Agency in carrying out its vital functions. The employees of this Agency, particularly those serving abroad, are not eligible for tangible benefits and awards available to other Government employees, such as appointments to high diplomatic posts, public decorations for services well performed, and so forth. They are in this exacting and at times hazardous business because they are interested in it and feel that what they are doing is of some importance to the security of the United States. These amendments are designed to help encourage the concept of a worthwhile career in the foreign intelligence field, and I am convinced that they will be of immeasurable benefit to this Agency and to the Government as a whole. As the Congress will observe, we are not requesting benefits or privileges over and beyond those now enjoyed or being requested by other agencies of the Government with important responsibilities in the foreign field. To have to operate without these benefits, however, could seriously affect the overall effectiveness of the Agency in the longer run.

Section 3 of the proposed legislation increases from 15 to 35 the maximum number of retired military officers which may be employed by this agency at any one time. This proposal is consistent with a recommendation by the Clark task force of the Hoover Commission, and is considered desirable. Although the agency has been able to adhere to the previous limit of 15 retired officers without a serious loss of efficiency, we feel that there have been cases where more qualified individuals for certain posts could have been obtained from the ranks of retired military officers had the authority been available.

Section 4 of the proposed legislation is designed to permit advance payments for such items as rent, where such payments are in accordance with the laws or customs of certain foreign countries, and the inability to provide them works a hardship on the individuals concerned. This proposed exemption from the operation of section 3648 of the Revised Statutes (31 U. S. C. 529) will place CIA overseas personnel on a similar footing with personnel of the Armed Forces and of the Foreign Service.

Section 5 of the proposed legislation is purely technical, and is intended to correct a typographical error in the original Central Intelligence Agency Act of 1949.

The net incremental cost to the agency resulting from this proposed legislation is estimated to be in the neighborhood of $80,000 annually. It is contemplated that these costs can be readily absorbed within our normal operating budget.

It is respectfully urged that the Congress act favorably on this proposed legislation during the present session.

Sincerely,

ALLEN W. DULLES,
Director.

AMENDMENT OF FEDERAL-AID ROAD ACT—AMENDMENTS

Mr. FULBRIGHT. Mr. President, on behalf of myself and Senators SPARKMAN, CAPEHART, HUMPHREY, KENNEDY, BEALL, DUFF, MORSE, SMATHERS, LEHMAN, DOUGLAS, WILEY, and SMITH of New Jersey, I submit amendments, intended to be proposed by us, to the bill (H. R. 10660) to amend and supplement the Federal-Aid Road Act approved July 11, 1916, to authorize appropriations for continuing the construction of highways; to amend the Internal Revenue Code of 1954 to provide additional revenue from the taxes on motor fuel, tires, and trucks and buses; and for other purposes. These amendments are patterned after the bill (S. 3129) to establish corporate income-tax rates of 22 percent normal tax and 31 percent surtax, which proposes tax relief for small businesses.

I introduced S. 3129 on February 3, 1956, and on March 15, 1956, I offered it as an amendment to H. R. 9166, the bill which extended existing corporate tax rates. Subsequently, on March 21, 1956, I testified before the Senate Finance Committee in behalf of this amendment. For the information of the Senate, exhibit A to this statement contains a brief summary of the need for and the effects of this amendment.

In view of the urgency for extension of certain excise taxes contained in H. R. 9166, I was advised by the chairman of the Finance Committee that the committee would be unable to hear witnesses for or against my amendment, and that such hearings could be held at a later date if the amendment were offered to another revenue measure.

On April 11, 1956, and May 4, 1956, I wrote the chairman of the Finance Committee urging him to schedule these hearings. On May 8 the chairman wrote me that he would present my request to the committee, and I am still hopeful that hearings will be held. On May 11, 1956, I replied to the chairman of the Finance Committee and stated my intention to offer an amendment to H. R. 10660.

Mr. President, I will not burden the RECORD by repeating the statements I have previously made on this subject. This by no means indicates a change in attitude or determination to obtain consideration of my proposal. Since the last time I spoke on this subject, however, certain factors regarding the condition of small businesses in this country have come to my attention, and I believe that these factors strengthen the argument for small business tax relief.

First, there is the factor of business failures. These are the statistics on business failures for the last 6 years—the President's Economic Report of January 24, 1956, page 231:

1949	9,246
1950	9,162
1951	8,058
1952	7,611
1953	8,862
1954	11,086
1955	10,969

The number of business failures was dropping steadily from 1949 through 1952—the number in 1952 being almost 18 percent lower than in 1949. Beginning in 1953 the number of failures began to rise, and by 1955 failures were over 44 percent higher than in 1952. In no year since 1941 have there been more business failures than there were in 1954 and 1955—and it is common knowledge that these statistics relate almost exclusively to failures of small businesses.

The second factor which should be of grave concern to the Senate is the reduction in the rate of increase of operating businesses. Page 231 of the President's Economic Report of January 24, 1956, contains the following data:

Year:	*Net increase of operating businesses*
1949	52,000
1950	50,000
1951	58,000
1952	59,000
1953	26,000
1954	−4,000
1955	(1)

[1] Not available.

Although final figures for 1955 are not available, it appears that the increase in business firms for 1955 will be no higher than the increase in 1953. These statistics show that the average increase in the number of operating businesses for the 4-year period for 1949 through 1952 was approximately 55,000. In 1953 this steady increase declined over 50 percent, and in 1954 there was an actual net reduction in the number of operating businesses of 4,000. In fact, 1954 is the only year since 1943 in which there has been

a reduction in the number of operating businesses in this country.

A third indicator of the need for small business tax relief is shown by the following statistics on the earnings, after taxes, of manufacturing corporations:

United States manufacturing corporations earnings (after taxes) by asset size

[Index: 1947-49=100]

Year [1]	Index of earnings		Disparity in favor of large concerns	Average disparity
	Assets under $1 million	Assets over $1 million		
1947	98	143	45	
1948	103	112	19	
1949	55	90	35	
1950	122	130	8	22
1951	96	106	10	
4th quarter 1952	86	103	17	
4th quarter 1953	49	103	54	
4th quarter 1954	59	119	60	58
1st quarter 1955	68	127	59	

[1] Annually 1947-51.

The computation of disparity in favor of large concerns is made for the purpose of comparison. Using 1947 to 1949 as an index of 100, the earnings index of large concerns averaged 22 points higher than the index for small firms throughout the period of 1947 to 1952. In the years 1953, 1954, and 1955, however, this average disparity has risen to 58 index points. In other words the relative disadvantage in earnings of small manufacturing corporations has almost tripled in the last 3 years.

A fourth factor pertinent to the consideration of tax relief for small business is shown by the following table of earnings, after taxes, on stockholders' equity:

United States manufacturing corporations—Earnings (after taxes) on stockholders' equity by asset size

[Expressed in percentage]

Annual rate for year	Index of earnings on equity		Disparity in favor of large concerns	Average disparity
	Assets under $1 million	Assets over $1 million		
1947	16.3	15.5	−0.8	
1948	12.6	16.3	3.7	
1949	7.0	10.6	3.6	
1950	12.5	15.7	3.2	2.8
1951	9.0	12.6	3.6	
1952	7.9	10.6	2.7	
1953	7.1	10.8	3.7	
1954	5.4	10.3	4.9	4.7
1955	6.9	12.3	5.4	

This table shows that the percentage of earnings on stockholders' equity has declined 1 percent for small businesses from 1952 to 1955, but that the percentage for large businesses has increased 1.7 percent during the same period. Furthermore, throughout the period 1947 to 1952 large firms returned to stockholders an average of only 2.8 percent more than did small firms. But in the last 3 years, 1952-55, earnings on equity for large corporations have averaged 4.7 percent higher than the earnings on equity of smaller corporations. The position of the owners of small businesses has declined steadily since 1952.

A final factor to indicate the deteriorating position of small business in recent years is in the record of net sales of manufacturing corporations. This record is shown by the following table:

United States manufacturing corporations net sales by asset size

[Index—1947-49=100]

Year [1]	Index of net sales		Disparity in favor of large concerns	Average disparity
	Assets under $1 million	Assets over $1 million		
1947	94	100	6	
1948	105	107	2	
1949	97	100	3	
1950	104	120	16	15
1951	115	140	25	
4th quarter, 1952	115	150	35	
4th quarter, 1953	97	146	49	
4th quarter, 1954	103	150	47	49
3d quarter, 1955	108	158	50	

[1] Annually, 1947-51.

The increase in net sales for small firms has lagged far behind the net sales of larger corporations. Using 1947 to 1949 as an index of 100, the net sales index of large manufacturing corporations averaged only 15 points higher than the index for smaller corporations throughout the period 1947 to 1952. This disparity in favor of large businesses rose rapidly in 1953 and for the last 3 years the net sales index for big corporations has averaged 49 points higher than the index for smaller firms. This trend to sales dominance by big businesses is consistent with increases in earnings and return on investment which have also characterized business activity since 1953.

I hope that it will be possible for the proponents and opponents of my amendment to be heard by the Finance Committee. In any event, however, I intend to press for the passage of this amendment, and I look forward to the support of all Members of the Senate.

I ask unanimous consent to have printed in the RECORD a brief résumé of the equitable readjustment of the tax burden for small business, without revenue loss.

The VICE PRESIDENT. The amendments will be received, printed, and referred to the Committee on Finance; and, without objection, the résumé will be printed in the RECORD.

The résumé, presented by Mr. FULBRIGHT, is as follows:

EQUITABLE READJUSTMENT OF TAX BURDEN FOR SMALL BUSINESS—WITHOUT REVENUE LOSS

Sponsored by Senators FULBRIGHT, SPARKMAN, CAPEHART, HUMPHREY, KENNEDY, BEALL, DUFF, MORSE, SMATHERS, LEHMAN, DOUGLAS, and WILEY.

Present law provides normal tax rate of 30 percent, surtax rate of 22 percent. The first $25,000 is exempt from surtax.

The amendment reduces the normal corporation tax rate to 22 percent, and increases the surtax to 31 percent. The 31-percent rate would apply to income over $25,000.

Effect on revenue: Increase by $20 million a year.

Effect on corporations: See table below. Examples: Corporations with incomes $5,000 and less—save $400, 26.7 percent; $15,000, save $1,200, 26.7 percent; $25,000, save $2,000, 26.7 percent; smaller savings on incomes up to $225,000; slight increases on incomes above $225,000.

Number affected: Latest figures (1952 income tax returns) show out of 672,071 active corporations only 13,194 earned over $250,000. This proposal would reduce taxes for 98 percent of all corporations—with no revenue loss.

NEED

Three sources of small business capital: Equity, Loans, and Retained Earnings. Expense of raising equity of $300,000 in securities market: 20 percent to 30 percent. Large corporation financing may be fraction of 1 percent. Forty to fifty times as expensive to small corporation. Loans: 6 percent or higher for small, 3½ or 4 percent for large.

Small corporations are, therefore, more dependent on retained earnings, yet earn less per dollar of sales. (Second quarter of 1955 corporations with assets under $250,000 earned 1.1 cents per dollar of sales; corporations $100 million and over 7.4 cents per dollar.) Smaller corporations also losing out in volumn of sales—increased only 3 percent 1954-55, as against 19 percent for large corporations. Large corporation greatly exceeds small in ratios of profit on investment. (Second quarter of 1955: 5.3 percent for small, 13.5 percent for large.)

Number of new firms declines: Annual increase of new firms 55,000, 1948 to 1952; only 28,300 from 1954 to 1955.

Business failure—Increasing—Exclusively small business. In 1945, 809; 1953, 8,862; 1954, 11,086; 1955, 10,969.

Mergers also increasing. Dexter M. Keezer, V. P. McGraw-Hill Publishing Co.: "Maintaining this rate (present corporate tax rate) means that you are going to have larger corporate units at the expense of smaller units, a matter of great social, political and economic significance."

Effect of a normal tax rate of 22 percent and a surtax rate of 31 percent

Income subject to normal tax and surtax	Present tax liability (normal rate 30 percent, surtax rate 22 percent)	Proposed tax liability (normal rate 22 percent, surtax rate 31 percent)	Change	
			Amount	Percent
$5,000	$1,500	$1,100	−$400	−26.7
$10,000	3,000	2,200	−800	−26.7
$15,000	4,500	3,300	−1,200	−26.7
$20,000	6,000	4,400	−1,600	−26.7
$25,000	7,500	5,500	−2,000	−26.7
$50,000	20,500	18,750	−1,750	−8.5
$100,000	46,500	45,250	−1,250	−2.7
$225,000	111,500	111,500	(1)	(1)
$500,000	254,500	257,250	+2,750	+1.1
$1,000,000	514,500	522,250	+7,750	+1.5
$10,000,000	5,194,500	5,292,250	+97,750	+1.9
$100,000,000	51,994,500	52,992,250	+997,750	+1.9

[1] No change.

AGRICULTURAL ACT OF 1956—AMENDMENT

Mr. MUNDT submitted an amendment, intended to be proposed by him, to the bill (H. R. 10875) to enact the Agricultural Act of 1956, which was ordered to lie on the table and to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc., were ordered to be printed in the RECORD, as follows:

By Mr. HUMPHREY:

Article entitled "Nation's 'Age of Innocense' Becoming One of Maturity," written by Representative EUGENE MCCARTHY, of Minnesota, and published in the Listener, British Broadcasting Corp. magazine.

NOTICE OF CONSIDERATION ON CERTAIN NOMINATIONS BY COMMITTEE ON FOREIGN RELATIONS

Mr. GEORGE. Mr. President, as chairman of the Committee on Foreign Relations, I desire to announce that the Senate received today the following nominations:

Walter C. Dowling, of Georgia, a Foreign Service officer of the class of career minister, to be Ambassador of the United States to the Republic of Korea, vice William S. B. Lacy resigned.

J. Graham Parsons, of New York, a Foreign Service officer of class 1, to be Ambassador of the United States to the Kingdom of Laos, vice Charles W. Yost resigned.

Notice is given that these nominations will be considered by the Committee on Foreign Relations at the expiration of 6 days.

RUMANIAN INDEPENDENCE DAY

Mr. HUMPHREY. Mr. President, it had been my intention, prior to the weekend, to make a statement pertaining to Rumanian Independence Day. Because of the fact that there was no session on Friday, however, I was unable to do so. I ask unanimous consent that a statement which I prepared for a free Rumania rally which was held in Cleveland, Ohio, be printed in the RECORD at this point as a part of my remarks.

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

MESSAGE BY SENATOR HUBERT H. HUMPHREY ON RUMANIAN INDEPENDENCE DAY

On May 10, Rumania's most important national holiday, free men everywhere will salute the people of Rumania, struggling today under Communist oppression. Their continued devotion to liberty and freedom serves as an inspiration to those countries still in possession of their freedom. The example of Rumanian resistance makes us ever more anxious to retain and cherish our own hard-earned liberties and to work continuously for the freeing of Rumania from Communist tyranny.

Rumanian Independence Day should be celebrated throughout America to prove to the Communists that their totalitarian domination cannot stamp out the national heritage of a once-sovereign people. Individuals and groups in this country are working for the ultimate freedom of Rumania. I stand with these groups again Communist aggression, against the suppression of free peoples under the guise of Communist liberation.

HEROIN SMUGGLING

Mr. DANIEL. Mr. President, according to the news services, the United Nations Commission on Narcotics, meeting at Geneva, Switzerland, has stated its alarm at the increased smuggling of heroin throughout the world during 1955.

A United Press report, datelined Geneva, Switzerland, May 15, says:

Narcotics experts are alarmed at figures which show that the world's police forces in 1955 seized nearly one-third more heroin than the year before.

They believe that more than twice that amount was smuggled undetected across borders with the United States and Canada the principal "target" countries.

These worldwide figures are completely in line with recent findings of our Judiciary Subcommittee concerning the increased incidence of heroin smuggling into our country, as evidenced by the increase in the number of seizures over those in previous years. Our committee recently received from the Bureau of Customs a report showing that its seizures of heroin at ports and borders increased 165.3 percent in weight during the first 8 months of fiscal year 1956, as compared with the same period in 1955. The total number of heroin seizures increased 19.7 percent. Seizures of heroin in 1955, moreover, were the largest since 1937.

Heroin, the most deadly of all narcotic drugs, is used by 80 percent of the drug addicts in this country. These facts make all the more important early enactment of the proposed legislation reported by the Judiciary Committee, Senate bill 3760, which would increase the penalities for the smuggling of this destructive drug into our country, and would greatly improve the procedures for apprehending and punishing the heroin smuggler. I hope that this bill, S. 3760, will be scheduled for early and prompt action at this session.

THE ROLE OF THE ORGANIZATION FOR TRADE COOPERATION AND THE INTERNATIONAL MONETARY FUND IN FURTHERING CURRENCY CONVERTIBILITY

Mr. MARTIN of Iowa. Mr. President, a group of nongovernmental advisers accompanied the United States delegation now completing their negotiations for new tariff agreements in Geneva. These negotiations were conducted under the powers granted to the President when we extended the Trade Agreements Act last year. The nongovernmental advisers included Elliott V. Bell, editor and publisher of Business Week, and chairman, executive committee, McGraw-Hill Publishing Co., New York; Homer L. Brinkley, executive vice president, National Council of Farmer Cooperatives, Los Angeles; Bryant Essick, president, Essick Manufacturing Co., Los Angeles, Calif.; and Stanley N. Ruttenberg, director of research, AFL–CIO, Washington.

They have recently reported to the President on their experience at Geneva and I ask unanimous consent that their statement to the President be printed in the RECORD at this point in my remarks.

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

ORGANIZATION FOR TRADE COOPERATION—STATEMENT TO THE PRESIDENT BY THE NONGOVERNMENTAL ADVISERS TO UNITED STATES DELEGATION NEGOTIATING TARIFF AGREEMENTS IN GENEVA, MAY 4, 1956

Having had an opportunity to observe at first hand the tariff negotiations now drawing to a conclusion at Geneva, we are happy to report to you that the interests of our country have been well served. We have been greatly impressed by the competence of the career men from the nine departments and agencies of the Government who have handled these important negotiations. The members of the Trade Agreements Committee particularly have worked long hours for many months with a high degree of concentration and effort.

We were particularly impressed with the unfailing concern of our negotiators to advance the broad interests of the United States. By no stretch of the imagination could the tariff negotiations, as we observed them, be called a giveaway program. The entire program is, of course, based upon reciprocal concessions and we found our negotiating teams and the Trade Agreements Committee to be bargaining in what seemed to us to be the best Yankee tradition. They insisted on obtaining concessions of full value for each concession made by the United States. There is great need for a better public knowledge of these facts.

The hard work and intelligence that went into the tariff negotiations are the more noteworthy because the present tariff session, following upon earlier negotiations, was restricted to a comparatively narrow range of trading. It required patience and persistence on the part of our representatives to obtain the many important agreements that are being reached.

On the basis of our observations in Geneva we are strongly of the opinion that there is need for the permanent administrative machinery that is provided for in the proposed Organization for Trade Cooperation. The adoption of this administrative machinery subscribed to by all the interested nations would clearly be in our enlightened self-interest. It would help make all our trade agreements more truly reciprocal. It would also strengthen both the resolve and ability of the member nations to continue their efforts toward an expanding and mutually profitable world trade. It would provide an effective, continuously operating instrument in giving fuller effect to existing commitments to remove such trade barriers as currency restrictions, quotas, discriminatory taxes and other indirect devices that limit the exchange of our goods with other nations. Failure on the part of the United States, the world's greatest trading nation, to join in setting up this organization would cause great dismay and disappointment throughout the free world at a time when the Soviet Union is stepping up its foreign economic efforts.

Accordingly, we wish to support very strongly your recommendation for adherence by the United States to the OTC. We appreciate deeply the opportunity that has been given us to participate as observers in these tariff negotiations. It has been for all of us an interesting and rewarding experience.

Mr. MARTIN of Iowa. One of the principal benefits the United States will derive from the establishment of the Organization for Trade Cooperation is that there will be an organization to investigate and deal with trade barriers which have been erected in lieu of tariffs by some of the countries benefiting from tariff concessions which we granted.

Everyone realizes that the United States is one country in which there are no currency restrictions which can be used to block the import of commodities. The full benefits of the trade-agreements program will only be realized when the world once again can return to a complete mutilateral system of trading. This, of necessity, implies full currency convertibility. The International Monetary Fund is one of the mechanisms which our Government has supported to

assist in bringing about currency convertibility. This organization is a specialized agency of the United Nations and makes periodic reports to the Economic and Social Council.

On April 19 Dr. John C. Baker, president of Ohio University at Athens, Ohio, and United States representative to the Economic and Social Council appointed by President Eisenhower, reviewed the annual report of the International Monetary Fund for the year 1955. Dr. Baker's comments are significant in that he believes that real progress is being made toward currency convertibility. We still have a long way to go, but I am happy we have made progress.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the text of Dr. Baker's statement on this occasion.

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

STATEMENT BY DR. JOHN C. BAKER, UNITED STATES REPRESENTATIVE IN THE ECONOMIC AND SOCIAL COUNCIL, ON THE ANNUAL REPORT OF THE INTERNATIONAL MONETARY FUND, 1955

Mr. President, once again we have had the benefit of hearing Mr. Rooth's clear and informative account of some of the more significant economic and financial developments of the last year. We have learned to look forward to this annual presentation of the fund's report by its managing director as an unparalleled opportunity to obtain sage counsel from a master of the subject.

These annual reports of the fund have come to be accepted as, perhaps, the most authoritative analysis of recent and continuing financial trends. The 10th annual report which Mr. Rooth has brought up to date by his remarks follows the worthy example set by its predecessors. To say this is to accord the report the highest of praise.

We have come a long way toward the goal of achieving the fund's objectives since that day, about 10 years ago, when the fund started to cope with the exchange problems of a war-shattered world. In those early days we all underestimated the task faced by the fund. At that time none of us quite realized that the task of restoring the physical destruction caused by the war was easy in comparison with the job of recreating the economic and financial foundations of the world trading community.

At times progress in this field has seemed dishearteningly slow. Over this 10-year period we have seen both successes and failures. At times it appeared as if the failures were more numerous than the successes. In retrospect, however, we must be impressed with the real achievement of this decade.

Trade and payments are freer from restrictions than at any time since the war. Reserves of gold and dollars held outside the dollar area have grown considerably since their postwar lows. In the last 2 years there has been an increasing tendency to reduce discrimination as between imports from different currency areas. In particular, there has been a trend toward more equal treatment of goods from the dollar area.

It is true that no country has formally announced the convertibility of its currency. However, during the last 2 years there has developed a large measure of de facto convertibility of some of the currencies important in world trade. Particularly encouraging in this respect are the actions taken to render sterling and deutschemarks more freely transferable, though the fund appropriately reminds us that some progress has been made in the case of other currencies also.

During the period covered by the fund's 10th report, progress has been significant but somewhat slower than in the preceding 12 months. To a large extent the year was one of consolidation of the gains previously realized. The fund's report wisely comments that this period of consolidation—this stage where national economies are being adjusted to the competitive conditions implied in measures taken earlier—is a necessary precondition to further progress.

The past year has been a year of almost universal prosperity. It is not surprising, therefore, that the economies of some countries have been subject to strain. New inflationary tendencies have begun to appear. What is most encouraging is that the important trading countries, notably the United Kingdom, have not attempted to cope with these new difficulties by reinstituting or intensifying exchange and import controls. They have instead used monetary and fiscal policy to dampen down import demand and thus to maintain stability in both the internal and external aspects of their economies.

All in all, one of the most encouraging signs of recent years has been the increasing evidence of financial sanity throughout the world. More and more there is a recognition that import controls, restrictions on exchange, multiple currency practices, and the like merely treat the symptoms of inflation. They do not get at the root causes. There is an increasing awareness that only through wise monetary and fiscal policies can countries maintain the financial stability which is necessary both to economic progress and to stable economic relations with the rest of the world.

There was a time when financial stability was considered a luxury which could only be afforded by the more developed countries. That time has passed. We now know that financial stability is of equal importance to the underdeveloped countries.

After all, the most basic element in the economic development is the wise and economical use of the resources at hand whether they be resources found within the borders of the developing country or resources imported from abroad. Only through financial stability—avoiding the extremes of inflation and deflation—can such a wise use of resources be assured. It is financial instability which underdeveloped countries cannot afford—not financial stability. In this connection we can all profit by studying the example of India which has maintained financial stability while carrying on a vast program of economic development.

If financial stability is in the best interests of all countries, so also is convertibility. We therefore welcome the explicit reaffirmation by the fund that the attainment of general convertibility would be in the best interests of the underdeveloped countries as well as of the more highly developed countries. We agree with the fund that while the initiative for action in this field rests mainly with the highly developed countries, the widespread attainment of convertibility would be of equal benefit to the developing countries. Under present conditions they have to dispose of their products at competitive prices in world markets. They need the freedom to use the proceeds of their exports to every country in payment for their imports from any country. It would be of benefit to them to purchase capital equipment to the best advantage regardless of the currency area in which it may be found. Finally, as the fund so aptly reminds us, convertibility of their currencies would be, perhaps, the single most important positive contribution toward the establishment of a climate favoring private foreign investment in the underdeveloped countries.

During the year there has been little new use of the fund's resources. Many countries which had previously drawn from the fund have effected repurchases—and many such repurchases have been voluntary. This in itself is a sign of strength.

In this connection it is a matter for satisfaction that the fund's report includes an agreed statement of the circumstances under which member countries can use its resources. This careful definition of the conditions governing the possibility of governments relying on these resources as a secondary reserve should make this potential source of temporary assistance of greater benefit to them.

One of the most significant developments of recent years has been the increasing use by member countries of the technical facilities of the fund in dealing with their internal and external financial problems. These quiet consultations, this technical assistance in the financial field, have become perhaps the most important contribution of the fund to the difficult problems faced by its members.

One technical assistance activity of the fund is worthy of separate mention. Its training program for junior officers from ministries of finance and central banks is now in its sixth year of successful operation. Each year the applicants, all of whom must be sponsored by their governments, have exceeded the available facilities. The fund has developed a happy combination of training in balance of payments and other statistical and research techniques with an opportunity to apply them by working with its staff on individual projects.

The fund is continuing to contribute importantly to the solution of the exchange problems faced by its member countries. It is worthy of our continued support. My Government will continue to give the fund the full measure of its support and cooperation.

Finally, the fund has assembled an outstanding staff of exceptionally competent and devoted technicians. This staff has achieved universal recognition for its contributions to the understanding and solution of the difficult financial problems faced by many member countries. My delegation congratulates Mr. Rooth and his staff on their effective performance in this highly technical field.

NIAGARA RIVER POWER DEVELOPMENT

Mr. JOHNSON of Texas. Mr. President, if there are no Senators who desire to speak in the morning hour, the Senator from New York [Mr. IVES], under the order entered yesterday, I believe, is to be recognized as soon as the morning hour is concluded.

The VICE PRESIDENT. If there is no further routine morning business, the Chair lays before the Senate the unfinished business.

The Senate resumed the consideration of the bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes.

The VICE PRESIDENT. The Senator from New York is recognized for 1 hour, under the order entered on yesterday.

Mr. IVES. Mr. President, in the first place, I wish to express my deep appreciation to the majority and the minority leaders for the great consideration they have shown me during my forced absence from the meetings of the Senate. I assure you, Mr. President, my absence was not of my own will.

For more than 6 years, 3 successive Congresses have been considering various

bills providing for the development of additional hydroelectric power at Niagara Falls, N. Y. The need for this additional power in the western part of New York State and adjacent areas in other Northeastern States is acute.

This issue has been thoroughly studied in the Senate Committee on Public Works and in the House of Representatives. However, it has not previously come to the floor of the Senate. Therefore, I believe that I, as the senior Senator from the State of New York, should review the history of this important matter and my reasons for being opposed most strenuously to Senate bill 1823.

The development of hydroelectric power at Niagara Falls, N. Y., began before the turn of the century. Private power companies undertook at that time the construction of the first large-scale hydroelectric power development in the United States. The Niagara Mohawk Power Co. and its predecessors have served the Niagara frontier ever since. Therefore, the development of additional hydroelectric power from the waters of the Niagara River cannot be considered a new project. To this extent, it is comparable to the additional development of hydroelectric power on the Coosa River, in Alabama, which the 83d Congress authorized the Alabama Power Co. to undertake. If Niagara Falls were not one of the wonders of the world and if the Niagara River were not an international boundary, it is likely that the Congress long ago would have reached the same conclusion that the 83d Congress reached with respect to the Coosa River.

In 1950 the Dominion of Canada and the United States entered into a treaty providing for the development of additional hydroelectric power on both sides of the Niagara River, at Niagara Falls. At that time, the only group in New York State qualified to develop the power was an organization of private utility companies under the leadership of the Niagara Mohawk Power Co., which had already developed such power successfully at Niagara Falls.

When the 1950 treaty came before the Senate, a reservation to the ratification of the treaty, providing that the Congress should decide who would develop the power on the American side of Niagara Falls, was adopted. That is the only reason why we are still considering the question of Niagara power today.

One of the agencies of the New York State government is the New York State Power Authority. It was created many years ago for the sole purpose of developing power in the St. Lawrence River, 200 miles away from Niagara Falls. Only in 1951, when the government of New York State sought a way of preventing Federal development of the Niagara project, was the State power authority's scope expanded to include Niagara Falls. After the New York Legislature had amended the State Power Authority Act to that end, Representative W. STERLING COLE and I sponsored proposed legislation which would have permitted the New York State Power Authority to undertake the American portion of the Niagara power development authorized by the treaty of 1950 with Canada.

I introduced proposed legislation of this nature in both the 82d and 83d Congresses, for several reasons. First, I was unalterably opposed, as I am now, to Federal development; second, my proposed legislation was consistent with the laws of the State of New York, as well as with the public policy of both the Republican and Democratic Parties of the State of New York, as established for more than 20 years; and, third, I had great confidence in the administration of the State of New York at that time, and I believed that development of Niagara power by the State would not endanger the existing privately owned, integrated system which well serves more than 95 percent of the people in the State.

No action was taken by the 82d Congress. During the 83d Congress, the House of Representatives passed, by a vote of 262 to 121, a bill which would authorize development of the Niagara project by private enterprise. After extensive hearings the Senate Committee on Public Works reported favorably a bill which would have referred the entire matter to the Federal Power Commission, for determination. The issue would have gone to the Federal Power Commission originally, except for the treaty reservation. This bill was reported to the Senate just prior to the adjournment of the 83d Congress, and no action was taken.

The situation today is approximately the same as it was in 1950. The advocates of public power now endorse State development, but would require the inclusion of preferences to municipalities and rural electric cooperatives. These preferences would be inconsistent with the laws of the State of New York. The advocates of private development are still adamant. And so a hopeless congressional deadlock continues. The people of New York State have grown weary of this situation and rightly demand action.

I am unalterably opposed to Senate bill 1823. I am opposed to it because it is in direct conflict with the law and policy of New York State. Second, it would discriminate against over 95 percent of the residents of New York State by granting a preference to the few isolated cooperatives and municipally operated powerplants scattered throughout the State. Third every segment of the economy of New York is opposed to it, including labor, agriculture, business, and the overwhelming majority of consumers in the affected area.

The history of this particular bill is most interesting. In the 83d Congress, when it became obvious that sufficient support for Federal development was lacking, my colleague from New York joined with former Representative Franklin D. Roosevelt, Jr., to introduce bills substantially the same as S. 1823. They clearly preferred Federal development; but if that were impossible, they would settle for State development—but on their own terms. This proposed legislation, having failed in the 83d Congress, was introduced again in the present Congress.

The attorney general of the State of New York stated publicly in a document addressed to Members of the Congress, under date of February 13, 1956, that there is grave doubt whether the New York State Power Authority could proceed with construction if Senate bill 1823 were enacted; that the preference provisions contained in it are inconsistent with the State law, under which the power authority must proceed.

The present chairman of the power authority and his predecessor have testified time and again before the committees of the Congress against the preference provisions embodied in S. 1823. Thus, on March 13, 1954, the Honorable Robert Moses, chairman of the New York State Power Authority, said:

> The Lehman-Roosevelt bill (S. 2966, 83d Cong.) provides for a license to the New York State Power Authority but with conditions and preferences not incorporated in the State law, and never approved by our State legislature. Such legislation by Congress would represent an unwarranted interference by the Federal Government in State affairs.

Senate bill 2966 in the last Congress was similar to Senate bill 1823 now before the Senate. Again, as indicated in the hearings before the Senate Public Works Committee, Mr. Moses stated:

> The existing State law governing our authority gives no preference in service to public powerplants. We must operate under this law, and we do not and cannot prefer municipal as against private utility operation, nor could we as a practical matter sell our bonds on any such theory.

As recently as last January 12, Chairman Moses stated that the provisions desired by the sponsors of Senate bill 1823, authorizing the construction of duplicate transmission lines in many parts of New York State to furnish the scattered few cooperatives and municipal plants with preference power "could conceivably prevent the authority's acceptance of a Federal Power Commission license because of a direct conflict with New York law."

In the session of the New York State Legislature ended last month—and I point out that this is the most recent expression of the government of the State of New York on this subject—the present Governor requested the State legislature to enact legislation in the following words:

> I recommend that your honorable bodies enact legislation at this session which will enable the power authority to construct transmission lines and to require the autority in its sale of power to give preference to State agencies, municipalities, and other subdivisions of the State, and to rural electrict cooperatives.

These provisions were rejected by the New York State Legislature.

These facts and circumstances make it clear that S. 1823, the bill before the Senate, is a device seeking to employ a Federal legislative power of the Congress to impose upon the people of New York State that which they have expressly rejected. This alone constitutes sufficient reason for the defeat of S. 1823, but there are other compelling reasons for such action.

S. 1823 apparently envisions the use of Niagara power as far away as New York

City and New England. Without exception every responsible person familiar with the situation now agrees that Niagara power will never reach New York City or New England. The New York State Power Authority has publicly stated that geography makes it uneconomical for St. Lawrence power to reach New York City, and Niagara Falls is even farther away. In fact, the power authority has stated that—

Western New York will form the principal market area for power from the Niagara development.

The project area is very highly developed. No area and no person in it is without electric service. New York is the Nation's second largest dairying State, and every one of its 106,000 operating farms is electrified. Of the 16 million people in the State, 95 percent receive their electricity from private utility companies, whose rates are regulated by the New York State Public Service Commission. Thus, under S. 1823, only the remaining 5 percent, comprising the consumers of scattered municipal distribution systems and five small REA cooperatives, would qualify in the preferred category for this tax-free hydroelectric power. Thus again, the 95 percent of New York consumers would be discriminated against in favor of the relatively few purchasers from the five cooperatives and scattered municipally operated plants in New York State.

On January 12, 1956, the chairman of the New York State Power Authority made several additional observations with respect to the preference provisions contained in S. 1823. I quote him again—

The Lehman bill gives States and their subdivisions, cooperatives and defense agencies absolute preference in the purchase of power, apparently without regard to where they are located. * * *

Consideration should be given to the question of whether the preference provisions and transmission line provisions in the Lehman bill taken together would require the sale of power to municipalities who demand it no matter how far removed and whether within the economic market area. If the postage stamp principle were adopted and all customers charged the same price for power and for the transmission of power, regardless of the distance involved, with the result that transmission costs to distant customers were borne in part by nearby customers, a distant preference customer might well have a motive to make such a demand. This, of course, could result in absurd situations.

I am still quoting Chairman Robert Moses, of New York State Power Authority:

It should be borne in mind that most hydroelectric power developments are in areas of the country much less developed than that of the Niagara and hence legislative language and marketing practices adapted to such areas may not make any sense at all in this highly industrial region. In addition, seemingly slight changes or omissions in tested language of other statutes may have radical and unintended effects.

At an earlier date, the chairman of the power authority made the following statement with respect to both the development of hydroelectric power on the St. Lawrence, which is already underway, and the proposed development of Niagara power:

It has been suggested that the Federal license for the St. Lawrence and the Federal law to be passed with respect to the Niagara should require that preference be given to municipally owned distributing and producing organizations and to cooperatives. This appears to be impractical because 98 percent of the consumers in the State receive their power from private utilities and only 2 percent from municipally owned utilities and cooperatives. These 2 percent cannot be given an absolute preference over the 98 percent because they are scattered all over the State, many of them hundreds of miles from the site where the power is produced, so that the cost of transmission would be prohibitive.

These observations by Mr. Moses are wholly consistent with my own views on this important matter—and are based upon his personal experience.

Is it any wonder under these circumstances that an overwhelming majority of the people in the area to be served are vigorously opposed to S. 1823 and have expressed clearly a desire that Niagara power be developed by private enterprise? Statewide organizations including every segment of the economy have continually urged successive Congresses to oppose similar legislation and approve private development.

Among these organizations are the following: The New York State Federation of Labor, the Independent Brotherhood of Electrical Workers, the CIO Utility Workers of America, the New York State Farm Bureau Federation, the New York State Grange, the Empire State Chamber of Commerce, the Association of Towns in the State of New York, the Association of County Supervisors in the State of New York, and the Associated Industries in the State of New York.

In this connection, because it is so pertinent, let me say that only the other day I received a letter which I should like to read into the RECORD. It came to me from Mr. Harold C. Hanover, secretary-treasurer of the New York State Federation of Labor. The letter is dated April 26, 1956, and reads as follows:

NEW YORK STATE FEDERATION OF LABOR,
Albany, N. Y., April 26, 1956.

Hon. IRVING M. IVES,
United States Senator,
Senate Office Building,
Washington, D. C.

DEAR SENATOR IVES: It has been brought to our attention that you are interested in the communication which we addressed on May 14, 1953, to Hon. GEORGE DONDERO, chairman of the House Committee on Public Works, with reference to the proposed development of power resources of Niagara River, Niagara Falls, N. Y.

I shall not read the letter to Representative DONDERO, of which I have a copy. I do not think it is necessary. I think Mr. Hanover's letter is quite conclusive. I continue quoting from the letter from Mr. Hanover:

Herewith I enclose a copy of that letter, which is also noted in the CONGRESSIONAL RECORD, and rather than supply you with a duplicate addressed to you, I felt that you would like to have the letter as it exists, and to say to you that insofar as a great majority of our membership in the State of New York are concerned—

That is, the New York State Federation of Labor—

we have felt from the very beginning that this work should progress under private auspices both from an economy standpoint to our citizens and from the maintenance of private employment by the several companies involved.

Our position is amply borne out by a good look at what is transpiring on the St. Lawrence River under the auspices of the power authority of the State of New York. Many who have thought that this development would redound to the benefit of the average homeowner and consumer of electricity are now beginning to express genuine doubt as to the real worth of a power authority in this State.

Frankly, our average citizen knows little or nothing about what is to transpire under this power authority and misgivings are expressed as articles are read in the public press citing contracts with private corporations at a rate which is not publicized, and the negotiation of further contracts with corporations and with adjoining States. I might add here that the sentiments conveyed in our letter to Mr. DONDERO are just as true today as they were when written. In fact more so, for we have seen borne out in reality the statements which we made at that time.

We do not feel that the consumers of electricity in New York State will pay more through private construction and management of the facilities of the Niagara River. As a matter of fact, we feel that in the long run the citizens will be paying less because the amount of taxes paid by these companies will serve to offset much of the hidden increase in taxes imposed upon them were the project to be done by the power authority.

As we have repeatedly pointed out, if a question of rate per kilowatt hour is of paramount importance, we have a public service commission in the State of New York who are thoroughly competent to readjust rates of electrical energy so that our citizens in all parts of the State would be paying on a fair basis.

In conclusion you may have gathered by now that we feel very strongly on this point, and we want to assure you that we have been steadfast in this thought and sincerely hope that in your approach to this problem in the near future you will be able to take the long view of this highly controversial problem, and we want to assure you that, should you take the viewpoint we have set forth you will have our utmost support.

With sincere personal regards.

Cordially yours,

HAROLD C. HANOVER,
Secretary Treasurer.

In this connection, Mr. President, I am constrained to observe that my colleague in his remarks yesterday, to which I was unable to listen but which I have read very carefully in the RECORD, emphasized the fact that the overwhelming majority of the people of the State of New York are in favor of his bill.

I doubt that. I wish it would have been possible to hold a referendum to ascertain how the people of the State of New York stand on the question. However, the organizations I have listed, and many others which I could list, constitute not only hundreds of thousands of residents of New York State, but in their influence and in their actions represent millions of people of that State.

I do not believe there is any justification whatever for my colleague's remarks

regarding the sentiment on this question in the State of New York.

He also brought up the question of the campaigns in which he has been engaged, and the campaign of 1954, in which I was engaged. He referred particularly to that campaign. I wish to point out that at no time during the campaign of 1954 did I mention the Niagara redevelopment, so far as I can recall, and at no time did my opponents do so. That was not an issue in the campaign, nor has it been an issue in any campaign in which I have been engaged in the State of New York.

As everyone knows, or as everyone should know, I myself have stood for the State development of hydroelectric power at Niagara Falls, but not by any means on the basis proposed by my colleague from New York. I am in utter disagreement with him on that question.

Mr. President, I ask unanimous consent to have printed in the body of the RECORD, at the close of my remarks, letters I have received from the Utility Workers of America, CIO, the New York State Grange, and the New York Farm Bureau.

I am asking that the letters be printed in the RECORD because they are of more recent date than many others I have received which I could also put in the RECORD.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

(See exhibits 1, 2, and 3.)

Mr. IVES. Mr. President, recent polls conducted by area Members of the House of Representatives—and this is very important—have shown that 75 percent of the constituents replying opposed S. 1823 and favored private development.

Under the circumstances which I have stated, I strongly urge the Senate to reject S. 1823. Its provisions would require my State to pursue a course which it cannot pursue under existing laws and policies, and which it does not desire to pursue.

If any Senator has any questions to ask, I shall be glad to yield for that purpose. Otherwise, I yield the floor.

EXHIBIT 1

UTILITY WORKERS UNION OF AMERICA, CIO,
New York, N. Y., April 2, 1956.

Hon. IRVING M. IVES,
Senate Office Building,
Washington, D. C.

DEAR SENATOR IVES: In view of the action of the Senate Public Works Committee in reporting out the Lehman bill providing for construction by the State of New York of the hydroelectric installation at Niagara Falls, we want to advise you of our interest.

On many prior occasions, we have had the opportunity of informing you of our opposition to either State or Federal Government construction of the project, and you know that we have testified before the Senate and the House of Representatives in favor of the Capehart, Miller, Martin, and Dondero bills.

May we, therefore, take this opportunity, once again, of assuring you of our unalterable opposition to any legislation that will result in making our present and future members government employees. We want the advantages of labor legislation presently enjoyed by us maintained and passed on to our children.

Respectfully yours,
ANDREW J. MCMAHON,
President.

EXHIBIT 2

NEW YORK STATE GRANGE,
Brasher Falls, N. Y., April 25, 1956.

Hon. Senator IRVING IVES,
Washington, D. C.

DEAR SENATOR IVES: It has come to my attention that the matter of public versus private development of the electrical power at Niagara Falls is again to be considered.

We of New York State Grange, 130,000 of us, want you to know that we stand solidly for development of that power to the fullest extent by private industry. It would seem to us that in all of the debates on the question that the wishes of the people outside of the city of New York were being bypassed.

We feel that government has too much to say regarding how our money shall be spent, and in this particular case we cannot sit idly by and see such a development take place, in which case there would not be any compensatory taxes levied to help pay the bills incurred.

Surely in these times of diminishing returns for agricultural products it would seem to us that any such contemplated project should be handled as far as possible by private capital so that the project itself as well as the returns from it would be taxed to help defray operating expenses of our local, State and National Governments.

We cannot see why the power from this project should be thrown on the market, tax free, to compete with power that has to pay taxes. We are expressly opposed to the preferential clause in the Lehman bill.

As you know we are an organization representing a cross section of the people of New York State. We therefore urge that you do all that you possibly can to obtain passage of a bill that will permit construction and operation of Niagara power by private capital.

For your information I am sending a resolution adopted at our 1955 session of the State grange at Rochester the vote on which was unanimous. I might also add that similar resolutions have been presented for the past number of years and always have passed the delegate body in the same way.

Yours sincerely,
LELAND D. SMITH,
Master, New York State Grange.

EXHIBIT 3

NEW YORK FARM BUREAU,
Ithaca, N. Y., April 2, 1956.

Senator IRVING M. IVES,
Senate Office Building,
Washington, D. C.

DEAR SENATOR IVES: I am taking this opportunity to again reemphasize the policy of New York Farm Bureau in connection with the much debated Niagara power issue. By official action of the delegate body of New York Farm Bureau, our organization favors development of Niagara power by private enterprise.

Private enterprise, which has made our country great, cannot be strengthened by Government siphoning off the functions that private enterprise can and is willing to perform under private capital.

It is a well-established fact that the hydroelectric power in Niagara Falls is economically sound and can pay its way under private enterprise without Government subsidy, and without preference to any group of consumers. It is evident that Government's advantage in developing Niagara would lie largely in tax exemption. However, our country wasn't built on tax exemption, nor will it be strengthened by tax exemption. Under Government development the whole scheme of preferential treatment of municipalities and REA cooperatives is unsound and is nothing short of a vote-buying device.

We have not wavered in our conviction that Niagara should be developed by private enterprise.

Sincerely,
P. S. FOSTER,
Executive Secretary.

BIRTHDAY CONGRATULATIONS TO SENATOR BUSH

During the delivery of Mr. IVES' speech.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. IVES. I yield.

Mr. JOHNSON of Texas. I wish to congratulate the distinguished Presiding Officer [Mr. BUSH] on his birthday. I hope he will have many more. All of us have great respect and affection for the Senator from Connecticut, and I express to him the congratulations and best wishes of all Members of the majority. That does not carry over into November, but it certainly applies during the sessions of the Senate in the 84th Congress.

The PRESIDING OFFICER (Mr. BUSH in the chair). The Chair hopes it is not out of order for the Presiding Officer to acknowledge this gracious statement.

Mr. IVES. Mr. President, I join in tendering congratulations to the Presiding Officer, and paying him tribute. I did not know it was his birthday, although I talked with him earlier in the day.

LEGISLATIVE PROGRAM

Mr. JOHNSON of Texas. Mr. President, it is hoped that we may be able to enter into a unanimous-consent agreement to vote on the pending bill some time tomorrow.

Following the disposition of the pending business it is the plan of the leadership to have the Senate proceed to the consideration of the farm bill, and perhaps conclude the consideration of that bill on either Thursday or Friday.

The Senate has already disposed of the urgent deficiency bill for 1956 and the Treasury and Post Office appropriation bill.

It is expected that the conference report on the second supplemental appropriation bill will be brought before the Senate tomorrow, after the morning business.

The Interior Department appropriation bill has already been passed by the Senate, and it is hoped that the Senate may be able to act on the conference report on that bill as soon as agreement is reached by the conference committee.

The leadership is informed that the Committee on Appropriations expects to report the agricultural, District of Columbia, General Government matters, independent offices, and Commerce Department appropriation bills some time during the week of May 18 to 25.

The State-Justice-judiciary appropriation bill is now before the committee and hearings on it are being held both mornings and afternoons. I am chairman of the subcommittee, and I hope we may have that bill before the Senate by the end of the month.

The public works appropriation bill will be reported to the Senate some time next month.

We have not yet started hearings on the Mutual Security appropriation bill, because authorizing legislation must be considered first. Of course, we will also have the legislative and supplemental appropriation bills at a later date.

The Committee on Appropriations is to be commended on the progress it has made on the various appropriation bills. I am hopeful the committee will soon be able to mark up and submit final reports of the bills I have enumerated.

I make this announcement at this time so that Members of the Senate who are interested in action being taken by the Committee on Appropriations may be informed that the Senate will take up the appropriation bills as soon as they are reported.

The Senate will also consider a social-security bill, which will be reported by the Committee on Finance. There will also be a number of housing bills and a number of other bills which have been placed on the calendar during the past few days.

I shall confer with the minority leader before making a definite announcement, but it is anticipated that there will be a call of the calendar on Monday next.

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

Mr. JOHNSON of Texas. I am delighted to yield to the Senator from New York.

Mr. IVES. I wonder whether the Senator could enlighten us as to his plan with reference to the highway bill.

Mr. JOHNSON of Texas. That is another very important piece of proposed legislation, and we expect to act on it very promptly as soon as the Committee on Finance acts on the tax title of the bill, which it is now considering.

