STRATEGY HUDDLE—Presidency seeker Senator Estes Kefauver (D), Tennessee, goes into a huddle in Washington with his new campaign chiefs, F. Joseph Donohue, campaign manager, and Mrs. Clara Shirpser, Democratic national committeewoman from California, vice chairman for women's activities in the western states. Donohue is former president of District of Columbia commissioners. (International)

Johnson Warned Natural Gas Bill Threat To Demo Harmony

WASHINGTON (UP) — Sen. Paul H. Douglas (D-Ill.) said Thursday Senate Democratic leader Lyndon B. Johnson may destroy party unity if he tries to push through the controversial natural gas bill next year.

The bill, which would lift federal regulation from the price of gas at the well, is opposed by Democrats from northern consuming states and generally supported by those from gas producing areas. Johnson recently listed it as a must item on his legislative program for the new session of congress.

Douglas hinted that northern Democrats might bring up civil rights proposals, which are objectionable to the South, if Johnson pushes the gas bill.

"We hear a great deal from our leadership about the necessity of party unity," Douglas said. "We are told that if we northern Democrats advance the cause of civil rights, it will destroy party unity."

But Douglas said the gas bill would also destroy party unity. He said if it is brought up, party leaders could hardly object "if we of the north bring forth our own concern over various civil rights measures."

Douglas said the bill's opponents are in a stronger position to defeat it next year than they were in 1955. He said many senators would hesitate to vote for it in an election year, and that gas distributing interests have lined up against the measure.

The Illinois Democrat said every increase of five cents per 1,000 cubic feet allowed by the bill in the price of gas at the wellhead would mean a $200 million annual rise in consumers' gas bills and would increase the value of natural gas reserves by $10 million.

OIL NEWS

Senator Douglas--

Charges Fulbright Bill Threatens Party Unity

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United States Senate

MEMORANDUM

Jan. 28,1956

Senator:

At least one member of Sen. Douglas' staff has been sounding off where others could hear him about how the gas bill "will lick every Democrat in 1956." There is enough general conversation around the Capitol along similar lines to make me suspect that it is being generated somewhere. Possibly you should talk to Douglas and others along the lines of the enclosed memo.

GER

M E M O R A N D U M

1. One of the more unfortunate aspects of the debate on Natural Gas legislation has been the claim--promoted assiduously by opponents--that passage of the bill will defeat northern Democrats in 1956. This line has not been kept within the confines of Democratic Party circles but has "leaked out" to columnists who have pounced upon it in high glee. The argument advanced is:

   a) The bill has been brought before Congress under Democratic leadership.

   b) It is a "special interest" bill and therefore, Democrats are deprived of the "giveaway" campaign argument against Republicans.

2. When the argument is examined on its merits, it becomes obvious that there is no more reason for the gas bill to defeat Northern Democrats than there is for public housing or Hells Canyon to defeat Texas Democrats. The facts are:

   a) The argument assumes that Fulbright,Monroney,Anderson and other pro-gas bill Senators are the tools of a special interest and that Douglas, Lehman,Morse and Pastore are the only honorable men. The public is not likely to take this kind of argument seriously.

   b) Regardless of the merits of the bill itself, the fact remains that more Republicans than Democrats are going to vote for it. If it is a good bill, neither party can claim credit for it. Similarly, if it is a bad bill,neither party can claim the onus for it.

   c) To say that one issue can defeat a party is a confession of political bankruptcy and obvious nonsense. Responsible Southern Democrats have been running--and winning--for many years despite the fact that the Northern wing of the party espouses issues which are far more unpopular in the South than the gas bill in the north.

3. The fact is,however, that those opponents of the bill who claim that it will defeat the Democratic Party are defeating themselves. If they cannot carry their areas in 1956, they will have themselves--and only themselves--to blame. What they are doing is:

(more)

a) Telling their constituents that the Natural Gas bill is the sole issue upon which their votes should be cast in 1956.

b) Telling their constituents that they are members of a party whose leadership is controlled by special interests.

c) Telling their constituents to ignore every positive achievement ~~of the~~ of the Democratic Party and to concentrate solely on the gas bill.

d) Telling their constituents to overlook the fact that the entire Republican leadership and a majority of Congressional Republicans favor the gas bill.

e) Telling their constituents that the Democratic Party is licked before it starts (and usually this is the best way to get a licking.)

4. Nobody objects to the gas bill opponents carrying their case as vigorously as they wish to the public. But when they go beyond the merits of the bill and start speculating on how it will destroy the Democratic Party in such a way that the speculation breaks into print,somebody ~~should blow the~~ should ~~whistle~~ blow the whistle. Up to the point that the bill reached the Senate Majority Policy Committee, such arguments had relevancy--whether right or wrong. But once the bill was sent to the floor, they became nothing but an advertising vehicle for the Republican Party.

# # #

M E M O R A N D U M

1. The opponents of the gas bill are rapidly placing themselves in a completely untenable position and unless they change their tactics quickly the end results are likely to be:

   a) Failure to achieve their aims.

   b) Discrediting themselves with groups that have supported them in the past.

   c) Placing themselves in a position where they will be unable to achieve other aims which are now achievable.

   d) Breaking Democratic unity in the face of an approaching election.