I thank my good friend from New York for calling that bill to my attention. It is a very important piece of legislation. The Senator from Virginia [Mr. BYRD] and his committee have been carrying a very heavy load this year with tax, social security, and sugar legislation. As soon as his committee is ready to report the highway bill, the Senate will take it up.

NIAGARA RIVER POWER DEVELOPMENT

The Senate resumed the consideration of the bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes.

The PRESIDING OFFICER. The clerk will state the first committee amendment.

The CHIEF CLERK. On page 1, line 4, after the word "in", it is proposed to strike out "ratifying" and insert "giving its advice and consent to the ratification of."

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

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

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

Mr. NEUBERGER. Mr. President, the Niagara power bill, which we are debating today, is the supreme test of the sincerity of the power program of the Eisenhower administration.

In innumerable speeches and statements, the President and his aides insist that they are opposed to further Federal projects like Grand Coulee and Bonneville, because they want construction by so-called local interests.

Here is a bill before us to let the State of New York undertake development of the remaining hydroelectric resources on the American side of the border, at Niagara Falls. Could anything be more truly and genuinely "local" than a State government? It is responsive to the people. It belongs to the people. It can be changed by the people.

Throughout the Pacific Northwest, where I live, the Republican administration talks continually of "local" erection of power projects. Why? Because in the Northwest, the only choice is between the Federal Government and private power companies. State governments in the Northwest do not have the financial means, nor have they implemented the political authority, to undertake huge dams such as those proposed by the 308 report of the Corps of United States Army Engineers at Hells Canyon or John Day. My own State of Oregon, for example, has had to saddle its citizens with the highest State income tax in the Nation so as to maintain its obligations in the field of education.

HOW "LOCAL" DO YOU HAVE TO GET?

But the government of the State of New York is something else again. New York's population equals that of all of Canada; it is 10 times that of Oregon. Its legislature has approved the necessary enabling bills to bring about State development of Niagara. The State has a power authority of the State of New York which has all the essential machinery to this vast undertaking. New York State is ready to go. Why will not the administration and the Republicans let it proceed? Is not the State of New York sufficiently "local"? How "local" do you have to get? Or, is an absentee-owned utility company in the Pacific Northwest regarded as "local" to that region, while the State government of New York is not regarded as "local" in New York?

I have emphasized these facts because they strip down to the last veil the hypocrisy in the power program of the present administration. In the Northwest, where State governments lack the finances to undertake vast multipurpose projects, we hear that we must surrender choice hydroelectric sites to so-called "local" interests. Invariably, these "local" interests are predominantly private power companies.

But in New York, where State government is ready, willing, and eager to tap Niagara's immense potential in thundering waters, the talk of local participation is as silent as the tomb—because, to the average American, his State government seems pretty authentically local; in fact, it is about as local as you can get, unless the city or county is to get in on the act.

The people of New York and New England have long had about the most outrageously high electric rates of any group of consumers in the entire United States. I repeat here the famous remark of former Gov. Thomas E. Dewey, of New York, when, in 1951, he said of the year 1949:

> The New York State cost (of electric power) was 170 percent higher than in the State of Washington; 146 percent higher than in Oregon; and 132 percent higher than in Tennessee.

In general the same condition holds for the entire New England area. It is high time that we give to the small electric consumer of the Northeast the advantages of low-cost power long enjoyed in other parts of the United States.

NO FEDERAL INVESTMENT AT NIAGARA

Some Senators may hesitate to give the license to a public agency such as the New York State Power Authority because of their fear of alleged socialism—creeping or otherwise. I would hasten to reassure such Senators that this is certainly no more socialistic than was the upper Colorado storage project, which many of my Republican colleagues voted for in April of last year. But the Niagara proposal has the added appeal that no Federal investment whatever is required.

In the case of the upper Colorado, the bill was supported by the power companies and by the administration. In this case, at Niagara, the electric cooperatives are for it, and the municipal electric systems are for it.

Now I want to show further comparisons between the upper Colorado storage project and this present proposal.

In each case we have a multipurpose project—on the one hand irrigation, flood control, and power generation, and on the other the preservation and enhancement of the beauty of Niagara Falls and, again, the generation of power. In the matter of power generation the total capacity as provided for in the 2 bills is nearly the same—1.1 million kilowatts in the combined and revised upper Colorado compared to 1.2 million kilowatts to be added at Niagara. However, the output at Niagara will be considerably greater because of the better flow conditions resulting from the huge storage basin of the four Great Lakes. Niagara is one of the best remaining partially developed hydro sites in the United States.

Although there are differences between Niagara power redevelopment and the upper Colorado project in costs and power output, there is a close parallel in the manner which both proposals provide for disposal of the electric energy produced. Provisions in the Niagara bill, as in the upper Colorado authorization, represent an extension of the historic

pattern giving to public bodies and other consumer-owned electric systems a priority for the available power.

PREFERENCE CLAUSE A TIME-HONORED PRINCIPLE

This principle was established in the Reclamation Act of 1906 so that consumer-owned systems—generally without the financial strength to construct their own generating facilities—could be assured of the power supply necessary for their continued operation. As a policy of Government, the so-called preference clause was deemed necessary to equalize the opportunities for development between publicly and privately owned facilities in a natural monopoly field. The preference clause was conceived to enhance the possibilities for the public to make a choice as to how it wants to be served in this field. As Theodore Roosevelt said in 1909:

I esteem it my duty to use every endeavor to prevent the growing (power) monopoly, the most threatening which has ever appeared, from being fastened upon the people of the Nation.

The priority in availability given by the preference clause is the basic ingredient which insures the right of choice between public and private operation. Since 1906, the preference clause has been included in the Federal Water Power Act of 1920, the Salt River Project Act of 1922, the Boulder Canyon Act, the Tennessee Valley Authority Act, the Rural Electrification Act, the Bonneville Act, and the Fort Peck Project Act.

It is noteworthy that some of the strongest supporters of the preference clause in the past have been leaders of the Republican Party. On July 29, 1935, the first bill providing for sale and distribution of hydroelectric power from Bonneville Dam was introduced in the United States Senate. The author of the bill was Charles Linza McNary, Republican minority leader and Senator from Oregon since 1917. Section 3 of that bill provided as follows:

In the disposal of such power not required for navigation facilities, preference shall be given to States, counties, municipalities, and to cooperative organizations of citizens not organized for doing business at a profit.

SENATOR M'NARY BACKED PREFERENCE CLAUSE

Charles Linza McNary, Republican minority leader in the Senate, was the father of the Bonneville Act, which carried forward the established principle for public preference. The strength of his belief in this concept of priority is indicated by the fact that he reaffirmed that viewpoint in later legislation for marketing of the power from Bonneville Dam. Section 4 of the Bonneville Power Marketing Act said:

In order to insure that the facilities for the generation of electric energy at the Bonneville project shall be operated for the benefit of the general public, and particularly of domestic and rural customers, the Administrator shall at all times in disposing of electrical energy generated at said project give preference and priority to public bodies and cooperatives.

I should like to call to the attention of the Senate the striking parallel between the language of the preference clause advanced by the late Senator McNary and that which is contained in the Niagara power-redevelopment bill now under consideration. Section 4 of the Niagara bill, authored by the able Senator from New York [Mr. LEHMAN], provides:

(4) Project power shall be sold and distributed primarily for the benefit of the people as consumers, and particularly for the benefit of domestic and rural consumers, to whom it shall be made available at the lowest rates reasonably possible and in such manner as to encourage the widest possible use.

The similarity between the Bonneville and Niagara Acts makes it apparent that the concept espoused by Senator McNary lives on in subsequent legislation for development of our Nation's water resources. The preference clause has become the time-honored means for permitting freedom of choice in the distribution of energy from publicly financed water projects.

PRIVATE COMPANIES PROSPER UNDER PREFERENCE

Yet its existence will not prevent private companies from buying this power; it merely acts as a deterrent to monopoly. In the Pacific Northwest, private power companies buy a large share of the power marketed from Federal dams by the Bonneville Power Administration. For instance, during fiscal 1955, the Bonneville Power Administration sold approximately 21 billion kilowatt-hours of electricity. Of this total, about 4½ billion kilowatt-hours went to privately owned utilities and about 9 billion kilowatt-hours to industrial consumers. Both of these groups are nonpreference customers, yet they received more than 60 percent of the federally generated power in the Columbia River system.

Private interests—the nonpreference users—received their fair share of Bonneville power, and at even lower rates than did the public agencies. The average rate for Bonneville power sold to private industry was 2.12 mills per kilowatt-hour, and the average to private utilities was 2.17 mills per kilowatt-hour. Yet, some of the so-called preference customers—the public utility districts, cooperatives, and municipalities—paid an average of as much as 4.35 mills per kilowatt-hour, largely because of a lower power demand by their predominantly residential consumers.

Is there any indication that in actual practice the preference clause places an undue burden on the operation of privately owned utilities? Certainly that is not the case in the Pacific Northwest, where private utilities have grown and prospered since the advent of the Bonneville Power Act, fathered by the late Senator Charles McNary. It would appear that the effect of the preference clause, more than anything else, is a spur which makes the private companies more enterprising. Its existence makes them more conscious of their public utility responsibilities, more cognizant of the requirements of their customers. It is a prod toward competition in a field where complete monopoly can have many unfavorable aspects.

SHOULD NIAGARA BE SURRENDERED TO MONOPOLY?

In conclusion, I wish to comment briefly on one bit of irony in the reasoning of the minority views, which were submitted by some of my distinguished colleagues on the Senate Committee on Public Works. They claimed that citizens of other States would have to make up in their own tax payments, the $23 million in revenues which the private utilities allegedly would pay to the Government on their installations at Niagara Falls, if they are given the site.

This is a curious claim. It presumably could be amplified to support, for example, private operation of all our harbors, ship channels, and ports, if only the private interests acquiring these deepwater navigation avenues will pay taxes upon them. We might even have a private Army and Navy, which would charge fees for defending us, if these "Hessian armies" and mercenaries then would pay taxes to the Government on their weapons and uniforms.

Also, it is significant that the minority views complain bitterly over the fact that the so-called tax-free power authority will sell power only at 3 mills a kilowatt-hour. But the same minority views protest, with even greater bitterness, the public-power preference clause in the Lehman bill. Evidently, private utilities desire to purchase the 3-mill energy which is so much questioned in another portion of the report.

It is my belief that great benefits will flow to the people in the northeastern part of the United States from enactment of the Niagara power redevelopment bill. It will open a new source of low-cost power, distributed under a method which provides freedom of choice in the instrumentality of delivery. I will support this bill because it represents another forward step in the principle of developing the Nation's water resources with the widest possible benefits to the greatest number.

Mr. LEHMAN. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I am glad to yield.

Mr. LEHMAN. I wish to compliment the Senator for his very clear and useful speech, which sets forth the facts regarding the preference clauses which are included in my bill.

Much has been said on the floor of the Senate and elsewhere about the effect of the passage of the bill upon the public development of Niagara, and the effect such public development will have on the private utility companies. Of course, the private utility companies want to get this extremely valuable resource under their own control, to do with it as they wish. But experience has shown that every time the price of power is reduced—and this will be possible, I am convinced, under my bill, provided the preference clauses remain—the per capita consumption of power is tremendously increased.

The anomalous situation exists that in Niagara Falls, N. Y., the power rate is twice as high as it is across the river, in Niagara Falls, Ontario. The electric bill of a residential user consuming 250 kilowatt-hours in Niagara Falls, N. Y., is $5.03. Yet right across the river—and the river nowhere is more than a mile or a mile and a half wide—the cost of 250 kilowatt-hours of electricity is only $2.39, less than one-half the amount charged in Niagara Falls, N. Y.

As a result, there has been phenomenal growth and development in both the field of industry and the field of residential expansion in Ontario, while many organizations, householders, and farmers on the United States side of the Niagara River have been penalized.

I point out that the cost of 100 kilowatt-hours in New York City is $4.44; in Yonkers, N. Y., $5.10; in Boston, Mass., $4.74; in Waterbury, Conn., $4.16; and in Providence, R. I., $4.60.

On the other hand, the charge for 100 kilowatt-hours in Tacoma, Wash., which has the benefit of the public development of power, is only $1.70; in Seattle, $2.72; in Eugene, Oreg., $1.80. As a result of the lower rates, which have been made possible by the public development of electricity, the consumption of power has tremendously increased in direct proportion to the lowering of the rates.

In Tacoma, Wash., where the rate is $1.70 for 100 kilowatt-hours, the average annual residential electric consumption is 6,659 kilowatt-hours, as against an average annual consumption in New York City of only 1,058 kilowatt-hours, a consumption which is less than one-sixth as great as that in Tacoma, Wash.

In Spokane, Wash., the annual average consumption is 5,726 kilowatt-hours; in Providence, R. I., it is only 976 kilowatt-hours—again, only about one-sixth as great.

I could mention area after area to prove my point, which is irrefutable, in my opinion, that the per capita consumption of power increases in direct relationship to the lowering of the price. There can be no question whatsoever about that.

I may say, too—and I repeat what I think possibly has been said—that wherever prices have been reduced because of the competition of public power, the profits of the private utility companies have increased. I do not believe there is a single large private utility company in the State of New York whose profits have not increased steadily over the past 10 or 15 years; and I feel certain that the profits of every private utility company on the Pacific coast, in the Southwest, and in the Southeast, where there is the competition of public development of power, have proportionately increased.

I again thank the Senator from Oregon and compliment him on a most valuable contribution which he has made to the debate.

Mr. NEUBERGER. After thanking the distinguished Senator from New York for his undeserved compliments to me, I wish to say to him: that we from the Pacific Northwest are particularly grateful to him, because he has had the political courage and the personal wisdom to include in the Niagara power bill the public power preference clause. We realize that there are many persons in his own State who do not understand fully the importance of the public power preference clause, and we regard the Senator as a pioneer of signal valor in the field of politics for including in the bill the public power preference clause, and for fighting for it.

I also desire to say that in fighting for the public power preference clause, he is carrying forward a political reform which was begun by one of the most illustrious sons ever produced by the State of New York, President Theodore Roosevelt, who played a very active part in politics in the State of New York, as the Senator from New York himself did before he came to the United States Senate.

I have listened with some amusement to some of the objections to the public power preference clause. Most of those objections come from Republican Members of this body. Yet I think it is of special significance that the public power preference clause was fathered during the Presidency of Theodore Roosevelt, one of the most outstanding Presidents who ever occupied the White House, and it was advocated repeatedly on the floor of the Senate by a Senator from my own State, Charles L. McNary. I have been particularly eager to bring before the Senate the record of the Bonneville Power Administration under the preference clause, which was sponsored by the late Senator McNary.

Today we are hearing on the floor of the Senate, from the opponents of the Lehman bill, how adverse the public power preference clause is to private utilities. Yet I have shown by figures which I have just obtained from the Bonneville Power Administration that during the fiscal year 1955 more than 60 percent of Bonneville's power, even under the preference clause, went to nonpreference customers. In other words, more than 60 percent of the energy went to either private utilities or private industry, neither of which comes under the scope or application of the preference clause.

The inclusion of the preference clause in the bill of the Senator from New York is for one purpose, and that is to prevent monopoly. That is the whole reason for the preference clause. If the preference clause is left in the bill, there will be competition in the distribution of power. There will be a yardstick to gage the rates charged by the private utilities. If the preference clause is deleted from the bill, as is proposed by the able senior Senator from New York [Mr. IVES], whose recovery from illness pleases us all, power from Niagara may be completely monopolized by the private utility companies. That is the issue before the Senate today.

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

Mr. NEUBERGER. I am happy to yield to the distinguished Senator from Illinois.

Mr. DOUGLAS. I was much interested in the statements of the Senator from Oregon about the upper Colorado project, which was fostered by the administration. That project provided for the generation of power by a Federal authority, the Bureau of Reclamation. Is that not correct?

Mr. NEUBERGER. That is true.

Mr. DOUGLAS. Is it not true that the upper Colorado would produce extremely high-cost power? As I remember, the upper dams will have generating costs of from 6 to 7 mills per kilowatt-hour. Is not that true?

Mr. NEUBERGER. That is correct.

Mr. DOUGLAS. As the Senator from Oregon knows, I opposed the upper Colorado project, because I thought its irrigation features were excessively costly, and because I thought the generating costs, so far as power was concerned, were excessively high.

May I ask the Senator from Oregon what he understands to be the generating costs at Niagara?

Mr. NEUBERGER. I may say to the distinguished Senator from Illinois that I did vote for the upper Colorado project, although I had some slight misgivings. I supported it on the yea-and-nay vote because I believed the vast intermountain territory, which is a major portion of our country, urgently needs development, more population, and a greater agricultural and industrial economy, and I felt the upper Colorado project would contribute toward meeting that goal. The Rocky Mountain area requires this development.

Mr. DOUGLAS. I do not wish to get into an argument with the Senator from Oregon about the upper Colorado project. I think he was wrong in voting for it. I merely mentioned it to indicate that I am not an unqualified supporter of public power. I am opposed to it if it is uneconomical. However, what I am trying to get at is the difference between the costs of Columbia River power, on the one hand, and the Niagara and St. Lawrence power, on the other hand, both of which the administration is opposing, and the high-cost power on the upper Colorado, which the administration favored.

Mr. NEUBERGER. The Senator from Illinois has asked a very cogent question. As he correctly pointed out, power at some of the sites on the upper Colorado will cost between 6 and 7 mills per kilowatt-hour. Power from the vast Niagara Falls project will cost about 2 mills per kilowatt-hour. Power at Hells Canyon on the Snake River will cost approximately 2.7 mills per kilowatt-hour.

The Senator from Illinois has highlighted a curious irony and paradox of the power program of the present administration. It favors surrender to private utilities of Niagara Falls hydroelectric power, where energy can be generated for about 2 mills per kilowatt-hour, and it favors surrender to a private utility, in this case the Idaho Power Co., of the magnificent Hells Canyon site, where power can be generated for about 2.7 mills per kilowatt-hour, but it reserves for development by the taxpayers of the United States the upper Colorado where, as the Senator from Illinois has emphasized, the cost will be between 6 and 7 mills per kilowatt-hour. This is a policy of turning over the skim milk to the public and reserving the most nutritious, rich butterfat content, whipped cream for the private utilities.

Mr. DOUGLAS. I am very glad the Senator from Oregon makes this point, and I only hope that with the passage of time the consciousness of sin in connection with the upper Colorado project may deepen.

I should now like to ask the Senator from Oregon a question. I believe the Senator from Oregon said that the power

rates in upper New York and northern New England—in fact, all of New England—were now approximately the highest rates in the country.

Mr. NEUBERGER. That is my understanding.

Mr. DOUGLAS. Would not Niagara and St. Lawrence power, distributed through municipalities and cooperatives at lower rates, be a powerful force in reducing general power rates in upper New York and in New England? They would largely afford a yardstick which would force the public utility commissions to reduce private power rates.

Mr. NEUBERGER. It most certainly would, if the lesson of recent history is to be again demonstrated. All one has to do is look not only at power rates, but at average residential consumption in areas where there is a Federal power yardstick. In such areas, for example in the TVA area and in the Columbia basin, where there is a Federal power yardstick, rates are low and consumption is high. Where the Federal power yardstick is lacking and there is no competition, rates are high and residential consumption is low. It is as simple as A, B, C. It is the record of the last quarter of a century in the United States.

For example, as the distinguished Senator from New York pointed out at Tacoma, Wash., which has the benefit of public power, and which purchases a part of its electric energy from the Bonneville Power Administration, through the protection of the preference clause sponsored by the late Senator McNary, the consumption in the average household is approximately 6,700 kilowatt-hours a year, whereas in some of the communities in Massachusetts, for example, and in other areas of New England the consumption is approximately 900 kilowatt-hours a year.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield further to me?

The PRESIDING OFFICER (Mr. MURRAY in the chair). Does the Senator from Oregon yield to the Senator from Illinois?

Mr. NEUBERGER. I yield.

Mr. DOUGLAS. Is it not true that the high rates in New England at least are holding back the industrial development of that region, because the high rates result in high power costs and hence are a competitive disadvantage?

Mr. NEUBERGER. I would answer the question of the Senator from Illinois by asking another question, albeit a hypothetical one: If the Senator from Illinois were an industrialist and if he depended upon electric energy to move the machinery in his plant, would he establish his plant in such an area as the Pacific Northwest or the TVA area, where electricity can be purchased for 2 mills a kilowatt-hour, or would he move the plant to New England, and pay anywhere from 8 to 15 mills a kilowatt-hour?

Mr. DOUGLAS. I think I would follow the advice of Horace Greeley and "Go west, young man."

Mr. NEUBERGER. "And grow up with the country," as Greeley also said.

Mr. DOUGLAS. Is it not true that the New York Power Authority is an independent corporation, although its members are publicly appointed, and that it has the power to issue bonds, contract debts, and obtain revenue? Will it not do so in connection with Niagara?

Mr. NEUBERGER. That is my understanding.

Mr. DOUGLAS. Is not the chairman of the New York Port Authority the very able Mr. Robert Moses?

Mr. NEUBERGER. I believe he is.

Mr. DOUGLAS. Is it not true that the New York Power Authority is generating power on the St. Lawrence River, below Lake Ontario, and that the waterpower of the St. Lawrence is being shared equally between Canada and the United States, and the power authority is developing approximately 1 million kilowatts of electricity there?

Mr. NEUBERGER. That is also my understanding.

Mr. DOUGLAS. Is it not true that so far as the St. Lawrence project is concerned, the New York Power Authority is selling the power in preference to the REA cooperatives and to plants which are municipally owned?

Mr. NEUBERGER. That also is my understanding of the situation.

Mr. DOUGLAS. When I was at the St. Lawrence, in November, a contract had just been made to supply 100,000 kilowatt-hours to the federation of REA cooperatives in Vermont, thus giving to Vermont some of the power that State has badly needed and for which the senior Senator from Vermont [Mr. AIKEN] has fought. A contract had also been made to furnish 30,000 kilowatts to the city of Plattsburg, which has a municipal plant. If it is proper for the New York Power Authority to give preference to REA cooperatives and municipalities, insofar as the St. Lawrence power is concerned, why is it not also proper to do the same insofar as the power from the Niagara is concerned?

Mr. NEUBERGER. It seems to me that the Senator from Illinois has touched the Achilles' heel of the argument of the other side. They both hold with the hounds and run with the hare. When they wish to consider something as being socialism, they cry, "It is socialism." But when they want to do exactly the same thing in another realm, the cry "socialism" is not heard.

For example, we need refer only to the upper Colorado project. Many Members who now decry the Niagara project voted for the upper Colorado project. I may be dense and without very good thinking processes, but I doubt anyone could convince me that what is socialism in the State of New York is just good, old, free enterprise in the Rocky Mountain area. How can it be that public development of the upper Colorado conforms to all the free-enterprise clichés of the Eisenhower administration, but public development of Niagara Falls or Hells Canyon is socialism? It just is not possible to turn on and off the cry "socialism" like a beer spigot. But as the Senator from New York has pointed out, that is done in the entire discussion of the public power preference clause. We have heard the public power preference clause denounced as being socialistic; yet we point out that the public power preference clause was conceived by a Republican President of the United States, and was advocated on the floor of the Senate by one who served as Republican minority leader for—if I am not mistaken—10 or 12 years, which certainly is a long time in the annals of the Senate for one to serve consecutively as the leader in this body of a great political party.

The entire program of the administration in the field of hydroelectric resources cannot undergo careful scrutiny. What they really want to do is favor public power when they have available for development a site which is marginal, where the waterflow is not dependable, and where no private utility in its right mind would touch the site with a 300-mile transmission line, to say nothing of a 10-foot pole. But when they have a choice site still available, such as the remaining waters at Niagara Falls or Hells Canyon, on the Snake River, then they are 100 percent in favor of private enterprise, because that is a site which the private utilities crave.

Mr. DOUGLAS. Does the Senator from Oregon believe that attitude indicates that the administration believes in the socialization of losses?

Mr. NEUBERGER. The Senator from Illinois has a better knowledge of economics than I do; but it seems to me he has given a good description of the situation, because the administration believes in socializing sites which are of dubious payout, but in surrendering to the private utilities the sites which will be financially successful.

I cannot overemphasize the great service the Senator from New York has rendered in including in his bill the public-power preference clause. It would have been very easy for him to have omitted it from the bill; but he realizes, as we do, that such an omission of the public power preference clause would have permitted the remaining power at Niagara Falls to be monopolized by the private companies.

Mr. DOUGLAS. Is it not true that in upper New York State there are a number of municipalities which have municipally owned power systems? For example, I think of the city of Jamestown, N. Y., a city primarily composed of Americans of predominantly Swedish descent. I think Jamestown is a strongly Republican city. Yet, as I recall, it has a municipally owned plant. Steam plants of such relatively small size may become technologically obsolete. Would it not be a great aid to the conservative people living at Jamestown, N. Y., and vicinity, if they could get their power from Niagara, through a transmission line which would give them preference?

Mr. NEUBERGER. The Senator from Illinois is more thoroughly acquainted with the State of New York than I am; but it seems to me that if the people of Jamestown, N. Y., could supplement or replace obsolete steam-power equipment with low-cost Niagara energy, it is obvious that this would be to the benefit of the homes, stores, and industries in Jamestown.

Mr. LEHMAN. Mr. President, will the Senator from Oregon yield to me?

The PRESIDING OFFICER (Mr. McNAMARA in the chair). Does the Senator from Oregon yield to the Senator from New York?

Mr. NEUBERGER. I am happy to yield to the Senator from New York.

Mr. LEHMAN. I wish to emphasize 1 or 2 points which I think may be misunderstood or, rather, not understood at all. We speak of preference clauses to public bodies, municipalities, defense agencies, and rural electric cooperatives. When we talk about preferences I do not want anyone to believe that we are asking for any preference in price for these organizations. There is no such thing. They will have to pay exactly the same price anyone else pays.

Mr. NEUBERGER. It is even possible, I may say to the Senator from New York, that as in the Pacific Northwest, the public agencies may pay a little more, because they will undoubtedly not buy power in as large quantities as do either industries or private utility companies. We in the Northwest have not objected to that. What we do not want—and I know the Senator from New York does not want it, either—is to have power monopolized so that public agencies are not assured of a supply.

I am glad the Senator from New York brought up the subject of price, because not only do we not seek any favoritism with respect to price, but all we ask is that the public agencies, which are in most instances far smaller than the private utilities, have the right not to be excluded completely from Niagara power or from Bonneville power.

Mr. LEHMAN. In my judgment, that is an absolutely accurate statement. The reason why I am pressing so vigorously for the inclusion of the preference clauses, and the reason why I am so unalterably opposed to any diminution of that policy, is, as the distinguished Senator from Oregon has already pointed out, that I want to prevent monopoly in the distribution of power. If we are to get reasonable power charges in New York and in other areas of the Northeast, in neighboring States, I think it is highly important that we have a yardstick on which to proceed.

I also point out to the distinguished Senator from Oregon that we are not making this fight for New York State alone. We are making it for other States in the Northeast.

Under the provisions of the bill which my colleagues and I have introduced, a reasonable share of this cheap power must be made available to Ohio, Pennsylvania, and any other States which are within economical transmission distance from the point at which the power is generated.

Mr. NEUBERGER. The Senator from New York has taken the broad-gage viewpoint, as he characteristically does. In other words, he realizes that Niagara Falls, like any other great thundering river, belongs to all the people, and he does not want Niagara Falls monopolized by a corporation. Nor does he want it monopolized geographically.

I am pleased that the Senator from New York stresses the issue of monopoly. In 1940, when I was a journalist, I was assigned to write for Life magazine a long profile of Senator Charles L. McNary, who had just been nominated for the Vice Presidency on the Republican ticket as Wendell Willkie's running mate. I spent a considerable length of time with Senator McNary at his farm home near Salem, Oreg., which he called Fir Cone, because of the fir trees which dotted the beautiful place where he was born and brought up.

I remember saying to him something like this: "Senator, some people who are prominent in national politics criticize the fact that you are on the ticket with Mr. Willkie. They think you are too radical, because you have sponsored public power preference clauses in various bills affecting the Pacific Northwest hydroelectric development."

I remember so well Senator McNary saying to me, as he sat there on the lawn at Fir Cone, "All that the preference clause does is to prevent monopoly."

Then he added, "It really should be called an antimonopoly clause. That would be a better description of it."

I recall today that statement by Senator McNary. It was brought to my mind, not during this debate, but a few days ago, when Mrs. Neuberger attended a luncheon for the ladies of the Senate, and for the first time met Mrs. Charles L. McNary, the widow of the distinguished Republican leader.

After the episode and meeting had been recounted to me by Mrs. Neuberger, again there entered my mind what Senator McNary had said in defense of the preference clauses. It seems to me axiomatic that unless there is a preference clause, this power will be monopolized.

Mr. LEHMAN. Mr. President, will the Senator yield for a further brief observation?

Mr. NEUBERGER. I am happy to yield.

Mr. LEHMAN. We have been talking about the difference in cost, as between New York and other sections of the country, which are served by publicly developed power. Of course, the rate which is charged for the use of electrical energy in the Northeastern States, the New England States, and New York State, is far above the average charge in the country, and dramatically above the rate charged in those States which are served by public power.

In 1949 Governor Dewey, who was my successor as Governor of New York State, in his message to the legislature set forth, among other things, the following figures, which I think are very interesting: The New York cost was 170 percent higher than the cost in the State of Washington; 146 percent higher than in Oregon; and 132 percent higher than in Tennessee.

Governor Dewey pointed out further that with such high-cost power it is not surprising that the average residential use of electricity is far below the national average—in fact, the consumption is lower in only 7 of the 48 States of the Union.

The States with which comparison has been made are all served by public power. New York State, of course, is not, and the Northeastern States are not. To me it would be a calamity, and a completely unjustifiable thing, to stop the development of this power publicly and turn it over, as it is now proposed in the bill introduced by my colleague from Indiana [Mr. CAPEHART] to the private utility companies.

Mr. NEUBERGER. As the Senator from New York has so ably pointed out, it would mean a continuation of high rates and low-power consumption in a region of the United States which should have low rates and high-power consumption.

I was particularly interested in the very able address delivered on the floor of the Senate a short time ago by the senior Senator from New York [Mr. IVES] in which he made the claim that the preference clause in the Lehman bill—and I quote him exactly:

> Would discriminate against 95 percent of the residents of New York State by granting a preference to the few isolated cooperatives and municipality operated powerplants scattered throughout the State.

If I may be pardoned for saying so, I believe that that statement of the senior Senator from New York is diametrically contrary to the fact. The way to do something for the 95 percent of New York consumers who are at present served by private utility companies is to provide for them the low-rate yardstick which Niagara Falls and the preference clause could make possible. Unless that low rate yardstick is created, they will continue to be at the mercy of the private utility companies for the rest of their lives, and, far into the future beyond that point, their descendants will be at the mercy of the private power companies, which charge high rates and bring about low consumption.

But if we pass the Lehman bill, and make available immense quantities of Niagara Falls power at low rates, with a public power yardstick, the private utilities will have to reduce their rates. That has been the example in the Pacific Northwest. That has been the example in Tennessee. I cannot think of a single argument which would tend to prove that a similar pattern would not be effective in the State of New York, and generally in the northeastern part of the United States.

The public power preference clause is what 95 percent of New York consumers need. Those are the people who were mentioned by the senior Senator from New York [Mr. IVES]. However, if his wishes prevail, those consumers will merely continue to be at the mercy of private utilities.

The only possible way to bring about the situation we have in the Northwest and in the Tennessee Valley, with low rates and high residential consumption and high industrial consumption of power, is with the public power preference clause.

Theodore Roosevelt, Charles McNary, George W. Norris and other progressive Republicans like that saw it a quarter of a century and more ago, as the distinguished junior Senator from New York sees it today in the bill he is sponsoring for Niagara Falls.

I wish to say to my friend from New York again that it is a great privilege to

work in the ranks under his leadership in the effort to save this invaluable hydroelectric resource for not only the people of New York State and New England, but also for all the people of the United States.

Mr. LEHMAN. Mr. President, I thank the Senator.

Mr. DOUGLAS. Mr. President, will the Senator from Oregon yield for a few more questions?

Mr. NEUBERGER. I am happy to yield.

Mr. DOUGLAS. The Senator from Oregon is a member of the Committee on Public Works. Does he remember the testimony of Mayor Dougherty, of Dunkirk, N. Y.?

Mr. NEUBERGER. I do.

Mr. DOUGLAS. Is it not true that, as the record of the hearings indicates, Mayor Dougherty pointed out that the city of Dunkirk, which has a municipally owned utility plant, has the lowest rate for residential electricity of any community on the Atlantic seaboard, in the New England States, in the Middle Atlantic States, and in the South Atlantic States? That is found at page 211 of the hearings.

Mr. NEUBERGER. I do indeed remember Mayor Dougherty's very effective testimony, either from reading or hearing it.

Mr. DOUGLAS. He testified that Dunkirk was buying its power from private utilities and paying 8.6 mills for it.

Mr. NEUBERGER. But nevertheless Dunkirk was underselling the private utilities in that area when it came to distributing the power to residential users.

Mr. DOUGLAS. That is correct. With a generating cost of a little more than 2 mills per kilowatt-hour, even if there were added the transmission cost for the 65 miles or so from Niagara Falls to Dunkirk, power could still be laid down in Dunkirk at a very much lower rate than consumers in Dunkirk are now paying. Is that not correct?

Mr. NEUBERGER. That is obvious. The Dunkirk power rate could be cut in half, perhaps even more, despite the low prevailing rates.

Mr. DOUGLAS. That is, the wholesale power costs. Is that correct?

Mr. NEUBERGER. That is correct; the wholesale power costs.

Mr. DOUGLAS. Is it not correct to say that Mayor Dougherty listed 22 municipalities in New York State which have municipal powerplants, and that this list is found at page 214 of the hearings?

Mr. NEUBERGER. That is correct.

Mr. DOUGLAS. The mayor listed the following cities: Dunkirk, Ilion, Salamanca, Mohawk, Fairport, Penn Yan, Jamestown, Solvay, Green Island, Westfield, Springville, Watkins Glen, Freeport, Plattsburg, Herkimer, Bath, Wellsville, Hamilton, Rockville Center, Frankfort, Tupper Lake, Lake Placid, and Greenport. I had already mentioned Plattsburg in connection with the St. Lawrence Seaway.

Therefore, there would be a considerable demand already existing from these 23 municipalities, most of which apparently buy their power wholesale from private power companies. Is that correct?

Mr. NEUBERGER. That is correct. As I remember, in nearly every instance presented by Mayor Dougherty, the communities nearby, which had private power distribution, had higher rates than the communities which were served by municipal plants. That was not universally the case. There were a few isolated exceptions, as I remember.

Mr. DOUGLAS. There were six exceptions, as I remember.

Mr. NEUBERGER. I am not sure of the number. However, there were a few exceptions. Generally, the overwhelming pattern was that in those New York regions, a city with a public-power system charged substantially lower rates to the consumers than were charged the consumers in a neighboring community, which was served by a private power company.

Mr. DOUGLAS. Of course, in many instances municipal authorities in communities which own municipal powerplants have kept their utility rates high in order to make a large profit and in that way reduce the taxes levied upon local real estate. Therefore, a comparison of rates is not a perfect one, because in many cases the community has chosen to pass the benefit on not only to the users of electricity and perhaps not primarily to them, but to all payers of local taxes, or to finance municipal improvements, which otherwise would not be undertaken.

Mr. NEUBERGER. There are many cities which are served by public power where needed community services are financed out of profits or income from the public-power system.

Mr. DOUGLAS. One of the most amusing cases which has come to my attention is that of the beautiful little north shore community of Winnetka in my own State, which has as residents perhaps the largest proportion of corporation lawyers and utility lawyers in the country. The community set up a municipally owned electric plant, but the local authorities provided that the rates should be the same as those charged by the private utilities in the neighboring communities, so that there would be no pressure put upon the private utilities to readjust their rates.

Winnetka made large amounts of money on its utility operation, which it has used for public facilities and to reduce taxes. In that way the utility lawyers and utility executives and corporation executives living in Winnetka, along with its other citizens, profited greatly from this experiment which, for less favored people, most of them denounce.

Mr. NEUBERGER. Have they regarded themselves as having been socialized in the process?

Mr. DOUGLAS. I try to be a polite man, and I have never asked them that question. However, I would say that they were not socialized; no.

Does the Senator from Oregon remember the testimony of Mr. Gordon F. Clapp, who at the time of his testimony was deputy city administrator of the city of New York?

Mr. NEUBERGER. I do remember the testimony of Mr. Clapp.

Mr. DOUGLAS. He pointed out that the New York City Transit Authority buys one-third of the power used to operate the subways in New York City from the Consolidated Edison Co. and that it costs 15 mills per kilowatt-hour. That testimony is found at page 258 of the hearings.

Mr. NEUBERGER. I remember the testimony. That is a very high rate.

Mr. DOUGLAS. Yes; 15 mills. Mr. Clapp testified that, in view of the low generating costs, amounting perhaps to a little more than 2 mills per kilowatt-hour, it was his belief that either the power could be transmitted directly from Niagara Falls to New York City, or that a shuttle system could be used by which the power could be moved from Niagara for a distance of perhaps 150 or 200 miles, and the power released along the line through a wheeling arrangement; and that in this way it would be possible to get a very much cheaper rate for the power delivered in New York City.

Mr. NEUBERGER. The poor, harassed subway riders of New York City, who have had to face a constant increase in the subway fare, might perhaps get some relief if the subway systems of New York City could buy power generated at Niagara Falls.

Mr. DOUGLAS. The financial problems of New York City, which are very great, with large revenues having been devoted to——

Mr. NEUBERGER. To a so-called subsidizing of subways——

Mr. DOUGLAS. That is correct—the financial problems could be reduced, could they not?

Mr. NEUBERGER. Of course they could be reduced in that way. I recall that when I read Mr. Clapp's testimony, and noted that he mentioned the 15 mills per kilowatt-hour, I could not help but contrast that rate with the Bonneville rate for power which is delivered to industrial uses in the Pacific Northwest. That rate is a little more than 2.1 mills per kilowatt-hour. When we consider the vast amount of electrical energy that is needed to operate the subway systems of New York City with its thousands of trains, we can well imagine the difference it would make if the city could buy power for somewhere between 2 and 3 mills, instead of for 15 mills.

Mr. DOUGLAS. Of course the power would probably cost more than 2 or 3 mills delivered in New York City.

Mr. NEUBERGER. Perhaps it would. However, I still think this is a basic thing that we must consider, and I am sure the Senator from Illinois has taken cognizance of it—the Bonneville rate is extremely low at point of delivery. I should like to call attention to the fact that the Bonneville rate to the large aluminum plants in the Pacific Northwest is approximately 2.1 mills, delivered.

Mr. DOUGLAS. Delivered how far?

Mr. NEUBERGER. For example, the plant at Wenatchee is about 150 miles from the dam at Grand Coulee. I would say that the Reynolds Aluminum plant at Longview is approximately 100 miles from the dam at Bonneville. I am merely trying to estimate now, and I do not have a map in front of me. However, there are some substantial distances

involved in the transmission of the energy.

Mr. DOUGLAS. In any event, there is a great latent demand for this power in New York State, is there not?

Mr. NEUBERGER. Of course, there is.

Mr. DOUGLAS. The demand comes not only from private concerns but also from municipal enterprises; is that correct?

Mr. NEUBERGER. The demand in the State of New York, which is the most populous State of the Union, is unlimited, it seems to me. If the rates should come down, the demand, of course, would be infinitely greater.

Mr. DOUGLAS. I was very much pleased to note that the distinguished senior Senator from New York, for whom I have in general a very high opinion, although with reference to this particular amendment I cannot agree with him, stated that the need for additional power in the western portion of New York State, and in adjacent areas in other Northeastern States, is acute.

Mr. NEUBERGER. It seems to me that the people of New York have this choice: If their need for power is going to be met by energy which may sell anywhere from 2 to 5 or 6 mills per kilowatt-hour, or energy that may sell anywhere from 8 to 15 mills per kilowatt-hour, all they have to do is to consider the difference in consumption as between the two contrasting rates in those general realms.

Mr. DOUGLAS. Would it not also be true that if the municipalities and cooperatives do not take all the power, as I assume they will not, there would then be left large amounts for industry?

Mr. NEUBERGER. That is correct.

Mr. DOUGLAS. The aluminum industry and the ferro-alloy plants, which require a large amount of electrical power, would be expected to develop within this area.

Mr. NEUBERGER. These are industries which are vital to our manufacture of consumer goods as well as products for national defense. Along the line of the Senator's question, I believe it is significant to point out that under the preference clause the Bonneville Power Administration, in fiscal 1955, sold 9 billion kilowatt-hours of energy to industrial consumers.

Most of the industries were in the general aluminum or light metal field. I am speaking of 9 billion out of a total production of 21 billion kilowatt-hours of electricity. Under the preference clause, both private utilities and industrial users, neither of which qualify as a preference customer, have fared extremely well and successfully in the Northwest.

Mr. DOUGLAS. This has led not only to the making of aluminum, but has it not also led to the establishment of large numbers of aluminum fabricating plants, so that a wide and varied industry has developed, including forest products industries?

Mr. NEUBERGER. The Stanford Research Institute, which, to my knowledge, is very reliable, made a study in the Pacific Northwest about 2 years ago and pointed out that 85,000 new jobs had been created in the Pacific Northwest—directly or indirectly—solely because of the production of aluminum in that area. That number of jobs involves a vast payroll. It may not seem like a great many jobs in the most populous State of the Union, but 85,000 new jobs, when we consider all the families dependent upon the men on the payrolls, are an enormous addition to the economy of the Pacific Northwest. Without low-cost public power, there would have been no aluminum in the Northwest.

I should like to state the record of aluminum for the benefit of the distinguished Senator from Illinois and the distinguished Senator from New York.

Prior to the year 1940, not one single ounce of aluminum was smelted anywhere west of the Mississippi River—not enough to make a thimble. But, because of the low-cost energy available from Bonneville and Grand Coulee, there came about within a few years the production of nearly half our expanded national capacity of aluminum in the Pacific Northwest, in the States of Oregon, Washington, and Montana.

Every one of those aluminum plants was purchasing its power from the Bonneville Power Administration at the low rate of a little over 2.1 mills a kilowatt-hour.

Again, Mr. President, I wish to stress the fact that such a vast and burgeoning increase in the aluminum industry, created under a policy which also recognized the preference clause, would otherwise have been lost without the low-cost power.

Mr. LEHMAN. Mr. President, will the Senator from Oregon yield?

Mr. NEUBERGER. I yield.

Mr. LEHMAN. I am glad the Senator brought up the question of the need for power and its usefulness in such industries as the chemical and metallurgical industries, and he has given us his experience in the Northwest in connection with aluminum companies. I wish to point out that for years the great plant of the Aluminum Company of America, at Messina, N. Y., has been and is now importing large quantities of power from Ontario. The company has not been able to get the power elsewhere. It is bringing it 150 or 200 miles from Ontario, in Canada. This shows, of course, the great need for electric energy.

We are depending today on Canada for a great deal of the power used in New York State. I mentioned this briefly yesterday. Night before last all the lights in Buffalo went out and also in eight of the western counties of New York State. Why did they go out? They went out because electric power is being brought in from Canada, from a Canadian development on the Niagara River, and storms interrupted the transmission of the electricity.

Canada, as we know, has been manufacturing and producing far more power on the Niagara River than has this country, and it will continue to increase its production and, possibly, take all the available power, unless we do something about it. Canada has been exporting electricity to this country. There was a failure of the power, with the result, as I have said, that for 2 hours all the lights in Buffalo and in some adjacent counties, went out. There was a complete blackout in that area. We have to import power from Canada to light the city of Buffalo which is within a few miles of the Niagara River. That shows the great need.

Mr. NEUBERGER. The Senator from New York has touched on another irony of this situation. While the vast, thundering, colossal waters of the Niagara River go unused over the brink of Niagara Falls, industry in his State must import energy from Canada. To my mind, that is extreme irony.

In the Pacific Northwest there is a duplication of that situation, in some respects, because this administration has closed down on the development of such sites as Hells Canyon. We now have no further additions to the low-cost electricity for the aluminum industry, and, therefore, our country is confronted with the need to import aluminum itself from Canada, produced at the Kitimat project in northern British Columbia. So we have a situation in the extreme upper left-hand corner and the extreme upper right-hand corner of this country, where there is a developing shortage of energy for household use and industrial uses, because our great waterpower sites are not being developed in the public interest.

Mr. LEHMAN. There is no doubt that. I again thank the Senator from Oregon.

Mr. NEUBERGER. I wish to thank the Senator from New York for his courageous leadership in this issue. I have no doubt that he was acting in accordance with a great tradition, not only for his State but for the Nation, when he sponsored this bill. He is acting in the time-honored tradition of Theodore Roosevelt, Franklin D. Roosevelt, and of other great leaders of both parties in his and other States, such as Robert F. Wagner, Charles L. McNary, George Norris, and others who have favored the development of public resources for all the people. Those men long fought for legislation which would prevent resources from being monopolized.

Mr. President, I yield the floor.

Mr. SCOTT. Mr. President, it is significant, I think, that the pending proposed legislation for the development of over 1 million kilowatts of electrical capacity at Niagara Falls by the State of New York will require no Federal appropriation whatsoever. Notwithstanding the absence of Federal financing, the project will, nonetheless, be executed in conformity with established Federal power policy. The proposed legislation embodies those principles of Federal power marketing which have been announced and reaffirmed by the Congress for some 50 years.

By passing the bill, Congress can, without committing itself to any appropriations, make possible the construction of 1,240,000 kilowatts of capacity at a cost of some $405 million, or $327 a kilowatt, which is less than half of the $685 a kilowatt cost of the Colorado River Storage project power.

Not only will no Federal funds be required in the undertaking of this $405-million Niagara project, but also I think it can be anticipated that the taxpayers of the State of New York will not be

called upon to assume the financing burden.

The New York Power Authority, which presumably would undertake the construction of the Niagara Falls redevelopment, has already successfully financed and is currently carrying on the construction of the great St. Lawrence power development. New York State has not asked its taxpayers to underwrite construction of the St. Lawrence project, but has rather secured its construction capital through the issuance of revenue bonds. I think we can assume that similar procedures will be followed if the State of New York is authorized, under the pending legislation, to go forward with the redevelopment of Niagara.

We can, therefore, perceive that the proposed legislation will not lead to a federally controlled taxpayer-financed undertaking, as has been charged in many quarters, but that the project will actually be constructed from funds obtained in the commercial money markets available to the State of New York.

The people of the State of New York are to be congratulated upon evolving a plan for development of a great resource like Niagara Falls on their own initiative and with guaranties that the small municipal and cooperative electric distribution systems will share in equitable proportion with the major utility networks the benefits to be derived from the project.

It seems to me that the bill, S. 1823, now under consideration, is an excellent compromise between those who favor outright Federal development of natural resources, and those who support such development by investor-owned utility companies. The New York plan, as embodied in S. 1823, contains the guaranties which are necessary to assure that power from the project will be disposed of in a manner so that benefits will not arbitrarily be restricted within a special favored group of purchasers, nor within arbitrary geographical limits.

Since the turn of the century, the Federal Government has encouraged and aided the comprehensive development of water resources in many parts of the country, but not in the Northeast.

We can no longer afford to ignore the ever-pressing necessity for the conservation and utilization of all the water resources of the country, be they consumptive or nonconsumptive. In the bill, Congress has the opportunity to use its broad power for the encouragement of resource development in an area which has, until now, not had one source of low-cost power.

This opportunity to encourage resource development in the East does not depend upon Federal appropriations or upon the necessity of the Federal Government to undertake the operation of the project. All that is required is that the blessing of the Federal Government be placed on the State of New York to undertake a power development under a plan conceived by the people of that great State.

Niagara Falls is one of the best remaining undeveloped hydroelectric sites in the country.

There is no question that the power capabilities at Niagara Falls should be developed to its fullest extent, and I take this opportunity to say that I am wholeheartedly in favor of the proposed legislation, and to urge its merit upon every Member of the Senate.

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

Mr. SCOTT. I yield.

Mr. LEHMAN. I thank the Senator for his speech. I think it is a very clear statement of the situation.