2. No one can object to their opposing the gas bill--even vigorously--so long as they oppose it on a principled basis. But the present tactics of threatening a "civil rights" rider smacks of blackmail. It can only lead to:

   a) The ridiculous spectacle of people who have long complained about filibusters staging a filibuster.

   b) An admission to Negro and Jewish groups that their advocacy of civil rights is purely a political gesture and not a matter of high principle.

   c) The sacrifice of important legislation which the nation really needs and which they themselves need for campaign purposes.

3. From an overall standpoint, the most important result is probably the sacrifice of important legislation. The gas bill opponents do not seem to realize that ~~the~~ much of the legislation they support is distasteful in sections of the country where the gas bill is popular. If they actually filibuster the gas bill, they will arouse such antagonisms that they can wave good-bye to such measures as:

(more)

a) Amendments to the immigration laws.

b) Public Housing.

c) Public power (especially Hell's Canyon.)

d) School construction.

e) Hospital construction.

f) Depressed areas program (many sections of the country which favor the gas bill actually benefit from depressed areas like New England because of the current migration of industry to the South and the Southwest.)

g) A Constitutional amendment against the poll tax or any other civil rights legislation which might now be possible.

4. If this legislation goes by the wayside, the sole beneficiary is the Republican Party. It is a Congressional question and the Republicans would be in a beautiful position to say that all of these things would have been passed had there been a Republican Congress. The fact that this argument is a phony would make no impression on the public. The Republicans could even capitalize doubly on the situation by appealling both to the natural gas areas and the areas where the legislation listed above is popular. Democrats would take the blame in both instances.

5. If the opponents of the gas bill conduct a vigorous debate without resort to petty parliamentary maneuvering, they will gain a lot of sympathy, win or lose. The press is on their side and nobody is going to bother to examine the bill to determine the merits. But if they filibuster or resort to blackmail, they will wind up on the short end of the stick as far as the people are concerned and their only consolation will be the cheers of a few columnists.

# # #

ADD 2 NATURAL GAS
JOHNSON GAVE THE FIRST INDICATION OF A SPEED-UP TO END THE TWO-WEEK-OLD DEBATE WHEN HE ADVANCED THE TIME OF TOMORROW'S SENATE MEETING FROM NOON TO 11 A.M. EST. JOHNSON ALSO URGED SENATORS TODAY TO STICK TO THE SUBJECT AND GET ON WITH THE DEBATE.

1/30--W0406P

(RELEASE AT 7:00 PM EST.)
ADD 3 NATURAL GAS
SEN. EARLE C. CLEMENTS OF KENTUCKY, ASSISTANT DEMOCRATIC LEADER, SAID HE WILL VOTE AGAINST THE GAS BILL. CLEMENTS MADE NO PREDICTION OF THE OUTCOME OF THE MEASURE IN A STATEMENT EXPLAINING HIS STAND.

CLEMENTS PRAISED THE "COURTESY AND CONSIDERATION" SHOWN IN DEBATE ON THE BILL, WHICH HAS SPLIT SENATE DEMOCRATS.

ZI AM . . . PLEASED THAT WE CAN DISAGREE ONE WITH THE OTHER WITHOUT CHALLENGING MOTIVES," HE SAID.

THE KENTUCKY SENATOR SAID "THE VERY NATURE OF THE NATURAL GAS BUSINESS MAKES IT A PUBLIC UTILITY." HE SAID THE PRICE CHARGED BY GAS PRODUCERS "RIGHTFULLY BELONGS" UNDER GOVERNMENT REGULATION BECAUSE IT BECOMES PART OF THE PRICE CHARGED TO THE CONSUMER.

1/30--W0407P

United States Senate

MEMORANDUM

I never ~~thought~~ believed Senator Douglas thought so little of his convictions on civil rights that he would barter them in return for a promise not to bring up the gas bill.

Februar 6, 1956

Mr. Johnson --

With regard to Georgia distributors, in addition to what I told you yesterday about the Columbus Gas Light Co's management (as individuals, not as a company) having wired the Senators they did not object tothe bill --

Mr. Taber, with the Atlanta Gas Light Company said that he would wire the Georgia Senators the same thing McQuirter did. If he hasn't Pratt suggests that Leeman Anderson, or someone else, from the office of George or Russell, call Taber because he believes Taber will say same thing as McQuirter.

In fact, he says the Georgia ~~dist~~ distributors are absolutely under the thumb of the Georgia Commission, regardless of what type of person McQuirter may be (and he agrees he is wishy-washy), and he says that all the distributors (including South ~~Atlantic~~ Atlanta in Savanah) will take the same position that the Commission has taken.

Late last night Pratt called and told me that a man named Dunlap (close to Senator George) said S nator George called him yesterday afternoon and expressed regret that he could not support the bill. Said he was going to be paired with Milliken.

Then, Dunlap understood George to go on and say that he did not think the bill would pass. -- That after the Case affair, he now thought the bill would not pass.

United States Senate

MEMORANDUM

Feb. 6,1956

Senator:

Some arguments against postponing the vote.

GER

Processing Note:

2/20/2025

There are 8 copies of the following one-page document. Only one copy has been scanned.

Robert Mar

Digitization Technician

MEMORANDUM

1. There is no evidence -- or even any suggestion of evidence -- that any Senator's vote has been changed improperly. Consequently, it must be assumed that each Senator will cast his vote on the basis of the issues and there is no reason for postponing it.

2. The demands for postponement over the weekend all came from Senators who are opposed to the bill. That puts them in the same position as lawyers who realize they are losing a case and who put 50 or 75 exceptions and motions into the record in the hope they can confuse the issue and get a new trial. Such motions are customarily dismissed out of hand.

3. There is no evidence of widespread public demand for a postponement. Out of four leading Eastern newspapers this morning, only one -- the WASHINGTON POST -- called editorially for a postponement. The NEW YORK HERALD-TRIBUNE -- which is for the bill -- editorialized against postponement. The NEW YORK TIMES -- which is against the bill -- did not express itself on the subject and the BALTIMORE SUN -- which has been neutral -- did not express itself on the subject.

4. On the basis of the facts thus far available, the most that can be inferred from the facts is that an improper attempt was made to influence a vote -- and even that inference is a stretch of the imagination. To postpone the vote would raise the inference -- even though there is no evidence whatsoever -- that some Senator may have accepted a bribe or had his vote improperly influenced. The Senate would be indicting itself without a charge or a bill of particulars.

5. To postpone the vote on the basis of the facts now before the Senate would set a precedent that would plague everybody for years to come. It would be possible to upset any vote by tossing a last-minute charge into the debate and then demanding a postponement. The opponents of the bill could live to rue the day they set such a precedent.

6. There is absolutely nothing in any of the information before the Senate which even remotely affects the facts that have been developed in three weeks of careful debate. The statistics on gas consumption and gas production; the methods of developing, transporting and distributing gas; the history of the law have not been changed in the slightest by Senator Case's statement. Nobody can seriously cite one additional fact that is needed to pass judgment on the merits of the bill. If additional facts were needed, those seeking the facts had plenty of time to develop them last week.

######

7

January 30, 1956

Memorandum

To: Senator Johnson
From: Arthur C. Perry

Louis Johnson, former Secretary of Defense, called me on the telephone this morning. He said that he had talked to you and Senator George last night about the gas bill and that Senator George was worried about the Atlanta Natural Gas Company. The president of that company is Mr. Tavers. Johnson says that "the right people are talking to Mr. Tavers that they are confident that Tavers is really for the bill and will tell Senator George to support it."

Secondly, Chenery, principal stockholder of the Southern Natural Gas Company, has talked with Senator Byrd and reports that Senator Byrd says he is supporting the bill.

United States Senate

MEMORANDUM

Senator, because of the slap

taken at the Democrats in the next t

to last paragraph, I do not believe t

this one should be inserted in

the Record.

GER

Merryle S. Rukeyser

Gas Bill Opponents Abusing 'Right To Be Wrong'

It would shock the public to learn the social cost of kibitzers in and out of congress who make a career of business-baiting, sniping at bigness and sneering at the competitive process.

These critics hypnotize themselves into believing that they are on the side of the angels, and that they are in fact public benefactors as a result of throwing sands into the wheels of the industrial system, which produces high and expanding standards of living—not to speak of the sinews of defense which are essential to national survival.

Freedom of expression obviously includes the right to be wrong, but it is pigheaded to make excessive use of this privilege. With liberty should go a voluntary sense of responsibility.

Estimates Foolish

The problem has recently been highlighted in the debate on the Fulbright-Harris bill to free the 8,000 producers of natural gas from price-fixing—an issue that grew out of a Supreme Court decision.

Opponents of the bill have made extravagant estimates of the price raising effect of the proposed new economic freedom on such gas furnished to the household user.

If the estimated figures are audited, they appear to mean that prices would be increased manyfold. This is nonsense since at present only about 10 per cent of the ultimate price to the consumer represents the original cost of the natural product.

Intense Competition

Such puerile pleading assumes that the customer is a ninny and can't protect himself without political intervention. This overlooks the fact that under our competitive system there is intense competition among fuels in producing BTU's (British Thermal Units, which measure heat) economically.

The correctness of this observation has been shown through the years in the effect of the high labor costs imposed by the United Mine Workers on the competitive position of coal.

Coal has faced increasing competition from petroleum and natural gas, and it has often been remarked that in pushing up the cost of coal, John L. Lewis unwittingly became the star salesman for the other fuels—oil and gas.

Wrong Reference

The debate should not be put in the frame of reference of how much the free enterprisers in producing natural gas will gouge the public.

Such a point of departure discounts the value of the competitive system, which has been the sparkplug of American progress.

In the long run, competition relates prices to costs, and prices depend on the supply and demand factors.

If the federal government through discriminatory price fixing should make it relatively unattractive to scout for natural gas, the ultimate effect would be to raise the price of gas by shrinking the supply, rather than to lower it.

Creates Incentive

The depletion allowance, which congress permits natural resource companies to deduct, is intended to create incentives for wildcatting, exploration and discovery of new sources.

Thus, under incentives, dynamic wildcatters have since the end of World War I consistently upset the predictions of theoretical statisticians to the effect that the world's fuel supply would be exhausted.