I had to leave the Chamber for a minute or two while the Senator from North Carolina was speaking, so I am not sure whether he pointed out that the proposed development will not cost the Federal Government a single cent; that the cost will be defrayed by the State of New York through the sale of revenue bonds.

Mr. SCOTT. Yes, I pointed that out; and I am glad to reiterate it.

Mr. LEHMAN. I thank the Senator from North Carolina.

Mr. COTTON. Mr. President, if all the fancywork and all the trimmings were stripped from this debate, what we would have left would be the question of whether the taxpayers or the utility companies would develop the additional electric power at Niagara Falls.

As a matter of principle and practical Government policy, I do not believe the taxpayers should be burdened with this kind of load. The record is abundant and clear as to the willingness and desire of the utility companies to develop the power. No question of high dams or low dams is involved. There are no side issues of flood control, or navigation, or river valley development. It is simply a question of private versus Government enterprise, and I believe in private enterprise. That is the main reason why my name is affixed to the minority views included in the report of the Committee on Public Works.

However, there are also some technical differences which I believe should be brought to the attention of the Senate.

One of these differences between the public and private development of the Falls involves the remedial works in the Niagara River above the Falls. These remedial works consist of various engineering devices in the river to control the spread and flow of water at the Falls.

Under the terms of the Lehman bill, S. 1823, which provides for the development of the power by the New York State Power Authority, the cost of these remedial works would be borne by the taxpayers of the Nation.

If the Capehart bill is adopted instead, the cost of the remedial works will be borne by the power development and paid for by the utility companies and their customers.

The remedial works, which are now under construction, will cost about $12,800,000. Since Canada and the United States have split the cost equally, the United States share will be $6,400,000.

Let us briefly see who should pay these costs. In other words, are these remedial works so essential and so integrated with the power project that the power developers should pay for them? Or are they properly chargeable to the citizens of New Hampshire, which I, in part, represent, and the rest of the Nation?

The record before the committee is clear and indisputable. The remedial works are an essential part of the power project and should be paid for by the power project, as provided in the Capehart bill. Their cost should not be loaded onto the taxpayers, as provided in the Lehman bill.

The International Joint Commission, a joint agency of the United States and Canada, which is responsible for the design and construction of the works, concluded that they were essential to preserve the beauty of the falls because of the power project, and further that the power project would not be practical without the remedial works. The Commission recommended that the power developer pay for them, and not the taxpayers generally.

The Bureau of the Budget, the Department of the Army, the Federal Power Commission have all declared that the power project should pay for the cost of the remedial work.

In 1951, Commissioner Thomas C. Buchanan, then vice chairman of the Federal Power Commission, told the Senate Public Works Committee:

> Inasmuch as the remedial works are absolutely necessary in connection with the diversion of the additional water now available for power purposes, it would be appropriate that the United States share of the cost of the remedial works be borne by power and included in the cost of the power-development works. Such action seems clearly warranted. Incidentally, the Canadian share of the cost of the remedial works is to be borne by power on the Canadian side of the river.

I have read from page 79 of the hearings of August 1951. The Congress itself has taken the same position and insisted that the power development pay for the costs of these remedial works. The treaty between Canada and the United States regarding Niagara and the subsequent report of the International Joint Commission required the construction of the works within 4 years. Because of the delay in authorization of the power projects, and in order to live up to our agreement, funds have been appropriated for their construction. As a matter of fact, the final appropriations needed for this work are now under consideration in the appropriations committees.

The appropriations to date were requested and granted by Congress "on the basis that the United States share of the cost of these remedial works is to be chargeable against the construction of power-producing facilities at this site." These words are quoted from the statement of the managers on the part of the House accompanying the conference report on the 1954 supplemental appropriation bill. The conferees unanimously approved this arrangement and the Congress concurred.

I refer to House Report No. 1075, to accompany H. R. 6200.

Unfortunately, the committee majority and the Lehman bill blithely ignore this mass of fact and propose to saddle the taxpayer with this extra expense, all the while telling him what a great bargain he is getting.

If adopted in its present form, the Lehman bill would contain this additional public power subsidy to the tune of $6½ million. This is not an indirect

subsidy. It is an outright gift. Some would call it a giveaway. The taxpayers of the country will pay this difference right out of their pockets. While $6½ million may not be a lot of money to the Federal Government in this day and age, to a frugal New England Yankee "it isn't peanuts," and it is more than we can afford to donate to a rich and powerful State like New York.

This item may be only a technical difference between the bills under consideration. To me it is typical of the difference between private and government development of power. It illustrates one of the reasons why I intend to vote, if I get the opportunity to do so, for the Capehart substitute, or for any bill which will permit the prompt and immediate development of the power facilities of the Niagara by private utility companies that are prepared and ready and willing to proceed with such development.

I have already sent to the desk an amendment to the Lehman bill which would require the New York Power Authority to pay for the cost of the remedial works. I shall call up my amendment for consideration by the Senate at an appropriate time.

Mr. President, returning now for a moment to the general question involved in the bill, as a member of the minority of the committee opposing it, I wish to make 2 or 3 brief points. In the first place, I want to make sure that the record of this debate and the records of the Senate make crystal clear, and put an end to any possible doubt, whether or not northern New England, of which my own State is a part, can possibly profit or can possibly receive a kilowatt of electric power as a result of development of the Niagara project.

I have noted that in the Senate in the past 2 days, yesterday and this morning, several references have been made to the fact that higher rates prevail in northern New York and northern New England. I do not know that I have heard any Senator assert directly that northern New England would be the beneficiary of any of the power to be developed by the project provided for by the bill.

If I am wrong, I hope the author of the bill, the distinguished Senator from New York, will correct me, but I wish to say to the Senate that I listened to the testimony in the hearings before the Committee on Public Works, I have examined those hearings, I have gone over the evidence, I have studied, to some extent, previous hearings on this question, and I have yet to find a direct statement in the record by any person of knowledge and authority to indicate that New England will receive any power as the result of the Niagara development.

I have before me a publication issued by the New York State Power Authority, in which I find this statement, which appears on page 21:

> Power market: Western New York State will form the principal market area for power from the Niagara redevelopment. After full absorption of power from the St. Lawrence project in central New York State, which it is estimated will be accomplished by 1962 at the latest, there will begin to be a shortage of power in that area (assuming the present rate of increase in demand to continue) which could, and undoubtedly would, be met by Niagara. Also, the project is within economical transportation distance of areas in Pennsylvania and Ohio, having a power demand equal to or slightly greater than that for western New York.

I call the attention of the Senate to the fact that not one single word is said about New England, and not one single mention is made, for instance, of New York City, as even being contemplated now or at any future time, in the statement by the New York Power Authority itself, which is issued for the information of the public, and I assume for the Congress as well.

I want to make it perfectly clear that it is not because my own section of New England, which is power hungry, and which is severely handicapped, as has been noted in the debate, and most sympathetically noted by some of the speakers favoring the bill, cannot possibly benefit from the contemplated development by a single kilowatt, I, as a member of the Committee on Public Works and as a Member of the Senate, am opposing the bill. That would be an extremely selfish attitude, and that is not my purpose.

The reason why I am emphasizing this fact is that in the debate on the development of the Niagara River so many references have been made—I am sure without any intent to hold out false hopes or any intent to deceive the people of my section—to the high cost of power in northern New York and in northern New England, and the suggestion has been so often made that those areas need more power, which I would be the last to deny, that the impression has been gained by many persons that the redevelopment of the Niagara will ultimately redound to the good of these power-impoverished areas. Therefore, I wish to make it plain—so that he who runs may read—that that is not the case. But that is not necessarily a reason for opposing the bill, as I shall show in a moment.

Mr. LEHMAN. Mr. President, will the Senator from New Hampshire yield to me?

Mr. MAGNUSON. Mr. President——

The PRESIDING OFFICER (Mr. LAIRD in the chair). Does the Senator from New Hampshire yield; and, if so, to whom?

Mr. COTTON. I yield first to the distinguished Senator from New York.

Mr. LEHMAN. Mr. President, I am quite amazed at the statement just made by the Senator from New Hampshire. Two great public power developments are in existence or are contemplated in New York State. One—namely, the St. Lawrence—is already a reality. The other is the Niagara Falls development.

In the case of the St. Lawrence development, provision has already been made to provide to the New England States—notably, Vermont and New Hampshire—a reasonable and fair supply of cheap power. There is a further provision that if the States are not satisfied with the allocations of power made to them, they can appeal to the Federal Power Commission.

In the case of the Niagara development, of course no definite allocation for New Hampshire is provided in the bill. But let me say to the distinguished Senator from New Hampshire that the idea is to pool the power resources which come from the development of the Niagara and the St. Lawrence; and while more power will be provided, through public development of Niagara Falls, to New York, and, I hope, to Pennsylvania and Ohio, more power will also be made available to the cities, towns, and areas in the New England States.

Let me say that this matter should be of very great interest to the State of New Hampshire. The pamphlet to which reference has been made, and which I hold in my hand—and let me say the pamphlet has been issued by the Public Affairs Institute of Washington—shows that the rate charged in Manchester, N. H., with which I am sure the distinguished Senator from New Hampshire is familiar, is $4.72 per 100 kilowatts, as opposed to a rate of $1.80 in Eugene, Oreg., which is supplied by public power from the Columbia River; and a rate of $2.50 at Chattanooga, Memphis, Knoxville, and Nashville, which are supplied by the TVA.

So we find that the rates charged in New England are 2 or 3 times as high as those charged in the areas serviced by public power.

It is equally interesting to note that the amount of power consumed in New Hampshire is only a fraction of the amount consumed in the low-cost areas, such as Tacoma, Wash., which on the average uses 6,659 kilowatts annually; or Spokane, which uses almost 6,000 kilowatts; or Nashville, which uses 5,283 kilowatts. In comparision, we find that in New England the consumption is very much less. For instance, the consumption in Fall River, Mass., is 886 kilowatts, or less than one-sixth the consumption in Tacoma, Wash. The consumption in Lowell, Mass., is 991 kilowatts, or only about one-sixth that of Tacoma, Wash.; and the consumption in Providence, R. I., is only 976 kilowatts.

So this matter is of very great interest, in my opinion, to New England, as it is to New York.

Of course, I fully recognize the sincerity of the position taken by the distinguished Senator from New Hampshire; but I am disappointed that he does not see the situation as I do and as it is seen, I think, by many persons who have studied the high cost of power and the effect of high-cost power in the Northeastern States and New York and Pennsylvania. I wish to make that very clear to my highly respected colleague from New Hampshire.

Mr. COTTON. Mr. President, I reciprocate fully the high regard and respect the Senator from New York has expressed. But what he has said confirms my conviction that it is very necessary that the situation regarding the Niagara development and its effect on northern New England be made clear to the people of my State and to everyone else.

The Senator from New York has stated that the Niagara development should be of very great interest to the Senator from New Hampshire because, says the Senator from New York, power rates in New Hampshire are high.

I desire to assure the Senator from New York that power rates in New Hampshire are high; that the Senator from New Hampshire is keenly and bitterly aware of that fact; and that if New Hampshire were going to receive power from this development, that matter certainly would be of keen and intense interest to the Senator from New Hampshire. But let me say, first, to the distinguished Senator from New York that I have observed that he has asserted that at the present time the St. Lawrence Seaway has allocated cheap power to Vermont and New Hampshire. I am sure the Senator from New York is completely sincere in making that statement. However, it is my understanding—and heaven knows I have been sufficiently interested to watch most carefully and anxiously the development in connection with the St. Lawrence Seaway—that up to the present time, certain allocation has been made to Vermont, which of course is west of New Hampshire, and nearer to the Province of Quebec and to the St. Lawrence, but that as yet no definite allocation has been made to my own State. If I am in error about that matter, I shall be glad to be corrected; and if the Senator from New York has definite information to that effect, I shall be most happy to be apprised of it.

Let me ask him how much power has been allocated to New Hampshire.

Mr. LEHMAN. I do not know. But does the Senator from New Hampshire claim that New Hampshire is not entitled to cheap power which is developed publicly on the St. Lawrence River? Does the Senator from New Hampshire claim that is not a fact?

Mr. COTTON. The Senator from New Hampshire is most desirous of seeing New Hampshire get some of that power if it can get it. But the Senator from New Hampshire was about to add to his reply to the Senator from New York that even during the debate and throughout the propaganda and the controversy—not only in the Congress, but also in the press, over the radio, and in every public forum in this country—prior to the passage of the St. Lawrence Seaway bill, the only estimates, and the most favorable and optimistic ones, which at that time were made regarding the possibility that some of the St. Lawrence-generated power would seep through to my own State, were that eventually we might—I do not say we would—expect to receive an amount of power sufficient to care for the normal growth in my own State in 1 year. That is to say, if the use of and demand for power continue in accordance with the normal, average scale, all we could ever hope to get from the St. Lawrence Seaway project would be that amount.

I did not intend to labor this subject. I repeat that I am not opposing the bill merely because I do not believe that my particular State and my own people will get a share of the frosting. That is not my fundamental purpose. I do not wish to delay too long on this question. However, in view of the very sincere and helpful remarks of the distinguished Senator from New York, I refer him to page 136 of the hearings before the subcommittee of the Committee on Public Works last year, the most recent hearings. I invite the attention of the Senator to a diagram or chart which is supposed to indicate the farthest possible distance that could be reached by transmission lines from the Niagara project. A circle with a radius of 300 miles is drawn. It is my understanding that Robert Moses, chairman of the New York State Authority, has said that 200 miles is probably as far as it would be practicable to go.

It is also my very keen recollection that last year, in the hearings before the Committee on Public Works, experts and engineers of the Tennessee Valley Authority, which has the most modern and most powerful transmission equipment that has yet been developed, testified that the longest practicable distance for transmission would be 175 miles.

This chart goes far beyond what the engineers of the Tennessee Valley Authority say is practicable. It goes far beyond what I am told Robert Moses says is practicable. A circle with a radius of 300 miles is drawn, with the center at Niagara Falls. As I recall, the circle barely touches the extreme borders of Massachusetts, the southwestern corner of Vermont, and not a single other point in New England.

I wish to be entirely fair on that point before I leave it. I am speaking of direct transmission of power from the Niagara project to New England. It may be possible that throwing into the general power pool this additional power might indirectly, somewhere, at some time, release some existing power which may be serving a given area, to make more power available. I do not assert that that is not so. I do not say that it is impossible. However, I do say that the amount of such additional power would be negligible. It certainly would not be important.

I emphasize the fact that I am not opposing the bill merely on the ground that if the development would take care of New Hampshire I would be for it, and because it does not I am not for it. That is not the reason.

My memory does not go back far enough in the Congress to enable me to speak with certainty, but I believe that for the first time we are considering a proposal for public power in the absence of the factors usually taken into consideration. Such factors include low dams, high dams, navigation, irrigation, and all the other factors which have been more or less recognized as reasons for Federal development of power, and could be asserted as reasons for State development. None of those factors appear.

It is suggested that this power be developed by the New York State Authority, when private utilities are—and back in 1950, when the treaty was made, were—ready to develop it. Nine million dollars in Federal taxes would be paid by the private utilities. If the power is developed by the New York State Authority, it will mean that the people of my State and of every other State will bear their share of the loss in taxes.

I am not blaming the good people of New York or the good people of the Tennessee Valley, or the good people of the Columbia River Valley, for the fact that nature has been good to them, and that they have tremendous potentialities for cheap power. Nature has smiled upon them. If the State of New York can develop the tremendous power flowing over the great Niagara Falls, I do not want to see the people of my State, who are already carrying all the burden they can carry, as has been indicated again and again in this debate, compelled to contribute even in a small degree.

Last night, just before the recess, I noted, in the very able speech of the distinguished Senator from New York, the author of the bill, the assertion that if during the course of the debate the point should be raised that the proposed development by the State of New York Authority would mean tax-free power, and that the Federal Government would lose taxes, he would be prepared to nail that argument to the mast and to show how illogical it is, because he is prepared to show that the new industries which would be attracted to northern New York and to the area around Niagara Falls because of cheap tax-free power would more than make up to the Federal Government any possible loss of taxes.

That may well be so, but that answer is not much comfort to a representative from industrial New England, which, down through the years, has been the most highly industrialized section of the entire Nation.

Where are the industries coming from which will make up to the Federal Government its loss of revenue? They will come from Massachusetts and from New Hampshire. We have already lost many of our mills to the Tennessee Valley, while at the same time our taxpayers have been digging into their pockets year after year to see to it that the Tennessee Valley Authority has money without paying interest, and is able to grow and expand without the necessity of paying taxes.

Now it is suggested that there be another public, tax-free development. It has been asserted again and again—and I am sure it is a fact—that because such power would be tax-free, and be produced by a public authority, it could be provided cheaply. But who pays? The other States, where utilities are paying taxes, and where there is no possibility of that kind of development, will lose their industries. My good friend says that the Federal Government will not lose, because the new industries will pay additional taxes.

I refer to another point, which may be a minor one. There is no more majestic spectacle in the United States than the great Niagara Falls. Untold thousands of people travel to see it month after month and year after year. They have done so through the years and will continue to do so in the future.

The bill provides that if the proposed development shall be carried out $15 million of the income from the development shall be used to build a great scenic highway, which will attract many more people to Niagara Falls.

To use a power expression, I say more power to them and congratulations to the sponsors of the bill for having that in mind. However, I again say that the

State of New Hampshire, which I have the honor, in part, to represent, derives one-third of its income from the recreational and tourist trade, and that the White Mountains, with their majestic beauty, are one of the remaining assets in the East, as the wealth of the country moves westward and southward.

Again, it seems a little unjust that in the proposed development of public power some of the proceeds derived from that development should be used to increase and make more accessible the beauties of Niagara Falls, when we know that other States, which are struggling to pay for scenic highways and for other attractions, must compete with attractions in other States.

I have in mind an apt comparison. When I was on the Committee on Appropriations in the House of Representatives I had occasion, year after year, to go over the budget of the Tennessee Valley Authority. One of the items I found most irritating, if the Senate will forgive the word, was the item providing that some of the appropriations, or that some of the income from the development—and if it was income it was income from an investment without interest that Congress had made in the Tennessee Valley Authority—should be used to develop parks and places of scenic beauty along the Tennessee River; and that some of that money should be used—and I ask Senators to mark this particularly—to assist local chambers of commerce, and cities and towns in the Tennessee Valley, in advertising to the country the scenic attractions of the Tennessee Valley. In other words, the taxpayers of my State were contributing money, through the Federal Government, not only to develop cheap power, and in that way take away our industries, but also to advertise the allurements and attractions of another section of the country, in competition with our own activities.

My State is one-third agricultural, one-third industrial, and one-third scenic. Therefore I am opposed to the bill, not because New Hampshire would not benefit by it, but because through my years of service in Congress I have come to realize that if we let public power get its head under the tent, there will be no end to what will happen. Public-power projects expand over the years, and every time they expand, and every time they take in a further slice of territory, the burden becomes heavier on the rest of the country.

It is said with considerable justice that those of us who buy our power from private utilities pay high rates. However, when new slices of prolific territory are taken over by public projects, whether they be Federal or State, each time the pressure on the rest of the population of the country becomes heavier, and the burden harder to bear.

I was in complete sympathy with the distinguished Senator from Illinois [Mr. DOUGLAS] in his comments about the upper Colorado development. I voted against that bill. I believe that is an instance of development by the public of a lean section of the country where the power potentiality is meager. For every one such instance there are many other instances where public power is developed in prosperous places; but every time we expand such developments, whether it be in the Tennessee Valley or in upper New York State, the pressure on those who live around the perimeter becomes heavier.

Consequently, because I do not believe in taxing all for the benefit of a few, and as one of the signers of the minority views, I sincerely hope that the Senate will decide to let the private utilities develop the Niagara River power. The evidence before our committee indicates they are ready and willing to do so.

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

Mr. COTTON. I yield.

Mr. DOUGLAS. First I wish to express my personal esteem for the Senator from New Hampshire. I should like, however, to ask the Senator whether he maintains that there is proposed a direct tax subsidy to be paid by the Federal Government to the New York Power Authority.

Mr. COTTON. Not at all. When the Senator came into the Chamber, I was referring to what may seem to be a trifling amount of money, and I was referring to the fact that whatever is lost in Federal taxes, other States must contribute.

Mr. DOUGLAS. Is the Senator from New Hampshire opposed to Government ownership of some of the forests?

Mr. COTTON. No; I am not opposed to Government ownership of forests, where it seems necessary to preserve and conserve our forests and our water supply.

Mr. DOUGLAS. Is it not correct to say that in the Senator's own State the timber in the White Mountains, a region which he has so properly extolled, was formerly owned by the State; that the State authorities, shortly after the Civil War, gave away for virtually a song, or sold for a very nominal price, all the timber land in that region; that private companies then came in and cut off the timber completely; that, as the result, the White Mountains were being ruined as a recreational area; that there was also heavy flood damage in that area; and that in 1905, Mr. John W. Weeks, then a Member of Congress from Massachusetts, later Secretary of War, and Senator, and the father of the present Secretary of Commerce, introduced a bill providing that the Federal Government should buy the forests of the White Mountains and conserve them?

Mr. COTTON. I may say to the distinguished Senator from Illinois that I think what he has said is all true. I should like to add, however, that it is true that back in those days, not only in New Hampshire but in many other States, private lumber companies committed acts which were most regrettable and which resulted in waste. They had very little regard for the conservation of our forests, and the country suffered greatly.

I would add, however, that I cannot see how that analogy applies to this discussion of power. I think the Senator from Illinois has a much more profound knowledge of the subject than I have. Every State in the Union has public utility commissions to control power and fix rates, and we also have a Federal Power Commission. In the period from which the Senator has tried to draw an analogy, when the forests were devastated, there was no such control.

Mr. DOUGLAS. Is it not true that the taxpayers of the State of Illinois and of other States paid large sums of money to buy up the forests of New Hampshire and restore them so that the people of New Hampshire might have abundant timber and so that the people of the country might have a great national scenic resort? This was a tax upon the people of the rest of the country, because the forests are largely tax-exempt when they are Government-owned.

Mr. COTTON. It may be true that some tax money from the citizens of the the great State of Illinois may have been used for the purchase of forests in the State of New Hampshire, but it so happened that money was raised in my State, I am proud to say, by public subscription to buy some of the lands and to turn them over to the Federal Government. It is also true that one national forest in the State of Minnesota is larger than the entire State of New Hampshire. Of course, I recognize that size is not important, but the fact remains that it is my understanding that the purchase and holding of forest lands by the Federal Government is carrying out a consistent public policy of conservation which applies to every region and every section of the Nation. Personally, I do not believe in the socialization of power, but if we must have it, we should have it everywhere, not merely where the sun shines on some favored few.

Mr. DOUGLAS. There is one national forest in the southern portion of the State of Illinois, but, in comparison with those in other States, the national forests in Illinois are meager. Yet we pay our taxes to protect the White Mountains and we do it willingly, because it is in the national interest. The State of Illinois being a level State with few hills or mountains, also has very little potential hydroelectric development. From a narrow point of view, the State of Illinois has nothing involved in the Niagara question, or in connection with the Snake River. Politically, I suppose it is disadvantageous to me to support such measures, because the public utility companies are very strong in my State. From a narrow point of view, we in Illinois have nothing to gain; but, like the Senator from New Hampshire and like nearly every other American, I am interested in the Niagara River. There has been developed a method which will conserve the power of Niagara and yet preserve the full flow during the daylight hours in the tourist season and which will merely utilize the flow during the night hours and during the nontourist season. It is done by a very ingenious system of a reservoir to steady the flow, which will make available to New York and other sections, including the Northeastern States, a tremendous reservoir of power which is not now used.

The Niagara River is an international river. It flows between the United States and Canada. It is the boundary

line between the United States and Canada at that point, and it would seem to me that the Federal Government must certainly have jurisdiction.

The late George Norris said that if the water which falls upon the earth is God's gift to man, then in our country the water as it falls belongs properly to the people of the United States. We may give temporary franchises to private companies, but I submit that we are merely using what is our own if we develop our resources for the purpose of obtaining power under a public authority.

As the Senator from New Hampshire well knows, and as I believe he stated, it is not the Federal Government that is to develop this. We are permitting the Power Authority of the State of New York to do it and to issue bonds on its own credit. There will be no financing out of taxes or out of appropriations. The market rate of interest will be paid and the New York Power Authority will provide for the amortization of the bonds as would an ordinary commercial enterprise. So, Mr. President, while I appreciate the sincerity of the Senator from New Hampshire, it seems to me that his argument is not well founded. Should not a State which wishes to develop power under a public authority be permitted to do so?

Mr. COTTON. I may say—and I shall say it very quickly, because other Senators are desirous of having the floor, and, as a comparatively new Member of this body, I do not wish to take too much time of the Senate—I may say, by way of comment on what the Senator from Illinois has just said so well, I am sure the State of New Hampshire is grateful to the State of Illinois and to every other State whose people have been broad-minded enough to contribute to the preservation of our national forests. If this particular bill is necessary to preserve the beauties of Niagara Falls and to develop our full share of the power potentialities, if this is the only way to do it, I think the people of New Hampshire might be willing to sacrifice in the matter of loss of taxes or in connection with anything else which might happen. But, having listened to the testimony of many persons and many organizations from the State of New York, including the Grange, the Farm Bureau, some of the labor unions, and chambers of commerce, and having listened to representatives of private utilities, I am convinced that the private utilities are ready and prepared to develop the power. Failure to pass the bill will not mean a waste of power.

Furthermore, Mr. President, I wish to correct one statement. The Senator from Illinois asked me if I claimed there was any direct subsidy, and I answered in the negative. I was talking originally about my proposed amendment, which I hope will be accepted; but there is no provision in the pending bill concerning the remedial work for which the Federal Government has already paid and that for which it is paying, and for which it is to be reimbursed under the Capehart bill if the development is made by private utilities. To that extent there is a direct subsidy unless such a provision is added to this bill.

Mr. DOUGLAS. Is this not a subsidy to preserve Niagara Falls as one of the great scenic wonders of the United States?

Mr. COTTON. The testimony was that the remedial works were necessary for power development. I invite attention to page 42 of the hearings. It was stated by Robert Moses that such works should be chargeable to the power development. I would also invite attention to the fact that the distinguished Senator from New York stated on page 23 of the hearings in 1951:

> The remedial works and the power works should be undertaken together. They should be built by an agency with the maximum amount of experience in this type of undertaking.

Unless I have misread his words, that apparently was his own conviction and suggestion at that time. The occasion was a debate as to whether the Federal Government or the State should take over the construction of the project. It was his contention that whoever developed the power should pay for the remedial works to be constructed, in order to spread the flow of water, preserve the falls, and, at the same time, permit the diversion of water for power.

Before yielding to the Senator from New York, I wish to place in the RECORD a direct quotation from the testimony of Robert Moses, chairman of the Power Authority of the State of New York, before the subcommittee of the Committee on Public Works, regarding the remedial works which are concerned in my proposed amendment. In a letter written by Mr. Moses to the Honorable DENNIS CHAVEZ, chairman of the Senate Committee on Public Works, under date of July 12, 1955, Mr. Moses said:

> Also, as part of the cost of the project, the licensee at its own cost and expense should pay to the United States the United States share of the cost of the remedial works undertaken in accordance with article II of said treaty. This will not exceed $10 million. It is our understanding that this is the wish of the administration and it is consistent with what is being done in Canada. We are presently paying our share of the Joint International Board of Engineers on the St. Lawrence.

In view of that statement, I was hoping that the distinguished junior Senator from New York would not oppose my amendment.

Mr. LEHMAN. We are not coming to a vote on the Senator's amendment at this time. I merely rose to correct an erroneous impression which was received by the Senator from New Hampshire as indicated in his quotation of a part of the hearings of 1951.

At that time I was advocating the building—the actual construction—of the remedial works and the power development by the Federal Government; but it was understood, of course, in the part of the plan which I was supporting, that at the completion of the construction of the works, the power development and operation would be turned over to the State of New York, against reimbursement by the State of New York with regard to all the costs. But that applied to the power development, not to the remedial works.

The remedial works do not increase the power potentialities of the Niagara; they simply regulate the flow of the Niagara waters, so as to preserve for all time, it is hoped, the beauty of the falls. Of course, the falls are a national monument, the property of all the people of the United States and of Canada. But the remedial works are not necessary to increase the flow. If anything, they regulate the flow, and slow it up to a certain extent.

I merely wished to correct a false impression which the Senator might have gained.

Mr. COTTON. I understand that completely. I did not in any way intend to misrepresent the attitude of the distinguished junior Senator from New York. I certainly would not do so, as he surely knows.

But is it not a fact that the reason why the remedial works must be constructed is to permit the diversion of water for power purposes? Unless they were constructed, it would not be possible to develop power without the danger of injuring the falls as a place of scenic beauty.

Mr. JOHNSON of Texas. Mr. President, will the Senator yield?

Mr. COTTON. I am glad to yield.

Mr. JOHNSON of Texas. The leadership was hopeful that it would be possible to obtain a unanimous consent agreement which would set a definite time for voting on the unfinished business. The majority leader discussed with the distinguished minority leader the possibility of entering into an agreement to become effective at 2 o'clock tomorrow afternoon, to allow 30 minutes on each amendment and an hour on the bill. I assume that that would be agreeable to the distinguished author of the bill, with whom I spoke yesterday.

Mr. LEHMAN. That is entirely agreeable.

Mr. JOHNSON of Texas. The distinguished minority leader was pursuing that suggestion with some of the Senators on his side of the aisle, but he is now occupied in a policy meeting. I, myself, have just returned from a policy meeting. It would seem that we are making more policy, perhaps, than we are legislation.

As chairman of a subcommittee, I shall have to be at the hearing room for a meeting with the Secretary of State at 2 o'clock, so I wonder if my friend, the distinguished Senator from New Hampshire, would be considerate enough, in view of the problem which confronts us, to yield to me for the purpose of permitting me to suggest the absence of a quorum, in the hope that our friend, the distinguished minority leader, will come to the floor. It would be understood, of course, that by so doing the Senator from New Hampshire would not lose the floor.

Mr. COTTON. I shall be very glad to yield to the Senator from Texas with that understanding.

Mr. JOHNSON of Texas. The Senator from New Hampshire will be very gracious and accommodating to me if he will do so.

Mr. COTTON. As a matter of fact, I have completed my statement; and if

the distinguished Senator from New York does not wish to question me further, I yield the floor.

Mr. JOHNSON of Texas. Mr. President, I suggest the absence of quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. BIBLE in the chair). Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. JOHNSON of Texas. Mr. President, I send to the desk a proposed unanimous-consent agreement on behalf of the distinguished minority leader, the distinguished author of the bill, the Senator from New York [Mr. LEHMAN], and myself, and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will read the proposed unanimous-consent agreement.

The legislative clerk read as follows:

Ordered, That, effective on Wednesday, May 16, 1956, beginning at 1 p. m., during the further consideration of the bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes, debate on any amendment, motion, or appeal, except a motion to lay on the table, shall be limited to 1 hour, to be equally divided and controlled by the mover of any such amendment or motion and the majority leader: *Provided*, That in the event the majority leader is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or some Senator designated by him: *Provided further*, That no amendment that is not germane to the provisions of the said bill shall be received.

Ordered further, That on the question of the final passage of the said bill debate shall be limited to 3 hours, to be equally divided and controlled, respectively, by the majority and minority leaders: *Provided*, That the said leaders, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, motion, or appeal.

The PRESIDING OFFICER. Is there objection to the unanimous-consent agreement? The Chair hears none, and the agreement is entered into.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Bartlett, one of its clerks, notified the Senate that Mr. DONOHUE had been appointed a manager on the part of the House at the conference of the two Houses on the bill (H. R. 1637) for the relief of Sam H. Ray, vice Mr. LANE, excused.

The message also notified the Senate that Mr. DONOHUE had been appointed a manager on the part of the House at the conference of the two Houses on the bill (H. R. 3996) to further amend the Military Personnel Claims Act of 1945, vice Mr. LANE, excused.

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:

H. R. 2057. An act for the relief of Edwin K. Stanton;

H. R. 2893. An act to confer jurisdiction upon the United States Court of Claims to hear, determine, and render judgment upon the claim of Graphic Arts Corporation of Ohio, of Toledo, Ohio;

H. R. 5535. An act for the relief of S. H. Prather, Mrs. Florence Prather Penman, and S. H. Prather, Jr.;

H. R. 7164. An act for the relief of Lt. Michael Cullen;

H. R. 7228. An act to amend title II of the act of August 30, 1954, entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes"; and

H. R. 8130. An act to designate the bridge to be constructed over the Potomac River in the vicinity of Jones Point, Va., as the "Woodrow Wilson Memorial Bridge."

ORDER OF BUSINESS

Mr. JOHNSON of Texas. Mr. President, for the information of the Senate, I should like to say that I have conferred with the minority leader, and it is our purpose to complete action on the Niagara power bill tomorrow. If all the time allowed is used on the amendments and on the bill, it may be necessary to continue in session until a late hour, but tentative arrangements have been made with the distinguished chairman of the Committee on Agriculture to follow the pending bill with the farm bill. We hope to dispose of that bill on Thursday, if possible. Therefore, I desire that all Senators be on notice that we intend that the Senate remain in session until we complete action on the pending bill tomorrow evening, if it is at all possible.

APPEAL OF SENATOR WILEY, FOR FUNDS FOR NATIONAL INVENTORS COUNCIL

Mr. WILEY. Mr. President, the Senate Appropriations Committee now has under consideration a small but immensely significant appropriation request. It is for $90,000 for the National Inventors Council—an advisory unit in the Department of Commerce.

I have appealed this year, as I have appealed in many preceding years, for funds for this Council.

I ask unanimous consent that the text of a letter which I addressed to the committee, urging this allocation be printed at this point in the body of the RECORD.

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

MAY 11, 1956.

Re: Recommendations of $90,000 for National Inventors Council.

The Honorable SPESSARD HOLLAND,
United States Senate, Chairman, Department of Commerce Subcommittee, Senate Appropriations Committee, Senate Office Building, Washington, D. C.

MY DEAR MR. CHAIRMAN: Your subcommittee has just received the testimony of Mr. John C. Green, Director of the Office of Technical Services, of the Department of Commerce, respectfully urging $90,000 for the 1957 fiscal year appropriation for the National Inventors Council.

I would like to underline most emphatically Mr. Green's statement.

One can hardly think of a single modest appropriation for our entire defense-industrial establishment, which potentially can pay more handsome dividends to our country than this small $90,000 request.

Down through the years, I have been in close contact with the Council, and have been tremendously impressed with how much it has done with so very little.

Its record of achievement during World War II is of course particularly noteworthy.

But even since the war, while inventive ideas forwarded to it from the general public have naturally declined in number, it has compiled, time after time, invaluable suggestions to pass along to the Armed Forces.

The Council itself is, as your subcommittee may know, benefited by the presence of a number of truly outstanding Americans whose combined services virtually no private company could possibly afford.

With their splendid help, the flood of incoming ideas is most carefully sifted, for forwarding thereafter to the appropriate governmental unit.

The $90,000 requested would actually merely be a continuation of the status quo, since $50,000 is currently being supplied to the Council through the Pentagon (over and above the Council's own insignificant $40,000). But the $50,000 figure should be authorized directly by the Congress to the Council, it seems to me without having to be reallocated from the military budget.

Mr. Green has conservatively estimated that by November of this year, the Council's workload would be approaching 21,000 items a year, out of which perhaps 85 would find their way into productive use. A single one of that estimated 85 could repay the $90,000 many fold. Surely, therefore, we will make available the necessary funds for an adequate Council staff and facilities. Surely, with American-intensifying the competitive arms-industrial race with the Soviet Union, we will not fail to top the inventive genius of America.

And so, I do hope therefore, that you and your colleagues will act favorably on behalf of this $90,000 item.

I should like to ask that the text of this letter be printed in the body of the printed hearings of your committee.

Thanking you, and with best regards, I am

Sincerely yours,

ALEXANDER WILEY.

PLANS FOR JUNE, DAIRY MONTH

Mr. WILEY. Mr. President, all over the State of Wisconsin intensive plans are being made for the celebration of June, Dairy Month, for making it the greatest success which even our own dairy-conscious State has ever achieved. Last year, the farmers of my State sold 15½ billion—I said "billion"—pounds of milk. The total of the cash receipts from milk sold, and the value of milk which they used on their own farms, was $516,318,000. It is only natural, therefore, that America's Dairyland should want Dairy Month this year to achieve maximum success. The 2.3 million milk cows in Wisconsin are the symbols, not only of a crucial economic factor, but they are the symbols of a whole way of life—a fine, constructive way—essential to American health.

As an indication of the grassroots efforts which are being made on behalf of June, Dairy Month, I send to the desk the text of a news clipping which

was published in the May 12 issue of the Janesville Gazette. It shows how public-spirited civic leaders are planning intensively for the full month observance. I hope that their efforts will be duplicated throughout the entire Nation.

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

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

[From the Janesville Gazette of May 12, 1956]

DAIRY CAMPAIGN PLANNED IN JUNE

June, Dairy Month will be widely observed in Rock County with the expectation of selling greatly increased amounts of milk and dairy products, it was reported Thursday night at a county dairy promotion meeting held in the courthouse here.

Thirty-five delegates, representing farm, processing, and distribution-retail attended the gathering to hear Dale Bruhn of the State department of agriculture outline plans for State and national campaigns and the part which this county might play in the observance.

Rock will join with Walworth, Jefferson, and Waukesha Counties to take the lead in setting up a dairy pageant of progress for the Junior Wisconsin State Fair, and for parade and entertainment there August 22 it was decided.

Those who volunteered to help during the campaign next month, included Robert Westfall, secretary of the Janesville Chamber of Commerce; John Bort of the Beloit Association of Commerce; William Muck, Footville; Tom Edge, Evansville; Hollister Raymond, Edgerton; Arnie Agnew, Milton Junction; Harvey Ernst, Whitewater; LeRoy Scott, Orfordville; and George Snyder, Clinton. Local leaders were asked to call meetings in their own communities within 10 days to work out plans.

Howard Miller, representing Pure Milk Association; Ernie Lowry, of the County Farm Bureau; William Canary, Footville banker; and County Agent Hugh Alberts were named to the county general committee.

WOMEN TO COOPERATE

Mrs. Harold Russell, State president of Farm Bureau women, announced plans for county and State cheesecake baking contests, with the Rock County event on May 23. She said that the average cheesecake requires in some form or another, 26 pounds of fluid milk.

One of the features discussed was that milk dispensers be set up at least 1 day per week during June in each urban district in Rock County. Milk would be furnished by the local dairy promotion committee.

Stores and other outlets for milk and dairy products will display special sales banners and literature. Orders for these materials will be handled by the county committee, with County Agent Alberts in charge. The orders are due by May 20.

NINETEEN HUNDRED AND FIFTY-FIVE DRIVE EFFECTIVE

Bruhn, in his talk to the group said that the 1955 June record indicated an extra 21 million pounds of milk sold in Wisconsin as a result of the effort. For this year, he said, dairy plants, milk bars, grocers, restaurants, bankers, feed and machinery dealers, newspapers, and radio-TV have pledged aid. The Wisconsin Bankers Association with 750 members, and the Wisconsin Feed Dealers Association with 800 members are expected to be of materials help. Allis-Chalmers, Sears-Roebuck, and other companies have also promised aid, he said. Major grocery chains and the Wisconsin Restaurant Association will cooperate.

Much of the planning and promotion expense will be handled by the American Dairy Association and by the State department.

Farm organizations represented included the Grange, Farm Bureau, Rock County Breeders, Rock County Guernsey Breeders, Rock County Holstein Breeders, and Pure Milk Association.

ORDER FOR RECESS TO TOMORROW

Mr. JOHNSON of Texas. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in recess until 12 o'clock noon tomorrow.

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

NIAGARA RIVER POWER DEVELOPMENT

The Senate resumed the consideration of the bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes.

Mr. JACKSON. Mr. President, S. 1823, the Lehman bill to authorize construction and operation of the Niagara project by the New York Power Authority, with appropriate application of the preference principle, has my most enthusiastic support.

I joined in cosponsoring this bill out of the conviction that public development of the Niagara project is legal, desirable, and, in fact, necessary to give the people of New York State and the entire northeastern area of our United States a yardstick against which private power costs and charges may be measured.

Mr. President, I am happy and proud that I come from one of the great public power sections of the Nation. More than 70 percent of power produced in the Pacific Northwest is generated by public agencies. This fact, combined with our great water resources, has given my region the lowest power rates in America.

For instance, the wholesale cost per kilowatt-hour of energy purchased by REA borrowers from all suppliers in my State of Washington is 3.1 mills; in Oregon, 3.5 mills; in Montana, 4.7 mills; and in Idaho 4.8 mills. The corresponding costs in the States that would benefit from the Niagara project are 8.6 mills in Ohio; 9.4 mills in Pennsylvania; and 11.2 mills in New York.

Consider now, Mr. President, the testimony in the hearings on S. 1823 that 95 percent of the consumers of electric energy in New York State are served by privately owned utilities.

I submit that one important reason for the difference between the average wholesale rate for power furnished by all suppliers in my own State, which is 3.1 mills, and that furnished in New York State, which is 11.2 mills, is that we in Washington State have a public power yardstick that squeezes the fat out of private rates but still leaves private utilities a healthy diet of profit.

I might add that the private utilities of the Pacific Northwest themselves have benefited handsomely from low-cost public power, for while they generate only 29.4 percent of the total power produced in Washington, Oregon, Idaho, and Montana, they distribute 62 percent of the power generated in those four States. In other words, they are able to buy low-cost public power for resale to their own customers.

A vital feature of S. 1823, Mr. President, is the provision requiring the New York State Power Authority to give preference to public agencies in New York and neighboring States, where feasible. The same preference principle is in effect in our Northwest States; and, as I have shown, it still leaves the opportunity for private companies to purchase public power. The preference feature of Senate bill 1823 would not prevent the sale of power by the New York State Power Authority, on a wholesale basis, to privately owned utilities.

The reason why the preference principle is so vital to Senate bill 1823 is that evidence shows that the many small municipal and rural electric cooperative systems of the Northeast are paying twice the cost for their purchased power supply that is being paid by similar systems in areas where the preference clause under Federal power policy is in effect. These systems generally are so small they cannot even consider any generation of their own. Public development of the full power potential of the Niagara River—under the treaty of 1950 with Canada—is the only way these systems will ever get the low-cost power which they need and their customers deserve.

Incidentally, I am sure everyone understands that no Federal funds are involved in Senate bill 1823. The only reason why the project is now before the Senate is that the treaty of 1950 with Canada reserved to the Congress the right to pass on whatever development of the Niagara there might be on the American side.

The question involved in Senate bill 1823 is, of course, not whether the Niagara shall be developed. The question is who shall develop it, whether it shall be developed to put great profit into the hands of a few, or to provide low-cost power for the people who will receive power directly from the Niagara installation, and lower-cost power for other consumers throughout the area. I say other consumers in the area will benefit from public development, too, because testimony presented at the hearings on Senate bill 1823 indicates that public development of this project, with its resultant low rates, would force a reduction of 20 percent in the power rates of the entire area.

It is said by advocates of private development that the United States Treasury will suffer heavily in loss of taxes if the Niagara site is developed by the New York Power Authority, instead of by a private utility. However, as the report on Senate bill 1823 points out:

Experience in both the TVA and Bonneville Power Administration areas has demonstrated how low-cost power increases a region's contribution to the Public Treasury far more than would be accomplished by private utilities if the same power resources are turned over to them for development. The people of the area should not be asked

to forego the inevitable expansion of business and industry, increased regional prosperity, and the increased revenues of more widespread, less burdensome taxes.

I should like to add some specifics to this assertion in the committee report. In my own State, in 1940, internal-revenue collections amounted to only $31 million. By 1954 they were up to $725 million, or 24 times as great.

Allowing for the increase in tax rates, for the increase in population of my State, and for the wartime boost to our economy, I hold that the profits and pay checks behind this tremendous increase in tax payments to the United States Treasury could not have come about without low-cost power—and lots of it.

Grand Coulee power started coming on the line in 1941; and during those same 14 years, from 1940 to 1954, while income-tax payments in my State were increasing 24 times, power production in my State increased nearly 6 times—from 3,944,180,000 kilowatt-hours in 1940 to 22,980,782,000 kilowatt-hours in 1954.

Opponents of public development of the Niagara say that the people of America will have to make up the loss in taxes that would be paid by the consumers of power produced by a private developer. They say the Nation's taxpayers will suffer, while a relatively few consumers of the public power will benefit.

I disagree completely. I say that not only will the direct consumers of the public power benefit, but other consumers throughout the area will benefit from a reduction in rates forced by the yardstick of public power. Lower power rates for industry—if experience in my own State and region is any criterion—will mean an increase in the general prosperity of the whole region. In turn, more money will flow into the United States Treasury, in the form of corporate and personal income taxes, than ever would be paid by the private power utility alone. The Nation's taxayers will not lose by public development of the Niagara. They will gain.

Mr. President, this is the real importance of Senate bill 1823. It is a bill to assure that all of our people, not merely a few, profit from the development of this, the greatest single potential power site in America.

Mr. LANGER. Mr. President, because of a temporary affliction to my eyes, I ask unanimous consent that my speech on the pending bill be read at the desk.

The PRESIDING OFFICER. Is there objection to the request of the Senator from North Dakota? The Chair hears none. Without objection, the clerk will read.

The legislative clerk read as follows:

Mr. LANGER. Mr. President, the five big New York power companies want to grab off one of the most lucrative hydro sites in the country. This is the largest remaining hydro site in America, and probably one of the most feasible economically. Because it is the most feasible remaining hydro site, it would be a real financial bonanza for these five big New York power companies if they are able to complete this grab. I want to tell you right now that I am opposed to this grab, and I want to stand firmly behind the Senator from New York [Mr. LEHMAN] in support of his bill, which would permit the development of these resources for the people. There is no question that this would be a very lucrative venture for these power companies, and on this point I should like to quote no less an authority than Bob Moses, a prominent Republican, and present chairman of the New York Power Authority. Mr. Moses said in a memorandum which he submitted to the House and Senate Public Works Committees on January 12, 1956:

New York State law mandates the power authority to develop the waters of the Niagara for power in the precise manner that it is now developing the same waters at the St. Lawrence. The State owns the bed of both streams and the right to use their waters subject to the paramount right of the Federal Government to control navigation and commerce.

The bills sponsored by the utility people seek to interfere with this ownership and these rights of the State of New York, and to effect a grant of the State's property to the corporation which they would own and dominate.

In establishing the corporation the sponsors would put some money into it, but undoubtedly the amount would not exceed $10 million out of a total cost of some $400 million. The balance of the $400 million which would be needed would be borrowed by the corporation at an interest rate in the neighborhood of 3½ percent. The corporation in selling energy would be allowed a return of 6 percent not only upon the $10 million of its own money which is used but also upon the $390 million which it borrowed. This 6 percent is after the payment of all taxes, including corporation income taxes. It would also be allowed depreciation. It would amortize the debt out of net revenue and the charges allowed for depreciation, such revenue including the difference between the 3½ percent interest paid and the 6 percent return allowed. With a 35-year bond issue, it would amortize more than half the debt in 20 years, about 70 percent in 25 years, and all of it in less than 35 years.

The average depreciation on the project as a whole would probably not be more than 1 percent per year because a large part of the project features, for example, the tunnel or canal to be built, would hardly depreciate at all. Using the 1 percent figure, at the end of 20 years, the stockholders, instead of having $10 million worth of net assets would have $320 million with a debt of only $178 million; at the end of 25 years $300 million worth of property, with a debt of only $111 million; at the end of 35 years $260 million and no debt at all. This represents a gain of 2,500 percent after being assured at least a 6-percent return at all times on the money actually invested.

Quite obviously, the stock of the corporation, being assured such a 6 percent return and schedued to receive such accretion of wealth, would become extremely valuable immediately after the corporation got started in business and become increasingly so as time went on. Hence, the promoters would not have to wait long to cash in on their enterprise and perspicacity. If at the end of the license the Federal Government exercised its right to recapture the project, the corporation would receive the original cost, less depreciation, in cold cash.

The new Niagara power constitutes a one-shot deal and involves no risk. The private corporation which would perform the development would have no other power facilities, would own no distribution lines, and would merely sell its output to other corporations. Hence, that corporation would have a great natural resource turned over to it, not as an incident to other business carried on by it, but as a single and unique venture.

I surely would like to own something that would represent a gain of 2,500 percent after being assured of at least a 6-percent return at all times on the money actually invested. There are not very many private companies that are so fortunate as to be able to participate in such a lucrative venture. I am sure that the stock of such a corporation would be very valuable.

On March 2, 1921, the Federal Power Commission issued to the Niagara Falls Power Co., now the Niagara-Mohawk Power Co., a 50-year license for the development of power on the United States side of the Niagara River at Niagara Falls, N. Y. Apparently the power company did not feel that it should even pay New York State a small fee for the water which it was utilizing at Niagara Falls. In a memorandum to the Senate Public Works Committee on March 13, 1954, Robert Moses stated:

For many years, private power interests which had gone a long way toward ruining the entire escarpment on our side, fought even against paying a reasonable rental for the use of the State's waters, and it took years of litigation to compel them to do so. I was associated with Gov. Alfred E. Smith more than 30 years ago in proposing a State power authority. Such an authority has been in existence for 23 years. In all that time, the private utility companies who now pose as the friends of cheap, widely distributed, labor-saving power by one means or another prevented the State authority from functioning.

Governor Dewey stated in an appearance before the Senate Public Works Committee on July 23, 1953:

One of my first acts as governor was to ask the legislature for authority to charge the Niagara-Mohawk Co. for 15,000 cubic feet a second, which it was diverting from the Niagara without payment, and had been so doing for many years. The legislature passed that law and we started collecting for that diversion of water for the first time in the history of the State of New York, upon the basis that that waterpower belonged to the people of the State of New York, and that charge was paid and contested and tried out in the courts; and the courts sustained us.

Dewey apparently was not fooled by the desire of the power company to develop the people's resources without having to pay 1 cent for them. Power companies have a fine record of trying to utilize the people's resources for the maximum benefit to them rather than to the people who own the resources.

What sort of a record do these power companies have in the development of the water which is now available to them at Niagara Falls for power purposes? Are they fully utilizing this water? Have they developed it efficiently? Are they getting the maximum power output out of the water that they can now divert for power purposes? I should think that before any consideration is given granting them a license for the development of this great public resource that these questions should be answered. Apparently their record in this area, as in many other areas, is poor. In 1949 the Bureau of Power of the Federal Power Commission issued a comprehensive re-

port on the possibilities for the development of Niagara Falls for power. This is one of the most comprehensive studies ever made on the development of the Niagara River for power. In this report it is stated time and time again that the power companies are not now utilizing the water available to them at Niagara for power purposes. The following quotations appear on page 11 of this report:

Present facilities at Niagara Falls in the United States do not develop fully the existing diversions of water and as a result there is a continuing waste of a great and magnificent natural resource.

The existing Schoellkopf station is valuable and adapted to any comprehensive plan for the redevelopment of Niagara Falls for power in the United States; the existing Adams station should be retired from normal generating service but can be used for voltage regulation and kept in standby reserve for generating use in event of a grave emergency.

Let us make it very clear that the FPC refers in its report to "a continuing waste of the great and magnificent natural resource" by the power company now having facilities at Niagara Falls. Why should we give them the full United States output diverted for power purposes when they have not even developed the amount which is now available to them? Why should we continue to let this great natural resource go to waste? I for one want to make it absolutely clear that I oppose any sort of legislation which could result in their getting a license for the development of Niagara power and also which would result in the rural electric cooperatives and municipal systems not getting preference in the marketing of such power.

Also, according to the FPC report, one of the present generating stations of the Niagara-Mohawk Co. at Niagara Falls is obsolete and should be retired from normal generating service. This is the Adams generating station which has an installed capacity of 80,000 kilowatts. I want this power at Niagara developed by a State agency which is committed to efficiently and fully utilize the potential available to them and which will under the bill introduced by the Senator from New York give preference in the marketing of that power to rural electric systems and municipal electric systems. Then we will have efficient development with a yardstick in the marketing of such power.

All through this comprehensive 1949 FPC report on Niagara you can find references to the fact that the Niagara-Mohawk Power Co. is not utilizing the amount of water available to them. I am reading from page 35 of the report:

Existing power developments do not fully utilize the possibilities at the site either from the standpoint of use of presently authorized or temporary diversions, or in consideration of the maximum possible amounts of water available which may be diverted for power use.

I ask then, should we not pass legislation which would prevent a condition like this developing in the generation from the remaining water available at Niagara? I want to see these public resources developed to the maximum extent possible. I do not want any half development or quarter development. I want them fully developed, and I want some of the benefits to go to the rural electric systems through the preference contained in the Lehman bill.

On page 47 of the FPC 1949 report there is a description of the inefficient Adams generating station of the Niagara-Mohawk Power Co. I am now quoting from page 47 of this report:

The Adams station is an old development utilizing only a fraction of the total head available. For years prior to World War II, it had been used only as a condenser for voltage regulation. Because of defense and war needs it was put back into service utilizing water made available by temporary agreement. Since it does not make the best use of the water necessary to operate the plant, it should be returned to an inactive status as a generating station, or used again for voltage regulation. During periods of extra large flows when water is available it could be used to generate steam replacement energy. It could be placed in service in event of extreme need occurring after the redevelopment although it would take water away from the falls and thus reduce the scenic spectacle to some undetermined degree.

I want to emphasize from this statement: "Since it"—the Adams generating station—"does not make the best use of the water necessary to operate the plant, it should be returned to an inactive status as a generating station, or used again for voltage regulation."

With such inefficient generating equipment now being used by the Niagara-Mohawk Co. at Niagara Falls, what assurance do we have that they will fully and efficiently utilize the amount of water which could be diverted for their use if the private power companies are permitted to develop this great public resource. I do not think we have any assurance at all, and that is why I am for a bill which stipulates that the New York Power Authority should develop this power and that preference should be given to rural electric systems and municipal systems. I am in favor of a little competition and I think this will bring a little competition into an area which has never had any competition from public generation of electric power. Also, I am for getting the benefits from this great public resource down to the farms, homes, and factories and I think this will be done through the preference contained in the Lehman bill. Without this preference we have no assurance that the total output of this project, even if constructed by a public authority, would not be sold to power companies and industry close to the site.

Perhaps these five big New York power companies are not interested in getting any low-cost power into the State of New York. The present rate structure certainly indicates this. For example, the Niagara-Mohawk Power Co. now generates approximately 400,000 kilowatts of capacity at the Niagara Falls site. This is a large block of hydroelectric power. But the typical electric bills for 1955 published by the Federal Power Commission shows that for residential electric service, the average bill in New York State for 250 kilowatt-hours a month was $7.85, which places New York State as the 13th highest State in the Union for such service and among the top 37 percent of all the States. I want some assurance that this will not continue. I want this power developed for the use of the people, for all the people, and I think the only way that this can be done is through the Lehman bill which provides for the construction and operation by the New York Power Authority with preference in the marketing of the power for rural electric cooperative and municipal electric systems. I am sure that when such a yardstick is established in the Northeast this rate situation will change and that these present high rates will start to decline.

Niagara Falls is a great and beautiful site, truly one of the natural wonders of the United States. Many a young married couple has started life together by going to see this beautiful site. I want to see the scenic beauty of the falls not only preserved but developed further so those who come to view the falls will see miles of beautiful parkways and parks. Power companies will certainly not be the ones who will undertake such a comprehensive development of the scenic beauty. Their record in the past has been very poor on this point, and no one should know better about their record on this than Mr. Robert Moses, a prominent Republican, chairman of the New York Power Authority, and also chairman of the New York State Council of Parks. Mr. Moses states in an introduction to a publication of the New York State Power Authority entitled "Niagara Power and Park Development," dated December 1954:

The private utilities on our side have bedevilled the Niagara River for 75 years. In spite of a record of shameless exploitation, they still have the effrontery to claim that the only question here is that of making power, that this is exclusively their business, that further development at Niagara is merely an extension of their business and is opposed only by socialists who are against all private enterprise. This argument completely overlooks both history and the basic underlying issue, which is the unquestionable public ownership and inalienability of the greatest natural resource of the State of New York.

Private exploitation of Niagara Falls and the Niagara frontier is an old story. The record shows that the private companies have never had any genuine interest in the preservation of these public assets. Their interest lies in the exploitation of the diversion and fall of water and its conversion into power by the cheapest and most expeditious means, regardless of basic State conservation policies, of scenic or other damage, and of future public need of these natural resources. Precisely these considerations led the Canadians to provide for the preservation of these great natural resources for their inalienability, for public control under international treaty, and for a unique frontier park and parkway system for the use and enjoyment by all of their people and visitors present and future. This has been the Canadian point of view for years, and one which we should from the beginning have emulated.

I do not want to entrust such great scenic beauty to exploitation by five greedy power companies whose only interest is in developing as cheaply as possible the amount of power which will be made available to them. I want some

consideration to be given to the preservation of this great natural wonder. Young couples for generations to come can go there on their honeymoon and become inspired by this beautiful site. It is for that reason that I am pleased to note in the Lehman bill, section 2 (b) (6), there is a provision that stipulates the power project at Niagara shall bear $15 million of the cost of a scenic drive and park on the American side of the Niagara River near the Niagara Falls.

The question today really resolves itself into a very simple matter. Do we want a private exploitation of natural resources which belong to all the people, or do we want them developed for the benefit of all the people by the people's own agency? I want to put myself squarely on record in support of the bill introduced by the Senator from New York [Mr. LEHMAN] which provides for construction and operation of the Niagara power project by the Power Authority of New York with preference in the marketing of such power for rural electric cooperatives and municipal electric systems. I want the people to have a honeymoon at Niagara Falls, not the big five private power companies.

FARM DEPRESSION SPREADING TO TOWNS

During the delivery of Mr. LANGER'S speech,

Mr. HUMPHREY. Mr. President, I wonder if the Senator from North Dakota will yield to me for a brief statement, which will require not more than 5 minutes.

Mr. LANGER. I yield on condition that I do not lose the floor.

Mr. HUMPHREY. I ask that the Senator from North Dakota may yield to me without losing his right to the floor.

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

Mr. LANGER. I am always delighted to yield to my distinguished neighbor from Minnesota.

Mr. HUMPHREY. It is always a joy to work with the Senator from North Dakota, and I appreciate his courtesy.

I wish to make a brief statement concerning an evaluation of the agricultural situation in the Midwest, on the basis of reports from country bankers.

COUNTRY BANKERS' REPORTS SIGNAL FARM DEPRESSION SPREADING TO TOWNS

In the April 21 issue of Commercial West, an authoritative trade publication of the banking industry in the upper Midwest, the results of a survey of leading bankers in Minnesota, North Dakota, South Dakota, Iowa, and Wisconsin were published, vividly demonstrating what is happening to midwestern small town and city merchants due to the enormous drop in farmers' purchasing power.

Fourteen out of 21 Minnesota bankers specifically reported trouble for local farm machinery dealers. Eleven out of 19 North Dakota bankers and 12 of 20 South Dakota bankers reported similar trouble for implement dealers. Three of the 4 Wisconsin bankers quoted, and all of the 5 Iowa bankers reporting, told of decreases in demand ranging from slight to severe.

Listen to the comments of some of these bankers:

Austin, Minn.:

Machinery dealers in the area are indicating that very little profitable business is being done.

Balaton, Minn.:

Farmers are not buying as much machinery. Deposits are going down.

Hallock, Minn.:

The farm implement retail business has been extremely slow and the automobile business only fair.

Rochester, Minn.:

New machinery moving slowly. * * * Farmers are making their old machinery do until the farm prices situation clarifies itself. * * * There will be a few young farmers who, if they do not have a good season this year, will be forced to sell out this fall.

I should comment that the Rochester area is one of the best farming areas in the entire upper Midwest.

Listen to the comments of some other bankers:

Bismarck, N. Dak.:

Sales are down as compared to 1955.

Killdeer, N. Dak.:

Machinery dealers are hurt.

Valley City, N. Dak.:

Most stores down in sales. Farm machinery sales down.

Williston, N. Dak.:

The trend is still to the bigger farmer getting bigger and the smaller going out of business.

Arlington, S. Dak.:

Machinery sales way down.

Miller, S. Dak.:

Lots of machinery but very little of it being sold.

Vermillion, S. Dak.:

Most businesses report less volume to date than a year ago. Farm machinery sales are down.

Princeton, Wis.:

Machinery and implement dealers complaining that farmers are not buying.

Denison, Iowa:

Machinery and automobile dealers report sales far below last year.

Jefferson, Iowa:

No new machinery is being bought.

These men are hard-headed American businessmen.

When such trained observers report trouble for the farm machinery industry at the retailing level, that is a warning flag we must heed.

The farm depression has begun to move into the towns and cities of the Midwest. Unless this administration does something about it, it will not be farmers alone who will suffer, nor even small-town merchants. It will be the factories of Detroit and Dearborn and Moline.

Let the farmer go down—as this administration seems determined to do—and you will let the whole country go down the drain. It happened in the 1920's. It seems to be happening all over again.

I conclude by noting that the inventory of 1956 models of automobiles is at an all-time high in the history of the automobile business, with the exception of 1 month. At present there are more than 900,000 unsold automobiles, 1956 models, despite the sharp curtailments in automobile production. During the past week every automobile plant in the United States took off at least 1 day, laying off all workers.

Indications are that the recent credit squeeze placed on the economy by the Federal Reserve bank is beginning to take its toll. I sound a warning note in the Senate, as I shall do from time to time, and as was done a couple of years ago, when the tight-money, high-interest-rate policy was inaugurated. Subsequently it was relaxed. Again we are beginning to see the squeeze upon credit, and this credit squeeze is hurting the independent businessman and the farmer. They are caught in a period of deflation, so far as their business is concerned, while large business is apparently somewhat touched with inflation. If it continues, we can expect more and more trouble in the American economy.

I am hopeful that warnings such as this—and I hope warnings also from any other Members of the Senate—will alert our Government to the fact that it is possible to put on the brakes too much and in the process cause almost irreparable damage to the American economy.

It is about time that the credit policies of the Federal Reserve Board be carefully reviewed by the appropriate committees of Congress. I call the attention of the Committee on Banking and Currency and of the Joint Committee on the Economic Report to what I believe to be symptoms and signs of difficulty in some areas—I repeat, in some areas—limited as they are, in the American economic structure. I call the attention of those committees to the area of independent businesses of America having $1 million in assets or less, our agricultural economy, and certainly the automobile industry, which industry is a sort of bellwether as to what is going on in terms of consumer purchasing power.

Finally, I would note that the number of housing starts this year are sharply down from last year. The availability of credit at reasonable rates of interest is becoming an ever more serious problem. Surely, we cannot countenance a retreat in the construction and housing industries.

I hope that provisions for veterans' loans, which are rather liberal, and which have been very effective and useful, will be continued for several years to come.

The credit structure is good, if it is used for constructive purposes. However, I warn Members of Congress that interest rates of 5 percent or 5½ percent are too high in the American economy as it is presently constituted. That is exactly what is beginning to happen in far too many areas of the American economic structure.

I thank the distinguished Senator from North Dakota [Mr. LANGER] for his kindness and consideration in yielding to me at this point.

NIAGARA RIVER POWER DEVELOPMENT

The Senate resumed the consideration of the bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes.

Mr. LEHMAN. Mr. President, for the past 6 years, we have been witnessing in this country, and especially in New York State, operation avalanche, in regard to the Niagara project. I mean avalanche of propaganda—propaganda in favor of the turnover of the public resource of the Niagara Falls to the private power monopoly. Throughout the country, in every town and hamlet newspaper, in every magazine, in every public medium, there have appeared paid advertisements favoring the Niagara giveaway. An army of paid lecturers has appeared before every possible Rotary and Kiwanis Club, junior chambers of commerce, and other similar organizations throughout the country.

The whole focus of this propaganda has been to the effect that letting New York State develop this resource was socialism, while letting the private monopoly have this public resource was private enterprise.

Nowhere has operation avalanche concentrated so intensively as in New York State. And as a result there have been resolutions passed by various organizations in New York State, including some farm organizations and some labor organizations, in favor of the giveaway.

The arguments given by the proponents of the giveaway are familiar to all of us—the mythical loss in tax revenue and the dangers of creeping whatever-it-is.

And it was no great trick, on the basis of this cloud of propaganda, to get resolutions passed. It is a simple trick with which we are all familiar. And some, of course, took this stand out of sincere conviction.

What astounded me earlier today, however was to hear my distinguished colleague [Mr. IVES] take a leaf out of the propaganda book of the private monopoly crowd and use their leading argument as his own. I refer to his assertion that New York State does not want my bill.

Mr. IVES. Mr. President, will my colleague yield at that point?

Mr. LEHMAN. I should like to finish my statement, and then I shall be glad to yield. It will take no more than 3 minutes.

The fact is, and my distinguished colleague fails to mention this, that all the resolutions he refers to are not in opposition to my bill, S. 1823. They are in favor of the private giveaway bill, S. 6. These resolutions he refers to are opposed to any form of public development in New York State. And I challenge my colleague [Mr. IVES] to state otherwise. The record of the hearings are very clear on this point.

But these resolutions in favor of the giveaway do not represent the majority sentiment in New York State. They represent a minority sentiment, a tiny minority sentiment, in my judgment—a minority that, for the most part, has been fooled and bamboozled by propaganda.

The overwhelming majority sentiment in New York State is for public development. The State platforms of the Republican Party, the Democratic Party, and the Liberal Party—all three parties in New York State—favor public development of Niagara.

My senior colleague favored public development in his last race for public office. Attorney General Javits favors public development.

At this point I ask unanimous consent to have printed in the RECORD pertinent excerpts from the 1954 platforms of the Republican, Democratic, and Liberal Parties of New York.

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

DEVELOPMENT OF THE ST. LAWRENCE AND THE NIAGARA RIVERS

(1954 platform adopted by the Democratic State convention)

We propose to speed the construction in the next 4 years of the projects for full development of the St. Lawrence and the Niagara Rivers conceived and long advocated by Democratic Governors and Presidents for their direct benefit of the people.

These invaluable resources were saved for the people, against Republican attempts to hand them over to private interests, by the forthright action of Gov. Alfred E. Smith, Senator Robert F. Wagner, President Franklin D. Roosevelt, and Senator Herbert H. Lehman.

The St. Lawrence project will be built by use of the engineering plans completed in 1942 in surveys ordered by Governor Lehman and President Roosevelt. These plans were adopted as the basis for approval of the project by the International Joint Commission in the last national administration. The Niagara will be redeveloped to preserve and enhance the scenic spectacle and to utilize its immense power potential under the treaty of 1950 with Canada negotiated by President Truman.

After inheriting these constructive plans and agreements, the Republican Party is again seeking ways and means to turn over the people's power to utility monopolies.

During the present Congress, on July 9, 1953, the House passed a Republican bill making an outright gift of the undeveloped power of the Niagara River to a combination of private utilities. New York Republicans in the House, led by a former Republican State chairman, voted 26 to 1 for this measure.

Again on August 19, 1954, a majority of the Republicans on the Senate Public Works Committee filed a report serving notice that they intend to press for this surrender of public power to private utilities at the January 1955 session if a Republican Congress is elected in November.

The administration at Albany, meanwhile, has sponsored the Ives bill in Congress to advance its plan to deliver Niagara power to the same utilities at the bus bar, that is, at the site of the powerplants.

We renew our support of the safeguard provisions of the Lehman-Roosevelt bill, S. 2966, 83d Congress, and we pledge enforcement of these safeguards in the marketing of St. Lawrence-Niagara power by vigorous State action.

These great natural resources belong to the people and they should be used to create new jobs, to expand the whole economy of the State, and to insure maximum benefits for labor, agriculture, commerce, industry, and the consuming public.

In order to protect the legitimate collective-bargaining rights of workers on both the impending St. Lawrence project and the proposed Niagara project on construction and operation jobs, we pledge to seek amendment of the Power Authority Act to assure such workers of all rights necessary to obtain equitable working conditions, including job security and wage levels prevailing in the private power industry.

The St. Lawrence-Niagara projects will annually produce over 15 million kilowatt-hours of electric energy. Under a Democratic administration, this low-cost energy will be made available to the people at yardstick rates to reduce the excessive charges now borne by millions of domestic, rural, and commercial customers for electric service throughout New York State.

PUBLIC POWER

(1954 platform adopted by the Liberal Party State convention)

The Liberal Party has long urged that development of the St. Lawrence-Niagara power potential be done by the State.

We are opposed to making the development of the power resources of the State another bonanza for private utility interests. We, therefore, advocate that the public power authority control the power from the Niagara and St. Lawrence waterways for the benefit of the people by distributing this power directly or through cooperatives, and State and municipally owned powerplants. Where it is necessary to distribute such power through existing private utilities, then it is essential that the strictest supervision be maintained by the State and that the cost of power to the consumer be fixed at a rate which will grant to the consumers every advantage of the savings resulting from hydroelectric power.

WATER RESOURCES

(1954 platform adopted by the State Republican convention)

For a generation the Democrats beat the political drums about the people's waterpower in this State, promised the public development of those resources, and accomplished nothing. Indeed, in recent years their practice has been outright obstruction.

After years of opposition by the Democrats in Washington, our Republican State administration last year at long last obtained a Federal license to proceed with the great St. Lawrence River power project. In June 1954 the Supreme Court of the United States upheld the license. On August 11 we actually started construction of this $300 million job. The cheap hydropower will give an enormous lift to the economy of our State.

One of our first acts in 1943 was to assert control over public waters diverted for power purposes, and to collect rent for water which had long been used free by private licensees at Niagara Falls. We have already collected for the people of the State $20,675,000 for the use of Niagara water.

The New York State Power Authority plans development of St. Lawrence power, together with the additional Niagara waterpower made available by the 1950 treaty with Canada. These two vast State projects, integrated with the existing private systems, will bring increasing benefits to our rural and domestic consumers, as well as to industry.

Democrat obstruction of our State power plan has recently narrowed down to one issue. The Democrats insist that preference should be given to publicly and cooperatively owned systems in the distribution of State-generated hydropower. Such preference would be an injutsice to the vast majority of our State's consumers who are served by private companies. We pledge fullest equitable benefits from the power generated at St. Lawrence and Niagara to all rural and domestic consumers, including municipal and co-op customers.

We state again our Republican pledge of many years standing: We shall continue to

oppose the sale, lease, or licensing to private ownership of the people's interest in the State's undeveloped power resources. We also oppose Federal development of these waters as proposed by the Democrats.

Mr. LEHMAN. Mr. President, no candidate for statewide office dares in New York to run on the basis of private development. None has for the past 30 years.

New York State law requires public development. The private utility crowd tried and failed to get through the Republican State legislature, this very year, a resolution calling for a statewide referendum on public development of the Niagara. The legislature did not dare to adopt such a resolution, and that legislature is overwhelmingly Republican.

Oh, Mr. President, resolutions are not an accurate reflection of public sentiment. Resolutions and communications from constituents are illuminating but they do not prove what public sentiment is. I have received resolutions and telegrams, too.

A point has been made of the opposition of organized labor to my bill. Well, Mr. President, I submit, for the RECORD, a list of the labor unions in my State, representing a much larger membership than those cited in favor of the giveaway, who are all-out in favor of my bill.

Let me read a few of the names of these organizations and union leaders who have indicated their all-out support of S. 1823. I ask unanimous consent that the whole list appear in the RECORD.

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). Without objection, the list will be printed in the RECORD.

Mr. LEHMAN. Mr. President, I shall read at random a few of the names:

United Clothing Workers of America, New York, N. Y.

Martin Gerber, regional director, UAW, New York, N. Y.

Paul Krebs, president, New Jersey State CIO, New York, N. Y.

Greater New York Joint Board of Textile Workers, New York, N. Y.

Michael J. Quill, international president, Transport Workers Union of America, AFL–CIO.

Jacob S. Potofsky, general president, Amalgamated Clothing Workers of America.

David Dubinsky, president, International Ladies Garment Workers Union.

United Shoe Workers of America, AFL–CIO, joint council B.

Jay C. Watkins, director of education and political action, region 9, AUW–AFL–CIO.

James Miller, president, and James Steele, secretary-treasurer, of the Greater Buffalo Industrial Union Council, AFL–CIO.

Jack R. Suarez, president, district 3, IUE, AFL–CIO, Schenectady, N. Y.

Dave Klein, president, United Optical Workers, New York, N. Y.

Julius Sum, president, Local 338, Retail, Wholesale, and Chain Store Food Employees Union, AFL–CIO.

Louis Hollander, president, and Harold J. Garno, secretary-treasurer, New York State CIO Council.

Vincent LaCapria, comanager, and Abraham Miller, secretary-treasurer, New York Joint Board, Amalgamated Clothing Workers of America.

Mr. President, those are only a few of the persons or associations from whom I have received resolutions. I thank the Presiding Officer for having had permission granted to have the entire list, which numbers some 60 or 70, printed in the RECORD.

The list ordered printed in the RECORD is as follows:

ENDORSEMENT OF S. 1823 BY LABOR ORGANIZATIONS AND LEADERS

Amalgamated Clothing Workers of America, New York, N. Y.

Martin Gerber, regional director, UAW, New York, N. Y.

Charles H. Kerrigan, regional director, UAW, New York, N. Y.

Paul Krebs, president, New Jersey State CIO, New York, N. Y.

Greater New York Joint Board of Textile Workers, New York, N. Y.

Michael J. Quill, international president, Transport Workers Union of America, AFL–CIO.

Matthew Guinan, secretary-treasurer, Transport Workers Union of America, AFL–CIO.

Frank Sheehan, director of organizations, Transport Workers Union of America, AFL–CIO, and more than 70,000 members employed in the bus, air, and rail transportation and gas utility industries in the New York area.

Nicholas Cappadona, Sr., chairman, Political Action Committee, 1,500 members of local 2067, United Steel Workers, Brooklyn, N. Y.

Local 14–149, Anthony Mazzocchi, president, Oil, Chemical and Atomic Workers International Union, Roslyn.

Adolph Rosenbaum, president, Greater New York Joint Council Barbers and Beauty Culturists Union of America, AFL–CIO, 1472 Broadway, New York City, representing 5,000 members.

Allied Trades Council, New York City.

Journeymen Tailors Union, local 1, ACWA, New York, N. Y.

Jim Trenz, 5 Court Square, Long Island City, president, local 463, CIO–AFL, Long Island City, N. Y.

Allied Crafts Union, New York City.

Joint Board of Fur Dressers and Dyers, New York City.

Broadway Chauffeurs Association, Inc., New York City.

House Wreckers Union, local 95, New York City.

Bartenders Union, local 15, New York City.

Marine Allied Workers, Brooklyn, N. Y.

Jack Rubenstein, New York State director, Textile Workers Union of America.

William Pollock, executive vice president, Textile Workers Union of America, executive council, Textile Workers Union of America, AFL–CIO meeting in Washington, D. C.

Edward F. Doolan, manager, Fall River Joint Board Textile Workers Union of America, on behalf of 13,000 textile workers in Fall River and vicinity.

Harold C. Troidl, area director, UAW–AFL–CIO, Buffalo, N. Y.

Jay C. Watkins, director, education and political action, region No. 9, UAW–AFL–CIO. After careful survey of cross-section of some 40,000 UAW members in Niagara frontier, we find overwhelming support for S. 1823 concerning Niagara power development.

James Miller, president, James Steel, secretary-treasurer, the Greater Buffalo Industrial Union Council, AFL–CIO, representing 100,000 organized workers in the Buffalo, N. Y., area.

Matthew Guinan, president, local 100, Transport Workers Union, AFL–CIO, representing 45,000 members and their families, New York City.

Jack R. Suarez, president, district 3, IUE, AFL–CIO, Schenectady, N. Y., District Council 3, IUE, AFL–CIO, New York State, representing 50,000 electrical workers wholeheartedly endorses your bill, S. 1823.

William Gierspach, chairman, legislative committee, local 116, UAW, 5416 Second Avenue, Brooklyn.

Dave Klein, president, United Optical Workers, New York, N. Y. (local 408, IUE, AFL–CIO, 112 East 19th Street, New York City).

Julius Sum, president, local 338, Retail, Wholesale, and Chain Store Food Employees Union, AFL–CIO (6,000 members), New York City.

Michael DeCicco, manager, Furniture Workers Union, local 76–B, New York City.

Vincent Messina, manager, local 324, ACWA Union, New York City.

Helen Thompson, local 1001, Textile Workers, Newburgh, N. Y.

United Shoe Workers of America, New York City.

Louis Hollander, president, Harold J. Garno, secretary-treasurer, New York State CIO Council, 101 West 31st Street, New York City.

Michael J. Quill, president, Morris Iushewitz, secretary-treasurer, New York City CIO Council, and its half-million members, New York City.

Vincent La Capria, comanager, Abraham Miller, secretary-treasurer, New York joint board, ACWA (Amalgamated Clothing Workers of America), on behalf of the 50,000 members, 31 West 15th Street, New York City.

James Miller, president, James Steel, secretary-treasurer, the Greater Buffalo Industrial Union Council, AFL–CIO, 100,000 organized workers, the Buffalo, N. Y., area, Buffalo, N. Y.

William Swanwick, president, local 292, United Paper Workers of America, New York City.

Mortimer Gellis, president, local 1706, Insurance Workers of America, AFL–CIO, New York City.

Thomas Flavell, manager, local 169, Amalgamated Clothing Workers of America, New York City.

Local 504, Transport Workers Union, AFL–CIO, Elmhurst, N. Y.

District Council No. 15, OCAW, AFL–CIO, Niagara Falls, N. Y.

United Shoe Workers of America, AFL–CIO, Joint Council No. 3, signed by Fileno De Novellis, manager, Anthony Scimeca, secretary-treasurer.

Jack Curran, vice president, Oil, Chemical and Atomic Workers, International Union, CIO.

Jacob S. Potofsky, general president, Amalgamated Clothing Workers of America.

David Dubinsky, president, International Ladies Garment Workers Union.

Mr. LEHMAN. Finally, Mr. President, I submit for the RECORD a random sampling of the telegrams which have flooded my office in the last few days, since it became apparent that the phony argument, the misleading argument, that the people of New York are opposed to my bill, would be used on the floor of the Senate. I ask unanimous consent that these telegrams be printed in the body of the RECORD at this point in my remarks.

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

NEW YORK, N. Y., *May 9, 1956.*

Senator HERBERT LEHMAN:

LEHMAN'S power bill deserves support.

Mrs. W. A. CARSON.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
LEHMAN'S power bill deserves support.
RUTH KRASNOFF.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Congratulations on your fine visionary public power plan.
THOMAS BOND.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Your public power proposal is a very good one and should become law.
LOUIS CACCIARI.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
LEHMAN'S power bill deserves support.
PAUL BOLLEN.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
People are for LEHMAN'S public power statute.
CONNIE ZURICA.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Congratulations on your fine visionary public power plan.
MICHAEL BOCCO.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Your public power proposal is a very good one and should become law.
ARTHUR SOMERVILLE.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Urge support of Senator LEHMAN'S public power bill.
ADOLPH SCHROEDER.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Hope your public power law passes.
RONALD STANLEY.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Urge support of Senator LEHMAN'S public power bill.
JOHN DEMASI.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Press passage of your public power bill.
PETER AVOLA.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
People are for LEHMAN'S public power statute.
FRANK BORZOMATI.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Press passage of your public power bill.
EUGENE P. PERONE.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Urge support of Senator LEHMAN'S public power bill.
LEON ADLER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Hope your public power law passes.
TED BERMAN.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Press passage of your public power bill.
PAUL A. LATTANZI.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
The public favors public power. Keep up the good work.
ARTHUR BECKER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Lehman's public power bill should pass.
SARAH MORRIS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power proposal is a very good one and should become law.
WM. J. MOIR.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power bill crowns a great career.
MAX G. GERSCHER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Urge support of Senator LEHMAN'S public power bill.
JAMES P. CLARK.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN'S public power bill should pass.
ALFRED FOSTER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
People are for LEHMAN'S public power statute.
SAMUEL SAMUELS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN'S public power bill should pass.
STEPHEN URBAN.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Congratulations on your fine visionary public power plan.
FRANCES WEISS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Hope your public power law passes.
MURRAY LESSOFF.

GARDEN CITY, N. Y., *May 10, 1956.*
Senator LEHMAN,
New House Office Building:
I strongly urge support of S. 1636 and ask your backing on this measure.
MRS. GEORGE SHORTMEIER, Jr.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
People are for LEHMAN'S public power statute.
WANDA LOCK.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
The public favors public power; keep up the good work.
HARRY ZALDIN.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Your public power bill crowns a great career.
ALFRED R. DOTTIN.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Your public power bill crowns a great career.
JOHN O'DEA.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Your public power proposal is a very good one and should become law.
HARRY LEVINE.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Your public power bill crowns a great career.
ANNA M. JACOBS.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Hope your public power law passes.
DAVID KORNFIELD.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Press passage of your public power bill.
CARL TRICHTER.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
LEHMAN'S power bill deserves support.
FRANCIS WEINSTEIN.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
The public favors public power keep up the good work.
MRS. ANNE JACOBS.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
We want LEHMAN'S power proposal.
PIERCE ECCLES.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
LEHMAN's public power bill should pass.
CARL ROSE.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
LEHMAN's public power bill should pass.
MANUEL CASTELO.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
People are for LEHMAN's public power statute.
LEONARD POWERS.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Urge support of Senator LEHMAN's public power bill.
Mrs. DIANA HOROWITZ.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
We want LEHMAN's power proposal.
IRWIN SLOVES.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
The public favors public power. Keep up the good work.
ELIAS TEVLIN.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN's power bill deserves support.
ERAINE L. MANTAS.

NEW YORK, N. Y., *May 9, 1956.*
Hon. HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN's power bill deserves support.
BERNARD SEGAL.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
People are for LEHMAN's public power statute.
JOSEPH MARINE.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Urge support of Senator LEHMAN's public power bill.
MADELAINE COLE.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Urge support of Senator LEHMAN's public power bill.
EDWARD P. TOLLEY.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Urge support of Senator LEHMAN's public power bill.
FRED HILL.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
People are for LEHMAN's public power statute.
J. VAN H. WHIPPLE.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN's power bill deserves support.
HYMAN ROSENBLUM.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN's public power bill should pass.
CHARLES HUNT PICAID.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Urge support of Senator LEHMAN's public power bill.
HYMAN ABRAMS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN's power bill deserves support.
VERONICA KEANE.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
People are for LEHMAN's public power statute.
BEN PINCUS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
People are for LEHMAN's public power statute.
ANTHONY TREZINI.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
The public favors public power keep up the good work.
HARRY KENDELL.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
The public favors public power keep up the good work.
MURRAY ZWANG.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power bill crowns a great career.
MATTHEW INTNER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power bill crowns a great career.
ALBERT LEVY.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Congratulations on your fine visionary public power plan.
JAMES ROSENTHAL.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power bill crowns a great career.
STEPHEN BOTSFORD.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power bill crowns a great career.
LEON RABBIN.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power bill crowns a great career.
FRANK MCNABB.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Press passage of your public power bill.
MILTON SELTZER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
We want LEHMAN's power proposal.
ADOLF SUMMERFIELD.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
We want LEHMAN's power proposal.
IRVING SMITH.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN's power bill deserves support.
JACOB BOBBINS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
We want LEHMAN's power proposal.
UNA HADLEY.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
We want LEHMAN's power proposal.
BEN RADER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Press passage of your public power bill.
EDWARD STOCKVIS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Press passage of your public power bill.
EVERETT HALL.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN's power bill deserves support.
Mrs. W. A. CARSON.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Press passage of your public power bill.
FRANCES SCHWARTZ.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
We want LEHMAN's power proposal.
H. M. SACHS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Hope your public power law passes.
NORMAN NATKO.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
People are for LEHMAN's public power statute.
SEYMOUR R. THALER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN's public power bill should pass.
LOUIS GLASSBERT.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Hope your public power law passes.
EUGENE YOUNG.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Hope your public power law passes.
LOUIS MANGINI.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
LEHMAN's public power bill should pass.
RAPHAEL FUENTES.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Hope your public power law passes.
RICHARD MASS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
The public favors public power. Keep up the good work.
MARY J. GRISSOM.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power proposal is a very good one and should become law.
WILLIAM V. PURCELL.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power proposal is a very good one and should become law.
JACK HOLTZBERG.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
The public favors public power. Keep up the good work.
MARIE E. ANDERSON.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Congratulations on your fine visionary public power plan.
Mrs. CHARLOTTE TREVILLION.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Congratulations on your fine visionary public power plan.
JOHN SACHMAN.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Congratulations on your fine visionary public power plan.
ROSEMARY DUBOIS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Congratulations on your fine visionary public power plan.
DONALD A. SACHAR.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power proposal is a very good one and should become law.
JACQUES MAIGNAN.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
LEHMAN's power bill deserves support.
CESAR RODRIGUEZ.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
LEHMAN's public power bill should pass.
IRVING ROSEN.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
We want LEHMAN's power proposal.
ALICE KOCH.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Press passage of your public power bill.
WILLIAM E. HORWILL.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H LEHMAN,
United States Senate,
Washington, D. C.:
We want LEHMAN's power proposal.
SAMUEL P. HORNSTEIN.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Hope your public power law passes.
PAUL WOSNER.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Congratulations on your fine visionary public plan.
MARTIN A. JANSON.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power proposal is a very good one and should become law.
BOB WASSNER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
The public favors public power. Keep up the good work.
Mrs. MURIEL M. LEONARD.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
The best of luck with your bill to develop Niagara power in our interests.
COLIN CATTLEY.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
Please know that we are pulling for you and hope that the other Senators will vote to pass S. 1823.
JULIUS BRONZINO.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
These so-called public utilities are not for the benefit of the public. Your bill S. 1823 is in the genuine public interest. I am on your side.
JACK KIRISITS.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
My whole family is with you in your fight for the passage of your public power bill.
ED LARKOWSKI.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
We are with you on S. 1823.
MERT HOUSE.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
My family and I support you and your bill S. 1823.
CHARLES CANE.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
Our electric bill is too high now. S. 1823 is the answer to more and cheaper power rates.
JOSEPH L. NEWTON.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
It's about time we had someone concerned about the little folks. Please do everything possible to pass S. 1823.
LEONARD SIDORSKI.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
Your bill S. 1823 will mean cheaper rates for us at home. Please make it pass.
GEORGE FRONGILLO.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
Am in full support of your bill S. 1823. The Niagara River and the falls are gifts from God to his people and it should be developed in their interest.
JOSEPH YANTOMASI.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
When a comparison is made between an electric bill of a worker across the river and my bill here in Buffalo, how can I or any other worker fail to support you in your fight for public power as against the utilities and their private gouge.
FRANK TELAKOWICZ.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
We need more Senators like you who will fight for legislation in our interest. S. 1823 is a dandy. Make it pass.
RICHARD KOENIG.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
The waters of the Niagara and the benefits derived thereof belong to all the people not some chosen few. Your power bill is the proper way to develop the power of the Niagara River.
ALICE LEBERT.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senator,
Senate Office Building,
Washington, D. C.:
If some of our Representatives' wives had to go out and work like I do to support my family, they wouldn't hesitate a moment in voting for your public power bill and other legislation for our benefit.
MARGARET SNYDER.

ELMHURST, N. Y., *May 9, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Our local union fully supports your fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices with traditional safeguards of consumers interests so as to spread benefits as widely as possible and make possible low-cost power. Passage of this bill will mean more jobs and increase level of economic activity for New York State.
JNO MELE,
President, Air Transport Local 504, TWU, AFL–CIO.

NIAGARA FALLS, N. Y., *May 11, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
District Council 15, OCAW AFL–CIO, representing 10,000 organized workers in the Niagara Falls, N. Y., area vitally interested in the passage of Int. S. 1823 re development of Niagara River hydroelectric under public promotion. The future economy of this entire area is closely related to the above legislation which will make available an abundance of low cost power for home and industrial consumption. Industry will have an added incentive to locate in our area thereby making more jobs available in our community. We believe that the economic welfare and expansion of the economy of the entire State of New York is closely related in S. 1823. We urge its passage.
WESLEY J. HILTS,
Secretary Treasurer, District Council 15, OCAW AFL–CIO.

NEW YORK, N. Y., *May 9, 1956.*
Senator LEHMAN,
Senate Office Building,
Washington, D. C.:
Our local union fully supports your fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices with traditional safeguards of consumers' interests so as to spread benefits as widely as possible and make possible low cost power. Passage of this bill will mean more jobs and increase level of economic activity for New York State.
FILENO DE NOVELLIS,
Manager.
ANTHONY SCIMECA,
Secretary Treasurer, United Shoe Workers of America, AFL–CIO, Joint Council No. 13.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power bill crowns a great career.
AMALGAMATED CLOTHING WORKERS OF AMERICA.

NEW YORK, N. Y., *April 30, 1956.*
Senator HERBERT LEHMAN,
Senate Office Building,
Washington, D. C.:
Congratulations on your fight in behalf of consumer of the State of New York. May license granted by the Federal Power Commission to the Power Authority of the State of New York including strong preference clause be a permanent blessing to the people of the State of New York.
MARTIN GERBER,
Regional Director, United Auto Workers.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Victory for Senate bill 1823 will confirm a permanent blessing to power consumers in the State of New York. Best wishes in your efforts in support of this measure. Accept this expression of my support in behalf of 100,000 members of the United Automobile Workers in the Northeast.
CHARLES H. KERRIGAN,
Regional Director, UAW.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
On behalf of 250,000 members of the New Jersey State CIO I strongly favor Senate bill 1823, as reported out of committee without any weakening amendments. Congratulations on your fine fight in behalf of power consumers in the Northeast.
PAUL KREBS,
President, New Jersey State CIO.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
The public favors public power. Keep up the good work.
GREATER NEW YORK JOINT BOARD OF TEXTILE WORKERS.

NEW YORK, N. Y., *May 11, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
The Transport Workers Union of America, AFL–CIO, and its more than 70,000 members employed in the bus, air, and rail, transportation and gas utility industries in the New York area are in solid support of your effort to protect theirs and their families living costs to the passage of S. 1823. This bill affords to them necessary consumer protection in the development of the Niagara River's hydroelectric resources. It will insure the lowest possible cost for power for all the people of the State and serve as a protection to the public as a yardstick against runaway power prices. It will moreover provide to the critical area of upstate New York a source of much-needed employment with resulting benefits to the entire State economy. You have the wholehearted support of TWU in your fight.
WORKERS UNION OF AMERICA, *AFL–CIO.*
MICHAEL J. QUILL,
International President.
MATTHEW GUINAN,
International Secretary-Treasurer.
FRANK SHEEHAN,
Director of Organizations Transport.

BROOKLYN, N. Y., *May 11, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
One thousand five hundred members of Local 2067, United Steel Workers of America, fully support your fight to obtain passage of S. 1823.
NICHOLAS CAPPADONA, Sr.,
Chairman, Political Action Committee.

ROSLYN, N. Y., *May 10, 1956.*
Senator LEHMAN,
Senate Office Building,
Washington, D. C.:
Our local union fully supports your fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices with traditional safeguards of consumers interest so as to spread benefits as widely as possible and make possible low-cost power. Passage of this bill will mean more jobs and increase level of economic activity for New York State.
ANTHONY MAZZOCCHI,
President, Local 14–149, Oil, Chemical and Atomic Workers International Union.

NEW YORK, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
HONORABLE SIR: Joint council representing 5,000 members fully support your fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices with traditional safeguards of consumers interests, so as to spread benefits as widely as possible and make possible low-cost power. Passage of this bill will mean more jobs and increase level of economic activity for New York State.
ADOLPH ROSENBAUM,
President, Greater New York Joint Council, Barbers and Beauty Culturists Union of America, AFL–CIO.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
People are for Lehman's public power statute.
ALLIED TRADES COUNCIL.

NEW YORK, N. Y., *May 11, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building
Washington, D. C.:
Our union fully supports your fight for passage of S. 1823 to develop hydroelectric resources Niagara River under public auspices safeguarding consumers interests to spread benefits widely as possible making possible low cost power passage of this bill will mean more jobs and increased level economic activity for New York State.
JOURNEYMEN TAILORS UNION, LOCAL 1, ACWA.

LONG ISLAND CITY, N. Y., *May 11, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
We are behind you in your fight for passage of S. 1823.
JIM TRENZ,
President, Local 463, CIO–AFL.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Lehman's power bill deserves support.
ALLIED CRAFTS UNION.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Press passage of your public power bill.
JOINT BOARD OF FUR DRESSERS AND DYERS.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Hope your public power law passes.
BROADWAY CHAUFFEURS ASSOCIATION, INC.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Your public power proposal is a very good one and should become law.
HOUSE WRECKERS UNION, LOCAL 95.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Congratulations on your fine visionary public power plan.
BARTENDERS UNION, LOCAL 15.

BROOKLYN, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
Press passage of your public power bill.
MARINE ALLIED WORKERS.

MAY 11, 1956.
Hon. HERBERT H. LEHMAN,
United States Senate:
Workers, business, industry, farm-families, and housewives in New York, New England and neighboring States will all benefit from low-cost electrical power at Niagara Falls by Lehman bill. We urge enactment of this legislation.
JACK RUBENSTEIN,
New York State Director,
Textile Workers Union of America.

MAY 11, 1956.
Hon. HERBERT H. LEHMAN,
United States Senate:
Executive Council Textile Workers Union of America, AFL–CIO, meeting in Washington, D. C., wholeheartedly endorses Senate bill 1823 for public development of Niagara hydroelectric power under specified preference provisions to furnish low cost electricity to consumers in New York, Ohio, Pennsylvania and New England.
WILLIAM POLLOCK,
Executive Vice President, Textile Workers Union of America.

WASHINGTON, D. C., *May 11, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senate:
On behalf of 13,000 textile workers in Fall River and vicinity, I urge support S. 1828 as reported from committee for development of Niagara power to insure lowering of rates now far too high in New England and nearby States.
EDWARD F. DOOLAN,
Manager, Fall River Joint Board Textile Workers Union of America.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
After careful survey of cross section of some 40,000 UAW members in Niagara frontier, we find overwhelming support for your bill S. 1823 concerning Niagara power development. Enactment of your bill will make available vast quantities of additional power at lower rates and will draw badly needed additional industry to our State and area. The UAW and its members in western New York vigorously support you in your endeavors.
HAROLD C. TROIDL,
Area Director, UAW-AFL-CIO.
JAY C. WATKINS,
Director Education and Political Action Region No. 9.

BUFFALO, N. Y., *May 10, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
The Greater Buffalo Industrial Union Council AFL-CIO representing 100,000 organized workers in the Buffalo-New York area vitally interested in the passage of S. 1823 re development of Niagara River hydroelectric under public promotion. The future economy of this entire area is closely related to the above legislation which will make available an abundance of low-cost power for home and industrial consumption. Industry will have an added incentive to locate in our area thereby making more jobs available in our community. We believe that the economic welfare and expansion of the economy of the entire State of New York is closely related in S. 1832. We urge its passage.
JAMES MILLER,
President.
JAMES STEEL,
Secretary-Treasurer.

NEW YORK, N. Y., *May 10, 1956.*
Senator HERBERT LEHMAN,
Senate Office Building,
Washington D. C.:
Local 100 Transport Workers Union of America, AFL-CIO, representing 45,000 members and their families, wholeheartedly support your efforts to secure passage of S. 1823. This bill will protect the consumers' interest in the development of the hydroelectric resources of the Niagara River. Such a measure would spread the resulting benefits to all sections of our great State and would bring the lowest cost power to our people. It would also provide a yardstick against unwarranted increases from private companies. More jobs for workers throughout the State and increased activity for our business economy would be much desired additional benefits. We in TWU are solidly behind you in this fight.
MATTHEW GUINAN,
President, Local 100, Transport Workers Union, AFL-CIO.

BUFFALO, N. Y., *May 10, 1956.*
Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Delegates to the Western New York Citizenship Council (UAW–AFL–CIO) representing 30,000 members have unanimously adopted a resolution in support of your bill S. 1823 and commend you on your fight in behalf of the power consuming public.
JOSEPH KINECKI,
President.
RALPH STONE,
Recording Secretary.