Such forecasts were predicated too much on statia assumptions, and have been proved wrong by new discoveries, by invention of techniques for burning fuel more efficiently through improved technology, and increased use of substitute fuels, including the current exploration of the peacetime uses of the split atom as a major source of energy.

Court's Ruling

There was no problem in respect to the technique of pricing natural gas until in 1954 the Supreme Court ruled in the Phillips case that producer prices were subject to direct control by the Federal Power commision under the Natural Gas Act of 1939.

Lyndon B. Johnson, Texas Democrat and majority leader in the senate, has characterized the court decision as an attempt to "write the laws of this nation."

Apart from this legalistic view, the impact of the decision is to put natural gas in a different position in respect to free competitive pricing than its competitors; namely, oil and coal.

Others Untouched

The new bill leaves untouched the regulation of the interstate pipelines and the local public utility. It also, in effect, puts a ceiling of reasonableness on the price which the pipeline can pay the gas producer and pass on to the consumer.

Incidentally, this issue has split the two parties, and, since the bill is supported by Democrats in the gas-producing states of Texas, Oklahoma and Arkansas, it makes a mockery of the party line about the alleged "giveaway" policy of the Eisenhower administration.

Obviously, the stuff about being "impregnated with a public interest" is insincere. For most essential items of commerce, such as milk, meat, medicine, other fuels and the like, are similarly "impregnated with a public interest." If such a cockeyed yardstick is to be used, we would switch from a competitive system to socialism.

The Washington Daily News

A SCRIPPS-HOWARD NEWSPAPER
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John T. O'Rourke, Editor — Matt Meyer, Business Manager

"Give light and the people will find their own way."

WEDNESDAY, JANUARY 25, 1956

MAKING NEW SLUMS

TWICE within the past week, Washington has been warned that it faces a serious problem on relocation of families displaced by redevelopment, urban renewal and public works projects like the colossal inner loop planned by the District Highway Department.

The Urban League said so last Friday.

On Monday, President Leon S. Calhoun of the Southwest Civic Association uttered practically the same warning at a Commissioners' hearing on plans for one of Southwest Washington's three redevelopment project areas.

The Urban League predicted that 30,000 families may be displaced within the next 10 years.

Mr. Calhoun asked: "What happens to low-economic-status families when they are displaced and less housing is available?

"Experience has taught the Southwest Civic Association during its five years of conscientious and searching analyses of the redevelopment program that such families out of dire necessity move into basements, double up in small quarters, reduce good housing to rooming house conditions and altogether develop nuclei for new slum areas."

Plans for Southwest Washington redevelopment mean a complete change in the character of the area. This was inevitable, The News believes, because obvious advantages of accessibility, river frontage, etc., make the Southwest a desirable spot for high-class occupancy. Practically next door to the Capitol, and with Washington's only river frontage available for private building, this valuable real estate has been

signed to provide homes for workers of the pay-their-own-way type who have been and soon will be forced out of the Southwest.

This would, of course, be no cure-all; the dirty, the drifters, the hopelessly incompetent, the lazy and the no-accounts at the bottom of the social pyramid will al-

PLUG IT IN, POP!

It didn't take the President's economic report to know 1956 will be a boom year—for candidates.

dustries which produce them as well as to the general economy.

The Federal Reserve System, which already has warned bankers of this danger,

The Senator's Talk Was Ghostly Sight

By FRED OTHMAN

ORDINARILY when an orator's entire audience walks out on him, he stops talking. But not our man, Sen. Paul Douglas (D., Ill.). He plows right ahead, gesturing at the empty chairs.

This is a sight to see. It doesn't happen often and that's probably a good thing from the viewpoint of senatorial speechifiers. Lesser lecturers than the gentleman from Illinois easily could be un-nerved by no listeners. This could affect them emotionally for the rest of their lives.

Mr. Othman

The situation looked normal when the Senate assembled for business at 12 noon. The prayer sounded about the same as usual; so did the dozen or so senators, jumping up and demanding the attention of the chairman.

ALCOHOLISM

Sen. Frank Carlson, (R., Kans.), pointed out to the lawmakers assembled that Kansas was the only state in the union where alcoholism lately hasn't increased. Sen. Homer Capehart, (R., Ind.) said if we couldn't sell our farm surpluses, we ought to give 'em away to the poor people here and around the world. Other senators had other observations and after about an hour of this, the white-maned Sen. Douglas gained the floor.

He said he intended to resume his speech against the bill which would allow the proprietors of natural gas wells to sell the product without benefit of Federal regulation. Sen. Douglas said he thought this was a bad bill.

for new slum areas.”

Plans for Southwest Washington redevelopment mean a complete change in the character of the area. This was inevitable, The News believes, because obvious advantages of accessibility, river frontage, etc., make the Southwest a desirable spot for high-class occupancy. Practically next door to the Capitol, and with Washington's only river frontage available for private building, this valuable real estate has been wasted as the site of ramshackle small houses getting more and more ramshackle with the years.

But many of the people who have lived or still live in the Southwest are valuable and upstanding citizens of Washington. They do much of the work of the city. They deserve decent homes and many of them can pay reasonable rents.

Washington would be a healthier place financially if the vast power of urban renewal were used to plan moderate rental new apartments for displaced families which could afford them. Quite clearly, something is wrong with a policy that clears an area, only to force those who occupied it to live in basements, doubled up in even smaller quarters, and rooming houses, as Mr. Calhoun said.

Slums are, essentially, not caused by the buildings themselves, but by the people who live in them.

The local Redevelopment Land Agency is now beginning work on a vast Northwest urban renewal project between Florida and Massachusetts avenues, 14th-st and the railroad tracks. The Federal Government has allotted $750,000 for preliminaries and has set aside $40,000,000 as its contribution to the cost of this project.

What is going to happen to the people who live in this area?

Here is an opportunity for private capital to move into a new rental field which already has been tested successfully by some builders of some Northeast and Southeast apartment projects.

Mr. Calhoun accused RLA of “bad faith” with Southwest Washington residents by upgrading the area beyond their means.

RLA could show good faith by planning the new Northwest urban renewal project as a pleasant, well-balanced, moderate rental area, deliberately designed to provide homes for workers of the pay-their-own-way type who have been and soon will be forced out of the Southwest.

This would, of course, be no cure-all; the dirty, the drifters, the hopelessly incompetent, the lazy and the no-accounts at the bottom of the social pyramid will always be with us—a headache to their respectable neighbors.

But there is no reason, since the city is forcing them to move, why planning can't include living space for industrious and decent workers in the lowest earning bracket.

“You can be sure if its Westinghouse”—the plant is struck.

THIS BOOMING LAND

PRESIDENT EISENHOWER'S report on the economic state of the nation summarizes the remarkable prosperity the country enjoyed in 1955 and forecasts that the continuation of the boom will make this a $400,000,000,000 year.

It also recognizes, however, the dark spots in the economy—the decline in farm prices, chronic unemployment in certain “depressed” areas—and the rise in consumer credit and business mergers, which have alarmed a good many observers.

Perhaps the most cheering aspect of the report is the outlook for a balanced Government budget and a start toward a reduction in the national debt.

What the President's advisers have to say about the consumer credit situation is disappointing, however, both in its lateness and in the mildness of its language. The recommendation that the problem be studied would have been appropriate a year ago. The present situation calls for action.

Obviously great numbers of people are over their heads in debt, and the “nothing down, years to pay” boom shows no signs of letting up. Moreover, too-easy credit tends to cause wide fluctuations in the sales of durable goods, a danger to the industries which produce them as well as to the general economy.

The Federal Reserve System, which already has warned bankers of this danger, should be given the power now to regulate installment buying.

Most people probably will approve the recommendations for stricter laws governing business mergers. Many mergers have resulted in more efficient production and lower prices to the consumer. To some degree mergers are a natural step in the process of economic evolution.

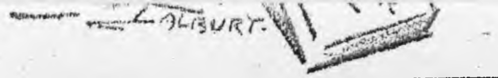
But a merger which reduces competition sharply and may lead to a monopoly can be a serious threat to the public good. It is right and proper that the Government be informed in advance of intentions to merge. And laws tight enough to prevent undesirable combinations should be available.

As was to be expected, the economic report outlined the proposals the President already had made public to cope with the drop in farm income and the commodity surplus problem. The advisers did not have time to consider the new Baruch Plan for stockpiling the surpluses, which we hope will be incorporated in whatever farm program is passed this year.

“Prosperity With General Price Stability,” as one of the report's chapters is titled, may be a slight exaggeration. Prices of a good many items have gone up during the past year, while the only notable drop has been that of farm commodities. But that there could be a boom of this scope with so little inflation would have been unbelievable a few years ago.

This free economy of ours has made possible a prosperity the rest of the world admires and envies. We can share the President's pride in reporting it to the people and pointing to the even greater progress that seems to await us.

Judging from the advice he has given us, Nehru knows how to run the United States better than India.



It didn't take the President's economic report to know 1956 will be a boom year—for candidates.

The president of the American Medical Association wants parents not to let children under 18 drive the car after sundown. They can stay home and raise the roof.

couldn't sell our farm surpluses, we ought to give 'em away to the poor people here and around the world. Other senators had other observations and after about an hour of this, the white-maned Sen. Douglas gained the floor.

He said he intended to resume his speech against the bill which would allow the proprietors of natural gas wells to sell the product without benefit of Federal regulation. Sen. Douglas said he thought this was a bad bill.

This, as it turned out, was his third day of saying the same thing, with amplification and explanation. There was a gentlemanly rush to the doors. The statesmen were hungry and the special in their refectory downstairs was stuffed pork chops and Waldorf salad, 95 cents. After about 20 minutes of Sen. Douglas on the subject of gas, the only other senator left in the chamber was Sen. Carlson.

SIGNAL

The chairman, of course, was in the rostrum, but he felt empty, too. He signaled to the senator from Kansas to take over and that left Sen. Douglas talking to 94 empty chairs. Two more chairs were occupied by the official stenographers.

These latter have spent so many years taking down the deathless words, that they can do it without paying attention to what is being said. The public galleries were nearly empty; the only busy looking part of the room was the press gallery.