SCHENECTADY, N. Y., *May 10, 1956.*
Hon. HERBERT LEHMAN,
United States Senate,
Washington, D. C.:
District Council 3 IUE–A. F. of L.–CIO, New York State, representing 50,000 electrical workers, wholeheartedly endorse your bill, S. 1823.
JACK R. SUAREZ,
President, District 3, International Union of Electricians, AFL–CIO.

BROOKLYN, N. Y., *May 10, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Local No. 116, UAW, supports your fight to get S. 1823 passed in the United States Senate. We feel that cheaper electric power spread widely may benefit many consumers, make more jobs, and better the economy of our State in general.
Respectfully,
WILLIAM GIERSPACH,
Chairman, Legislative Committee.

NEW YORK, N. Y., *May 10, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Our union fully supports your valiant fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices, with consumers' interests safeguarded. Passage of this measure will increase employment and level of economic activity in our State.
DAVE KLEIN,
President, United Optical Workers Union, Local No. 408, IUE, AFL–CIO.

NEW YORK, N. Y., *May 10, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Six thousand members of our union support your fight to obtain passage of bill S. 1823 to develop hydroelectric resources of Niagara River under public auspices. Passage of this bill will mean more jobs and increase level of economic activity for New York State.
JULIUS SUM,
President, Local No. 338, Retail, Wholesale, and Chain Store Food Employees Union, AFL–CIO.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Our local union fully supports your fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices with traditional safeguards of consumers' interests so as to spread benefits as widely as possible and make possible low-cost power. Passage of this bill will mean more jobs and increase level of economic activity for New York State.
MICHAEL DECICCO,
Manager, Furniture Workers Union, Local 76B.

NEW YORK, N. Y., *May 10, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Local 324 ACWA Union fully supports your fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices with traditional safeguards of consumers interests.
VINCENT MESSINA,
Manager, Local 324, ACWA.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN:
LEHMAN'S public power bill should pass.
AMERICAN JEWISH CONGREGATION,
LAWYERS CHAPTER.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
We want LEHMAN'S power proposal.
DELMORE SOCIAL CLUB.

NEW YORK, N. Y.
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Hope your public power law passes.
PROFESSIONAL ARTS CLUB.

NEW YORK, N. Y., *May 9, 1956.*
Senator HERBERT H. LEHMAN,
Washington, D. C.:
Press passage of your public power bill.
ALPINE SOCIAL CLUB.

BROOKLYN, N. Y.
Senator HERBERT H. LEHMAN,
United States Senate, Washington, D. C.:
LEHMAN'S public power bill should pass.
BENSONHURST ITALIAN ORGANIZATION.

BROOKLYN, N. Y.
Senator HERBERT H. LEHMAN,
United States Senate, Washington, D. C.:
Hope your public power law passes.
HEIGHTS JEWISH CLUB.

BROOKLYN, N. Y.

Senator HERBERT H. LEHMAN,
United States Senate, Washington, D. C.:

Urge support of Senator LEHMAN's public power bill.

AFFILIATED YOUNG DEMOCRATS.

MAY 7, 1956.

Senator IRVING M. IVES,
Senate Office Building,
Washington, D. C.:

Request your cooperation and favorable vote on Lehman bill, Niagara power project. Cost of electricity to individual rate-payers as well as all industry in this area much higher than in Canadian sector or southern TVA area. Private interests attempt to gain at expense of taxpaying public who actually pay cost of improvements through Federal aid, yet power rates are increased constantly, resulting in doubled or trebled cost to user. Time the consuming public be considered.

HAROLD SMITH,
Record Section, TWUA Local 1085.

BUFFALO, N. Y., *May 9, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

The Greater Buffalo Industrial Union Council AFL–CIO, representing 100,000 organized workers in the Buffalo, N. Y., area vitally interested in the passage of S. 1823 re development of Niagara River hydroelectric under public promotion. The future economy of this entire area is closely related to the above legislation which will make available an abundance of low-cost power for home and industrial consumption. Industry will have an added incentive to locate in our area, thereby making more jobs available in our community. We believe that the economic welfare and expansion of the economy of the entire State of New York is closely related in S. 1832. We urge its passage.

JAMES MILLER,
President.
JAMES STEEL,
Secretary-Treasurer.

NEW YORK, N. Y., *May 10, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Our local union fully supports your fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices with traditional safeguard of consumers' interests so as to spread benefits as widely as possible and make possible low-cost power.

WILLIAM SWANWICK,
President, Local 292, United Paper Workers of America.

LONG ISLAND CITY, N. Y.

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Our local union fully supports your fight to obtain passage of S. 1823.

LOCAL 365 UNITED AUTOMOBILE WORKERS, CIO.

NEW YORK, N. Y., *May 10, 1956.*

Honorable HERBET H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Our local union fully supports your fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices with traditional safeguards of consumers interests so as to spread benefits as widely as possible and make possible low-cost power. Passage of this bill will mean more jobs and increase level of economic activity for New York State.

MORTIMER GELLIS,
President Local 1706, Insurance Workers of America AFL–CIO.

NEW YORK, N. Y., *May 10, 1956.*

Senator LEHMAN,
Senate Office Building,
Washington, D. C.:

Our local union fully supports your fight to obtain passage of S. 1823 to develop hydroelectric resources of Niagara River under public auspices with traditional safeguards of consumers' interest so as to spread benefits as widely as possible and make possible low-cost power. Passage of this bill will mean more jobs and increase level of economic activity for New York State.

LOCAL 169 AMALGAMATED CLOTHING WORKERS OF AMERICA.
THOMAS FLAVELL, *Manager.*

NEWBURGH, N. Y., *May 6, 1956.*

Senator HERBERT LEHMAN,
Washington, D. C.:

Pass the Niagara power project bill. Industry badly hurt due to high power cost in industry and also in rates for home use.

HELEN THOMPSON,
Local 1001.

UTICA, N. Y., *May 7, 1956.*

Hon. HERBERT LEHMAN,
Senate Office Building,
Washington, D. C.:

I feel that passage of S. 1823 and speedy processing of Niagara project under public auspices as provided by that bill is essential to meet the vastly expanding power needs of hundreds of communities in the State of New York.

RICHARD H. BALCH,
Member of Public Service Commission, State of New York.

BATH, N. Y., *May 5, 1956.*

Hon. HEBERT LEHMAN,
Senate Office Building:

Grange Neils Creek wishes you to urge support of the Lehman bill S. 1823.

GENEVA PAWLING,
Secretary.

NEW YORK, N. Y., *May 9, 1956.*

Senator HERBERT H. LEHMAN,
Washington, D. C.:

Urge support of Senator LEHMAN's public power bill.

UNITED SHOE WORKERS OF AMERICA.

NEW YORK, N. Y., *May 9, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington D. C.:

The New York State CIO Council has already gone on record in favor of development of hydroelectric resources as proposed in S. 1823 for the Niagara River and therefore strongly urges your utmost effort to obtain its passage so that the public owner of these vast and valuable resources, may obtain maximum benefit from them.

LOUIS HOLLANDER,
President.
HAROLD J. GARNO,
Secretary-Treasurer,
New York State CIO Council.

NEW YORK, N. Y., *May 9, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

On behalf of New York City CIO council and its half million members all who are constantly concerned with economic conditions in New York State we are in full support of your stand on public power utilities and send you our confident hope you will be successful in getting passage of S. 1823 which will develop hydroelectric resources of Niagara River under public auspices safeguarded in consumers' interests. This would spread benefits to the widest extent and make possible low-cost power. Passage of this bill will mean more jobs and increase the level of economic activity for our State of New York.

MICHAEL J. QUILL,
President.
MORRIS I. USHEWITZ,
Secretary-Treasurer.

TEXTILE WORKERS UNION OF AMERICA,
OFFICE OF THE EXECUTIVE VICE PRESIDENT,
NEW YORK, N. Y., *May 4, 1956.*

To the Members of the United States Senate.

DEAR SENATORS: We, the undersigned, a group of officers of local unions in New York State affiliated with the Textile Workers Union of America, AFL–CIO, once more strongly request and urge that you work and vote for S. 1823 (the Lehman bill) for the redevelopment of the Niagara River, etc.

Our union, which has a widely scattered membership in New York State, has specifically endorsed the terms and principles of the Lehman bill at at least two national conventions; we have endorsed the Lehman bill time after time at our State conventions. We insist that working people of our State are genuinely concerned with this issue and, despite the terrific and misleading propaganda of the private power companies, do understand clearly enough what is at stake in this controversy.

From the consumer standpoint, the interest of the people of New York is brutally clear: we pay roughly twice as much as we should for our electricity. As industrial employees, however, we have equally compelling reasons to be for the Lehman bill. The recent mass migration of the textile industry from several important areas in New York such as Yonkers, Amsterdam, and Utica should have shocked all public officials, as well as the average private citizen, into the realization that drastic measures must be taken if such types of manufacture are to continue to operate in this area.

One of the vital economic factors in the migration of these historic plants was the high cost of power for industrial purposes in the areas where they previously operated. Textiles and similar industries must have lower electric rates if they are to remain in New York or surrounding States.

We enclose herewith for your reference a summary of a speech on this problem made late last year by Leland Olds, formerly with the power authority of the State of New York and former chairman of the Federal Power Commission.

Hope that you will vote for S. 1823.

Sincerely yours,

Miraglia, Local 1790, Brooklyn, N. Y.; Krokenberger, Local 1303, Amsterdam, N. Y.; Campbell, joint board, Newburgh, N. Y.; Killian, joint board, Cohoes, N. Y.; Wolski, joint board, Buffalo, N. Y.; Mickus, Local 1, Amsterdam, N. Y.; Sablosky, Local 3, Rochester, N. Y.; Solimando, Local 20, Utica, N. Y.; Heitzmann, Local 41, Utica, N. Y.; Graniero, Local 42, Utica, N. Y.; Rzepka, Local 49, Buffalo, N. Y.; Greene, Local 93, New York, N. Y.; Perry, Local 129, Oswego, N. Y.; Gendron, Local 237, Cohoes, N. Y.; Epstine, Local 252, New York, N. Y.; Garrison, Local 488, Little Falls, N. Y.; Vincoski, Local 629, Salamanca, N. Y.; Smith, Local 683, Haverstraw, N. Y.; Hooper, Local 701, Fulton, N. Y.; Malone, Local 772, Little Falls, N. Y.; Murrary, Local 791, Crayville, N. Y.; Laraway, Local 792, Philmont, N. Y.; Lozier, Local 898, Newburgh, N. Y.; Bergeson, Local 938, Nassau, N. Y.; Guenther, Local 988, Port Jervis, N. Y.; Rettenbaugh, Local 1010, Conewango Valley, N. Y.; Karpovage, Local 1024, Tonawanda, N. Y.; Karagozian, Local 1032, Croton-on-Hudson, N. Y.; Kucia, Local 1067, Buffalo, N. Y.; Rusinek, Local 1095, Depew, N. Y.; Warren, Local 1122, Averill Park, N. Y.; Kossakowski, Local

1126, Cheektowaga, N. Y.; Lute, Local 1161, Lockport, N. Y.; Cole, Local 1246, Hudson, N. Y.; Simard, Local 1308, New York Mills, N. Y.; Leggio, Local 1318, Poughkeepsie, N. Y.; Bove, Local 1342, West Sand Lake, N. Y.; Murphy, Local 1326, Binghamton, N. Y.; Smith, Local 1085, Auburn, N. Y.; Chadwick, Local 856, Argyle, N. Y.; McCarthy, Local 464, Garnerville, N. Y.; Rahmlow, Local 221, Hornell, N. Y.; Barber, Local 222, Cohocton, N. Y.; Ward, Local 88, Binghamton, N. Y.

NEW YORK, N. Y., *May 9, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

On behalf of the 50,000 members of the Amalgamated Clothing Workers of America represented through the New York joint board, we express the hope you may obtain passage of S. 1823 so that the Niagara River hydroelectric potential may be publicly developed with safeguards to protect consumer interests to the end that low-cost power, more jobs and a heightened economic activity may be assured for the people of New York State.

VINCENT LA CAPRIA,
Comanager.
ABRAHAM MILLER,
Secretary-Treasurer, New York Joint Board, CWA.

NEW YORK, N. Y., *May 9, 1956.*

Senator HERBERT H. LEHMAN,
Washington, D. C.:

LEHMAN's public power bill should pass.

CITY COLLEGE CLUB.

NEW YORK, N. Y., *May 9, 1956.*

Senator HERBERT H. LEHMAN,
Washington, D. C.:

Urge support of Senator LEHMAN's public power bill.

CONGREGATION TIFFERITH ISRAEL.

SUMMARY OF SPEECH BY LELAND OLDS

The last real hope of the people of the northeastern region for large-scale development of low-cost hydro has now shifted to the Niagara redevelopment project and this hope rests on the enactment by Congress of legislation requiring its public development, with the yardstick influence protected by strict enforcement of the priority right of public and cooperative electric systems to obtain power supply from this source, and public transmission where necessary to assure this preference.

Electric rates in the New York-New England-Pennsylvania-Ohio region can be brought down to levels prevailing in the TVA market area, once the grip of private monopoly is broken. And this could well mean more prosperous rather than less prosperous private power companies providing the bulk of the electric service just as they do today, except for the new dynamic sales policy which they would acquire.

If the people of the Northeast want such lower electric rates for their homes and farms, as well as to strengthen the competitive position of their industry, they must take immediate steps to secure enactment of Senator LEHMAN's bill for public development of Niagara power * * *.

Any bill, like the Capehart bill, proposing to turn this unexcelled waterpower resource over to private development, must be blocked as an unconscionable giveaway of the people's legitimate rights.

* * * * *

Residential and rural sales alone for the last year of record amounted to $280 million for New York State and more than $820 million for the States within transmission distance of the two great power projects.

Yet, right across the Niagara and St. Lawrence Rivers in Ontario homes are paying less than half as much for the same quantity of electricity as they must pay in similarly situated New York cities for the same service and they are getting 3 to 4 times as much electricity for the same money.

Just look at Toronto and Rochester. In 1952 the average Toronto home used 367 kilowatt-hours a month and paid an average bill of $3.81 for it. A Rochester home had to pay $4.36 for only 100 kilowatt-hours. For a home using 250 kilowatt-hours the monthly bills were $3.02 in Toronto and $7.27 in Rochester.

Or take New York City, where millions of homes pay among the highest rates in the country and compare it with Windsor, Ontario, 200 miles away from Niagara Falls. The average Windsor home used 286 kilowatt-hours a month for which it paid $3.64; while the average New York home paid $4.44 for only 100 kilowatt-hours. For 250 kilowatt-hours of monthly service homes paid $3.33 in Windsor and $7.85 in New York City.

Since 1952 rates for both 100 and 250 kilowatt-hours have gone up in Rochester and New York City.

The Federal Power Commission typical bill reports show that industrial power rates are higher in the cities of New York State than in comparable cities in Ontario.

Comparisons made by the Federal Power Commission at the request of a Congressman showed that in 1950 residential service was costing the homes of New York State over $100 million more than they would have been billed at rates in the TVA area. For the group of States that might benefit from the combination of Niagara, St. Lawrence and other water power in the Northeast, the corresponding excess cost of residential electricity was running at more than $300 million a year.

The total electric bill, including commercial and industrial as well as residential service, was running about $300 higher for New York State, and nearly $900 million higher for the nine-State combination, than it would have run if TVA area rates had prevailed throughout the region.

* * * * *

New York and its neighboring States have high rates because there has been little effective public competition. If the people of the region are to obtain the lower rates that are perfectly feasible, there must be more than just public development of the mighty Niagara and St. Lawrence resources. There must be public development, plus marketing of the power under an unlimited preference to public and cooperative systems with enough public transmission to assure these nonprofit agencies, or any future public or cooperative agencies, a low-cost power supply.

Only through adoption of these marketing principles will electric rate yardsticks begin to exercise a potent effect on rates in the region.

This requires enactment by Congress of a bill for development of Niagara power with the safeguards for the public interest, including both the preference for nonprofit electric systems and public transmission, in general accord with the provisions of the bill introduced by Senator LEHMAN * * *.

Much is at stake. For the electrical age is moving rapidly forward. Abundance of low-cost power is the key to progress, to full employment, to increased productivity, shorter working weeks, and higher living standards. It means that power requirements are climbing toward 9 trillion kilowatt-hours by the end of the century, with both hydro- and atomic-power helping conventional fuel plants to carry the vast loads. It means residential and rural use exceeding industrial use within less than 20 years, if rates come down to perfectly feasible levels.

DELHI, N. Y., *May 7, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building:

Farmers in Delaware and Schoharie Counties urge approval of your bill S. 1823 for State development of Niagara Falls power. Farm electric power rates in most areas of New York are so high that many electrical farming methods are uneconomical. Preference provisions of your bill are consistent with New York law. All consumers over a wide area will benefit through the effect of yardstick rates.

ROBERT N. DONOVAN,
Delaware County Electric Cooperative.

GREENWOOD, N. Y., *May 7, 1956.*

Hon. HERBERT LEHMAN,
Senate Office Building:

I would appreciate it if you would support bill S. 1823.

MARSHALL WARINER,
Director of the Steuben REA.

DELHI, N. Y., *May 7, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building:

Domestic and rural consumers in New York need low-cost Niagara power. Only S. 1823 for construction of the Niagara project gives maximum assurance of lower electric rates. Lower rates have never been promised by sponsors of a private monopoly at Niagara Falls. Objections to preference provisions of your bill are not based upon fact. We hope your bill is approved.

STANLEY V. CAMPBELL.

BATH, N. Y.

Hon. HERBERT LEHMAN,
Senate Office Building,
Washington, D. C.:

Our 1,400 members certainly appreciate your efforts to obtain Niagara power for the people. Our loads are continually increasing and we expect this increase to continue. We are looking forward to an early passage of the Lehman-Buckley bill.

GORDON MARGESON,
Manager, Steuben Cooperative, Bath, N. Y.

PENN YAN, N. Y., *May 3, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Sincerely urge you to support public development of Niagara power.

LELAND A. WELKER,
President, Municipal Electric Utility Association of New York State.

OGDENSBURG, N. Y., *May 2, 1956.*

HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Request you work and vote for passage Puffe's development of Niagara River power bill.

J. S. GRAHAM,
Alderman, First Ward.

PLATTSBURG, N. Y., *May 2, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Urging favorable action on public development of Niagara power bill.

PLATTSBURG ELECTRIC.
JACK COGAN.

PLATTSBURG, N. Y., *May 2, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Urging favorable action on public development Niagara power bill.

ALLEN M. LIGHT.

LAKE PLACID, N. Y., *May 2, 1956.*
Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Request you take favorable action on public development Niagara power bill.
JUDSON M. WARE,
Treasurer, Lake Placid Village.

GROTON, N. Y., *May 2, 1956.*
Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Our board light commissioners urge favorable action on public development Niagara power bill.
E. H. CURTICE,
Village Clerk.

NORTH BALTIMORE, OHIO, *April 30, 1956.*
Senator LEHMAN,
Senate Office Building,
Washington, D. C.:
Am anxious to have S. 1823 passed.
THE HANCOCK WOOD ELECTRIC CO-OP.

OGDENSBURG, N. Y., *May 2, 1956.*
Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
We wish to go on record as in favor of public development of Niagara River power.
LEO F. LEGAULT,
Chairman, Municipal Power Committee of Counsel of Ogdensburg, N. Y.

COLUMBUS, OHIO, *May 2, 1956.*
Hon. HERBERT H. LEHMAN,
United States Senate,
Washington, D. C.:
We are supporting your bill on Niagara in the interest of rural consumers of electricity in the northern half of Ohio.
HOWARD A. CUMMINS,
Executive Manager, Ohio Rural Electric Cooperative, Inc.

CLAIRSVILLE, OHIO, *April 30, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Congratulations on getting your bill out of committee for redevelopment of Niagara. We are requesting support by our Ohio Senators.
L. W. PETERES,
President, Belmont Electric Cooperative.

COLUMBIA CITY, IND., *April 30, 1956.*
Senator LEHMAN,
Senator Office Building,
Washington, D. C.:
Believe S. 1823 to be in public interest and should be passed.
WHITLEY COUNTY REMC,
RICHARD C. SMITH, *Manager.*

FINDLAY, OHIO, *April 30, 1956.*
Senator HERBERT H. LEHMAN, of New York,
United States Senate Building,
Washington, D. C.:
We urge your vote for S. 1823 as we are confident that it is the most fair and equitable method to develop Niagara power.
JOHN S. SAWVEL,
Consulting Engineer.

CARROLLTON, OHIO, *April 30, 1956.*
Senator HERBERT LEHMAN,
Senate Office Building,
Washington, D. C.:
We are supporting your bill on redevelopment of Niagara power. Will do everything we can on this matter.
BOARD OF DIRECTORS, CARROLL ELECTRIC COOPERATIVE, INC.,
PAUL SHEPHERD, *President.*

MARION, OHIO, *April 30, 1956.*
Senator LEHMAN,
Senate Office Building,
Washington, D. C.:
We want to thank you for your fight on the development of Niagara. If we can help in this fight, call on us.
KENNETH KINSLER,
Marion Rural Electric Co-op, Inc.

COSHOCTON, OHIO, *April 30, 1956.*
Senator HERBERT LEHMAN,
United States Senate,
Washington, D. C.:
We are supporting Senate bill 1823 100 percent. Ohio Senators have received 30 letters from this area urging their support.
OWEN MANNING,
Manager, Tuscarawas-Coshocton Electric Co-op.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
O. R. JERMILLLIAN CONTROL CO.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
HUSING & SON MEAT PACKERS.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
BLOOMS RESTAURANT.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
ROTH & SON MANUFACTURING.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
JOHNNY GOLF RANGE.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
BIDLACKS TRUCK STOP.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
HOBBS BROS. SAND & GRAVEL CO.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
BRINKMAN TURKEY FARMS.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
O. P. BROUGH QUARRIES.

FINDLAY, OHIO, *April 30, 1956.*
Senator LEHMAN,
Washington, D. C.:
We are backing your bill S. 1823.
L. C. GERDEMAN & SON.

UTICA, OHIO, *April 30, 1956.*
Senator LEHMAN,
Senate Office Building,
Washington, D. C.:
Our 5,500 co-op farm members continue their active support of your bill for Niagara development, essential to assure them of continual source of economical co-op power for farm production needs.
LICKING RURAL ELECTRIC,
C. D. DUNLAP.

PAULDING, OHIO, *May 1, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
We commend you for your untiring efforts in behalf of the people's best interest. We trust your Niagara bill becomes a reality.
FRANK B. WORKMAN,
President, Paulding Putnam Electric Cooperative, Inc.

NAPOLEON, OHIO, *May 1, 1956.*
Senator LEHMAN,
United States Senate Building:
We are giving the Niagara redevelopment bill strong support here in Ohio.
F. BYRON WORTMAN,
Manager, Tricounty Rural Electric Co-op.

MASSENA, N. Y., *April 28, 1956.*
Hon. HERBERT H. LEHMAN,
Senate Office Building:
The people of Massena are in favor of your bill for the Niagara redevelopment project, Senate 1823.
LAURENCE WHITE,
Acting Mayor.

BATH, N. Y., *May 1, 1956.*
Senator HERBERT LEHMAN,
Senater Office Building,
Washington, D. C.:
Urge favorable action public development of Niagara. Repeat "public." Historic position of municipal electric operation fosters competition in private monopoly enterprise; much needed for people of your State and Northeast. Policy established by State long ago proved by time. Our authority, New York State, only logical solution.
MUNICIPAL UTILITIES COMMISSION,
B. R. LAPP, *Superintendent.*

SYRACUSE, N. Y., *May 2, 1956.*
Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Urge your support of bill favoring public development of Niagara Falls power potential and preference conditions for public agencies.
Mayor STANLEY E. MAJOR,
Village of Solvay, N. Y.

SPRINGVILLE, N. Y., *May 2, 1956.*
Senator HERBERT LEHMAN,
Washington, D. C.:
Village board of trustees of Springville urge favorable action on Lehman bill for Niagara development.
T. J. KENNY,
Village Clerk.

LITTLE VALLEY, N. Y., *May 2, 1956.*
Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
Urge favorable action on public development Niagara power bill.
VILLAGE OF LITTLE VALLEY,
W. F. ANDREW, *Mayor.*

DUNKIRK, N. Y., *May 2, 1956.*
Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:
The city of Dunkirk, N. Y., respectfully urges your most vigorous action to expedite the passage of the Lehman-Davidson bill for the public development of Niagara power. The passage of this bill is most vital to the

industrial needs and economic welfare of our entire community.

G. WARD YEOMANS,
General Manager, Dunkirk Municipal Water and Electric Department.

PLATTSBURG, N. Y., *May 1, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Our citizens urge you oppose private power development of Niagara Falls and support public power development.

S. W. NILES.

WELLSVILLE, N. Y., *May 1, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

The Water and Light Commission of the village of Wellsville supports development of the Niagara Falls power project by the New York State Power Authority. Please make effort and use all influence possible to cause favorable action on this bill in the Congress.

WATER AND LIGHT DEPARTMENT,
FRED M. LEIPER, *Superintendent.*

CHERRY CREEK, N. Y., *May 1, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

We thank you for your support of Lehman-Buckley bill and urge your efforts for preference clause in best interest of public consumers of electric power.

C. M. VAN WORMER,
Manager, Chautauqua-Cattaraugus Electric Co-op.

FREEPORT, N. Y., *May 1, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

The Municipal Electric Utilities Association of New York State respectfully urges favorable Senate action on the public development of Niagara power which will be in the interest of all the people of the State of New York.

MILFORD F. VAN RIPER,
Executive Secretary.

SHERBURNE, N. Y., *May 1, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Urge favorable action on Niagara power bill to be on Senate floor May 3.

GEORGE B. SLEEPER,
Village Clerk.

HARTWICK, N. Y., *May 1, 1956.*

Senator HERBERT LEHMAN,
Senate Office Building,
Washington, D. C.:

We have sent telegrams supporting your bill S. 1823 we know and appreciate that you will do all possible to secure passage.

BOARD OF DIRECTORS,
Otsego Electric Cooperative.

AKRON, N. Y., *May 1, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Urge your continued support for public development of Niagara power. The Lehman bill provides the only method of construction of this project in a manner that would be consistent with our national policies.

RALPH G. DICKINSON,
Village Clerk-Treasurer, Village of Akron, N. Y.

HERKIMER, N. Y., *May 2, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

We urge every effort to secure public development of Niagara power.

MOHAWK MUNICIPAL COMMISSION.
O. E. DAY, *President.*

PLATTSBURG, N. Y., *May 2, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Urgent your full support to public development of Niagara power. Natural resources belong to the people.

JOHN F. LONG.

PLATTSBURGH, N. Y., *May 1, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Urge you give favorable consideration to public development of Niagara Falls for the benefit of all the people.

W. W. GOTTBURG.

ILION, N. Y., *May 1, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Realizing that the redevelopment of the power potential of Niagara Falls would provide a crucial test of our Nation's natural resources and power and its benefits would be available to local public agencies, rural electric cooperatives, and to neighboring States, we, therefore, earnestly urge full support by the United States Senate of Senator LEHMAN's bill, S. 1823.

ILION BOARD OF LIGHT COMMISSION.
RAYMOND A. BECKER,
Electric Utility Manager.

PENN YAN, N. Y., *April 30, 1956.*

Hon. HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

Respectfully urge favorable Senate action on your bill for public development Niagara power.

PAUL R. TAYLOR,
Counsel, Municipal Electric Utilities Association of New York.

POTSDAM, N. Y., *April 27, 1956.*

Senator HERBERT H. LEHMAN,
Senate Office Building,
Washington, D. C.:

We heartily concur and support the Niagara public-power bill, S. 1823. We recognize your long and arduous work on this public-power development you certainly have our support.

CHATEAUGAY COOPERATIVE MARKETING ASSOCIATION.

Mr. LEHMAN. Mr. President, this is a large number of telegrams, but it is small in comparison with the total number which I have received in my office.

I shall be very glad indeed to yield now to the distinguished senior Senator from New York.

Mr. IVES. Mr. President, does the Senator yield the floor?

Mr. LEHMAN. Yes, unless the Senator wishes to interrogate me, in which case I should be very glad indeed to submit to his questioning.

Mr. IVES. No; I would rather speak in my own right, if that is agreeable.

Mr. LEHMAN. Mr. President, I yield the floor.

Mr. IVES. Mr. President, in the first instance, I wish to point out that much of the matter about which my colleague from New York has been speaking, I covered in my remarks earlier today. I am sure he would be the last to make a statement that organizations like the Federation of Labor of the State of New York, the Utility Workers of America, CIO, the New York State Farm Bureau, the New York State Grange, the Empire State Chamber of Commerce, and the Association of Towns in the State of New York are not representative organizations in the State of New York.

While I am at this point, I should like to suggest that, after all, it is the towns which represent the people of the State of New York who are the rural constituents, as it were. After all, when it comes to the REA and the cooperative production of electricity, I think the Association of Towns, probably as nearly as anyone else, represents the rural people of New York State.

The Association of County Supervisors of the State of New York also is a very important organization in the representation of the rural people of the State of New York. I think the Association of Towns and the Association of County Supervisors of the State of New York represent the rural people of New York State more than any other official organization.

I am certain that my colleague will agree that the Associated Industries of the State of New York is an important organization, representing hundreds of thousands of persons in the State, and, through their individual membership in it, various groups, associations, and connections.

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

Mr. IVES. I yield.

Mr. LEHMAN. If the Senator listened to my remarks, I think he will recall that I did not question the fact that my senior colleague had received these telegrams. The thesis which I followed was that those persons or groups did not object to my bill alone, but objected to any bill which included or provided for public development. In other words, those persons are not so much against my bill as they are for S. 6, the Capehart bill. They want private development.

The Senator mentioned the Associated Industries of the State of New York. That is a great organization, an organization which is composed of many very responsible and reputable persons and firms. They are entitled to their judgment, just as I am entitled to my judgment; but they have always favored private development of the water resources of New York State, as far back as my memory goes—and it goes back 30 years, or almost 30 years.

The Chamber of Commerce, Associated Industries, and organizations of that sort, have strongly favored the private development and have strongly opposed the public development of the water resources of New York State.

I may go further and say that the Chamber of Commerce of the United States and similar organizations have opposed public development in all sections of the United States, unless such development was of a type in which private organizations were not interested, and did not want to risk their money.

Mr. IVES. My emphasis was not on the Chamber of Commerce of New York State, although that organization happens to be in favor of private development; nor was my emphasis on the Associated Industries of New York, although, as I stated, they favor private development, too. I was merely pointing to a group of organizations in the State which are very powerful in their membership and influence throughout the State.

Among those organizations is the Federation of Labor of the State of New York, whose influence in the State I feel certain my colleague will not belittle, and from whom I read a letter this morning during the course of my remarks before the Senate. It was from Mr. Harold C. Hanover, secretary-treasurer of the Federation of Labor of the State of New York. That organization has consistently opposed public development. I have not agreed with them on that. I think my colleague is a little off the track when he assumes I am taking the position that these organizations have taken with respect to private development.

Mr. LEHMAN. Not the labor organizations.

Mr. IVES. I am pointing out the organizations in the State of New York which are opposed to public development. They are opposed to the Senator's bill as it stands now. They have said so in letters which they have written to me. Probably they would be opposed to the bills I introduced in the 82d and 83d Congresses.

But this simply proves that neither my colleague nor I can say that the vast majority of the people of the State of New York are for this thing or that thing. The truth is that we do not know. We do not know how the vast majority of the people of the State of New York stand on this question.

As I said in my remarks this morning, it is probably unfortunate that we could not have a referendum this fall, or sometime, on this question, to find out how the people stand.

Personally in the past I have always been in favor of the State development of the Niagara River.

Mr. President, while my colleague is present, I wish to point out that at no time, in any campaign in which I have been engaged in the State of New York, has this question ever been an issue. It was not when he and I ran against each other, because we were both for public development. The question was not an issue in the last campaign when I ran against Governor Harriman. At no time was it mentioned by me in the campaign. I do not recall that it was mentioned by Governor Harriman in that campaign. Consequently it has never been an issue in the State of New York, so far as I am aware. But I do say there is a question as to how the people of the State of New York stand on this subject.

I have in my hand a letter I shall read into the RECORD. It is a photostatic copy of a letter sent to my colleague and sent to me, so I assume it is for public consumption and that there is nothing private about it. The letter is dated June 11, 1955. That was about a year ago, but it is as applicable now as it was then. At that time hearings were being held on this question. The letter was written by Andrew J. McMahon, president of the Utility Workers of America, CIO, local 1–2.

Before I begin to read the letter, I should like to point out that my colleague mentioned a great many leaders in the CIO in New York State. Perhaps they are in favor of public development of the Niagara River. I do not know except from what he has given us for the record, and I do not question it. I think it is undoubtedly true and accurate. But I want to point out that another great segment of labor in the State of New York is not in favor of public development. They disagreed with my colleague and myself on this question, and they have every right to disagree, and they constitute probably half of the labor body in the State of New York. The Federation membership is very large in the State.

I do not think either of us can say that the people stand either one way or another on this question. We simply do not know. It has never been an issue in the State of New York for years. Back in the twenties it was, when there was a certain amount of exploitation, but not since my colleague and I have been active in the political field of the State has it been an issue in any campaign that I know of.

Let me read from the letter from Mr. McMahon, president of the Utility Workers Union of America, CIO, local 1–2. The letter is dated June 11, 1955, and is addressed to the Honorable HERBERT H. LEHMAN, Senate Office Building, Washington, D. C.:

DEAR SENATOR LEHMAN—

This comes from the CIO, mind you, Mr. President, not from the American Federation of Labor—

I listened with great interest to your testimony on the Niagara bills before the House Committee on Public Works on Friday, June 10. It is regrettable that you were unable to remain for my appearance, which followed yours. For that reason, I am taking the liberty of enclosing a copy of my presentation.

Mindful of the time and energy you have devoted to this Niagara problem, I am confident that you will welcome 1 or 2 observations which I feel impelled to make. In testifying, you stated that the great body of unionists would be in favor of public development of Niagara, and you mentioned the International Ladies' Garment Workers Union, AFL, and the Amalgamated Clothing Workers Union, CIO, as illustrations of this fact. There are two readily apparent weaknesses in that statement.

In the first place, needleworkers do not work in the electric light and power field, and it is not their wages, hours, and working conditions that are at stake. Knowing the native prudence and hard-earned thrift of most of the workers in the garment trades, I am sure that they would be the first to arms if their interests were directly affected. I don't think any of them would be too happy if they actually knew that part of their tax payments are being used to pay part of the electric-light bill for people in other areas whom they have never seen.

In the second place, each and every needleworker has not been given the facts. In contrast, however, the communication lines have been set up in the electrical unions. On this vital question ours is an informed and vigilant membership. Because of my many appearances before governmental bodies, the the record shows that the position taken by the Utility Workers' Union of America, CIO, is known by every member of our union throughout the United States. This is also true of the International Brotherhood of Electrical Workers, AFL. Our combined membership is in excess of 700,000 in every major city, in every industrial center, and in every State of the Union.

It is imperative that you and all other legislators involved realize that our position was arrived at as a result of official meetings, conferences, and conventions. The unanimous votes of our membership, resulting in scores of petitions and resolutions, were made possible because of the bitter experience our membership and our union as a whole have had in attempting to live with and work with Government power projects at the Federal, State, and local level. Annexed hereto is a list of 44 labor bodies in the State of New York and elsewhere who share our opinion.

On September 20, 1951, you and I both appeared before the House Committee on Public Works and testified on the same Niagara project. The record of that hearing contains statements by you which show that you were then very mindful of the basic objections which my union has to Government operation in the light and power industry. On the record you said that our valid and weighty objection that workers on Government power projects were not covered by the provisions of either the Davis-Bacon Act or the Walsh-Healey Act could be met with new legislation—that legislative means could be found to insure genuine collective bargaining for such workers—and you also added that our objection on the question of taxes could be satisfactorily met.

In addition to what the record contains, you told me in the corridor on that same day, after the hearing, that legislation would be designed to meet our objections to the then Lehman-Roosevelt bill. Almost 4 years have passed and you have done nothing. Your current bill makes no reference to our problems, and in your lengthy appearance on Friday you said nothing about them.

In the true spirit of fashioning a better democracy, I welcome the conflict of ideas and objectives which is an essential part of our system of government. I would not, however, like to feel that you regard our objectives on such issues as wages, hours, and working conditions—true collective bargaining and equitable taxes—as beneath your notice and attention.

So that there can be no misunderstanding of our position and purpose, I am sending a copy of this letter to each member of the Public Works Committee of the House of Representatives.

Respectfully yours,

ANDREW J. MCMAHON,
President.

Mr. McMahon is president of the Utility Workers of America, CIO, local 1–2.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD the enclosure in the letter.

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

LABOR ORGANIZATIONS WHO HAVE ADOPTED RESOLUTIONS IN FAVOR OF PRIVATE INDUSTRY BUILDING THE NIAGARA PROJECT

FROM NEW YORK STATE

New York State Federation of Labor; Utility Workers Union of America, CIO; New York State Association of Electrical Workers; Bricklayers, Masons and Plasterers International Union of America.

Binghamton: International Brotherhood of Electrical Workers, Local 1125.

Brewster: International Brotherhood of Electrical Workers, Local 994.

Buffalo: American Federation of Grain Millers Local No. 110; Bakery & Confectionery Workers, Local 16; Bakery & Confectionery Workers, Local 431; Bookbinders & Bindery Workers, I. B. of B., A. F. of L., Local 17-34; Building and Construction Trades Council of Buffalo & Vicinity; Hotel Service Employees Local 181 of the Building Service Employees; IAIU, A. F. of L., Local 78; International Alliance Bill Posters, Billers, Distributors of United States & Canada, Local 24; International Association of Bridge, Structural & Ornamental Iron Workers, Local 6; International Brotherhood of Electrical Workers, Local 1339; I. L. G. W. U., Local 50; Journeymen Barbers Union, Local 141; Musicians Association of Buffalo, Local 43; Painters, Decorators & Paper Hangers of America, Local 1581; Photo Engravers Union, Local 4; Tug Firemen, Linemen, Oilers and Watchmen's Protective Association of American, Local 1728; Typographical Union No. 9; Wardrobe Checkers Local 65.

Chatham: International Brotherhood of Electrical Workers, Local 1143.

Elmira: International Brotherhood of Electrical Workers, Local B1111; Painters, Decorators & Paper Hangers, Local 324.

Geneva: International Brotherhood of Electrical Workers, Local 249.

Ithaca: International Brotherhood of Electrical Workers, Local 961.

Kenmore: International Chemical Workers Union Local 76.

Lancaster: International Brotherhood of Electrical Workers, Local B966.

Liberty: International Brotherhood of Electrical Workers, Local B945.

Niagara Falls: International Union of Operating Engineers, Local 463.

Oneonta: International Brotherhood of Electrical Workers, Local B992.

Poughkeepsie: Building & Construction Trades Council of Dutchess County and Vicinity; International Brotherhood of Electrical Workers, Local 320.

Syracuse: International Brotherhood of Electrical Workers, Local 1249.

Utica: International Brotherhood of Electrical Workers, Local 310.

OTHER STATES

Connecticut: A. F. of L., Local Union 1226, I. B. E. W., Montville.

Michigan: Seafarers International Union of N. A., Great Lakes District, Detroit.

New Jersey: New Jersey State Federation of Labor, Newark.

Pennsylvania: Pennsylvania State Electrical Workers, Association, A. F. of L., Harrisburg; Central Labor Union, Johnstown.

Mr. IVES. Mr. President, I merely cite that letter to point out that neither my colleague nor I can make any statement to the effect that labor in New York State is overwhelmingly one way or the other on this question. The CIO seems to be, to some extent, at least, with the exceptions I have pointed out in my remarks—and they are rather important exceptions—in favor of public development. The AFL seems to be strongly in favor of private development. But that does not mean anything so far as our arriving at a conclusion here is concerned.

Mr. President, I would have preferred to delay what I am about to say until tomorrow, but I shall say it now, in order that the RECORD may be perfectly clear. I do not think we are getting anywhere with this particular piece of legislation. As my colleague knows, and as I pointed out in my remarks this morning, and as I have represented just now, in the past I have been consistently in favor of State development of the Niagara River by the State power authority.

Now, let us be realistic about this. We all know that the action the House of Representatives has taken so far on this question has been entirely in the opposite direction. In the last Congress—the 83d Congress—the House voted, by a vote of 262 to 121, in favor of private development under a bill which I assume is very similar, if not identical, to the bill being sponsored by the Senator from Indiana [Mr. CAPEHART]. No other action has been taken on the subject in the House of Representatives; and, so far as we know, today the sentiment in the House is very little changed from what it was in the last Congress.

Therefore, Mr. President, I think we are on the wrong tack. In my opinion we have no business trying to pass a bill which, based on our past experience, we know will not be acceptable to the House of Representatives.

I realize what my colleague said in his speech on yesterday; I read it very carefully. I realize that a bill similar to his has been introduced in the House of Represtatives by Representative BUCKLEY, chairman of the Public Works Committee. I know that the House of Representatives could, if it wished to, pass that bill at this session. But I believe that nothing of the kind will be done, no matter what the Senate does. I do not think that bill will be passed by the House of Representatives; and I think that all our effort in that connection and in connection with my colleague's bill at this session will be utterly futile. I think we had better reorient ourselves. After the 6 years during which we have been considering this matter, I think the time has come for us to sit down and review the situation as we find it today.

All of us know that since 1950 we have made no progress whatsoever in obtaining the redevelopment of the Niagara River. I wish to point out that the important issue before us is the redevelopment of that river; nothing is so important as that. The question as to whether it should be done by the State of New York or whether it should be done by the private utilities is secondary, as compared to the question of getting action on the project.

I have lived with this issue a long time, and I have convictions on it. As I have pointed out time and again, my colleague and I in principle are not apart to any great extent. We are apart only as to the method, as to how it should be done.

I can assure my colleague—and he will have to agree with me—that he cannot say, any more than I can, that the overwhelming opinion of the State of New York is either this way or that way, for we simply do not know what it is today.

In light of that situation, Mr. President, I feel very strongly that the bill should go back to the committee—not with the idea of having the committee hold more hearings on it—not by a long shot. Neither the Senate Committee on Public Works nor the House Committee on Public Works needs take any action of that kind; it is not necessary at all. We have spent years on this question; three Congresses have worked on it. So the Members of Congress should know the issue; but they do not know the situation which actually exists in the State of New York.

I shall not make such a motion, Mr. President; but during the debate I think a motion should be made to send the bill back to the committee, not with instructions to the committee to come forth immediately with another measure in lieu of this one, but with the idea of having the parties in interest—the State of New York, where over a period of more than 20 years, both parties have stood steadfastly in favor of public development, and the parties in interest on the other side, in other words, those who want private development—get together and work out some kind of compromise.

Over the past number of years, I have had a little experience in this matter. I have been trying to get the parties in interest to compromise. There is plenty of room for compromise. That can be done by both the State of New York and the private companies. There is no reason in the world why the matter cannot be handled in that way, if the parties in interest are of a mind to get together and sit down and work it out.

I am not now offering a suggestion as to a plan. In the past I have offered several, and several others have been brought to my attention. But if we are to have action taken on this matter at any early date, a compromise must be reached.

I can assure my distinguished colleague from New York that if his bill were to be passed by the House and the Senate, litigation would be involved; I do not think there is any doubt of that. Or if my bill, which I introduced in the last two Congresses, were to be passed by both Houses, there would still be litigation. Or if the private bill were to be passed by both Houses, there still would be litigation and delay. We do not want that to happen. The time has come when we must get together on this question, for the sake of the people of the State of New York.

I trust that this matter will not become a partisan one. It never has been, for me; and it will not be good for the State of New York if the matter does become a partisan one. It will be very bad for New York if it does.

I trust that my colleague and I can view this matter, not as Democrats or Republicans, but as citizens of the State of New York, and can get the divergent groups together. I shall be very glad to lend my ability to any such move as that.

That is all I have to say at this time, Mr. President; but I think what I have said is most important for consideration.

Mr. LEHMAN. Mr. President, will my colleague yield to me?

Mr. IVES. Certainly.

Mr. LEHMAN. Mr. President, my colleague has brought up a question, and has expressed the hope that this matter will not be a partisan one. I wish to make it very clear that it is not in the slightest degree a partisan matter, and could not be made one.

I wish to point out to my colleague from New York that the public development of the water resources of New York State has been favored, so far as I know, by every Governor of New York in the past 40 or 50 years, with possibly one exception. It goes back to the days of Theodore Roosevelt, a Republican, as Governor of New York. Next came Charles Evans Hughes, a Republican. A little later came Alfred E. Smith, a Democrat; and Franklin Roosevelt, a Democrat; and then myself, a Democrat; and then Thomas E. Dewey, a Republican; and now Averell Harriman, a Democrat. Every one of those Governors has favored public development of the water resources of the State of New York, on the St. Lawrence and the Niagara.

So how can my colleague try, here on the floor of the Senate, to give the impression that partisan politics is being injected into this matter? That is not so, because every Governor of the State has favored this proposal. The matter has been laid before the people of New York time after time after time; and, as I said yesterday, I do not believe that anyone who favored private development of these resources would dare face the electorate of the State of New York. I wish to make that very clear to my colleague from New York.

Mr. IVES. Mr. President, I believe I still have the floor, do I not?

The PRESIDING OFFICER (Mr. SPARKMAN in the chair). The senior Senator from New York has the floor.

Mr. IVES. Mr. President, I wish to point out that in no way did I state that this matter has become a partisan issue. My plea was that it never become a partisan issue.

Mr. LEHMAN. It never will, so far as I am concerned.

Mr. IVES. Neither will it, so far as I am concerned. But that is what it seems to be turning into.

Mr. HILL and Mr. BUSH addressed the Chair.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. HILL. Mr. President——

The PRESIDING OFFICER. Let the Chair state to the Senator from Connecticut [Mr. BUSH] that, according to the list provided the Chair, the name of the Senator from Connecticut does not appear on it. However, the Chair will be glad to recognize the Senator from Connecticut at the conclusion of the speech of the Senator from Alabama.

Mr. BUSH. I thank the Presiding Officer for his courtesy. I do not feel abused, or that I have any particular right in the matter. I thought my name was on the list; it was, this morning. However, that is quite all right.

The PRESIDING OFFICER. The Chair will be very glad to recognize the Senator from Connecticut at the conclusion of the speech of the Senator from Alabama.

Mr. BUSH. Mr. President, I shall be glad to listen to the speech of the Senator from Alabama; I am sure it will edify us on this issue.

Mr. HILL. Mr. President, I appreciate the courtesy of the Senator from Connecticut. We have just had the benefit of the discussion by our two friends, the Senators from New York.

Mr. IVES. And we are friends, I can assure the Senator from Alabama.

Mr. HILL. I appreciate that, of course.

Mr. President, the power of Niagara must be harnessed, not only to the full extent of its potential, but under conditions which will insure that the tremendous output of this project will be sold at the lowest possible cost and marketed under policies insuring that all of the people will benefit, not merely the private power companies.

The legislation which this body is debating today contains a most important restatement of our 50-year-old national power policy. It combines the best and most progressive features of a number of our most important Federal statutes concerning the marketing of power and its transmission. Through S. 1823 alone will the publicly and cooperatively owned electric utilities receive a fair share of Niagara power. Through this bill the cooperatives and municipalities would receive their fair share of Niagara power.

We must not overlook the importance of these utilities to their communities and to the Niagara area as a whole as we consider the bill before us today. These publicly owned electric systems were providing a yardstick of electric service before TVA or Bonneville were born. They endured abuse from the private power monopolists before there were Federal power system to attack. In the Insull era of electric service the propaganda arm of the private companies branded them as "socialistic," a word which since has been applied to such great Federal enterprises as the TVA.

Yes, in the twenties the private power monopolists went all out to discredit and destroy the existing municipal systems. Many of the smaller and weaker municipal utilities succumbed to the propaganda attacks, but a significant number survived.

Why did the private utilities exert so much effort to destroy local public power? For the same reason that they now try to destroy the Federal power program. Privately owned utilities cannot endure the competition provided by the examples of public service—these yardsticks—lest they be forced to risk a little money and to use a little effort to build the consumption of electricity by pushing sales at lower rates.

The hostility is the same whether the competition is provided by an isolated municipal plant in upstate New York, an independent cooperative, a public utility district in the Northwest, or a great publicly owned power system like the TVA. The pattern of attack is the same. The utilities which are owned and managed for profit are determined not to find an easy coexistence with utilities which are operated with a view to giving the best possible service to the largest number of people at the lowest possible cost.

What I am deeply conscious of today is that the Niagara issue as it faces us in the Senate, and as it faces the people of the Northeast, involves a renewed attack on a power policy pioneered by local public power systems.

Too long have the people in this area, blessed as they are with a hydro resource which for sheer size and economy exceeds any other in our land, been denied the economic blessings which should be theirs from its full development. Too long have the private power companies underdeveloped this site and obstructed its maximum use.

Too long have the private power companies employed the divisive, emotional, and irrelevant arguments of their propaganda and lobbying arsenals to blind the public to the real issue at Niagara. Too long have these private monopolies attempted to take on the coloration of free, competitive enterprise and to give the impression that they are a squad of heroic St. Georges, battling all alone to save private enterprise from the dragon of "creeping socialism," a term applied with fine impartiality to any proposal by the people or their elected representatives to develop a resource which belongs to each and every American citizen.

Let us not confuse ourselves as to who is St. George and who is the dragon. In every river basin in the land the embattled people are the St. Georges and the power monopoly is the dragon. Let us not forget that our responsibility is to the common good, and not merely to the corporate good.

The issue of S. 1823 must not turn on whether it makes a few power companies happy or unhappy. It goes, almost without saying, that their lamentations over such developments as TVA, Hoover Dam, Grand Coulee and other fights the private power fraternity have lost to the people, have turned out to be lamentations only. From these great public enterprises the private companies have greatly benefited. The people showed them the way by the public power yardstick idea—how they could lower their rates and generate and sell more power at the same time to each individual consumer.

The people can show the way at Niagara, but only if we in Congress insure them a fair share of Niagara power. Without the safeguards which appear in S. 1823, monopoly can take over at Niagara. What this could mean to the region is perhaps best set forth in the words of the late Gifford Pinchot, when in 1925 he transmitted the report of his "Giant Power Survey Board" to the General Assembly of Pennsylvania. Governor Pinchot said:

> It is impossible to imagine the force and intimacy with which such a monopoly will touch and affect, for good or evil, the life of every citizen. The time is fully in sight when every household operation from heating and cooking to sweeping and sewing, will be performed by the aid of electric power; when every article on the average man's breakfast table, every item of his clothing, every piece of his furniture, every tool of his trade, that he himself did not produce, will have been manufactured or transported by electric power; when the home, the farm, and the factory will be electrically lighted, heated, and operated; when from morning to night, from the cradle to the grave, electric service will enter at every moment and from every direction into the daily life of every man, woman, and child in America.

This was extraordinarily prophetic, delivered in 1925, before the great de-

velopment of the electro-process industries, before the days of the heat pump, before the days of the completely air-conditioned home or place of business, before the days of rural electrification, before the dawn of automation in industry, on the farm, in the office, and in the home, long before the days when the propagandists of monopoly could engage the attention of the eyes and ears of all America with radio and television programs.

Governor Pinchot added that the unregulated domination of such a necessity of life would give to the holders of it a degree of personal, economic, and political power over the average citizen which no free people could suffer and survive.

Governor Pinchot's message was delivered at about the time in the history of America's electric power industry when the number of publicly owned electric systems was beginning to slide downward from more than 3,000 in 1923 to about 2,000 at the beginning of the 1930's. Due in part to technological advancement, private power systems were launched on an expansion which was to make them regional in size. The very existence of small, publicly owned systems—the most effective check on the growing private monopolies—was threatened because they stood alone and independent, many with increasingly uneconomic sources of generation, as great combinations of capital permitted larger and larger units to develop and merge under private operation. There was then no public instrument to provide a regional source of power supply for municipal electric systems.

Great hydroelectric resources belonging to the people existed. They were awaiting development. Bust most municipal systems had no access to these resources nor the ability to finance such major undertakings. Then the Federal Government stepped in, and with the Boulder Canyon Act of 1928, the country's largest municipal electric system, the Los Angeles Department of Water and Power, was able to turn to partnership with the Federal Government. A new source of water and power for the city's use was created by the multipurpose development of the Colorado River.

Five years later the act creating TVA was passed. A regional corporation was established to control the waters of the Tennessee and its tributaries, so that the people might have the greatest possible benefit from the multipurpose development of this great natural resource. Power was to be provided for the people to use in their homes, on their farms, and in their business enterprises, with preferences in the sale assured to municipal and other nonprofit systems of distribution and to REA cooperatives.

When, in 1939, Congress authorized the TVA to purchase the generation and transmission facilities owned by certain private companies, and the municipalities and rural co-ops purchased their distribution systems, a great regionwide partnership was developed, the Federal Government owning and operating the wholesale end of the power business, with ownership and management of 148 power distributors vested in the people of the area. Today those distributors are delivering power to more than a million and a quarter consumers, the region's thriving commercial and industrial establishments and farms and homes where the average use of electricity has risen from about 600 kilowatt-hours a year prior to TVA to a new mark of a 5,200 kilowatt-hour average last year, and the number of customers is six times what it was before the partnership was born.

That is the kind of record being made all over the country wherever a genuine partnership exists between public-power agencies, where both parties to the arrangement recognize the obligations of public service, where both local and Federal management want to serve the greatest number of people at the lowest possible cost.

It is worth pointing out that never before in the history of the electric utilities has their financial strength and solvency and thus their ability to attract risk capital for new plant and facilities been so firm as it is today. Moreover, their common stock earnings have increased tremendously, and their revenues as well.

So, in discussing S. 1823, I wish to address myself to more important aspects of the Niagara issue than the lamentations of some utilities which would have us believe that the infusion of a little competition from low-cost public power into their areas would cause ruin.

It is time to cease to predicate our making public power policy on whether it will please or displease some multi-hundred million-dollar private monopoly, such as Niagara-Mohawk, but rather, give attention to the welfare of the consuming public as well as the publice power groups which must have some sources of power generation other than those of privately owned power companies that wish them nothing better than extinction.

During the past 3 years too little attention has been paid to the ultimate consumer and the nonprofit utility in the administration's power policy.

Every program of the past, in river basin after river basin, has been designed and carried out to benefit the man whose meter hangs on his back porch. It is time we got back on that track. Every one of our public river developments must have that as one of its primary considerations. If this is done, history shows, corporate profits will take care of themselves.

That is the story in the Southeast, where TVA operates. That is the story in the Southwest where the Southwestern Power Authority operates. That is the story in the great Northwest, where the Bonneville and Grand Coulee and other great public power developments operate.

It is very seldom, if ever, that consumers are organized and can, like the private power companies, support high-paid lobbyists in Washington, or multi-million-dollar carpaigns in magazines, newspapers, and over radio and television to deluge the public with their story.

Is this great body, which should be the lobby for all the people, which should represent all the people, to fail to speak for the power consumers of America, including those of the Niagara area, because the consumers are unorganized? Are their needs any less for their lack of paid spokesmen or high-powered propaganda? Are their pocketbooks any less worthy of being protected than the coffers of the power monopoly?

Mr. President, the people of the Niagara area, within some 300 miles of the proposed development, have never had a part in deciding on the what or the how of developing Niagara's 9.1 billion kilowatt-hours of low-point energy.

They have seen the province of Ontario for years proceeding with low-cost public power developments, and the people of that province paying a monthly bill for residential power of about one-half of what is charged by Niagara-Mohawk directly across the river. The private bridge across the Niagara River connecting our two countries gives a wry turn to this situation. I call particular attention to this. The cost of power for the bridge lights on the American side is about 4 times that on the Canadian side of this international bridge.

For years the people of this area have lived in the shadow of the Niagara potential, only partly developed, and with lower rates of power available only to residential users confined to areas close by Ontario and such long-established municipal utilities as Jamestown and Dunkirk, N. Y. To this extent and to this extent only, has the public-power yardstick had any effect upon consumers in this region.

There are 41 rural electric cooperatives which would benefit from Niagara power sold under the public body priority provisions of S. 1823. These cooperatives have no generating facilities and are forced to purchase energy from private power companies. This is reflected in their wholesale power costs reported by REA in 1954.

REA cooperatives in New York State paid an average of 1.12 cents per kilowatt-hour for their electricity at wholesale; for Pennsylvania co-ops the wholesale cost per kilowatt-hour was 0.94 cent and for Ohio, 0.86 cent.

Let us contrast this to what the average wholesale cost of power was in 1954 to REA cooperatives in areas where low-cost public power was available and public body priority and yardstick competition was in effect. The cooperatives in Tennessee in the TVA region paid 0.49 cent; in Oklahoma, where the Southwestern Power Administration markets Government power, the unit wholesale cost was 0.62 cent per kilowatt-hour, and in the State of Washington served by the Bonneville Power Administration, the wholesale cost was only 0.32 cent per kilowatt-hour.

In summary, the New York-Ohio-Pennsylvania area, denied low-cost public power in large blocks, showed New York rural electric cooperatives paying 137 percent more for wholesale power than Tennessee, Pennsylvania paying 51 percent more than Oklahoma, and Ohio paying 177 percent more than Washington.

Federal Power Commission data on municipally owned electric utilities for 1952 shows the same picture. Wholesale costs for purchased power per kilowatt-hour in New York State were 0.97 cent,

or 52 percent greater than for Tennessee, at 0.44 cent; municipalities in Pennsylvania paid 1.31 cents wholesale for their purchased power, as compared to 0.30 cent for Oregon, or 337 percent greater; Ohio municipalities showed an average wholesale power cost of 1.74 cents per kilowatt-hour, against Washington's 0.34 cent, or 511 percent higher.

Remember this: The higher the power costs, the higher the power rates to the man with the meter on his back porch. That is why the cooperatives and municipalities in the Niagara area so desperately need Niagara power to reduce their wholesale costs in half or more, and to release them from their complete dependency upon the private power companies' high-cost power which, in turn, penalizes the members of the cooperatives and the citizens of the towns and cities conducting their own electric utility business.

Statistics on residential power rates show exactly what I mean: That the farther away from the yardstick competition of public power a man lives, the higher his electric rates.

The average residential consumer in New York State pays a monthly electric bill of $7.53 for 250 kilowatt-hours of electricity, as compared to the Tennessee householder's $4.93 per month, or 52 percent greater.

In a years' time, a New York residential consumer of 250 kilowatt-hours per month would pay $31 more than one in Tennessee, a not inconsiderable sum to a family of moderate income.

Mr. President, here are some figures showing annual savings to power users in New York, Pennsylvania, and Ohio, had they been charged TVA rates, Bonneville rates, or the rates charged by the city of Tacoma, Wash. The figures are based upon FPC's 1950 rate studies:

[In millions]

State	Savings under—		
	TVA rates	Tacoma rates	Bonneville rates
New York	$309.2	$334.0	$165.6
Pennsylvania	212.4	246.5	191.5
Ohio	165.6	191.5	138.6
Total	687.2	772.0	495.0

Low-cost Niagara power can at least start a downswing toward lower public and private utility rates, provided we insist upon the safeguards in S. 1823. Niagara-Mohawk has estimated that its taxes would amount to some $23 million if the private power company plan for Niagara is adopted. That $23 million does not look so impressive when it is held up to the potential benefits of all consumers in the Niagara area. If no more than half of the least of the annual savings I have listed were attained in the 3 States, the power users would save some $247 million every year. In 2 years this saving would be more than equivalent to the estimated cost of the Niagara project of about $420 million and all of this additional money in the pockets of power users would find its way into the market place—stimulating the economy through greater sales of goods and services—thus expanding the Federal, State, and local tax bases.

Mr. President, I wish to emphasize that not only will the municipal and cooperative systems be benefited, but if the New York State Authority is charged with the development and operation of Niagara power, every power consumer within transmission distance and many power consumers beyond transmission distance will benefit. That is the history in every section of the country where there has been a great publicly owned power development.

Mr. LEHMAN. Mr. President, will the Senator from Alabama yield?

Mr. HILL. I yield.

Mr. LEHMAN. Has not the Senator, as the result of his long, wide, and very careful study of the entire power situation—and he is one of the pioneers in supporting public power development—found that as the cost of power decreases the rate of consumption increases almost exactly in the same proportion?

Mr. HILL. The Senator is correct. As the rate is brought down, the consumption goes up. We know the story of mass production, particularly in the automotive industry. When they began to bring the costs down, the prices were decreased and the demand became greater and greater. When electricity rates are brought down much more electricity is sold. Each individual consumer consumes more of it.

I cited earlier the enormous increase in the number of individual consumers in the Tennessee Valley area which has taken place since the establishment of the Tennessee Valley Authority. The private power companies, when forced to reduce their rates, do not suffer thereby; they sell so much more electricity because consumers use so much more. This, in turn, makes it more profitable than it is when there is lower consumption at higher rates.

Mr. LEHMAN. I read an article recently which stated that it costs the companies no more to transmit 200 kilowatts than it costs to develop 100 kilowatts.

Mr. HILL. I think that is true. As the companies sell more power, their profits increase. The whole history of the electric industry in the United States shows that the way to increase sales is to lower rates. The results of the transaction is greater profits for the private company.

Mr. President, never forget that the power business is public business. We are not debating public versus private business, and this phoney argument of taxes is just another example of the power monopoly attempting to have it both ways. We, the consumers, pay its taxes in our electric bills. We, the consumers, have no voice in how well or how badly it manages its business, but it is our business just the same. Because there is no competition we buy from whatever power company may be supplying the particular area in which we live. That is the only place from which we can get our power.

We, the consumers, own the Niagara River, and it is irrelevant whether we lose that $23 million in tax bait from Niagara-Mohawk if the public interest goal we have set over the past 50 years is served, and the power consumers finally get a long-deserved break in the Niagara area. If we swallow that $23 million in tax bait, we will have it for keeps at Niagara, and the hundreds of millions of dollars of savings to the region's power users which are in view with the passage of Senate bill 1823 will be gone, most probably, forever.

I should like to remind the private power companies that, like the utilities surrounding TVA, they will benefit from public development of Niagara. Hardly more than 10 percent of the Niagara generation will be used by the public agencies immediately. The private companies will get their fair share, and they will profit by the truth of private business—the lower the price, the more you sell, and the more money you make.

Mr. LEHMAN. Mr. President, will the Senator from Alabama yield further?

Mr. HILL. I yield.

Mr. LEHMAN. I am very glad indeed that the Senator from Alabama has brought up that point, because I think there has been a great deal of misunderstanding in connection with it. Many persons seem to have the feeling that under the bill which I introduced public utilities companies would be harmed in that they would be deprived of profit, but, as the Senator from Alabama has pointed out, only a very inconsiderable part of the additional power would immediately flow to public agencies. The greater part of the balance would be distributed to private utility companies.

Mr. HILL. The greater part would go to the private utility companies.

I notice in the Senators' bill that there is a provision for leasing. I take it that he has in mind the so-called wheeling process. There is nothing contained in the bill which can be considered in any way as trying to put private companies out of business. On the other hand, it would not only benefit the municipal systems and the cooperatives, but it would benefit private companies.

Mr. LEHMAN. In my bill there is a definite provision that the State Public Power Authority will not duplicate the transmission lines where transmission lines can be secured or leased at reasonable rates.

Mr. HILL. In other words, if there is a transmission line owned by a private company, the power Authority will first see if it can make use, on fair and reasonable terms, of the transmission line of the private company.

Mr. LEHMAN. That is quite correct.

Mr. HILL. Congress is not only called upon to exercise judgment in the public interest on an international river under its jurisdiction; it is also required to exercise sound business judgment. No region should be placed at the mercy of one type of utility to provide it with its electric energy. No private utility should be afraid to compete with a municipality or rural electric cooperative, each in its own service area, to provide lower rates, and to give the very best service to the people they serve.

The competitive aspect, everywhere it has been planted and nurtured, has not only been of immense benefit to the util-

ity business, whether publicly, cooperatively or privately owned and managed, but has passed along tremendous dividends in the form of savings in power bills, increased economic activity, and a broader tax base.

It is not possible to overemphasize what it means to have lower power rates, not only in the savings to the consumer, but also in the development of industry in a particular area. When industry develops, what happens? The tax base is broadened. The truth is that as the power rates go down, the result is a greater consumption of power; and, furthermore, the reduced rates bring into the area more and more industry and provide more and more jobs, with consequent greater and greater payrolls, and more and more taxes into the Treasury.

It is to achieve these goals that our national power policy has striven since the days of Theodore Roosevelt. We in this great body must consider the proposed legislation free of the argumentative pitfalls laid before us by the self-serving propaganda of the private-power lobby.

The Nation stands today at a crossroad. We are engaged in a colossal struggle to prevent private monopoly from dominating the energy of our civilization.

If we follow the road down which the country has been diverted since 1953, with the power-company lobbyists and propagandists setting the signposts, the end of the road will be subservience to a huge energy monopoly.

But if in enacting Niagara legislation we follow the road marked by signposts set up by the great conservationists in the reclamation laws, the Federal Power Act, the Boulder Canyon Act, the Tennessee Valley Authority Act, and the other laws controlling our river-development programs, the end will be ever greater freedom, economic as well as political.

Low electric rates to homes and farms, low-cost power for expansion of modern industry, wider markets for electric facilities and appliances, all these will contribute to the expansion of free enterprise, to fuller employment, to a more prosperous agriculture, in the Niagara area and the Nation.

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

Mr. HILL. I yield.

Mr. LEHMAN. I wish to compliment the able Senator from Alabama on his very clear and informative statement. It has been extremely useful, I think, to all those who heard him today. I hope his remarks will be very carefully read by all Members of the Senate.

I express to him and to the other Members of the Senate who are awaiting an opportunity to speak my regret over the delay in affording them that opportunity, the delay having been caused by an unexpected colloquy between the senior and junior Senators from New York.

Mr. HILL. I appreciate deeply the very generous words of my good friend, the distinguished junior Senator from New York. So far as his reference to delay is concerned, if a Senator cannot brook delay, he had better find himself another job.

After a great many years of service here, I can truthfully say that nothing about the work of the Senate is more pleasing to me than the fact that in the Senate we are free to have real debate and real discussion. If two Senators do not agree, they are free to come to the floor and "cross swords," in an effort to bring forth the true issues involved in the matter which is pending before the Senate.

So I hope the Senator will not worry about the delay.

Mr. LEHMAN. I shall not worry, in view of the very kind words of the senior Senator from Alabama.

Mr. HILL. I thank the Senator from New York.

Mr. BUSH. Mr. President, I shall not detain Senators long, but I wish to make some comments concerning the unfinished business.

First, I compliment the distinguished senior Senator from New York [Mr. IVES] upon the splendid statement he made this morning on the bill. The senior Senator from New York has said that he is unalterably opposed to the bill for three particular reasons: First, that the bill is in direct conflict with the laws of the State of New York; second, that the bill discriminates against more than 95 percent of the residents of the State of New York; and third, that the bill is opposed by every segment of the population of that State, including labor, agriculture, business, and an overwhelming majority of the consumers in the affected areas.

Mr. President, while my opposition to the bill includes opposition on all three of those counts, it is based on much broader grounds. In the 83d Congress, I had the pleasure of being the chairman of the Subcommittee on Rivers and Harbors of the Committee on Public Works. We held extended hearings on the question of what to do about the development of electric power energy on the Niagara River, so I listened for many hours to testimony on that subject.

At the end of those hearings, I came to the very positive conclusion—and it has not been shaken by anything I have heard since then—that the waterpower of the Niagara River ought to be developed by private interests, which for many, many years have been developing power on that river, and which now stand ready, able, and willing to continue and extend their operations.

The project calls for a plant installation which will cost approximately $400 million. As I have said, private companies are ready, able, and willing to provide the money to operate the hydroelectric plant. Therefore, I see no reason in the world why they should not be given a license to do exactly that.

I see no justification whatsoever for a public power development to be substituted, when private interests, that have proved ability, sound financial status, and good management, and that are well regarded in the neighborhood and throughout the State by all interests—consumers, labor, management, and so forth—stand ready to do the work. I see no reason why they should be sidetracked in favor of public power development.

It seems to me this is an instance of Lincoln's oft-quoted philosophy about the purpose of Government having a distinct bearing. While I do not attempt to quote Lincoln exactly, he said, in effect, that the purpose of Government was to do for the people those necessary things which the people could not do so well in their separate or individual capacities. Certainly we have every evidence that the people are perfectly willing and able to do this in their separate and individual capacities, and need no help whatever from the Government at any level. Therefore, my opposition is based on that ground, in addition to the other grounds I have mentioned. I believe very strongly that the Niagara should be developed by the private interests which are ready, willing, and able to undertake and go forward with the work.

Another reason why I oppose the bill—and this reason is stated in the minority views, of which I am 1 of the 4 signers—is that the proposed project does not involve irrigation, navigation, reclamation, flood control, or any other function of Government heretofore advanced as justification for a Government power development. The project is not a multiple-purpose one in any sense of the word, and Senate bill 1823 would, for the first time in the entire history of electric power development in the United States, authorize by Federal legislation public development of a power project pure and simple. It is a naked power project. There is no other reason for the bill before the Senate today.

Mr. President, this is the first time—I repeat for emphasis—that such a bill has ever come before the Congress of the United States; and I think it would be a calamity for the Congress to pass the bill. It is, as I have said, nothing but a naked public power project. I say that especially in view of the fact, and I revert to my previous point, that there are standing by, ready, willing, and able to go ahead, companies which can handle the project, and which have been handling development of power on the Niagara River since 1895.

I also oppose the bill because of the tax features. One of the basic reasons the proponents cite in favor of the bill is that it will provide low-cost power. We believe, and an examination of the facts will thoroughly demonstrate, that the cost of power to the consumers will be low only because all the citizens of the Nation, including those of New York, will pay the differential. The proponents propose to exempt from taxes all the power properties on the Niagara, all the income from those properties, and, furthermore, they propose to finance the project by the sale of approximately $400 million worth of tax-free bonds. The investor-owned utility companies would pay an estimated annual tax bill of $23 million on the Niagara development—$9,500,000 in local taxes, $4,500,000 in State taxes, and $9,500,000 in Federal taxes. If a Government or a State agency develops the Niagara power, taxpayers in South Carolina, Nebraska, New Hampshire, and everywhere else in the

country will pick up the tab for the $9 million in lost Federal revenues, and absorb it themselves. Taxpayers of New York, principally those of New York City, who will not get the benefit of any Niagara power, will make up the $4,500,000 in lost taxes to the State, whether they get low-cost power or not.

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

Mr. BUSH. I should like to conclude my remarks first, if the Senator will permit me to do so.

Another major factor in the cost differential between private and Government power was emphasized by the witness who appeared in behalf of the New York State Association of Electrical Workers, A. F. of L., Mr. Robert W. McGregor. He pointed out that the revenue bonds which the New York Power Authority would issue to finance the project would be exempt from Federal, State, and local taxation, in distinct contrast to the bonds to be issued by the private companies. Power authority bonds would constitute a $10 million annual giveaway to financiers who purchased the tax-free bonds.

In other words, under the plan, the New York State Power Authority would issue $400 million worth of tax-free bonds, the income from which would go to individuals in the high tax brackets, and they would thus be enabled to escape entirely Federal income taxes on the interest paid on the bonds.

It seems very strange business for public power advocates to be playing into the hands of very high-income taxpayers who wish to avoid taxes by purchasing tax-free bonds. I think that is one of the glaring weaknesses of the pending bill, and it is inconsistent with the general philosophy of those who advocate public power.

Much has been said about how New York State feels about it, but we have evidence that member towns of the State Association of Towns have voted for development by private enterprise by a vote of 493 to 7. In the 83d Congress the House of Representatives passed the private enterprise bill by a vote of 262 to 120. The New York delegation voted for it by a bipartisan vote of 32 to 9, and all 32 were reelected to the 84th Congress. Polls taken this year by Republican and Democratic Representatives in Congress from the State of New York established a 70-percent rejection of the Lehman bill. Thus, the Lehman bill is apparently rejected by the people whom it purports to benefit.

Mr. IVES. Mr. President, will the Senator yield for a question?

Mr. BUSH. I yield for a question.

Mr. IVES. I should like to ask the Senator from Connecticut if he does not appreciate the fact, as he undoubtedly does, that the two organizations to whom he has referred, the organization of Town Officials and County Supervisors, represent more than do any other groups the rural population of the State of New York. The rural population is supposed to get electric power, under the New York State law, as soon as they can, because the New York law provides that preference shall be given to domestic and rural consumers. Consequently, I would say their attitude toward the whole idea of public power development reflects the sentiment of the rural population of New York State. I happen to live in that area of the State of New York, and I want to point out that there is no question in my mind that upstate New York—I am not speaking of New York City—is overwhelmingly opposed to any proposal such as is embraced in the bill which is now before the Senate.

Mr. BUSH. I thank the Senator. That certainly conforms with the impressions I formed as chairman of the subcommittee 2 years ago. I do not think any evidence adduced since then indicates that the situation is any different now from what it was at that time.

I have in my hand a document entitled "Officers' Report to the Eighth Constitutional Convention of the Utility Workers Union of America, Affiliated With AFL-CIO," which I should like to submit for the RECORD. From page 26, through the top of page 29, there appears a discussion of power and related matters.

Mr. President, I ask unanimous consent that the portion of the document which I have marked under the head "Power—Related Matters" may be printed in the RECORD at this point in my remarks.

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

POWER—RELATED MATTERS

The inherent danger to our members contained in a policy of public ownership of the utility industry was brought home to your national officers, through the adoption, by the short-lived Progressive Party in July of 1948, of a political party platform that contained a "plank" calling for "public ownership of all gas and electric companies and the nationalization of large banks, railroads, etc." Following the recommendation of your officers, your third constitutional convention, held in October 1948, adopted a resolution calling upon our members to condemn such action, at any time, by any political party organization of any kind.

Unfortunately, while rejecting the third-party theory and aiding in its defeat at the polls, some people in the labor movement accepted and thereafter fostered its philosophy with regard to public ownership of the utility industry.

Obviously, this was a threat that could not be permitted to go unchallenged. Consequently, this matter was given considerable thought and consideration at every subsequent executive committee and executive board meeting. As a result of which your national officers appeared before congressional committees and various other State and Federal governmental bodies, as well as before forums conducted by private organizations, setting forth the policy of the organization.

In April of 1950 your executive committee, recognizing the danger to our members and their jobs, as a result of the drift toward nationalization being brought about as a result of Government encroachment in the public-utility field, recommended and President Fisher appointed a special committee to "look into the situation and come to you with a recommendation as to the policy that should be adopted for our guidance" in the national union's handling of this matter between conventions.

After long and careful consideration, the committee unanimously recommended, and the convention adopted, the following statement of policy with respect to the question of public power:

1. Where power is generated in conjunction with worthwhile water projects, the transmission, distribution and sale of such energy should, under proper regulation, be allocated to the private utility companies. Where investor-owned companies fail to provide the distribution and sale of electrical energy, then, and then only, should the Government undertake such duties.

2. Approximately one-fifth of the power generated in America today is distributed and sold by Government agencies. We believe that further encroachment of Government into the utility industry should be discouraged except in cases of national emergency.

3. It is our firm belief that the best interests of all of the people of this Nation can best be served and secured through collective bargaining in investor-owned public utility corporations.

4. We shall continue to advocate that the water resources of the Nation shall be developed. However, we shall object to any move that will result in these worthy projects being used as a means of destroying tax-paying utility companies who, under proper regulation, are furnishing adequate service.

5. We further recommend as a matter of policy that the national officers, the local union officers and members, use every means available to prevent further nationalization of the utility industry, and we further recommend, as a matter of policy, that we insist on fair and proper regulation of the utility industry and that every effort be made to compel utility managements to fulfill their obligations to their consumers and to their employees.

In keeping with the mandate of the fourth constitutional convention, your national officers have conducted a never-ending fight in a serious attempt to make the entire labor movement aware of our position, and of our reasons for that position. Beginning with the CIO convention held in Chicago, in the same year, your national officers have waged a vigorous campaign to bring about changes in the CIO resolutions on public power. In each successive CIO convention, from 1950 through 1954, an active floor fight was made in connection with this matter. Gradually our point of view began to seep through to the CIO high command. Little by little, the public power advocates began to lose ground. More and more efforts were put forth each year, by CIO officials, in an attempt to reconcile our differences. However, our position remained unchanged. We made it crystal clear, at CIO convention after CIO convention, that we had not the slightest intention of living within the framework of any utility industry policy that conflicted with the actions taken by our own conventions. During the course of each of our own conventions, continuous emphasis has been placed upon the importance, to our membership, of the maintenance of our position.

In fact, so important is this matter to our members, that the 1954 convention at Boston approved the appointment of a standing committee on public power. After the convention your president appointed Andrew J. McMahon of local 1-2 New York chairman of such committee and appointed Martin O'Dell of local 223 of Detroit, and James Watson of local 270 of Cleveland as members of the committee. This committee, with your national officers have attended many meetings, written letters and in general have kept up a continuous fight to protect the members from the setbacks that labor suffers when the Government takes over. Among other matters the committee reported having taken action on the following matters at the March 1955 executive board meeting:

1. Protested the appointment of Gus Scholle by Detroit Edison's President Cisler to a governmental power committee. A letter

of protest was sent to President Cisler upon his return to the United States of America.

2. Recommended that a similar letter of protest be sent to CIO President Walter Reuther.

3. Reported on a meeting the chairman of the committee had with Senator IVES.

The committee also made the following recommendations which were adopted by the executive board:

1. That UWUA continue to follow the position adopted at its conventions.

2. That UWUA continue to be furnished with all information necessary to carry out UWUA's power position.

3. That despite CIO's power position that UWUA continue to press before all legislative and other places the power position of UWUA.

How well the national officers followed through on the actions and recommendations of the committee was reflected in the resolution on power adopted at the first AFL–CIO convention. Never in the history of CIO did a resolution on public power make any reference to, nor give any form of recognition, to the accomplishments of private industry, or to the possibility of working out a program, in cooperation with private industry, designed to meet the needs of all of the people. However, as you may see from a reading of the resolution, such recognition is now an integral part of the AFL–CIO power program. So at long last, our efforts have begun to bear fruit. Not complete success, but a definite step in the right direction has been taken through the medium of the adoption, by AFL–CIO, of the resolution.

Mr. President, this concludes my remarks on this subject for today.

I wish to announce that on tomorrow, at a suitable time, I intend to move that the bill be recommitted. I do not wish to foreclose or shorten debate on the bill, if other Senators desire to speak on it tomorrow. But at a suitable time tomorrow, I intend to make such a motion.

Mr. President, I do not know whether the Senator from New York [Mr. LEHMAN] wishes to ask me to yield to him.

Mr. LEHMAN. I wish to make an observation. I did ask the Senator from Connecticut to yield, but he did not see fit to do so.

The Senator from Connecticut was very critical of the fact that the tax saving in New York would affect the people of various States of the Union, and the Senator from Connecticut mentioned a number of them.

Mr. BUSH. I certainly am very critical of that phase of the bill.

Mr. LEHMAN. I so understood the Senator from Connecticut. However, Mr. President, I was of the impression that we are a nation, not simply a number of parishes, each looking out for its own interests.

I think the Senator from Connecticut will bear me out when I say that time and time again I have voted, as a Senator from the State of New York, for projects which were not of any direct benefit to the State of New York.

Mr. BUSH. Well, Mr. President——

Mr. LEHMAN. Will the Senator from Connecticut permit me to finish? He has yielded to me.

Mr. BUSH. I should like to meet these points as they are raised.

Mr. LEHMAN. I should like the Senator from Connecticut to permit me to finish. Inasmuch as he has yielded to me, I assume that I am not limited regarding the manner in which I wish to present these matters.

Mr. BUSH. I certainly do not wish to limit the Senator from New York, but I should like to meet the points as he makes them.

Mr. LEHMAN. The Senator from Connecticut has the floor, and can decline to yield further to me; that would be within his rights.

Mr. BUSH. No, I do not wish to do so. I wish to have the Senator from New York make his points, but I wish he would permit me to answer them one at a time, as he raises them.

Mr. LEHMAN. But the Senator from Connecticut did not permit me to interrogate him at the time when he made his statements.

Mr. BUSH. I am sure the Senator from New York realizes that I wanted my remarks to be presented with continuity; I was not in any way attempting to avoid yielding.

Mr. LEHMAN. I was not so sure, because a little later the Senator from Connecticut yielded to other Senators.

But I am sure the Senator from Connecticut will bear me out when I say that time and time again I have voted for projects and appropriations which were not of any direct benefit to the people of New York, but for which the people of New York would have to bear their share of the cost. I have in mind projects affecting the Far West, the Southwest, the Northwest, and New England. I am sure the Senator from Connecticut will bear me out when I say that I have taken that position on any project when I felt it was in the national interest for me to do so.

Mr. BUSH. Let me ask the Senator from New York this question: Is it not true that I have also done the same? As a matter of fact, I think every Senator has.

Mr. LEHMAN. I do not know, but I am not critical of the Senator from Connecticut. He has been critical of what I have been advocating here. I started to say that I thought we were a nation, not a group of parishes.

Mr. BUSH. I certainly——

Mr. LEHMAN. Either the Senator from Connecticut will permit me to speak, inasmuch as he has yielded to me, or he can decline to yield further to me, and thus force me to take my seat.

Mr. BUSH. I would not do that, Mr. President. I yielded to the Senator from New York for what I thought would be questions by him. I did not anticipate that he would make a speech in my time. I am perfectly willing to yield the floor if he wishes to make a speech. But if he desires to ask me questions in regard to any point, I wish he would address his questions to me.

Mr. LEHMAN. Very well; I shall address a question to the Senator from Connecticut, and it will be a rather long one.

Mr. BUSH. Very well. [Laughter.]

Mr. LEHMAN. Does not the Senator from Connecticut feel that anything which affects the interests of the Nation as a whole, or any part of the Nation, anything which is sound, is of benefit to the particular locality which is immediately affected as well?

Mr. BUSH. I would say the Senator from New York is absolutely correct; and I like his use of the words "which is sound." I object to this bill because I do not think it is sound, because it is unnecessary for the Federal Government to enter into this project at all. That is the unsound feature of the bill.

Mr. LEHMAN. At the moment I was not speaking of the bill; instead, I was referring to the Senator's statement in which he took exception to the fact that South Carolina or Arizona or Connecticut or Tennessee or Oregon or Washington would have to bear a part of the taxes and be responsible for its part of an almost negligible loss of taxes.

Mr. BUSH. I would say to the Senator from New York that it does not seem to me to be very sound for taxes to be handed over to the people of other States, when there is no necessity whatever for doing so, and when private interests are able, proven, well-financed, popular in the area, have served it for 55 years, and are ready to proceed. Why should other States subsidize a power project in upper New York State, when there is no necessity at all for a public power project there?

Mr. LEHMAN. Mr. President, will the Senator from Connecticut yield for a question?

The PRESIDING OFFICER (Mr. SCOTT in the chair). Does the Senator from Connecticut yield to the Senator from New York?

Mr. BUSH. I yield for a question.

Mr. LEHMAN. Does the Senator from Connecticut not realize—and is he not afraid—that the public development of power at the Niagara River will reduce the power rates in the State of New York?

Mr. BUSH. I certainly am not afraid of it a single bit. I am surprised at the Senator's question. Why should I be afraid of it?

Mr. LEHMAN. Then why should the Senator from Connecticut object to it?

Mr. BUSH. I object to it because it is a subsidy to the public power interests. I think it is a subsidy that is completely unnecessary and unwarranted. That is why I object to it. But I am not afraid of it. I should like to see the people of New York get power as cheaply as they can. They are getting cheap power now.

Mr. LEHMAN. Oh, yes. I think that if the Senator from Connecticut were not afraid of it, he would not be threatening to move to recommit the bill. I assume that in making that motion he will have the support of the senior Senator from New York [Mr. IVES]. Certainly the Senator from Connecticut has been in the Senate long enough to know that if a motion to recommit is made, and if the motion prevails, the result will be to kill the bill.

Mr. BUSH. I hope it will kill the bill for this session, and I certainly intend to make the motion with that hope in my breast.

Mr. LEHMAN. I am very glad indeed to have that frank statement on the part of the Senator from Connecticut.

Mr. BUSH. Certainly there is nothing secret about it.

Mr. LEHMAN. I should like to ask another question of the Senator from Connecticut. He criticized the proposed method of financing this project, by the issuance of tax-exempt bonds.

Mr. BUSH. Yes; $400 million of tax-exempt bonds.

Mr. LEHMAN. Does the Senator from Connecticut recall any instances in which the State of Connecticut has issued tax-exempt bonds?

Mr. BUSH. Yes.

Mr. LEHMAN. The Senator from Connecticut did not object to them, did he?

Mr. BUSH. Let me say that I do not believe the issue has ever arisen in such a way that I had an opportunity to object to it on the floor of the Senate.

Mr. LEHMAN. Would the Senator from Connecticut be against it? Would he object to it?

Mr. BUSH. I say I object in toto to the theory of tax-exempt bonds. I do not believe one class of investors in the United States should enjoy immunity from the income tax, when everyone else has to pay the income tax. I hope that answers the Senator's question.

Mr. LEHMAN. No; it does not.

Mr. BUSH. Then, what does?

Mr. LEHMAN. Does the Senator from Connecticut recall that the city of New Haven ever issued any tax-exempt bonds?

Mr. BUSH. Of course it has.

Mr. LEHMAN. Does the Senator from Connecticut recall that Stamford, Greenwich, Meriden, and Hartford have issued tax-exempt bonds?

Mr. BUSH. I am proud to say to the Senator that the town of Greenwich has paid off all its obligations. We are very proud of that fact. I am glad the Senator gave me the opportunity to get it into the RECORD.

It would not make any difference whether the Senator or I objected to the issuance of tax-exempt bonds, so long as they were legal. If we can get the issue before the Senate, I will certainly express myself and cast my vote. But I do not believe, from what I have seen in the past 25 years, that we could persuade either this body or the House of Representatives to outlaw tax-exempt bonds, much as I think they should be outlawed.

Mr. LEHMAN. I do not think we could, either; and I think it would place a very great burden on the communities or agencies which issue such bonds. I doubt very much whether the Senator has ever advocated, in his own State, a prohibition against the issuance of tax-exempt bonds by any State or municipal agency.

Mr. BUSH. The Senator may be correct. I have never been an officer of the State government. That subject has never come under my surveillance.

Mr. President, I yield the floor.

Mr. KUCHEL. Mr. President, I thought it would not be wholly inappropriate for me briefly to discuss the pending legislation. During the past 3 years I have been a member of the Senate Committee on Public Works, which had had this proposed legislation and other bills of similar import before it.

I must say that I am rather distressed to find my friends, the two able and distinguished Senators from the State of New York, at some variance upon an issue which affects the people whom, together, they so very ably represent.

For myself, I think the issue, shorn of all the verbiage of this debate, is a simple one: Should a State be authorized to develop her own waterpower projects if she so desires?

For myself, I answer that question unequivocally in the affirmative.

This is a unique situation. I do not suppose that ever before in the history of the Congress of the United States has exactly this problem been presented. The Senate is asked to pass judgment on a continuing petition of the chief executives of the State of New York for development of certain water resources lying within her sovereign domain. Ordinarily the problem would not be a legislative one. It would properly be a problem for quasi-judicial determination by the Federal Power Commission, a creature of the Congress, whose jurisdiction and whose lines of authority were laid down by the Congress in years gone by.

I venture to suggest that, were it not for the peculiar set of circumstances which confront the people of the State of New York, regardless of how they may feel in this controversy, if the Governor of the State of New York were to petition the Federal Power Commission for the authority encompassed in the pending bill, there would be no question of the outcome. Such a petition, in my judgment, would be approved.

Historically the Congress has laid down the policy that where a State desires to construct her own hydroelectric projects; she has a preference when standing before the bar of the Federal Power Commission.

The State of New York does not have that opportunity today. When the treaty between Canada and the United States was before the Senate for ratification, an able Senator who still graces this body, the distinguished Senator from Vermont [Mr. AIKEN], offered a reservation to the treaty. In order that there may be some continuity to these remarks I should like to read the reservation which the Senate adopted:

> The United States on its part expressly reserves the right to provide by act of Congress, for development, and for the public use and benefit, of the United States share of the waters of the Niagara River made available by the provisions of the treaty, and no project for redevelopment of the United States share of such waters shall be undertaken until it be specifically authorized by act of Congress.

That is why Congress is called upon to sit in judgment on the various methods of proceeding to develop power in the State of New York. That is why we are required to render this unique decision. Were it not for the treaty reservation, the Federal Power Commission, as I say, acting under its responsibilities laid down by Congress, would be required to give preference to the State of New York in the manner and in the fashion which that State desired in developing its hydroelectric capacity.

I fail to understand why Congress should apply a different rule with respect to the State of New York than it has laid down for all States of the Union in the Federal Power Commission legislation providing preferences.

I say I am grieved that there is some question as to what the people of a sister State desire. On one occasion one of the Members of the Senate endeavored to tell me what the people of California desired on a bill which my able colleague, Senator KNOWLAND, and I had introduced for one of our counties. I retorted that the California Senators would speak for California. But here, unhappily, our New York colleagues disagree. If we are to follow orderly procedure, we should respect the position of State officers. Two years ago there appeared before the Public Works Committee a distinguished American, Thomas E. Dewey, a Republican Governor of the State of New York, who testified at considerable length and asked that the State of New York be given the right to develop its own hydroelectric resources.

Not only his immediate predecessor, the able junior Senator from New York [Mr. LEHMAN], had taken that same position, but time and time again other chief executives of that sovereign State had publicly stated to the people a similar steadfast position on this question.

Three years ago and again this year Robert Moses, the head of the New York Power Authority, stated that the authority was in favor of the development of the Niagara by the State, particularly by his agency, created, indeed, for just such a purpose.

I ask unanimous consent that a letter Mr. Moses wrote to the Senator from New Mexico [Mr. CHAVEZ], chairman of the Committee on Public Works, be incorporated in my remarks at this point.

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

POWER AUTHORITY OF THE STATE OF NEW YORK,
New York, N. Y., July 12, 1955.

Hon. DENNIS CHAVEZ,
Chairman, Senate Committee on Public Works, United States Senate, Washington, D. C.

DEAR SENATOR CHAVEZ: In connection with hearings now before your committee on Senate 1823 by Senator LEHMAN and on Senate 6 by Senator CAPEHART and on other bills for the development of the Niagara River for power and other purposes, following is a compact repetition of the views repeatedly expressed by the New York Power Authority.

The authority is unequivocably opposed to the passage of the Capehart bill or any other bill which would provide for the development of Niagara power by private utility corporations. The waterpower resources of the Niagara River belong to the people of the State of New York and should be developed solely by a public agency. This has been the State policy consistently enunciated for the past 35 years by Governors Smith, Roosevelt, Lehman, Dewey, and Harriman and by the Legislature of the State of New York in the New York Power Authority Act originally enacted in 1931 and still in effect.

It is unthinkable that the preservation of the scenic beauty of the Niagara River and Falls, which is the subject of the treaty between the United States and Canada signed February 27, 1950, and the development of the waterpower thereof should be turned over to private utilities for their exploitation. The long and shameful history of despoilation of the Niagara River and Falls by private companies is a sure test of what the people could expect of future exploitation by these corporations.

The New York Power Authority has been granted a license for the development of the power of the St. Lawrence River. It is now actually engaged in constructing the necessary work at a rate of speed which will result in cutting by at least 2 years the most optimistic previous construction estimates. It is of the utmost importance that legislation be passed as quickly as possible in order to prevent further waste of the power of the Niagara River and to harness it as quickly as possible for the benefit of the people of the State of New York and its neighboring States.

Under the treaty between the United States and Canada, Canada is given the right to use all of the water of the Niagara for her own purposes until we are prepared to use our share. Every month's delay means that millions of dollars worth of electrical energy which belongs to us are going to waste or used by Canada.

If the development of these resources is turned over to private corporations, the New York Power Authority and the State of New York have announced their intention to resist such procedure by every available legal means up to the United States Supreme Court itself, which has indicated clearly the exclusive right and power of the State of New York to carry on such development. We strongly urge the defeat of the private utilities' bills and the enactment of legislation to authorize development of the power in line with the provisions of the Federal Power Act which gives preference to the power authority.

We have the following comments, however, to make with respect to the Lehman bill which differs in several respects from the bill prepared by the New York Power Authority and introduced by Congressman CHARLES A. BUCKLEY (H. R. 5706, 84th Cong.).

1. The prime purpose of the treaty authorizing the use of additional Niagara water for power was the preservation and enhancement of the beauty of the falls. Hence, as part of the cost of the project, the licensee should at its own cost and expense, in cooperation with the appropriate agency of the State of New York, construct a scenic drive and parkway on the American side of the Niagara River near the Niagara Falls, the cost of which should be included in the licensee's net investment in the project. The sum required for this parkway work will be approximately $15 million, not including the cost of placing spoil and fill excavated for the power conduits on the right-of-way of the parkway.

2. Also, as part of the cost of the project, the licensee at its own cost and expense should pay to the United States the United States share of the cost of the remedial works undertaken in accordance with article II of said treaty. This will not exceed $10 million. It is our understanding that this is the wish of the administration and it is consistent with what is being done in Canada. We are presently paying our share of the expenses of the Joint International Board of Engineers on the St. Lawrence.

3. The New York State Power Authority is the proper agency for the construction and operation of the project—as provided in section 2 (a) of the Lehman bill. However, we are willing to leave it to the Federal Power Commission to decide because of the preference which is given in the Federal Power Act to a State agency and because we are informed that that is the desire of the administration.

4. In several respects the language of the Buckley bill is superior to language which is contained in the Lehman bill. For example, the Buckley bill language has the advantage of being completely compatible with the language of pertinent New York statutes. Copies of the memorandum addressed to Congressman CHARLES A. BUCKLEY on May 25, 1955, and which describe the essential differences between the two bills are enclosed.

The basic objective, however, of the Lehman and Buckley bills is the same, that is, a license to the New York Power Authority to construct and operate the Niagara project.

The New York Power Authority is ready and anxious to proceed at once to carry out the objectives of the treaty and to develop at the earliest possible moment our share of Niagara power.

Cordially,

ROBERT MOSES, *Chairman*.

Mr. KUCHEL. The gist of the letter, as Senators who have read it know, is that Mr. Moses generally endorses the bill pending in the Senate. He pointed also to a companion measure in the House and likewise gave that bill his blessing.

As I say, I am grieved to be placed in the position of being required to sit in judgment on a State which I do not have the honor of representing. It does seem to me however, that the record is clear that the Governors of the State of New York, in Republican administrations and in Democratic administrations, have always taken one position, and that is that the State should be permitted to develop the State's waterpower.

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

Mr. KUCHEL. I am glad to yield to the Senator from New York.

Mr. LEHMAN. I wonder whether, in addition to the things he has so clearly and ably pointed out, the Senator knows that for many years, to my knowledge, the three political parties which operate in New York State, the Republican Party, the Democratic Party, and the Liberal Party, have all included in their platforms a pledge for the public development of the water resources of the State.

Mr. KUCHEL. I thank my distinguished colleague for that comment, which is of considerable relevancy to this discussion.

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

Mr. KUCHEL. I am glad to yield to the Senator from New Mexico.

Mr. CHAVEZ. Having in mind what the Senator from California is now stating, and after considerable effort in the way of the hearings throughout the year, the committee came to the conclusion that the State of New York should be the one to handle the matter. Of course, the authority to handle it in the State of New York is the power authority. The bill reported by the Public Works Committee provides exactly what the Senator from California has in mind.

Mr. KUCHEL. I thank my able colleague for that comment. He is completely correct.

I wish to make a comment about the waters of the State of New York. First of all, let me read a sentence or two of the Federal Flood Control Act of 1944:

It is hereby declared to be the policy of Congress to recognize the interests and rights of the States in determining the development of watersheds within their borders, and likewise their interests and rights in water utilization and control, as herein authorized, and to preserve and protect to the fullest possible extent established and potential uses for all purposes of the waters of the Nation's rivers.

I should like to read a sentence or two from the laws of the State of New York. I am quoting from the testimony of Governor Dewey at page 44 of the hearings on a similar bill in 1954:

Those parts of the Niagara and St. Lawrence Rivers within the boundaries of the State of New York are hereby declared to be natural resources of the State.