Here the reporters (no offense, Sen. Douglas) weren't listening, either. They were busy interviewing each other on the question of whether anybody remembered seeing a senator speak to nobody at all. Even the oldest correspondent couldn't remember a time when at least two or three senators weren't on the floor.

Sen. Douglas talked on.

He informed his ghostly audience (surely we can presume some ghosts were present) that natural gas prices at the wellhead have increased as much as 274 per cent since 1946. Better keep the Federal Power Commission in charge, he said, so that the public can continue to afford cooking with gas.

For more than half an hour he soliloquized on gas. You might say he talked to himself. Then Sen. Russell Long, (D., La.) and a statesman I didn't identify strolled in and broke the eerie spell. Sen. Douglas ignored 'em. He kept on talking.

WASHINGTON POST
January 26, 1956

"Where IS Everybody?"

WASHINGTON POST
January 27, 1956

Democrats and the Gas Lobby

The self-styled "party of the people" seems to be the victim of a powerful sectional interest in the debate on the Harris-Fulbright natural gas bill. Instead of speaking for the consumer's interest, as Democrats contend they do more often than Republicans, the Democrats in the Senate are divided. Many of the party stalwarts are openly supporting producer interests as opposed to consumer interests. Other leaders are being strangely silent—out of deference, it would seem, to the power of the gas lobby. The strength of the oil and gas industry in such states as Texas, Arkansas and Oklahoma is indicated by the powerful voices of Sens. Johnson, Fulbright and Monroney, Democrats who often fight the consumer's battles. It is one of the unwritten laws of politics that producer interests in a given state—whether the product is oil, wheat, cotton, tobacco, lead or copper—have strong representation in Congress. Many of the letters this newspaper has received favoring the gas bill have come from employes or business associates of the big oil companies. If consumers could organize such influential blocs their interests would be far better protected than they are today.

In the debate on the gas bill, Sens. Fulbright and Monroney in particular have gotten their logic very much mixed up by attempting to speak for both interests. In their annoyance over the opposition of gas distributors to the bill they have denounced the Washington Gas Light Co., and imply that it is overcharging Washington's consumers. Yet the local gas company is regulated by the Public Utilities Commission. These same Senators who argue that the local gas company is not sufficiently regulated, nevertheless want even less regulation for the gas producers. If they have their way, as far as the producers are concerned, the Washington consumer is virtually certain to pay more for his gas regardless of the watchfulness of the local regulating body.

Because the gas bill is such a warm issue, Senators have stayed away from the debate in droves, and the arguments on the floor have attracted far less attention than they deserved. Sen. Douglas and a handful of his colleagues have fought valiantly in the consumer's interest. But in the absence of an organized consumer yelp that can be heard above the din of the gas lobby, it seems altogether likely that producer interests will prevail.

NEW YORK TIMES
January 27, 1956

LAST CHANCE ON NATURAL GAS

The Fulbright-Harris bill to exempt independent producers of natural gas from Federal price control is in our opinion socially, economically and politically wrong. As the measure has passed the House by a six-vote margin, the impending vote in the Senate is crucial. It offers the last chance to preserve effective Federal restraints on the price of gas at the well-head, which directly affects the price of gas to the pipeline transporter, thus to the local distributor, and in turn to the household and industrial consumer.

The Fulbright-Harris bill is socially wrong because it would relieve a vital segment of the gas industry from a form of Federal regulation essential under the actual circumstances of production and marketing of natural gas. Looking at the industry as a whole, we see that urban distribution is regulated and the pipeline transportation that brings the gas across country is regulated; yet under the Fulbright-Harris bill an important part of production would be relieved of regulation except through a cumbersome device that would have little if any practical effect. In a way that does not apply to other extractive fuel industries such as oil or coal, the consumer is a captive, is tied through the pipelines to the producer, and can be protected adequately from undue price increases only by utility-type regulation. Normally we disfavor Governmental control of prices; but this is a situation where it is necessary, despite the claim of the industry that competition in purchase and sale of gas in the field already provides adequate consumer protection.

We do not think it does, and that is why we say that the Fulbright-Harris bill is economically wrong. The industry talks of "only a few pennies a day"; but these "few pennies" will mean millions of dollars a year in additional costs. Senator Douglas of Illinois, who is leading the fight against this bill and has made the kind of detailed analysis of it that one has come to expect from him, points out that the field price of gas has already risen about 120 per cent in the past six years, with indicated additional increases —in the absence of controls—of from 50 to over 100 per cent. Since large-scale industrial users in many cases can easily shift from gas to other fuels if the price of the former goes too high, the burden of the increase will undoubtedly fall on the small captive household consumer.

The Fulbright-Harris bill is politically wrong in the sense that its passage—if it passes—will surely backfire on many of the Senators who endorse it, on the Texas Democratic party leadership that is fighting for it, and on the Administration that—to put it mildly—is not opposing it. The favorite Democratic charge of "give-away" will sound odd to voters when they think of the Democratic sponsorship of the natural gas bill. The Administration claim that it wishes to protect the consumer will sound equally odd when, as we venture to predict, such regulation as is provided in this bill proves totally inadequate to regulate.

WASHINGTON STAR
January 26, 1956

Threat to Gas Users

The Senators who favor and those who oppose the Fulbright-Harris gas bill are as far apart as the poles. It is simply impossible for a nonexpert in this field to reconcile their arguments, pro and con. And we doubt very much that the Senators can reconcile their own arguments.