Then it continues:

They shall always remain inalienable, and ownership, possession, and control thereof shall always be vested in the people of the State.

I believe that language rather clearly demonstrates what the intention of Congress was in legislation it adopted, and what the intention of the people of New York State was, acting through their legislative representatives in Albany, with reference to the waters within the State of New York. They intend their waters to be inalienable and to remain in control of the people—all of them.

It seems to me that the adoption of the pending bill is not only the fairest means of proceeding, but, in my judgment, the only means of logically proceeding toward the development of New York's Niagara resources which need to be developed for the public good.

I wish to allude very quickly to the bill which is before the Senate. The first section provides that the bill constitutes compliance with the reservation in the treaty to which I previously referred.

It then provides that the Federal Power Commission is directed to issue a license to the New York Power Authority for the construction and operation of the Niagara project.

Next, it provides that the Federal Power Commission shall include in the license the conditions that the New York Power Authority shall—

(A) Give equal preference for the purchase of such power to (i) counties and municipalities, including their agencies or instrumentalities, (ii) departments, agencies, and instrumentalities of New York State, (iii) rural electric cooperatives not organized or administered for profit but primarily for the purpose of supplying electric energy to their members as nearly as possible at cost; and (iv) the defense agencies of the United States.

Those are the four types of preferences included in the bill. To me they seem perfectly reasonable, and they are apparently not disharmonious with the position of the State of New York, as set forth in the letter written by Mr. Moses.

Then the bill goes on:

(B) Make flexible arrangements and contracts for the disposition of project power to utility companies organized and administered for profit, with suitable provisions in such contracts for the withdrawal upon reasonable notice and fair terms of enough power to meet the needs of the foregoing classes of preference customers.

In other words, Mr. President, authority is given to dispose of any surplus power which, being generated, remains unused.

The next provision, to which the author of the bill, the Senator from New York [Mr. LEHMAN], alluded earlier in his colloquy with the Senator from Alabama [Mr. HILL], has to do with the Authority entering into so-called rental

contracts or wheeling agreements in lieu of constructing duplicate transmission lines.

Next, the bill provides:

The licensee shall make a reasonable portion of the project power available for use within economic transmission distance in neighboring States—

And so forth. The point I make, Mr. President, is that it seems to me, as I read the language, it is a bill to provide electric power for the people of New York, to be paid for by the people of New York, in accordance with preferences laid down in the bill, and only with respect to "a reasonable portion" of the power do adjoining States have an opportunity to purchase such power.

Mr. President, I felt it incumbent upon me to make these few comments. I listened to the testimony in the 83d Congress, and I listened again to the testimony in the 84th Congress, and I shall, on the basis of what I have just said, vote in favor of the proposed legislation. I shall oppose the motion which the Senator from Connecticut intends to make tomorrow to recommit the bill to the Senate Committee on Public Works.

Mr. President, I ask unanimous consent to have printed at this point in the RECORD a copy of a letter I have received from the Attorney General of the State of New York.

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

THE CAPITOL,
Albany, N. Y., March 19, 1956.

Hon. THOMAS H. KUCHEL,
United States Senate,
Washington, D. C.

DEAR SENATOR: May I take this occasion to congratulate you on your outstanding efforts in aid of State development of sources of hydroelectric power. The basic policy of our State is expressed in the desire to have the Power Authority of the State of New York develop the great source of hydroelectric power in the waters of the Niagara for the benefit of the people of our State, also utilizing effectively private utility installations. It is my understanding that you have helped this policy in your work as a member of the Committee on Public Works of the United States Senate. I feel that this is a measure of your fine public service. It shows your interest in the full development of our resources in a way most compatible with our private economic system.

With renewed appreciation, believe me,
Sincerely yours,

J. K. JAVITS,
Attorney General.

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

Mr. KUCHEL. I yield.

Mr. LEHMAN. Mr. President, I wish to compliment the Senator from California on his very clear statement. I think his analysis of the bill has been fair and accurate and should be readily understood by anyone who reads it.

PUNISHMENT FOR WILLFUL DAMAGING OR DESTROYING OF AIRCRAFT

Mr. SPARKMAN. Mr. President, I ask that the Chair lay before the Senate an amendment of the House to Senate bill S. 2972 to punish the willful damage or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes.

I make this request on behalf of the Senator from Washington [Mr. MAGNUSON].

The PRESIDING OFFICER (Mr. SCOTT in the chair) laid before the Senate the amendments of the House of Representatives to the bill (S. 2972) to punish the willful damaging or destroying of aircraft and attempts to damage or destroy aircraft, and for other purposes, which were, to strike out all after the enacting clause and insert:

That title 18 of the United States Code is amended by inserting immediately after section 14 thereof the following new chapter:

"CHAPTER 2.—AIRCRAFT AND MOTOR VEHICLES

"Sec.
"31. Definitions.
"32. Destruction of aircraft or aircraft facilities.
"33. Destruction of motor vehicles or motor-vehicle facilities.
"34. Penalty when death results.
"35. Imparting or conveying false information.

"§ 31. Definitions

"When used in this chapter the term—

"'Aircraft engine', 'air navigation facility', 'appliance', 'civil aircraft', 'foreign air commerce', 'interstate air commerce', 'landing area', 'overseas air commerce', 'propeller', and 'spare part' shall have the meaning ascribed to those terms in the Civil Aeronautics Act of 1938, as amended.

"'Motor vehicle' means every description of carriage or other contrivance propelled or drawn by mechanical power and used for commercial purposes on the highways in the transportation of passengers, or passengers and property;

"'Destructive substance' means any explosive substance, flammable material, infernal machine, or other chemical, mechanical, or radioactive device or matter of a combustible, contaminative, corrosive, or explosive nature; and

"'Used for commercial purposes' means the carriage of persons or property for any fare, fee, rate, charge, or other consideration, or directly or indirectly in connection with any business, or other undertaking intended for profit.

"§ 32. Destruction of aircraft or aircraft facilities

"Whoever willfully sets fire to, damages, destroys, disables, or wrecks any civil aircraft used, operated, or employed in interstate, overseas, or foreign air commerce; or

"Whoever willfully sets fire to, damages, destroys, disables, or wrecks any aircraft engine, propeller, appliance, or spare part with intent to damage, destroy, disable, or wreck any such aircraft; or

"Whoever, with like intent, willfully places or causes to be placed any destructive substance in, upon, or in proximity to any such aircraft, or any aircraft engine, propeller, appliance, spare part, fuel, lubricant, hydraulic fluid, or other material used or intended to be used in connection with the operation of any such aircraft, or any cargo carried or intended to be carried on any such aircraft, or otherwise makes or causes to be made any such aircraft, aircraft engine, propeller, appliance, spare part, fuel, lubricant, hydraulic fluid, or other material unworkable or unusable or hazardous to work or use; or

"Whoever, with like intent, willfully sets fire to, damages, destroys, disables, or wrecks, or places or causes to be placed any destructive substance in, upon, or in proximity to any shop, supply, structure, station, depot, terminal, hangar, ramp, landing area, air-navigation facility or other facility, warehouse, property, machine, or apparatus used or intended to be used in connection with the operation, loading, or unloading of any such aircraft or making any such aircraft ready for flight, or otherwise makes or causes to be made any such shop, supply, structure, station, depot, terminal, hangar, ramp, landing area, air-navigation facility or other facility, warehouse, property, machine, or apparatus unworkable or unusable or hazardous to work or use; or

"Whoever, with like intent, willfully incapacitates any member of the crew or any such aircraft; or

"Whoever willfully attempts to do any of the aforesaid acts or things—

shall be fined not more than $10,000 or imprisoned not more than 20 years, or both.

"§ 33. Destruction of motor vehicles or motor vehicle facilities

"Whoever willfully, with intent to endanger the safety of any person on board or anyone who he believes will board the same, or with a reckless disregard for the safety of human life, damages, disables, destroys, tampers with, or places or causes to be placed any explosive or other destructive substance in, upon, or in proximity to, any motor vehicle which is used, operated, or employed in interstate or foreign commerce, or its cargo or material used or intended to be used in connection with its operation; or

"Whoever willfully, with like intent, damages, disables, destroys, sets fire to, tampers with, or places or causes to be placed any explosive or other destructive substance in, upon, or in proximity to any garage, terminal, structure, supply, or facility used in the operation of, or in support of the operation of, motor vehicles engaged in interstate or foreign commerce or otherwise makes or causes such property to be made unworkable, unusable, or hazardous to work or use; or

"Whoever, with like intent, willfully disables or incapacitates any driver or person employed in connection with the operation or maintenance of the motor vehicle, or in any way lessens the ability of such person to perform his duties as such; or

"Whoever willfully attempts to do any of the aforesaid acts—

shall be fined not more than $10,000 or imprisoned not more than 20 years, or both.

"§ 34. Penalty when death results

"Whoever is convicted of any crime prohibited by this chapter, which has resulted in the death of any person, shall be subject also to the death penalty or to imprisonment for life, if the jury shall in its discretion so direct, or, in the case of a plea of guilty, or a plea of not guilty where the defendant has waived a trial by jury, if the court in its discretion shall so order.

"§ 35. Imparting or conveying false information

"Whoever willfully imparts or conveys or causes to be imparted or conveyed false information, knowing the information to be false, concerning an attempt or alleged attempt being made or to be made, to do any act which would be a crime prohibited by this chapter or chapter 97 or chapter 111 of this title—

shall be fined not more than $1,000, or imprisoned not more than 1 year, or both."

SEC. 2. The part analysis preceding chapter 1 or title 18, United States Code, is amended by inserting between chapters 1 and 3 the following item:

"2. Aircraft and motor vehicles..... 31"

And to amend the title so as to read: "An act to punish the willful damaging or destroying of aircraft or motor vehicles, and their facilities, and for other purposes."

Mr. SPARKMAN. Mr. President, on behalf of the Senator from Washington

[Mr. MAGNUSON], I move that the Senate disagree to the amendments of the House, request a conference thereon with the House of Representatives, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. MAGNUSON, Mr. MONRONEY, Mr. SMATHERS, Mr. SCHOEPPEL, and Mr. PURTELL conferees on the part of the Senate.

NIAGARA RIVER POWER DEVELOPMENT

The Senate resumed the consideration of the bill (S. 1823) to authorize the construction of certain works of improvement in the Niagara River for power and other purposes.

Mr. SPARKMAN. Mr. President, I shall speak briefly in support of S. 1823—the Lehman bill. This bill provides for the construction of certain works in the Niagara River for power and other purposes. It authorizes and directs the Federal Power Commission to issue a license to the New York Power Authority for construction and operation of a power development project on the Niagara.

I support this bill as a whole. But I shall restrict these remarks to those provisions of the bill which require the licensee, the New York Power Authority, when it disposes of project power, to give preference to the purchasing demands of the following agencies:

First. Counties and municipalities, including their agencies and instrumentalities.

Second. Departments, agencies, and instrumentalities of New York State.

Third. Rural electric cooperatives organized and administered on a nonprofit basis, primarily for the purpose of supplying electric energy to their members as nearly as possible at cost.

Fourth. Defense agencies of the United States.

The foregoing provisions are directly related to other requirements of the Lehman bill—that project power be sold and distributed primarily for the benefit of the people as consumers—and particularly for the benefit of domestic and rural consumers—at the lowest possible rates so as to encourage its widest possible use.

Moreover, the bill also provides that contracts under which project power is purchased for resale shall include adequate provisions for establishing resale rates to be approved by the licensee. These rates must accord with the general objective that sale be primarily for the benefit of the consuming public, and at low rates to encourage wide consumption.

The reasons for these provisions are simple. Peoples' resources must be used to benefit the largest possible number of people.

Historically, Congress, when it disposed of public property or resources, provided safeguards to insure the widest possible public benefit. Moreover, experience in power development projects elsewhere—for example, Boulder Dam, the TVA, and the Bonneville project—has shown that these so-called preference provisions for public and private nonprofit agencies are essential means of assuring widespread public benefit in the distribution of electric power. As the committee which reported this bill favorably put it:

> These safeguards are believed essential to make effective the yardstick influence of this power development on high electric rates throughout the region.

Of course, the designated agencies will not be able to puy power at a cheaper price.

Mr. President, I think that is one thing which perhaps some persons misunderstand. It is really an assurance that they will have an equal opportunity to share in the power produced.

Mr. LEHMAN. Mr. President, will the Senator from Alabama yield?

Mr. SPARKMAN. I yield.

Mr. LEHMAN. I am very grateful to the Senator for emphasizing that point in his remarks, because, undoubtedly, there is that misunderstanding. Some persons seem to think that what is contemplated is that certain particular agencies will be able to obtain the power at a preferential price. That is not intended. They will not be able to buy at any price different from that at which the power is sold generally, but it will be clear that if there should ever be a shortage, they would get at least a reasonable share of the power.

I may say to the Senator that it is perfectly obvious that initially the preferential customers will consume only a relatively small part of the power.

Mr. SPARKMAN. That is correct.

The last point made by the distinguished Senator from New York, Mr. President, is a point which I was about to make.

Nor do the provisions prevent large-scale consumption of power by large industrial users or, indeed, extensive purchase by private utilities for resale.

The provisions simply mean that counties and cities and nonprofit electric cooperatives may purchase as much power as they want from the prospective Niagara power project. And they get first choice.

This is essential where power is sold initially at wholesale as it must be from this anticipated project. Otherwise, small purchasers, who cannot take the power directly from the project site, would not receive the maximum benefits from the project. They would still have to purchase from the private utility companies. These utilities, in turn, would be the principal beneficiaries—indeed, almost the sole beneficiaries—of public development of the people's property.

As Mr. Gordon Clapp put it, in his testimony before the committee:

> The real and lasting effect of this harnessed natural resource depends upon how the power is marketed, how and where it is sold to the ultimate consumer, and at what rates. If this low-cost power is unwisely sold at the bus bar or confined to distribution at or near the site, it will produce a very limited local benefit confined to the industries and private utility companies already grabbing at this great natural asset.
>
> Under such a shortsighted policy, the people of the State and whole surrounding region would be deprived of a great opportunity to benefit manifold from the natural resources that belong to them.

I shall return to the experience in the Tennessee Valley to show that private utility companies and small consumers have benefited immensely by preference provisions. But before doing so, I should like to remind this body of the subject matter now under debate.

We are dealing with property rights of the United States Government. The use of waters of navigable streams for the production of power constitutes the exercise of rights in the public domain. Water power inherent in the flow of any navigable stream belongs to the United States. This is well established by long-standing judicial precedent.

I respectfully refer Senators to such cases as *United States* v. *Appalachian Power* (311 U. S. 377) and *Oklahoma* v. *Atkinson Co.* (313 U. S. 508).

Thus, more than one-half of the power and energy anticipated from the project will remain for distribution through privately owned utility companies. The large industrial consumers and the private utility companies will get all the power they need. And the small consumers will be assured low-rate electric power from their property.

Though the technical title to the bed of a stream may be in private hands or in State hands, the dam sites on navigable streams are public property. Private interests are not even compensable as against the control of the United States Government—volume 312, United States Reports, page 592.

Congress, we know, under article IV, section 3, clause 2, of the Constitution, may dispose of public property. But Congress must exercise this power in the public interest and for the general welfare. Chief Justice Hughes, in *Ashwander* v. *TVA* (297 U. S. 288, 338), put it this way:

> That method [disposal of property], of course, must be an appropriate means of disposition according to the nature of the property, it must be one adopted in the public interest as distinguished from private or personal ends.

When, for example, Congress disposed of public lands in the West it provided safeguards to assure widespread public benefits. These dispositions, whether by gift or otherwise, were integrally tied to the development of the western frontier, clearly a development in the national interest resulting in great improvement in the welfare of the entire Nation.

Moreover, it is doubtful, in view of the Supreme Court decision in *Illinois Central Railroad Company* v. *Illinois* (146 U. S. 387), whether the State of New York could constitutionally dispose of its property for private interest as opposed to general public interest. And, as I have noted, these preference safeguards are included to assure the disposition of public property—in this case, the power—in the public interest.

The facts of the Illinois Central case concerned a grant by the Illinois Legislature of submerged lands in Lake Michigan to a railroad company. The Supreme Court held this grant invalid under the 14th amendment, and stated:

A grant of all the land under the navigable waters of a State has never been adjudged to be within the legislative power; and any attempted grant of the kind would be held, if not absolutely void on its face, as subject to revocation. The State can no more abdicate its trust over property in which the whole people are interested, like navigable waters and soils under them, so as to leave them entirely under the use and control of private parties * * * than it can abdicate its police powers in the administration of government and the preservation of the peace.

In the performance of our constitutional duty, we must see to it that the public rights in the Niagara River are used to benefit all the people. And these preference provisions are time-tested means of accomplishing this end.

Moreover, private utility companies will benefit from these provisions.

In the Tennessee Valley area, the estimated annual power produced per person increased 10 times from 1933 to 1951. This power effected a tremendous development of industry; it went to thousands of farmers and small consumers. These people bought refrigerators, ranges, electric pumps, electric farm appliances, freezers, small motors to grind feed, cut wood, and turn lathes, and many other electrical appliances too numerous to mention.

Many of the farmers bought through cooperatives, some of which now have as many as 19,000 members and an investment of nearly $7 million—the figures relating to the TVA area are from Lilienthal, TVA: Democracy on the March, 1953 edition.

I may say that the figures I have given relating to the TVA area are from the book written by Mr. David Lilienthal, entitled "TVA: Democracy on the March," 1953 edition. The original edition was published many years earlier, but it was brought up to date in 1953, and my figures are taken from that book.

These rural-electric cooperatives in the TVA area served nearly as much electricity as was used by the whole region, industrial use included, in 1933.

I wish to emphasize these figures because I think they are remarkable in that they show what happens when the power from a great project such as this is made available for use by the public generally in the public interest.

The cities, too, were changed. For example, in 1933, 225,000 homes that had electricity used about 130 million kilowatt-hours. In 1951, in the same area, 1,065,000 homes that had electricity, used 3,875,000,000 kilowatt-hours, or 30 times as much power, which means 7 times as much power in each individual home.

This expansion resulted from low rates. The assumption that people would use electricity widely if rates were drastically lowered proved to be well-founded, as did the equally valid theory that rate cuts had to precede increased use. As David Lilienthal said:

What had proved to be a good business principle for Henry Ford in the pricing of his first automobiles, what was good business in the mass production field generally, would be good business in electricity supply. (Lilienthal, TVA: Democracy on the March, p. 23.)

Far from hurting private power companies in this area, these plans for widespread consumption of electricity at low rates have helped them immeasurably. For example, the Georgia Power Co., 23d in size among the country's utilities, sold more electric refrigerators the first year of the TVA induced rate reduction, than any other company in the country regardless of size. It was first in the sale of electric water heaters, and second in the sale of electric ranges.

Immediately after its rate reduction, the Tennessee Electric Power Co., 30th in size in the country, was first in total number of electric ranges sold, second in number of electric refrigerators, and third in number of electric water heaters. This company, with only 100,000 residential users, was selling more home electric appliances than companies in high-income States, like New York and Illinois, and having many times that number of customers.

The studies of the committee which reported the bill show that while the earnings available to common shareholders in private utility companies increased twofold from 1937 to 1952, the earnings for stockholders of the five major companies contiguous to TVA increased fivefold. And in the period from 1932 to 1952, the average bill for electricity service in the TVA area for 100 kilowatt-hours per month homes decreased 35 percent.

I could talk at considerable length about the industrial and agricultural development in the States adjacent to the Tennessee Valley. This has meant much to the prosperity of the entire Nation, and certainly to its defense efforts during the years since the inception of TVA.

All the people—consumers, small and large, and investors in private utility companies—have reaped immense dividends from public-power projects, which stimulate widespread public consumption of electricity at yardstick rates. Without these preference provisions, the whole concept would be totally emasculated.

By the way, Mr. President, I should like to interject a reminder at this point. When Congress passed the general flood-control legislation, which I believe was in 1944, it was written basically into the law that this preference should prevail in all power projects developed by the Government. That is all the Lehman bill proposes to do. There are some changes, incident to the particular location and the interest of the State of New York; but, generally speaking, the preference provision is the same as that which is contained in our general policy.

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

Mr. SPARKMAN. I yield.

Mr. LEHMAN. In addition to the inclusion of the preferences in the flood-control bill of 1944, is it not a fact that these preferences have been recognized ever since the days of Theodore Roosevelt?

Mr. SPARKMAN. Yes; and it was Theodore Roosevelt who first started them. As a matter of fact, it was Theodore Roosevelt who really started the public-power programs in which the Government has engaged.

In spite of publicity concerning it, the public-power program of the Federal Government is not a big part of the whole, but it was started by Theodore Roosevelt, and priorities were set up by him, and the system has been adhered to since that time.

I have not made any research of the subject, but in trying to remember the various projects which have been authorized, certainly of the ones which have been started during the 20 years I have been in Congress, offhand I cannot recall any sizable project involving the public generation of power which did not provide for preferences.

Mr. LEHMAN. That was my impression, too.

Mr. SPARKMAN. Mr. President, the continued inclusion of the preferences in the Lehman bill is imperative if we are to observe our constitutional duty to see to it that the people's property is used for the people.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. SPARKMAN. I yield.

Mr. LEHMAN. I should like to compliment the distinguished Senator from Alabama on the very informative, useful, and enlightening statement he has just made. I think some of the figures he has given are more dramatic than any I have seen previously, and I wish I had had them.

I know in many places of the country in which there is cheap power the per capita consumption has increased; but the figures of increased consumption over the 20 years, I believe it was, which the Senator gave——

Mr. SPARKMAN. Eighteen years. They started in 1933. In one case I said up to 1951, and in another case to 1953.

Mr. LEHMAN. The increases have been very dramatic. I think the same increases have obtained, to a lesser extent, perhaps, and not quite so dramatically, in the various low-cost power areas, such as the area served by Bonneville and the area of the TVA development, and areas in the Southeast and the Southwest. The rates have been reduced to such a point that today they are less than half of those being paid in the Northeastern States, New England, New York, Pennsylvania, Ohio, and certain other States, and at the same time the per capita consumption in those States has increased not 25 or 30 times, as the Senator from Alabama has pointed out in the low-cost-power areas, but only 5 or 6 times. Consumption only is 5 or 6 times greater in New York, Rhode Island, Massachusetts, New Hampshire, Ohio, and Pennsylvania than it was.

That is something which few persons know about. That is why I am glad the Senator from Alabama and others of my colleagues have joined me in trying to bring home to the people the facts. I am very grateful to the Senator from Alabama.

Mr. SPARKMAN. I appreciate the remarks of the Senator from New York.

Of course, he realizes that the figures I gave were limited to the TVA area. I am certain the same comments would apply to the Bonneville, the Grand Coulee, and some of the other areas, although the figures would not be so dramatic, because perhaps in the TVA area there was a lower base to start with. Certainly a similar pattern would be shown.

The Senator from New York realizes I have lived in the TVA area all my life. I have seen these changes take place. I can remember when the TVA came into being. I do not suppose that in the rural sections in my area as many as 5 percent of the farm homes had electricity, but today in the TVA area in north Alabama, where I live, I dare say that 99-plus percent of the farm homes have electricity available. In the State of Alabama as a whole I think more than 90 percent of the farm homes have electricity available to them.

I should like to remind the Senator that the TVA serves only a very small part of Alabama. I think there are involved only 12 counties, plus 2 municipalities, and perhaps 1 or 2 cooperatives in other counties; but only a small part of Alabama is served by the TVA. However, I should like to point out another factor which few people understand. If rates are reduced, consumption will be stepped up, which will make it possible to reduce prices again. That is the pattern the TVA put into effect. That pattern was taught to the private-power companies. Today there is not a great deal of difference between the rates charged by the TVA and the Alabama Power Co., for instance.

I remember, back in the days when TVA started operating, the press was full of reports of the dire effects TVA would have on private-power companies. I remember that as late as 1939 Alabama Power Co. stock was selling for 50 cents on the dollar. Congress passed a bill which more or less drew a line and divided the areas to be served by TVA and private-power company operations. Within a year's time the stock of the Alabama Power Co. was up to 100 cents on the dollar. The power company had learned the lesson of applying the same yardstick that TVA was applying. Their customers stepped up their use as prices were reduced, and the company was able to reduce rates still more.

During the course of my remarks I stated that whereas private-utility companies' earnings as a whole had increased 2½ times, the power companies contiguous to TVA had stepped up their earnings 5 times—in other words, twice as much as the others—so such projects have an impact on areas other than the areas particularly served.

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

Mr. SPARKMAN. I yield to the Senator from New Mexico.

Mr. CHAVEZ. The Senator from Alabama was speaking of the rates in the area of the TVA and the New York and New England rates. I do not know whether the Senator was present on yesterday when we were discussing this matter. The New York and New England area has the highest power rate of any section of the country. The wholesale power cost to rural electric systems in New York is 1.12 cents per kilowatt-hour, the Nation's average is 0.76 cents, and it is 0.58 cents in Alabama. The average cost of purchased power to municipalities and other publicly owned electric utilities is 0.97 cents per kilowatt-hour in New York and 0.44 cents in Tennessee. There will not be such difference in cost if the bill becomes law. The people of New York will receive the same kind of rates the people of the State of Alabama receive.

Mr. SPARKMAN. The Senator from New Mexico has given figures which are absolutely undeniable, and the effect it will have is also accurately stated.

I should like to say to the distinguished Senator from New Mexico that he will remember a few years ago I was a member of his committee, and I enjoyed serving under his chairmanship. At one time he appointed a subcommittee to make a study of the feasibility of river improvement—certainly a survey—of the New England area. I served on that subcommittee. The Senator from New Mexico may remember some of the evidence which was presented to us and some of the findings we made. We found that New England had perhaps the greatest abundance of undeveloped hydroelectric power possessed by any area in the Nation. Mr. President, I do not like to say anything which might sound critical of an area, but in this case we are dealing with facts regarding a project which might have a great impact on a particular area.

Mr. CHAVEZ. And New England still has those undeveloped hydroelectric resources.

Mr. SPARKMAN. Yes, because nothing has been done in that connection.

Mr. CHAVEZ. That is correct.

Mr. SPARKMAN. We authorized an appropriation of approximately $3 million for a survey of the Passamaquoddy project, the purpose of which was to produce power for New England.

I suggest that if the Lehman bill, including the provision for the system of preference, becomes law, on the one hand, and if the Passamaquoddy project is developed, on the other hand, and if in that connection provision is made for the same system of power preference, the Senator from New Mexico and all the others of us will see the power rates in the New York-New England area come down, as has occurred in other areas. That development will be the result of the impact of those two programs, one on each side.

Mr. CHAVEZ. Yes. However, it has been only of late that there has been increased interest in the Passamaquoddy project. When the late President Franklin Delano Roosevelt suggested the Passamaquaddy project, complaint was made that it would be all wrong. But the opponents have learned the hard way; and now they want a survey made of the Passamaquoddy area.

Mr. SPARKMAN. I believe that at one time the Passamaquoddy project was called "Roosevelt's folly."

Mr. CHAVEZ. That is correct.

Mr. SPARKMAN. And it was commonly referred to as "Quoddy."

Mr. CHAVEZ. That is correct.

Mr. SPARKMAN. I suspect that those who now are interested in it, probably will try to find a new name for it, in an effort to get away from the name "Passamaquoddy." However, even with a new name, the proposed project will be the same.

Mr. CHAVEZ. I wish that my State had the waterpower that New England has.

Mr. SPARKMAN. Of course. And I think the people of most of the other sections would take the same position. Most of the waterpower sites in other places in the country have been developed, but most of the waterpower sites in New England remain undeveloped, even today.

Mr. CHAVEZ. I know that New England has complained about the movement of factories to the South. I do not blame the factory owners for moving their factories to the South, if, for instance, in Tennessee they can obtain 0.44 cent power, rather than 1.12 cent power in Connecticut. Under those circumstances I do not blame the factory owners for moving their factories to the South, and they will continue to do so. However, New England could develop its own power, and in that way could help itself and also the rest of the country.

I have no direct interest in the Niagara project, but I know it is feasible to develop that project, and that the benefits accruing from it will also inure to Arizona, New Mexico, and the other States.

Mr. SPARKMAN. Of course, I have no direct interest in the Niagara project, either. However, I have seen various projects developed in such a way that all sections of the country profited. I believe that the able chairman of the committee will take that position in connection with this matter.

Mr. CHAVEZ. Yes.

Speaking of preference, let me remind the Senator from Alabama that the Hoover Dam was constructed many years ago, under the system of preference.

Mr. SPARKMAN. Yes; and all such projects have been developed in that way, going all the way back to the program commenced by Theodore Roosevelt in 1902. That program was acted on favorably by the Congress; and public power dates back to that time, and the public-power preference system began at that time. That is the real issue involved in this bill.

Mr. LEHMAN. Mr. President, the Senator from Alabama is absolutely correct.

Mr. SPARKMAN. So I think it is extremely important that at this time we continue what both Democratic and Republican Congresses have done for the past 54 years, namely, see that projects developed by the Federal Government or under the authority of the Federal Government are handled in such a way as to give a fair break to all the people, no matter how small their business may be.

Mr. LEHMAN. I thank the Senator from Alabama, and I am in full agreement with that position.

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

The PRESIDING OFFICER (Mr. LAIRD in the chair). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. HUMPHREY. Mr. President, I am very happy to join the Senator from New York [Mr. LEHMAN] and other Senators who have spoken in behalf of Senate bill 1823, in speaking in support of this measure. I am a cosponsor, with the Senator from New York [Mr. LEHMAN] of Senate bill 1823. I urge that the bill be passed, because I sincerely believe that, if enacted into law, it will assure public development of the very great undeveloped hydroelectric resources at Niagara Falls.

Mr. President, I recognize that this development is in an area of the country which is somewhat removed from the State which I am privileged, in part, to represent. But I also recognize that the principle involved in the bill is of vital importance to the continuation of a long-established public policy relating to the use and development of hydroelectric-energy resources.

It is, therefore, in that spirit or within that philosophy, that I direct my remarks. My remarks will be somewhat general. If time permitted I should like to discuss in some detail all the reasons why I favor the bill, but I shall limit my remarks in the main to the overall arguments which I think sustain the position which the sponsors of the bill have taken.

Again, I invite the attention of Senators to the very excellent, detailed, and thoughtful address of the Senator from New York [Mr. LEHMAN] on yesterday. In the early part of his address in support of the bill he outlined 12 or 13 major reasons why the proposed legislation should be enacted. He also pointed out the importance of the Niagara Falls hydroelectric development not only to the State of New York, but to the entire surrounding area, which is one of the most important industrial areas in the world, as well as one of the most important agricultural areas in the Nation.

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

Mr. HUMPHREY. I am happy to yield.

Mr. LEHMAN. The bill provides assurance that the adjoining States, notably Pennsylvania and Ohio, will receive a reasonable share of the cheap power.

Mr. HUMPHREY. I thank the Senator for emphasizing that point. I think it underscores what the junior Senator from Minnesota just said, namely, that it is a bill which relates to one of the most important industrial areas in the entire world. The State of Pennsylvania, the State of Ohio, and the State of New York surely represent that type of industrial development. Furthermore, the population concentration in those areas is one of the most dense in the United States.

The Senator from New York pointed out that the proposed legislation would authorize the State of New York to build, operate, and maintain a hydroelectric power project on the Niagara River, utilizing a diversion of waters agreed upon and made available under the terms of the United States-Canadian Treaty of 1950. He also pointed out, as have other speakers today, that the Dominion of Canada has already proceeded under the terms of the treaty which relate to Canadian development, and that we are somewhat behind schedule, so to speak, in the development of the water resources which are available to the United States or any of its political subdivisions under the terms of the treaty of 1950.

Furthermore, it has been pointed out again and again that this authorization bill, Senate bill 1823, would not cost the Federal Government a single cent in Federal appropriations. So the issue of cost to the Government of the United States is surely not germane, and has no relevancy whatsoever to any argument which might be made against this particular bill.

Also, I understand that New York State seeks no financial aid whatsoever, in any form, from the Federal Government. Furthermore, this very project might well have been accomplished under the treaty itself had it not been for a reservation to the treaty which was ratified by the Senate. As we know, that reservation stipulated that Congress, by subsequent action such as we are now proposing to take, would dispose of the new power potential made available under the terms of the treaty. So what we are really called upon to do now is to ascertain and determine how the power potential shall be divided, and under whose auspices—whether it should be under the New York Public Power Authority or whether it should be a Federal power development or whether it should be a private power development.

I am sure that everyone recognizes that this is not what might be called a Federal power development. Congress has been brought into the subject only because of the so-called Aiken reservation to the treaty. Congress is called into the Niagara Falls electric power development program simply because, under the terms of the treaty, it is our duty to determine how this power resource shall be used and ultimately developed.

Long hearings have been held on the bill. It has been open for consideration for years, as my statement today will indicate. I shall not go through all the detailed explanations which have been listed in support of the bill. However, I should like today to invite the attention of Senators to the nature of much of the support which is to be found for the bill in other parts of the United States, particularly in the State of New York.

Let me begin by saying that Senate bill 1823 is completely in accord with the long-established Federal power policy, as embodied in the Federal Power Act, the Tennessee Valley Authority Act, the Bonneville Project Act, and many others.

The alternative and substitute measure, Senate bill 6, known as the Capehart-Miller bill, would turn this great public resource over to private development. In so doing it would not be in accord with the established Federal policy, or with the policy of the State of New York.

As a matter of fact, as is pointed out in the majority report of the Senate Committee on Public Works, Senate bill 6 "proposes, in effect, to make a completely unjustified exception to section 7 of the Federal Power Act, which assures public agencies a priority and preference over private applicants in securing a license for the development of the hydroelectric potential at any particular site."

There are many other arguments against the so-called substitute, the Capehart-Miller bill, which arguments will be made by other Senators, or have already been made.

I cannot conceive of any circumstances which would justify Congress in directing an exception to the rules established by the safeguarding provision of the Federal Power Act; but even if some future case might arise in which such an exception would be warranted, there could be no justification for any exception applying to perhaps the greatest of all public water resources belonging to two nations, the mecca of visitors from the entire world. I refer to Niagara Falls.

It has always been a matter of deep concern and surprise to me that this great power resource, which is so evident that even a 6-year-old child can see the potentialities, has not been utilized to its fullest. Anyone who has visited Niagara Falls and seen the plunging and lurching of that water can well understand that there is a treasure of gold, so to speak, in terms of potential energy from water power.

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

Mr. HUMPHREY. I am happy to yield to the distinguished Senator from Tennessee.

Mr. GORE. The distinguished Senator from Minnesota is unquestionably speaking factually and truthfully, but it seems to the junior Senator from Tennessee that he has made a remarkable understatement. Here is one of the greatest natural resources on the North American continent. The share which belongs to the United States by treaty is daily, hourly, and by the minute going to waste.

Mr. HUMPHREY. The Senator is correct. Let me say to the Senator from Tennessee that it is energy—which is, in fact, wealth—that cannot be retrieved. Once it has gone over the falls, it is gone forever, and every day we lose in the development is, so to speak, represented by money which has been lost, by development which has been lost, by industry which has been lost, and by industrial potentiality which has been lost.

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

Mr. HUMPHREY. I yield.

Mr. LEHMAN. At the beginning of the Senator's remarks he drew attention to the fact that we have been rather slow, in comparison with Canada, in de-

veloping our resources, and that, therefore, Canada is ahead of us.

I wish to point out that it goes much further than that. Under the treaty to which I have referred Canada not only can use a part of the water belonging to us, but can use all of it until we develop it.

Therefore we not only lose industrial potential, but we build up competition right across the border in Ontario. No other section of Canada has grown industrially so rapidly as has that part of Ontario which borders on the Niagara River, because of the low-cost power in that area. Power in Ontario costs less than half of what it costs on our side of the border.

Mr. HUMPHREY. The Senator from New York is correct, of course. It always amazes me that our Government, in its foreign-aid programs, will go around the world and encourage every nation on the face of the earth to develop its hydroelectric power, and yet neglect our own power potentialities. We now have before the Committee on Foreign Relations a proposal to build a huge dam in Egypt. It would be the world's largest dam. A great deal of American money would be put into it. Of course, the proposal is somewhat nebulous at this time, but it is being constantly talked about. The administration says it is a splendid idea.

I suppose one way to get the pending bill passed would be to have the Russians say that they would lend the money for it. If that were the case, our Government would rush in and build the project immediately.

I hope we can do it ourselves without someone from the Kremlin trying to do it. Perhaps that would be the way to get it done. I say that because I notice whenever the Kremlin asserts that something should be done to harness the waters of the Euphrates or the Tigris or the Jordan or the Nile, our Government immediately sends 2 ambassadors and 4 foreign-aid specialists to the country involved, and our country says, "We would love to see it done." Our Government in that case does not worry whether it is a matter of public or private power. Of course, it is always public power. Our Government says to such a country, "Not only should you do it, but hurry up and do it and take our money, and get it done in a hurry. What is more, we will send you the engineers. Not only that, we will see to it that it all works well."

However, when we are confronted with a project in the United States of America, such as the wonderful power resources that exist in the Niagara area, our Government says, "Oh, we don't know about that. We don't think we ought to do that."

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

Mr. HUMPHREY. I am glad to yield.

Mr. GORE. I wish to correct the Senator. The Government says that is creeping socialism.

Mr. HUMPHREY. Yes. However, when we talk about Niagara, that is not creeping. That river really rushes.

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

Mr. HUMPHREY. I am glad to yield to the Senator from Montana.

Mr. MANSFIELD. I am delighted that the distinguished junior Senator from Minnesota has brought into the debate the apparent paradox in the administration's thinking; that it wants to give Egypt $55 million to build the Aswan Dam on the Nile—and it would give that money to Egypt, not lend it—and that, as the Senator from Minnesota has indicated, it is willing to underwrite, free, the building of a development on the Jordan River for the benefit of Jordan and Israel; but that when it comes to a project in our own country, as has been pointed out by the distinguished Senator from Tennessee, as is the case with TVA, it is referred to as creeping socialism.

So far as multiple-purpose projects are concerned, under this administration, during the past 3 years and almost 4 months, not 1 such project has been started.

Apparently the administration talks one way to us and another way to the people outside the United States. Why does not the administration become interested in the development of American resources for the benefit of the American people?

Mr. HUMPHREY. The Senator from Montana makes a good point. I wish to say to my good friend from Montana that I thoroughly concur in his remarks. Since the administration seems to be so opposed to power developments at home and at the same time advocates them so strongly abroad, sometimes I wonder whether our friends overseas are not of the opinion that they are not good for them either.

Mr. GORE. Perhaps some of our friends overseas think we are Socialists.

Mr. HUMPHREY. One can never tell about that.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I am glad to yield.

Mr. LEHMAN. I thoroughly concur in the remarks of the Senator from Tennessee, the Senator from Montana, and the Senator from Minnesota. However, I do not wish the issue before the Senate to be beclouded or misunderstood. I wish it to be very clearly understood that the State of New York is not asking for any money from the Kremlin and that, at the same time, it is not asking for any money from the White House or from the Treasury or from the taxpayers of the United States.

Mr. HUMPHREY. The Senator's proposal is without doubt one of the most legitimate that has ever come before Congress. It is a very worthy proposal. I suppose I was being a bit facetious. Nevertheless, it is somewhat strange that our Government should become so deeply concerned about a great number of public power developments around the world, and should advocate such developments everywhere in the world with American taxpayer money; but that, when New York State asks that it be permitted to pay its own way on the Niagara River project, and to finance it and to build it and to operate it—and I did speak in that connection in a spirit of levity——

Mr. LEHMAN. I am completely in accord with the Senator's remarks, of course.

Mr. HUMPHREY. In that connection I said what I did say for the purpose of sharpening the argument, which could otherwise become rather dull; and I did suggest that if either Khrushchev or Bulganin were to say, "We would like to see the Niagara power resources developed," undoubtedly our Government could not hurry fast enough to get it done.

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

Mr. HUMPHREY. I yield.

Mr. GORE. I believe the Senator from Minnesota makes a very grievous error in that connection. The circumstances which he has related would undoubtedly prompt the administration to make a gift of the money if the project were sufficiently removed from an American private power company. However, the Niagara resources are entirely too close to a power company which has made a big campaign contribution. Therefore, I do not believe that Bulganin or Khrushchev could bring the administration around to this thinking under such circumstances.

Mr. HUMPHREY. I must say that I admire the Senator's outstanding knowledge in the field of public-power resources, his advocacy of the great Tennessee Valley Authority, and his basic understanding of the development of our resources. In view of that fact, I accept his modification and his explanation and limitations of my remarks. I thank him. He is entirely correct. The junior Senator from Minnesota should have been more careful in what he had to say, because the Senator from Tennessee is absolutely correct. I do not wish to bear down on this point any longer. What the Senator has said should stand uncontested.

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

Mr. HUMPHREY. I yield.

Mr. GORE. I thank the Senator for accepting my amendment of his remarks. I wish to join in the desire not to contaminate the project advocated by the distinguished junior Senator from New York with guilt by association.

I doubt if the junior Senator from Minnesota wishes to go so far in that direction as to class the Niagara project as legitimate, if that characterization is to carry with it the inference that a sound project which requires Federal expenditure of money is not legitimate.

Mr. HUMPHREY. My good friend from Tennessee knows that the junior Senator from Minnesota feels that the federally sponsored and operated projects which have been so phenomenally successful, as is the case with the great Tennessee Valley Authority, and which have made such a worthy contribution to our expanding economy, are legitimate, honorable, and desirable, and workable, and that I always hope Congress will adopt such projects.

Mr. GORE. And in the public interest.

Mr. HUMPHREY. Always in the public interest.

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

Mr. HUMPHREY. I yield.

Mr. MANSFIELD. I might add that the projects are also repayable. They are repayable within a 40-year period at 2 percent interest, and constitute investments in the welfare of the people and the development of the Nation's resources.

Furthermore, I should like to say that in the northwestern section of our country, Bonneville, Hungry Horse, and Grand Coulee will be repaid ahead of 40 years. Inasmuch as those multipurpose projects are supposed to last for 100 years, it means that for 60 years revenues from them will come into the Federal Treasury of the United States. Therefore they are assets.

Mr. HUMPHREY. The Senator is correct, of course. I should like to say again, as the Senator from New York [Mr. LEHMAN] has noted, that the proposal which is now before the Senate does not envisage a Federal project. It is one which would be operated by the State authority, and would be operated under the careful management of the State authority. It would be financed under the bonding capabilities of the State of New York. Its power resources would be available to the surrounding area. As was noted earlier, it would be a decided benefit to the industrial and community growth of the surrounding area, as well as of the whole State of New York.

In my discussion of the vital issue before us, I shall devote my remarks mainly to answering the attempt to mislead Congress into accepting the conclusion that "the people of New York have widely indicated a tremendous opposition to S. 1823—the bill providing for public development by the State of New York—and great support for S. 6."

S. 6 is the bill which would turn over the development to five privately owned power companies dominated by the Niagara Mohawk Power Corp.

Mr. President, I do not pretend to speak on behalf of the people of New York, but I think I may discuss their attitudes because these attitudes have over the years become widely known and because they have an important bearing on the present business.

That State has able spokesmen. A former Governor of that State, a man whose political life and private life in the State of New York is held in admiration by friend and foe alike on the political scene, has spoken ably, persuasively, and forthrightly on this very subject. He has spoken, of course, for his constituents. I hope the Senator from New York will permit me, as a man, as a fellow citizen, and as a fellow Senator, to offer some of the observations of the leaders of the State of New York with reference to this program. After all, the subject is not new. It was discussed by the Senator from New York [Mr. LEHMAN] when he was Governor of New York State. It was discussed prior to that time during the administration of the great Gov. Alfred E. Smith, and by other persons.

Let us begin by recognizing quite frankly a political fact of life in New York State. During the last generation, no candidate for Governor of New York State could hope to be elected who did not favor State development of the two great public hydroelectric resources on the State's northern and western boundaries with the Province of Ontario, those in the St. Lawrenc and Niagara Rivers.

That is a well-known political fact in New York State, which is taken into account today by both major political parties.

The support of the people of New York for public development of the two great public hydroelectric resources on the St. Lawrence and Niagara Rivers has a long tradition behind it.

As far back as 1907, the New York State Legislature, by chapter 569 of the laws of that year, directed the State water supply commission "to devise plans for the progressive development of the waterpowers of the State under State ownership, control and maintenance for the public use and benefit, and for the increase of the public revenue."

Mr. President, that was 49 years ago. This was in accord with the recommendation of the then Gov. Charles Evans Hughes in his message to the legislature in that year. Governor Hughes had said that the waterpower resources "should not be surrendered to private interests but should be preserved and held for the benefit of the people."

Governor Hughes reasserted this principle in his 1910 message.

All I am suggesting is that the present administration catch up with Charles Evans Hughes. He has gone to his heavenly reward, but I suggest that this administration at least get in touch with the spirit of that great governor and public servant, and if they are unable to find the words of his recommendation relating to the development of the Niagara power resources, I have provided those words today from quotations from the Governor's address to the legislature, from his admonitions to the legislature, and from the act of the legislature.

From that time on the State's waterpower policy was in controversy until the middle 1920's when it definitely crystallized in favor of State development of St. Lawrence and Niagara power.

Mr. President, I wish to digress from my prepared manuscript to say that the Senator from New York [Mr. LEHMAN] was an advocate in this Chamber of the public development of waterpower resources of the St. Lawrence River. I regret that that development has not yet become a reality.

The crystallization of public opinion on this great issue was manifested in the election in every State poll from 1922 to 1954 of governors pledged to public development of these waterpower resources.

The last serious drive of private power interests to secure State approval for private exploitation of either of these great waterpower sites was turned back in late 1926 by Gov. Alfred E. Smith, with a vote of the entire State electorate supporting this waterpower policy behind him.

In other words, Mr. President, he received the support of his own people to defeat the efforts of the private utility companies at that time to take over the water power resources. That case is significant.

On September 24, 1926, the State Water Power and Control Commission, controlled by Republican forces who hoped to displace Governor Smith in the November election, decided to grant a license to the Frontier Corp. to develop St. Lawrence power. The Frontier Corp. was owned jointly by the Aluminum Company of America, General Electric Co. and du Pont, to be later turned over to the Niagara Hudson Power Corp., predecessor of Niagara Mohawk.

About six weeks later the voters of the State reelected Governor Smith on his pledge to keep the development of this resource for the people. After a sharp battle, the governor forced the companies into a position where they withdrew their applications and the State legislature proceeded to give the governor a veto over any such giveaways in the future.

I am pleased to be able to stand on the floor of the Senate and say a few words about the administration of Gov. Alfred E. Smith, one of the truly great humanitarians this Nation has produced, one of the ablest governors who ever graced the State House in Albany, who raised his voice in behalf of the people and the people's interests.

I should like to say to my friend, the Senator from New York, that I remember when Governor Smith was a candidate for the Presidency. I remember my father's admiration for Governor Smith. His pronouncements in that campaign were in the finest traditions of liberal democracy, and the American people have looked back, I am sure, wondering whether they had made a tragic mistake when they turned over the reins of government to one who did not see fit to use the powers of government in the public interest. Governor Smith was truly a great public servant, and his efforts to develop the water resources of his State demonstrated his leadership and courage against powerful economic interests in his section of the country, and particularly in his State.

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. I wholeheartedly concur in the Senator's estimate of Governor Smith. He was the man who first interested me in politics. I managed his campaign in the early 1920's. He stimulated my interest in the public development of power. In 1926 I managed his campaign, to which the Senator from Minnesota has referred, which had a great bearing on the waterpower resources of the State of New York.

If it had not been for Governor Smith's persuasive powers I would not have run for lieutenant governor.

I only wish to say that I share the very high regard and admiration of the Senator from Minnesota for Alfred E. Smith, and I have thoroughly enjoyed the Senator's remarks about Governor Smith. He was a very great American.

Mr. HUMPHREY. Mr. President, my estimate of Gov. Alfred E. Smith has gone up by receiving the information that he persuaded the Senator from New

York to be a candidate for lieutenant governor. That was another demonstration of his keen political judgment, his sense of human values, and his qualities of leadership.

Until the present five-power-company drive, which is behind the Capehart-Miller bill, S. 6, that was the last serious effort of the power companies to reverse the will of the people of New York State to develop St. Lawrence and Niagara power on a public basis.

They waited approximately 25 years to reassert their determination to gain control over these great water resources. Apparently, the private-utility companies feel that the political climate in Washington is conducive to another effort on their part.

What a fortunate development it is that the man who stood by Gov. Alfred E. Smith in 1926 is on the floor of the Senate today to see that this effort on behalf of private power companies to grab and maneuver to get these resources does not reach fruition. Alfred Smith did his work for the people, and his friend, his partner in liberal democracy, is here in the Senate as the chief sponsor of this bill, which I think is of historic significance.

Again we see private power companies trying to get hold of these resources. There is no Alfred E. Smith at this time to curb their appetite, but there is a Senator LEHMAN, the sponsor of this bill. I am delighted. That is the reason why I am on the floor. I admire what the Senator from New York does for us, for his State, for the Nation, and for the world. I admire the principal position which he has taken on these great public issues.

In a special message to the New York Legislature in 1923—I am going back into history again—Gov. Alfred E. Smith demanded the repeal of all laws which gave to State officers power to grant leases to private companies, and asked immediate development of the Niagara and St. Lawrence Rivers by the State itself owning and operating powerplants and transmission lines to sell direct to municipalities.

In his annual message for 1924, Governor Smith advocated "a New York State Power Authority to develop the waterpower resources of the State." This position was reiterated in subsequent messages, and was an issue on which he was reelected in 1924 and 1926 and on which Gov. Franklin D. Roosevelt was elected in 1928 and reelected in 1930, the first stage of the battle of the people against the power companies ended with the enactment of the New York Power Authority Act of 1931.

Is it not amazing that now, in order to qualify as a liberal, one is supposed to be for public power or the development of power resources. Thirty years ago, men of the political persuasion and philosophy of Alfred E. Smith and HERBERT H. LEHMAN were fighting this battle, and fighting it to a successful completion, to protect the great power resources of the people.

Section 1 of the Power Authority Act declared that the bed, waters, power, and power sites in, upon, or adjacent to or within the watershed of the St. Lawrence River, which includes the Niagara River, "owned or controlled by the people of the State, or which may hereafter be recovered by or come within their ownership, possession, and control, shall always remain inalienable to, and ownership, possession, and control thereof shall always be vested in, the people of the State." It created the Power Authority of the State of New York and authorized it to proceed with the public development of St. Lawrence power.

Since 1931, all changes which have been made in the New York Power Authority Act have been designed to extend rather than diminish the principle of public development of these great resources. These changes have included the amendment of 1951, specifically authorizing the power authority to develop Niagara as well as St. Lawrence power.

These records of actions taken to assure the public development of St. Lawrence and Niagara River power, taken after polls of the entire electorate of the State after the issue had been squarely presented, are far more significant evidence of what the people of New York State want than the position taken by organizations which all too clearly reflect the all-pervasive influence of the power company public relations fellow-travelers.

But we can go further and examine more fully the reasons which led the people of New York State to favor public development of these great waterpower resources.

The entire record shows the long, continued popular support for development of the St. Lawrence and Niagara Rivers by the State of New York was based on a determination that the benefits of further development of these resources should flow to small consumers—indeed, to all, but with preference for the small consumers—of electricity in lower rates and larger use, rather than to a few very large industries.

Of course, this is where the preference clause comes in. I say to the junior Senator from New York that public-power legislation must have the preference clause within it. The preference clause is a public policy which has been under attack in recent years. The preference clause means exactly what the words imply: that the municipalities, the power authorities, the power districts, the rural electric cooperatives shall have preference, because they represent the people, rather than merely an economic institution.

By "preference" is not meant that others do not participate. "Preference" means priority; and in the instance of the Niagara hydroelectric development, there will be plenty of power for everyone. There will be an abundance of it.

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

Mr. HUMPHREY. I yield.

Mr. LEHMAN. It is a fact, too, is it not, that the use of the word "preference" does not mean price preference?

Mr. HUMPHREY. That is correct; it means availability. It does not mean price discrimination. The rates and schedules will be established on the basis of the amount of energy used. There will be some minimums; and there will be, of course, steps in the power rates, I suppose, as there are in every other section of the country, when industrial or commercial customers use large amounts of power.

Mr. LEHMAN. Yes; but there will be no differentiation whatsoever in the basic rates, so far as the price is concerned.

Mr. HUMPHREY. None whatsoever; the Senator is absolutely correct.

I think it should be noted that if an effort were made in the Senate now to defeat the preference clause in the bill, a bill, by the way, which relies upon State development, not Federal development, and if that effort were successful, it would be a major breach in the whole preference clause structure of the Federal Power Act. I am convinced that if the preference clause were deleted by action of Congress, it would be the beginning of the end of the preference clause in every Federal power agreement which exists.

The final establishment of the Power Authority of the State of New York, which is now authorized to develop both St. Lawrence and Niagara power, was preceded by the legal, engineering, and marketing study of the St. Lawrence Power Development Commission. This Commission was established by the State legislature in 1930 to report a plan for the use of the St. Lawrence resources. It recommended the law which became the Power Authority Act.

In its report, the St. Lawrence Power Development Commission discussed the basic policy, which the people have supported for more than a generation.

Under a subcaption: "What Classes of Consumers Should Be the Beneficiaries of the Low-Cost Power?" the Commission asked further:

> Should all of them enjoy a pro rata reduction in their electric bills, or should the benefits of the low-cost power be concentrated as far as possible on the smaller customers?

The Commission's answer was unequivocal:

> Your Commission is firmly convinced that the latter policy is the proper one, and that an effort should be made to secure the maximum possible reduction of rates to domestic and small commercial users.

The Commission explained that:

> Industrial power users enjoy a strategic position not possessed by small consumers, which gives them power to bargain for low rates even though the public-utility company that serves them should try its best to secure the maximum profits from its business.

The Commission went on to point out that:

> The bargaining power of industrial users lies partly in their ability to produce their own power at low cost; partly in their readiness to relocate their plants in communities where they can get low-cost power; and partly in the fact that certain of the largest power-using industries, like the electrometallurgical industries, simply would not be able to carry on their business if they could not secure their current at extremely low wholesale rates.

The St. Lawrence Power Development Commission added that "smaller consumers of electricity throughout the

State are in a very different position," and "not being in a position to protect themselves by the exercise of their bargaining power, they require the protection of their Government in the enjoyment of services at the lowest possible rates."

This makes it clear why the people of New York State have always supported the public development of Niagara and St. Lawrence power. It was because public development of these great hydroelectric resources provided a means by which residential, rural, and other small users of electricity could enjoy the same bargaining power in obtaining the lowest possible electric rates as was already enjoyed by the big industrial and commercial users of power.

Development of St. Lawrence and Niagara power by the State was expected to give them this new bargaining power as a supplement to regulation. Public Service Commission regulation had clearly failed to give small users of electricity what big users had obtained by such bargaining power.

It is important to get a clear picture of exactly how the New York Power Authority Act proposed to give the small users of electricity—the homes, farms, and small businesses—this new bargaining power. Such an analysis will show why it is necessary to enact S. 1863, with its safeguards based on the basic requirements of Federal power policy.

Let us look at the New York act a little more closely:

In the first place the act declares that, in the development of hydroelectric power from the St. Lawrence and Niagara projects, "such projects shall be considered primarily as for the benefit of the people of the State as a whole and particularly the domestic and rural consumers to whom the power can economically be made available." It directs that "all plans and acts, and all contracts for use, sale, transmission, and distribution of the power shall be made in the light of, consistent with, and subject to that policy."

In the second place, the act provides that, in order to implement the policy of channeling the benefits particularly to domestic and rural consumers, "sale to and use by industry shall be a secondary purpose, to be utilized to secure a sufficiently high-load factor and revenue returns to permit domestic and rural use at the lowest rates and in such manner as to encourage increased domestic and rural use of electricity."

In the third place, the act provides that, in furtherance of this policy and to secure wider distribution of such power and use of the greatest value to the general public of the State, the Authority shall in addition to other methods which it may find advantageous make provision so that municipalities and other political subdivisions of the State now or hereafter authorized by law to engage in the distribution of electric power may secure a reasonable share of the power" on a cost basis. In this connection it provides also for arrangements to assure the necessary transmission of power to such municipalities and political subdivisions.

I am explaining the preference clause, which has been explained in detail by the Senator from New York.

In the fourth place, the act provides that rates of the transmitting and distributing public agencies or companies for power generated at the projects "shall be governed by the provisions and principles established in the contract, and not by regulations of the public service commission or by general principles of public service law regulating rates, services and practices." Rates to consumers are to be fixed initially and adjusted from time to time "on the basis of true cost data."

This provides a consistent pattern for developing and marketing power from the Niagara and St. Lawrence resources in such a manner as to assure all consumers of electricity, particularly domestic and rural consumers, advantages which they had not enjoyed and could not hope to enjoy under established public-utility regulation. It was specifically designed to supplement utility regulation by giving small consumers the same bargaining position in dealing with privately owned power companies which the St. Lawrence Power Development Commission declared was enjoyed by big industrial consumers. It is completely consistent with the Federal preference provision governing the marketing of such power.

Small consumers would have an alternative to dependence upon a private monopoly for their electric service. That alternative would be service through a municipality or other political subdivision of the State "now or 'hereafter' authorized by law to engage in the distribution of electric power." I have emphasized the word "hereafter" because it clearly indicates that, if the purposes of the people in providing for public development of Niagara and St. Lawrence power resources are to be achieved, the marketing of the power must protect the future opportunity of such public distribution systems to call for Niagara and St. Lawrence power in amounts which are reasonable in terms of the fundamental purposes of the Power Authority Act.

This requires recognition of the preference accorded public and cooperative electric systems in all Federal legislation providing for the marketing of power from Federal projects. It requires also provision for recapture on reasonable notice of power sold to privately owned power systems, to the extent needed to meet their reasonable requirements. The development of rural electric cooperatives since the Power Authority Act became law warrants their inclusion in such provision.

Others who will speak in support of S. 1823 for public development of Niagara power will go into greater detail on the close correspondence between the New York policy and the Federal policy for marketing power from Government power projects. I am giving special emphasis to the long-standing support which the people of New York have given to public development of these resources and to the sound reason for such support.

But I must assert at this point, with all the emphasis I can give my words, that the explicit safeguard for the preference to public bodies and cooperatives, which is one of the essential provisions of S. 1823, involves no conflict with the New York Power Authority Act. On the contrary, it is absolutely necessary to assure that the objectives of all the people of New York, as embodied in the act, shall be fully accomplished.

I may say to the Senator from New York that was the purpose of my discussion to point out that the safeguards in the proposed legislation sponsored by the Senator from New York and other Senators are in no way in conflict in any detail with the New York Power Authority Act. In fact, they are in harmony with the purposes of that act.

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

Mr. HUMPHREY. I yield.

Mr. LEHMAN. So far as I have been informed, and I have studied the situation pretty carefully, I do not think there is any conflict between the State act and the Federal Power Act.

Mr. HUMPHREY. Is it fair to say that if the preference clause were deleted, or if the safeguards in the bill were deleted, then there would be conflict between the purposes of the New Yorker Power Authority Act and the bill which is presently before the Senate?

Mr. LEHMAN. There would be conflict with the New York Power Authority Act, and certainly would be conflict with the Federal power policy, which has been in existence for 50 years or more.

Mr. HUMPHREY. Mr. President, I believe we can find strong evidence of the extent to which the people of New York State backed that policy in the fact that the New York Legislature enacted the Power Authority Act as chapter 772, laws of New York, 1931, without a dissenting vote.

I may note in passing that just about 2 months earlier the Senate Committee on Foreign Relations had similarly, by unanimous action, rejected a proposed treaty with Canada which would have enabled the Niagara Falls Power Co. to develop more power at Niagara in exchange for private financing of certain remedial works at the falls.

The committee issued the following statement explaining its action—and this was back in the 1930's—

> The Foreign Relations Committee was unanimous in its action. It rejected the present treaty. It favors, however, all reasonable action upon the part of the United States to preserve the scenic beauty of the falls.
>
> It objects to this treaty because it purports to enter into a compact with private companies to do certain work and for which they are given the use of certain amount of water for power purposes.
>
> It is the view of the committee that the Government of the United States, insofar as its part is concerned, should do this work direct and not enter into a contract with private power companies and pay the price which is here proposed to be paid. The evidence of General Pillsbury disclosed that this contract would be worth something like $5 million to the power companies.
>
> The committee desires to have the power matter treated as a separate matter and

that the United States should bear the expense.

Senator Wagner, of New York, was a member of the committee and voted against the treaty, along with Senator Borah, of Idaho; Johnson, of California; Moses, of New Hampshire; Capper, of Kansas; Fess, of Ohio; Goff, of West Virginia; Vandenberg, of Michigan; La Follette, of Wisconsin; Robinson, of Indiana; Swanson, of Virginia; Pittman, of Nevada; Robinson, of Arkansas; Black, of Alabama; and Shipstead, of Minnesota. In addition, Senators Walsh, of Montana; Harrison, of Mississippi; and George, of Georgia, also asked to be recorded as voting against this proposed Niagara Treaty.

Mr. President, that was back in 1930. Twenty-six years have gone by. In 1930 the Senate Committee on Foreign Relations went on record as being against private development of the Niagara resources, and they made it quite clear why they were so going on record.

I should like to say that some of the Senators I mentioned who were on the Foreign Relations Committee at that time were classified in later years as not being what one would call liberal but it seems to me that their quality of conservatism in 1930 was much better than is the quality of some liberalism in 1956.

I have mentioned great Republicans like Vandenberg, of Michigan; Borah, of Idaho; Johnson, of California; Capper, of Kansas; Moses, of New Hampshire. They were far ahead of this administration in terms of their support of public power, and of their protection of the great water resources, and in seeing to it that water resources were made available and eligible for public development rather than private development.

I should like to commend this section of my speech to the attention of any of the White House assistants who may be briefing the President or any member of the Cabinet, because it seems to me the record is pretty clear in showing what was the intent of Congress long ago as to the development of Niagara resources.

A glance at the record of hearings before the Senate Public Works Committee on the bills providing for development of the power at Niagara Falls contains evidence of widespread support throughout New York State for S. 1823, that is, for public development by the New York Power Authority, with a preference for public and cooperative electric systems in marketing the power. Taken along with the record of the Northwest Electric Consumers Conference, we find that supporters of the Lehman-Buckley bill include:

The mayor of the city of New York, represented by Gordon Clapp.

The Industrial Ladies Garment Workers' Union, speaking through its president, David Dubinsky.

The Amalgamated Clothing Workers, speaking through its president, Jacob S. Potofsky.

The Textile Workers Union, CIO, speaking through its legislative representative, John Edelman.

The New York State CIO Council, speaking through its president, Louis Hollender.

The Regional Organization of the United Auto Workers, CIO, speaking through its regional officer, Martin Gerkes.

The International Paper Workers, AFL, represented by its president, Paul L. Phillips.

The Electrical Workers, CIO, speaking through its field representative, Kenneth Peterson.

The Northeastern Electric Cooperative Association, by resolution.

The Municipal Electric Utilities Association of New York, represented by its then president, Ralph G. Dickinson.

These spokesmen for organizations, representing millions of people in New York, favored prompt enactment of Senate bill 1823, for public development of Niagara Falls power by the New York State Power Authority, with safeguards for the prior right of public bodies and cooperatives to the power supply from this source.

I have already emphasized at some length the long series of statewide elections in which the people of New York have, without exception, elected governors pledged to public development of the mighty waterpower resources in the Niagara and St. Lawrence Rivers. I have stressed the fact that strong support from the New York electorate put the New York Power Authority Act on the statute books 25 years ago; and that 20 years later, in 1951, the act was amended to extend and strengthen it, all this with the support of the people of the State. If I am not mistaken, in 1951 there was a Republican administration in the State of New York; and, despite that, there was support for the very program we are now advocating in the Senate.

Mr. LEHMAN. Mr. President, will the Senator from Minnesota yield?

Mr. HUMPHREY. I yield.

Mr. LEHMAN. The Senator from Minnesota has given a very accurate account of the various administrations and various persons in New York who have supported this proposal. He may go on to mention the point I am about to stress, namely, that in every recent election in the State of New York that I know of, and certainly in the 1954 election, the platforms of all the parties in New York State—those of the Republican Party, the Democratic Party, and the Liberal Party—have stressed the importance of developing the waterpower resources of the Niagara River. There is no question at all about that. As a matter of fact, when my colleague from New York [Mr. IVES] ran for election to the office of governor, in 1954, he, too, endorsed public development of the Niagara power. So there has been no difference of opinion as to it.

The attempt to show that the people of New York do not want public development of these power resources is a new attempt, and the effort to build up that belief is a new one. Of course the private utilities do not want public development of these resources. But the people of New York State want it.

Mr. HUMPHREY. I think it is fair to say—and of course I stand ready to be corrected by the distinguished junior Senator from New York, who knows the political situation in New York as well as, or better than, any other living American does—that for the past 15 years, not one candidate on the platform of a major political party for election to the office of governor of New York has ever spoken against public development of the waterpower resources of the Niagara River.

Mr. LEHMAN. That is correct. Perhaps the Senator from Minnesota noted that in the course of my speech on yesterday, I dared anyone to run for election to any statewide office in New York on a program of private development of these waterpower resources.

Mr. HUMPHREY. I did note that in the Senator's speech. I was going to offer the challenge myself, but I thought it much better to have it emanate from the Senator from New York.

Not only do I think it fair to say that no candidate will run for election to any State office in New York in opposition to public development of the Niagara resources, but I venture to say that no Republican candidate and no Democratic candidate for election as President of the United States would dare run in the State of New York without advocating public development of the waterpower resources of the Niagara, because the people of New York understand this issue. They have had brilliant leadership on this issue. They know it means dollars and cents in savings to them, and that it means new industry and industrial growth and expansion and a much, much more equitable economic situation in the development of industry in the whole area surrounding New York, as well as in New York itself. I think that is a modest statement, and one made in the spirit of moderation, let me say.

Mr. LEHMAN. Mr. President, the Senator from Minnesota is eminently correct.

Mr. HUMPHREY. Mr. President, today, the highest elected officers in the State from both parties, the Democratic Governor and the Republican attorney general, both endorse public development of Niagara Falls power, and oppose the give away of this great resource to development by private corporations for private profit.

Let me quote a few sentences from the statement of the attorney general of New York, Jacob Javits, to the Senate committee, in opposing any bill which would turn development of Niagara power over to the private power companies. The New York attorney general said:

> As attorney general of the State of New York, I submit this memorandum in pursuance of my responsibility to prevent spoliation or deprivation of the property of the State of New York and to urge the passage of Federal legislation which will not vitiate the fundamental laws of the State.

Mr. Javits called attention to the provision of the Power Authority Act declaring that ownership, possession, and control of the Niagara and St. Lawrence power resources "shall always be vested in the people of the State." He emphasized further that the State of New York, by this act, "has given the exclusive right to develop hydroelectric power therefrom in the State of New York to a corporate municipal instrumentality created by the State known as the Power Authority of the State of New York."

The New York attorney general recognizes that the bill under consideration, S. 1823, would direct the Federal Power Commission to issue to the New York Power Authority a license for development of the new Niagara power. But he considers it clear that "the turning over of those waters to private interests for the development of power will be offered to the Congress as an alternative or as a reason for rejecting the instant measure—S. 1823."

Mr. Javits then urged that:

The licensing directly or indirectly by Congress of a private utility corporation to develop the additional waters of the Niagara River made available for power purposes by the 1950 treaty would unquestionably circumscribe, if not vitiate, the rights therein of the people of the State of New York.

He continued as follows:

In view of the provisions of the New York public authorities law to which I have called your attention, the granting to a private utility corporation of a Federal license to use for private profit the additional waters of the Niagara River, made available for power purposes by the 1950 treaty, would infringe the rights of the State to determine the powers and purposes of private corporations that may do business therein.

The New York attorney general then emphasized a point which should arrest any attempt to advance the "giveaway" substitute, Senate bill 6, for the Lehman-Buckley bill. He said:

Such a license (to a private power company) would vest in such a corporation corporate rights, privileges, and franchises that could not be granted to it or exercised by it under the existing laws of the State of New York. After the 1950 treaty made such waters of the Niagara River available for power purposes, those waters were specifically declared by statute to be a part of the inalienable natural resources of the State of New York. Consequently, no private utility corporation could be created under the laws of the State of New York and no private utility corporation created under the laws of any other State could be authorized to do business in New York for the purpose of using such waters of the Niagara River for the development of hydroelectric power for private profit. Such use of the waters of the Niagara River would be contrary to the policy of the State.

Mr. President, I believe that in the House of Representatives the corresponding bill is sponsored by Representative BUCKLEY.

Mr. LEHMAN. Yes. That is the companion bill in the House of Representatives to the Senate bill, S. 1823, of which the Senator from Minnesota is a cosponsor.

Mr. HUMPHREY. Yes. I have referred to the corresponding bill—the similar bill—in the House of Representatives.

Mr. LEHMAN. Yes, it is a similar bill; and hearings have already been held by the House committee on that bill.

Mr. HUMPHREY. Yes. So we might very well call these proposals the Lehman-Buckley proposals.

Mr. President, I am very proud to be a cosponsor of Senate bill 1823, but I do not wish to attempt to take credit for the drive behind the bill and for the inspiration behind the bill. Credit for them go to the very able junior Senator from New York. Not only has he been the leader of the fight in the Senate, but, I say most respectfully, he has been the leader in this movement for at least 30 years.

Mr. GORE. Mr. President, will the Senator from Minnesota yield to me?

Mr. HUMPHREY. I yield.

Mr. GORE. I wonder whether offhand the able Senator from Minnesota or the able junior Senator from New York can give an estimate as to the value of the power which has gone to waste since the distinguished junior Senator from New York has been pleading for the development of this project.

Mr. HUMPHREY. I would have to yield to the Senator from New York on that point, because I know he has lived for many years with the hopes for this development.

Mr. LEHMAN. I have no accurate estimate, but I can say that there is no doubt that the amount would run well into billions of dollars. As a matter of fact, both the House committee and the Senate committee, after hearings, estimated that if Senate bill 1823 or a similar bill were enacted, it would save at least $300 million a year for the entire area, which includes not only New York, but Ohio and Pennsylvania. If we multiply that amount by the number of years in which we have not enjoyed the use of these waters, obviously the savings would have been several billion dollars.

Mr. GORE. And the power is direly needed now.

Mr. LEHMAN. The power is direly needed now. A great part of it is being used by Canada in competition with us. Every bit of it will be used by Canada unless we develop it; and she has a perfect right to do it under the treaty.

Mr. GORE. I will not use the word "foolish" or the word "stupid," but how improvident can we be?

Mr. HUMPHREY. Leave those words in the RECORD, even if the Senator is not using them.

Mr. LEHMAN. I point out to the Senator from Minnesota and the Senator from Tennessee that we are now developing waterpower on the St. Lawrence. It required 30 years of effort to have that waterpower developed. The project is now under construction, and probably will be completed in about 3 years.

Mr. GORE. I congratulate the Senator for his magnificent work on that project, too.

Mr. LEHMAN. I thank the Senator.

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

Mr. HUMPHREY. I am happy to yield.

Mr. GORE. I wish to take this occasion to pay tribute to one of the most fruitful, conscientious, hard-working Senators who has ever graced this body, a man whose heart beats truly with the pulse of the public interest.

Mr. LEHMAN. I thank the Senator from Tennessee for his very gracious remarks.

Mr. HUMPHREY. Let me be privileged to associate myself in every way with the expression of the Senator from Tennessee, because it is a true reflection of the high regard in which the Senator from New York is held by so many of his colleagues in this body—and I hope by all. His work here in behalf of the people is an inspiration to me, and I know that I see in others the effects of the same sort of inspiration.

I have said enough to show how empty are the claims of supporters of the Capehart-Miller bill, S. 6, that the people of New York prefer private development of Niagara power. It is almost incredible that anyone should make such an assertion, because the evidence to the contrary is replete.

In addition, we must not forget that the people of New York can look across the Niagara or the St. Lawrence Rivers to the Canadian Province of Ontario, where the power from these rivers is being developed publicly by the Ontario Hydro-Electric Power Commission and furnished as wholesale power supply to some 900 Canadian municipalities which distribute the power to consumers.

The Senator from New York has already mentioned this.

The Ontario Hydro-Electric Power System has been in operation for more than 40 years and has brought electric rates down to the point where homes in the various Ontario municipalities can purchase more than twice as much electricity for their money as homes in corresponding cities in New York State.

I have visited that area, let me say to the Senator from New York. I have visited the facilities of the Ontario hydroelectric power system. By the way, when one goes to Niagara Falls and crosses the border into our great sister country of the Dominion of Canada, he sees the amazing clock of the Ontario hydroelectric power system. The face of the clock is done in beautiful flowers. It is but a further reminder of the good judgment and vision of the people of the Province of Ontario and the people of Canada in utilizing this God-given blessing of water resources for the good of the people.

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

Mr. HUMPHREY. I yield.

Mr. GORE. I have noticed with pleasure, during the course of the able Senator's remarks, that upon each occasion when he has referred to the beauty of the Niagara and the lovely scenery there, his countenance has brightened. I wonder if he has fond recollections.

Mr. HUMPHREY. I have beautiful recollections, let me say to the Senator from Tennessee. I like to have such recollections refreshed on every possible occasion. A few years ago I and my family went to Niagara, and up through the great State of New York. We are planning to do it again, if time permits.

I shall go no further into detail with the Senator from Tennessee. However, let me say to him that he has made my day a bright and happy one. I am grateful to him.

Furthermore, the Ontario Hydroelectric Commission can proclaim, as it did in 1945 in a booklet entitled "Electric Power Supply in Strategic Ontario":

Ontario offers many advantages for industrial location. It has strategic position in relation to markets, it has the labor, the climate, the natural resources * * * and, above all * * * it has an abundant supply of low-cost electric power.

The people of New York State have established a basis for developing both Niagara and St. Lawrence power which will assure them some of the advantages already won by their neighbors in Ontario. The Congress of the United States cannot allow itself to be made the instrument of private-power interests which have already too long delayed the opportunity of the people of that State to go forward with their program under conditions which will safeguard the national interest.

I have devoted my remarks chiefly to refuting the claim that the people of New York want to turn the great Niagara Falls resource over to private power companies to be developed for private profit.

But we cannot overlook the fact that the issue before us has national as well as State implications. Not only is Niagara Falls a great resources symbol for all our people but the power policy which governs the use of this resource is a matter of outstanding importance to homes and farms throughout the land.

This power policy has raised the percentage of American farms enjoying the blessings of central station electricity from 11 percent in 1935 to 95 percent in 1955. In a true sense, including the running water that has come with it, this power policy has brought the American farm home into enjoyment of modern civilization.

This power policy has pioneered the way for low electric rates and larger use of electric conveniences for the Nation's 47 million homes, accelerating the trend which, according to the prediction of General Electric Co., will within another 15 years result in total residential use exceeding total industrial use of electricity.

This power policy has enabled great regions like the Southeast, the Pacific Northwest, and the Tennessee Valley area to make great strides toward freedom from the status of economic colonies of the Money Trust, which would centralize control of the Nation's economy in the hands of the few.

This power policy has proved a tremendous stimulus toward the goal of full employment for our expanding population.

The Lehman (S. 1826) bill provides the necessary safeguards to prevent development of Niagara Falls power from becoming a breach in that policy. And it does so in entire accord with the policy established by the people of New York State in their Power Authority Act, a policy designed particularly to benefit domestic and rural consumers.

Therefore, Congress should act promptly to approve this bill without amendments in order that plans may go forward without further delay for the development of this priceless public resource.

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

Mr. HUMPHREY. I yield.

Mr. LEHMAN. I compliment the Senator for the magnificent presentation he has made of this very important subject. He has touched on issues which are of vital importance, not only to New York State, not alone to the area embraced by the power which may be generated on the Niagara, but on a nationwide basis, because what we do in connection with this bill will unquestionably affect to a very substantial extent the power policy of the Nation.

Mr. HUMPHREY. I thank the Senator. As I said to him earlier, and as I have said to him privately, I am interested in this bill because it is consistent with my views as to the development of America's great hydroelectric resources.

I am also interested in it because this measure, in particular, represents a continuation of the struggle in this country for the development of these great public resources for the public welfare and the public good.

I wish to say that I have read the minority views on the bill, as presented by some of our colleagues. I wish to say further, and very frankly and most respectfully, that those views, insofar as they contend that private enterprise has pioneered this project, do not square with what I believe to be the facts.

Furthermore, I should like to say that in one portion of the minority views the feeling is expressed that Congress might be overstepping its authority in deciding a State issue.

I cannot see the validity of that argument, because of the Aiken reservation to the treaty of 1950. That reservation makes it obligatory and makes it the responsibility of Congress to decide this issue.

If we were concerned only with the treaty, without the reservation, the State of New York would have proceeded long ago. It is the reservation in the treaty which has made it an obligation and a responsibility and a duty of Congress to decide the question of how the power should be developed, whether through public or private development.

I say this with the greatest respect to the signers of the minority views, and I ask them to examine the record on this point. One of the reasons I said what I did say today was to establish, insofar as I could, within the limits of my experience and knowledge of this subject matter, clear evidence showing that it has been the long-term tradition and stand of the political and civic leaders of the State of New York, as well as of the people of the State of New York, through organized groups and through industry, and as individuals, to develop the Niagara River water resources through a public authority. I believe that issue is clear and unmistakable in its validity and in its certainty.

Mr. LEHMAN. Mr. President, will the Senator yield for a brief observation?

Mr. HUMPHREY. I am glad to yield.

Mr. LEHMAN. If we can, through public development, reduce the cost of power to the people of New York State—and I am convinced that we will be able to do so—and to the people of the neighboring States, we will have benefited all the people of the area.

At the same time, I believe we will have greatly benefited the private utility companies, because the history of every section of the country, where rates have declined because of competition of public power, shows that private utilities, through greater utilization of electrical energy in homes and in factories and on the farms, have benefited and have prospered and have increased their earnings and have grown in size.

The able junior Senator from Alabama [Mr. SPARKMAN], before the Senator from Minnesota began his address, gave some statistics which were absolutely startling and dramatic. They showed not only the growth of the usage of electrical power because of lower rates, but also the increased prosperity which came to the private utility companies all over the country wherever their rates have declined.

Mr. HUMPHREY. I wish to say to the able Senator from New York that, although I do not know the specific details of the data presented by the junior Senator from Alabama [Mr. SPARKMAN], I believe it is becoming generally accepted among thoughtful people and fair-minded people, in management and industry and by the public at large, that the great power developments are both a public and private good.

In my part of the country, for example, where we purchase many of the commodities which are manufactured in New York, in Pennsylvania, and in Ohio, the development of the Niagara project will be beneficial to us, because power costs are one of the major items in industrial production costs.

Therefore, we have an indirect interest, from an economic point of view. We also have a true interest from a national point of view. We have an interest in maintaining the long-established tradition, which goes back to the days of Theodore Roosevelt, of the public development of great God-given natural resources, for the benefit and for the enjoyment and for the enhancement and for the opportunities of the American people.

Mr. LEHMAN. Mr. President, will the Senator yield further?

Mr. HUMPHREY. I am glad to yield.

Mr. LEHMAN. I am sure the Senator from Minnesota, because of his very careful study of the subject, has noted that in the low-cost power States, such as Washington and Oregon and Tennessee, and certain sections of Alabama, where power rates are one-half or less what they are in the Northeastern States, and also, I am sure, in Minnesota——

Mr. HUMPHREY. And Minnesota, indeed.

Mr. LEHMAN. In those States the per capita consumption of power is 4 or 5 or 6 and in some cases even 7 times as great as in the high-cost power States.

Mr. HUMPHREY. I do know that, indeed.

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

The PRESIDING OFFICER (Mr. LAIRD in the chair). The Secretary will call the roll.

The legislative clerk proceeded to call the roll.

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

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

RECESS

Mr. HUMPHREY. Mr. President, in accordance with the order previously entered, I move that the Senate stand in recess until 12 o'clock noon tomorrow.

The motion was agreed to; and (at 6 o'clock and 37 minutes p. m.) the Senate took a recess, the recess being, under the order previously entered, until Wednesday, May 16, 1956, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 15 (legislative day of May 7), 1956.

DIPLOMATIC AND FOREIGN SERVICE

Walter C. Dowling, of Georgia, a Foreign Service officer of the class of career minister, to be Ambassador Extraordinary and Plentipotentiary of the United States of America to the Republic of Korea.

J. Graham Parsons, of New York, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plentipotentiary of the United States of America to the Kingdom of Laos, vice Charles W. Yost.

CONFIRMATIONS

Executive nominations confirmed by the Senate May 15 (legislative day of May 7), 1956.

POSTMASTERS

ALABAMA

Olie R. Snead, Altoona.
Loyd C. McMillan, Daphne.
Annie G. Chambers, Gainesville.
John G. Little, Jr., Greenville.
Heamon F. Salter, Jr., McKenzie.
James C. Weatherwax, Moulton.
Grover C. Kicker, Jr., Mountain Creek.
Robert H. Blacklidge, Spruce Pine.
Jeff D. Cleckler, Thorsby.

ALASKA

Neil W. Taylor, Auke Bay.
Elvira M. Hehr, McKinley Park.
Lois G. Hudec, Northway.
Neva M. Pichler, Platinum.
Louise F. Trafton, Tok Junction.

ARIZONA

Eric E. Nelson, Bisbee.
Lucille E. Baughman, Cavecreek.
Carl M. Isaacson, Hereford.
Joe H. Cittadini, San Manuel.
Alvertia M. Boss, Silver Bell.
Margaret N. Parkhurst, Tacna.
Miles T. Preston, Wickenburg.
Dick Groves, Willcox.

ARKANSAS

Leonard E. Woods, Cash.
William R. Nutt, Hamburg.
Lonnie G. Smith, Havana.
Ferman R. Rogers, Luxora.
Dorothy G. Moses, McCaskill.
Hunt Singletary, Marion.

CALIFORNIA

Beatrice A. Gleason, Calabasas.
Ethel R. Sherrill, Nubieber.
Raymond T. Whitney, Pedro Valley.
William R. Robinson, Point Arena.

CONNECTICUT

Alice N. Allen, North Granby.

DELAWARE

Mark T. Berryman, Seaford.

FLORIDA

Warren J. McMillan, Jr., Alachua.
Donald A. Reeves, Baker.
Howard L. Evans, Bradenton.
Echo C. Beall, Campbellton.
Darence Junior Jones, Eau Gallie.
Rufus M. Miller, Flagler Beach.
William O. Kennedy, Inverness.
Maury J. Blalock, Madison.
Ross Rath, McIntosh.
Mary F. R. McGee, Melrose.
Walter K. Read, Ocala.
Samuel H. Wallace, Pompano Beach.
Kenneth B. Sears, Tavares.

GEORGIA

Carey H. Melton, Ashburn.
Wendell C. Leggett, Baxley.
George A. Lowman, Bloomingdale.
Robert L. Roland, De Soto.
Thurman O. Mobley, Glennville.
Robert D. Murphy, Jr., Greenville.
Branson C. Minter, Jakin.
Ione B. Todd, Lithia Springs.
Jerry L. McCullough, Ludowici.
Annie T. Gilbert, Pendergrass.
William I. Cushing, Pine Lake.
Clarence M. Brown, Riceboro.
Tommie C. Fenn, Rochelle.
Herbert C. Ray, Talking Rock.
James F. Woodall, Woodland.

HAWAII

John W. Ornellas, Hamakuapoko.
May L. Au, Hauula.
Raymond Ornellas, Hoolehua.
Masamitsu Nakamura, Kahuku.
Rose M. Shimizu, Kualapuu.
Zenmitsu R. Arakawa, Maunaloa.
Elsie M. Enanoria, Paauhau.
Harold H. Yoshida, Pahala.
Barbara B. Perry, Puunene.

IDAHO

George Paul Bragg, Ketchum.
Eytholle M. Greer, Rupert.
Gaylord R. Colvin, Jr., White Bird.

ILLINOIS

Arthur S. Petersen, Bensenville.
Earl F. Johnson, Buckley.
Frank Y. Mueller, Christopher.
Robert N. Carson, Colchester.
Lester T. Peacock, Harvard.
William Harold McCreery, Mason City.
Wesley H. Weihe, Nashville.
Donald L. Ellers, New Douglas.
William C. Kisselburg, Wauconda.
Fred H. Oehler, Jr., Wilsonville.
William A. Randles, Wolf Lake.

INDIANA

Otto L. Groninger, Akron.
Mark A. Galloway, Cromwell.
Robert A. Diddie, Crown Point.
Roscoe G. Brown, Laconia.
Clarence R. Howe, Troy.
Wallace L. Gilmore, Michigan City.

IOWA

Marvin R. Morgan, Anita.
Charles Harold Huff, Blakesburg.
William C. Kinney, Danbury.
Walter H. Thomas, Green Mountain.
Rex C. Robinson, Hampton.
Richard R. Kraus, Ryan.

KANSAS

Thomas M. Holmes, Altamont.
Raymond R. Miller, Hanston.

KENTUCKY

James Wayne Hargan, Fort Knox.
Thomas C. Thomson, Providence.
Milburn L. Ireland, Sonora.
Mary E. Lee Maynard, Trenton.
Joseph K. Burton, Utica.

LOUISIANA

Edith C. Lafargue, Keithville.
Louise E. Osborn, Roseland.

MAINE

Raoul D. Cyr, Madawaska.

MASSACHUSETTS

Edgar H. Peterson, Acton.
Robert R. DeRosier, Billerica.
Carl H. Carlson, Franklin.
William H. Folkins, Groton.
John H. Knox, Littleton.

MICHIGAN

Francis C. Fuller, Avoca.
Owen A. Kern, East Detroit.
George D. Smith, Morenci.
Raymond W. Hooker, Mount Pleasant.
Grant D. Maudlin, Royal Oak.

MISSISSIPPI

Murray H. Martin, Bentonia.
James T. Caviness, Blue Mountain.
Hilliard E. Griffin, Coffeeville.
James Marion Parks, Doddsville.
Taylor V. Beasley, Harperville.
Donald D. Hale, Lumberton.
Willie D. Brantley, Sebastopol.
Robert T. Freeman, Union.
Herbert L. Hogue, Walnut Grove.

MISSOURI

Lawrence L. Voelker, Bertrand.
Herschel E. Morris, Clifton Hill.
Roy Scantlin, Crocker.
Irene A. Escoffier, Kimmswick.
Ernest A. Homan, Jr., Marquand.
Edward D. Hogan, Martin City.
Arthur Williams, New Bloomfield.
Walter C. Raynes, Odessa.
Floyd S. Drew, Qulin.
Herbert L. Schlattman, Perryville.
Raymond M. Vollmar, Raymondville.
Sylvia Cooper, Sheldon.
Robert E. Nichols, Seymour.
Roscos G. Smith, Wellsville.

MONTANA

Charles E. Rice, Bozeman.
James P. Graham, Columbus.
Irma M. Hughes, East Glacier Park.
Mabel W. Bowman, Frenchtown.
Ellis Crosby Willis, Fromberg.
Catherine Ann Triplett, Geyser.
E. LaVerne Kaufmann, Grassrange.
Alice H. Klempel, Lambert.
Lillian A. Hylland, Richland.
Raymond A. Merritt, Roundup.

NEBRASKA

Robert Eugene Maw, Hershey.

NEVADA

Mortimer W. Wagner, Boulder City.
Efton E. Swindler, Hawthorne.

NEW HAMPSHIRE

Lillian M. Tashjian, Beebe River.
Rene R. Heroux, Berlin.

NEW JERSEY

Francis E. Coffey, Blackwood Terrace.
Allegra M. Sweet, Closter.
Anthony J. Pellecchia, Hanover.
Frances L. Pitcher, Holmdel.
Charles A. Hicks, New Market.
Harry E. Apgar, North Branch Depot.
Harvey W. Dawson, Pedricktown.
Clyde A. E. Snyder, Sr., Point Pleasant.
Grace V. Ellis, Rosemont.

NEW MEXICO

Asa N. Ealy, Anthony (New Mexico-Texas).
Matthew J. Price, Fort Stanton.
Irene G. Fullerton, Prewitt.
Jose M. Maestas, Jr., Santa Rosa.

NEW YORK

Noel R. Pearson, Little Valley.

NORTH CAROLINA

John Clyde Garrison, Morganton.

OHIO

Jasper Kirt Everett, Cairo.
Beulah M. Lowe, Clayton.
Ruthella D. Termeer, Dublin.
Samuel W. Brown, East Liverpool.
William A. Gill, Jr., Fowler.
Donald G. Woodward, Geneva-on-the-Lake.
Samuel R. Kerns, Leesburg.
Robert F. Burton, Middle Point.
Galen A. Seeger, New Springfield.
Phillip H. Gifford, Urbana.
Walter H. Cowles, Walbridge.
Clarence R. Trumbull, Jr., Weston.

OREGON

Willard A. Hughitt, Redmond.
Robert C. Wright, Taft.
Roger C. Smoot, Talent.
Russell C. Neitzel, Westport.
Catherine E. Weckerle, Winchester.

PENNSYLVANIA

Joseph T. Hauser, Delaware Water Gap.
Florence L. Willard, Derrick City.
George N. Sterner, Dewart.
Edwin B. Kimmel, Elderton.
Louis J. Prime, Emporium.
Edward J. Flood, Flourtown.
Wilmer E. King, Harrisburg.
James F. Timothy, Hazleton.
John H. Hayes, Kersey.
John R. Deitcher, Jr., Line Lexington.
William Robert Miller, Linglestown.
Millie Morelli, Ludlow.
William Lise Stephenson, Mahaffey.
Fred D. Cleavenger, Mapletown.
Henry Douglas Carpenter, Middletown.
Robert P. Icelow, New Hope.
Charles M. Manwiller, Palmyra.
Alfred A. Yarnell, Petersburg.
Donald C. Shaffer, Portage.
George Spishock, Pricedale.
Malcolm Decker, Ramey.
Robert A. Hunt, Sandy Lake.
Donald J. Locke, Shade Gap.
Irvin K. Davis, Slatington.
John R. Hench, Spring Grove.
Mary I. Hoy, Villa Maria.
Robert H. Jenkins, Wapwallopen.
Ernest O. Clayton, Waynesburg.

PUERTO RICO

Carmen T. Alvarez Fuentes, Guaynabo.
Rafael Rexach-Rexach, Rio Grande.

SOUTH CAROLINA

Marvin E. Kelley, Liberty.
Myrtle E. Case, Ocean Drive Beach.
Jessie W. Jenkins, Wadmalaw Island.

SOUTH DAKOTA

Howard B. Jones, Armour.
Ethel M. Flood, Brandon.
Dale R. Dunn, Dell Rapids.
Ofa M. Simpson, Fort Pierre.
Raymond C. Drayer, Frankfort.
Marvin R. Smith, Gettysburg.
Raymond A. Andersen, Irene.
Kenneth W. Anderson, Midland.
Russell C. Bernhard, Parkston.
Maurice L. Wilhelm, Redfield.
LaVern R. Hughes, Stickney.

TENNESSEE

Morris F. Dozier, Ashland City.
Doris M. Huffman, Bartlett.
Kathleen West Keeton, Helenwood.
Ulysses B. Coker, Jacksboro.
William B. Tatum, Lyles.
Frank L. Oakes, Milligan College.
Larry E. Hagood, Persia.
John W. Jennings, Rives.
Joe A. Lavender, Rock Island.
Harold D. Huff, Thompsons Station.

TEXAS

William S. Clements, Atlanta.
Harlan B. Pitchford, Avinger.
Joyce M. Procknow, Benbrook.
Jack D. Cheek, Bullard.
Donald J. Laughlin, Groves.
Anita D. Wilkison, Hidalgo.
Henry T. Davis, Justin.
Robert D. Bohning, Lometa.
Joyce M. Kee, Melissa.
Mable D. Tompkins, Montague.
Ruby L. Ferrell, North Zulch.
Hal Singleton III, O'Donnell.
Lester J. Fuzzell, Placedo.
Allie Cayard, Port Neches.
Doris F. Weiss, Sabine Pass.
William W. Schulz, Schertz.
Hal M. Knight, Sterling City.
Robert W. Davis, Texas City.
Ila Mae Bullion, Truscott.
Charles S. Engle, Jr., Wolfe City.

UTAH

Henry D. Malmgren, Centerfield.
June I. Hunsaker, Honeyville.

VIRGINIA

R. Frazier Smith, Jr., Covington.
Hershel E. Boyd, Raven.
Ervin C. Brown, Sweet Briar.
William W. Edwards, Union Level.

WISCONSIN

Shirley E. Conway, Albany.
Ruth E. Hogan, Ashland.
Roy Bump, Baraboo.
Elsbeth P. Jacob, Caledonia.
Edward L. Williams, El Dorado.
Joseph L. List, Pound.
Harold A. Meyer, Shawano.
Henry L. Yulga, Stevens Point.
Hartvig J. Elstad, Whitehall.
Raymond J. Chamberlain, Whitewater.

WITHDRAWAL

Executive nomination withdrawn from the Senate May 15 (legislative day of May 7), 1956:

POSTMASTER

MICHIGAN

George T. Anderson to be postmaster at Mayville in the State of Michigan.

HOUSE OF REPRESENTATIVES

TUESDAY, MAY 15, 1956

The House met at 12 o'clock noon.

Dr. A. R. Holton, pastor of the Sixteenth Street Church of Christ, Washington, D. C., offered the following prayer:

Let us pray: Our Father, who art in heaven, Thou hast been our help in all ages past, our hope for all the years to come, our shelter from every stormy blast, and our eternal home. We thank Thee that it is under Thee that man has dominion on this earth. We thank Thee that Thou hast set our feet in large places, that Thou hast given us a great opportunity, that Thou hast given us the responsibility; and we pray, our Father, that today we may look up and acknowledge Thee, God of men and God of nations.

We pray that Thy blessing may be upon us in the deliberations of this day. And we pray, our Father, that it may become us to show that our knowledge is so incomplete we need Thee. The vast sea of the unknown is so much greater than the known, we need Thy wisdom.

Our achievements are so fragmentary, we need Thee to join the past with the present and with all the future. Our character is so limited, we need the perfection of God.

We thank Thee, Father, for the beauty of this spot and for the beauty of the springtime that is all around us, God's great springtime.

We pray, our Father, that we may all hear, "I am the resurrection and the life"; and may there come to men the same beauty of growth and development as there is in nature.

And now, our Father, we pray Thy blessing upon our young men on land, on sea, and in the air. Protect them from danger this day.

And we pray, our Father, that we may love mercy, that we may do justly, and that we may walk humbly with God.

May the meditations of our heart and the words of our mouth be acceptable in Thy sight this day. We ask it in Christ's name. 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 had passed without amendment bills of the House of the following titles:

H. R. 7228. An act to amend title II of the act of August 30, 1954, entitled "An act to authorize and direct the construction of bridges over the Potomac River, and for other purposes"; and

H. R. 8130. An act to designate the bridge to be constructed over the Potomac River in the vicinity of Jones Point, Va., as the "Woodrow Wilson Memorial Bridge."

The message also announced that the Senate had passed, with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H. R. 9429. An act to provide medical care for dependents of members of the uniformed services, and for other purposes.

CALL OF PRIVATE CALENDAR DISPENSED WITH

Mr. McCORMACK. Mr. Speaker, I ask unanimous consent that the call of the Private Calendar may be dispensed with today.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

CONFUSING DECISIONS OF THE SUPREME COURT

Mr. PRESTON. Mr. Speaker, I ask unanimous consent to address the House for 1 minute.

The SPEAKER. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. PRESTON. Mr. Speaker, once again the Supreme Court of the United States has demonstrated its ability to create confusion and chaos. On the front page of the Washington Post and Times Herald this morning there appears an interesting account of how the Supreme Court reversed itself in the case of Cahill against New York, New Haven & Hartford Railroad Co., Docket No. 346. In an earlier decision the Court required the defendant to pay the plaintiff $90,000, which it did, and the plaintiff has already spent a large portion of the funds. Yesterday the Court said:

We deem our original order erroneous and recall it in the interests of fairness.

I comment on this decision for two reasons. First, I would suggest that the Supreme Court recall the segregation order on the grounds that it was erroneous. This will do more to restore order and social cohesion in America than any