So perhaps it may be useful to examine the views of a group which is not directly involved in the debate, but which probably will be affected by its outcome. In this group are the local gas companies which sell directly to the consumer.

The Fulbright-Harris bill would free independent natural gas producers from regulation by the Federal Power Commission. This regulation, which followed a 1954 Supreme Court decision, takes the form of a utility-type, cost-plus formula for controlling prices of gas delivered to interstate transmission lines. The producers say the formula is no good. They prefer the "reasonable market price" regulatory formula set forth in the pending bill. The opponents of the bill say this formula is no good.

The local gas companies, that have organized the Council of Local Gas Companies in opposition to the bill, indorse the position of the opponents. They do this, in the words of Everett J. Boothby, president of the Washington Gas Light Company, because they feel "strongly that the passage of the Fulbright bill exempting producers from regulation would undoubtedly result in unnecessarily higher costs of natural gas which would have to be paid by their customers."

The local gas companies are in a tough competitive struggle with other fuel and energy suppliers. They have every reason to be concerned with the probable effect of this legislation on their customers—the consumers of gas. We see no reason why those Senators who are also concerned with the consumer should not share the view of the local companies. If they do, they ought to vote against the bill.

WASHINGTON POST
February 2, 1956

Mayors Here To Fight Gas Bill Rebuked

By J. W. Davis
Associated Press

Mayors of New York, Philadelphia and Nashville, came here yesterday to protest the natural gas bill, and were denounced on the Senate floor as misguided "young liberals."

The bill, on which the Senate will start voting Monday, would exempt natural gas producers from direct Federal price controls. Debate has been going on rather smoothly since Jan. 16, but the mayors set off sharp replies.

Mayor Robert F. Wagner of New York told a news conference he spoke for a committee of mayors representing 30 million gas consumers. He said it was the committee's unanimous opinion that the bill ought to be defeated.

Wagner said the enactment would "increase consumers' bills by as much as $800 million a year."

Mayors Richardson Dilworth of Philadelphia and Ben West of Nashville backed up Wagner.

On the Senate floor, Sen. A. S. (Mike) Monroney (D-Okla.) accused them of shedding crocodile tears. He said the mayors ought to take a look at the profits of the distributing utilities in their cities. Gas that producers sell for 10.8 cents per 1000 cubic feet is sold in New York for $2.43, said Monroney.

Sen. Lyndon Johnson of Texas the Senate Democratic leader, commented that "some dashing young liberals are going to bed with the utilities" and "feel they are on the side of the angels."

Sen. Price Daniel (D-Tex.) joined in by saying that if any robbery is being perpetrated, it is by "the big city distributors."

Sen. Edward Martin (R-Pa.) announced his support for the bill, drawing from Mayor Dilworth the remark that he was not surprised that Martin's "political career shows which way his interests lie."

Uncontrolled Gas Costly, Douglas Says

Sen. Paul H. Douglas (D.-Ill.) yesterday predicted families will have to pay $25 to $30 a year more for gas if Federal controls are removed.

Congress is now considering a bill that would do this.

Douglas declared the price of gas would jump 10 cents per 1000 cubic feet.

He told 56 Methodist ministers at the Roger Smith Hotel that increased costs would fall largely on home owners and individual users. Industrial firms, he said, will shift to oil or coal.

The ministers, from Illinois, are attending an annual three-day seminar on Government. Sen. Everett McK. Dirksen (R-Ill.) will address the group at an 8 a. m. breakfast today.

NEW YORK POST
January 25, 1956

A Non-Secret Democratic Formula For Losing the '56 Election

The most formidable obstacles to a Democratic victory in November may be created by men who call themselves Democrats.

We have no way of knowing whether the Republican hucksters will persuade Ike that it is his duty to serve as front-man for another GOP campaign. But whatever finally happens, Democrats can hardly pretend at this point that their own house is in magnificent order.

On a wide and dreary front several Democratic dignitaries are currently engaged in a disastrous effort to destroy their own party's campaign program before the battle even gets under way.

We list these debacles not necessarily in the order of their significance:

1) For a long time it has been widely assumed that a major Democratic plank will be the cumulative evidence of Republican favoritism to big business and of large-scale "giveaways" by the Eisenhower Administration. But the first order of business at this session of the Senate under Democratic Leader Johnson is the natural gas "grab"—the bill designed to exempt producers of natural gas from direct federal regulation.

If Johnson succeeds, this bonanza for a special-interest lobby will mock every Democratic oration on the Republican surrender to the big boys.

2) Even apart from the ghastly fiasco of John Foster Dulles' latest adventure in Life, the most serious case against the Administration's handling of foreign policy is that it has missed the point of modern times. The biggest thing that has happened in the world is universal recognition of a nuclear deadlock; in the face of that fact, the Russians have dramatically altered their strategy and opened vast economic and political offensives. Yet the Administration has seemed incapable of reacting to that situation. It has alternately proclaimed "bold new economic programs" and then scuttled the plans before they were even formally presented.

At this juncture, however, the two leading opponents of an expanded, long-term foreign-aid program are Sens. George and Russell—Democrats of Georgia.

3) Democratic organs have been crowded with devastating attacks on the unjust, inhumane and senseless operation of the "numbers game," camouflaged as a national security program. The casualty list of this nightmare is long and frightful.

Surely, too, there is immense material for Democratic orators in the inertia displayed by the Justice Dept. over the systematic assault on the rights of Southern Negroes.

Unhappily, any Democratic speeches on these matters will be shadowed by the reminder that the Democrats are permitting Sen. James Eastland (D-Miss.) to retain his post as chairman of the Internal Security Committee.

On many days of many weeks Democrats quite properly accused the Eisenhower Administration of moral cowardice for failing to challenge the works of Joe McCarthy. Surely Eastland poses no less crucial a moral problem for Democrats. His exploits as chairman of an investigating committee engaged in an intimidatory attack on The Times are equaled only by his role as leader of the crusade to overthrow the Supreme Court's desegregation decision. How long can the Democrats pretend that their party record is unsullied by Eastland's performance?

Too many liberal Democrats have too long accepted the proposition that "party unity" means subservience to conservative Southern Democrats. Retreat has become habitual. Actually, the South is not a monolithic bloc; there are courageous, forthright liberals within the ranks of the Democratic Party in the South. But their voices are smothered by the righteous roars of the Southern Old Guard.

Now, on almost every vital battleground, the Democrats are forfeiting the great issues of the '56 campaign by letting Messrs. Johnson, George, Russell and Eastland run the big shows.

THE WASHINGTON POST & TIMES HERALD

Monday, December 12, '55

Matter of Fact

By Joseph and Stewart Alsop

Natural Gas and the Democrats

THERE HAS been much self-congratulatory talk among Democrats about the marvelous party unity they have achieved since 1952. But there is one issue which is likely to start one of the bitterest party rows in years—more bitter even than the offshore oil issue which tore the party apart in the last presidential election. The row is expected to break out, moreover, within two weeks of the opening of the next session of Congress.

The Fulbright Bill, which would free producers of natural gas from Federal price regulation, is very near the top of the Senate calendar. The enemies of the Fulbright Bill say that its passage would cost consumers as much as $800 million a year in hiked gas prices. And, according to one expert estimate, passage of the bill could increase the value of proved gas reserves by a cool $20 billion.

Obviously, large interests are involved. The floor leader for the bill will be Sen. William Fulbright of Arkansas, but its most important proponent will be Majority Leader Lyndon Johnson of Texas, who is probably the most powerful man in the Senate.

Johnson, whose state is the biggest of the four major gas-producing states, frankly intends to use all his power to secure passage of the bill. He has remarked flatly that he will work just as hard for the gas producers as Sen. Hubert Humphrey of Minnesota, for example, works for his dairy farmers.

Until recently, it did not seem probable that Johnson would really have to work very hard. According to his own reported estimate as of September he could count on a sure majority of 58 votes. And just because passage of the Fulbright Bill seemed so certain, it was thought it would meet only token opposition.

BUT NOW all is changed. Previously, the oil companies which have favored the bill and which probably constitute the most politically powerful of all business groups, have met no opposition from within the business community. But now 40 utility companies from all over the country, fearing that big increases in gas prices would badly hurt their business, have banded together to fight the Fulbright Bill. And the utilities are also not without political influence.

Moreover, the Johnson forces have been warned to expect a fight. Johnson's Texas colleague, Price Daniel, recently remarked to Sen. Paul Douglas of Illinois that he hoped the natural gas bill would go through quickly, without a bad fight. Douglas amiably replied that he thought the issue demanded "very careful examination." He has since let it be known that he has already reached Page 70 on a speech he is writing on the issue, and that he expects to double that.

Given the usual interruptions, a Senate speech of 140 pages will make a fine substitute for a filibuster until a real one comes along. Moreover, there have been important breaks in the pro-Johnson ranks.

Sens. Harry Byrd and Willis Robertson of Virginia, for example, are now counted as Douglas allies. Other Southerners, like the very influential Richard Russell of Georgia, are reported wavering. And strong support from his fellow Southerners is essential to a victory for Johnson on the issue.

Douglas, moreover, counts confidently on the votes of at least 15 Republicans from the gas-consuming states in the Midwest and Northeast. All in all, it begins to seem that the Fulbright Bill will be no pushover, although the odds are no doubt still on its passing. And it is as certain as such things can be that there will be a big, angry fight within the Democratic Party before it does pass.

NORTHERN Democrats are even muttering that, if Johnson and the Southerners insist on pushing the natural gas issue, they may decide to push the civil rights issue. Party unity, they argue, is not a one-way street. This kind of muttering could lead to an explosion which would break the facade of Democratic unity into smithereens.

The Republicans are divided on the issue too, of course, but there is not nearly the same passion on either side among Republicans and a big row on the issue would clearly hurt the Democrats far more. The hurt could be especially painful to Adlai Stevenson. As in the case of the offshore oil issue in 1952, Stevenson will almost certainly have to declare himself on natural gas. A stand against the gas interests might well lose him a lot of Southern and Southwestern delegates. And Stevenson needs those delegates badly, for the first-ballot win he is clearly planning for next summer's convention.

United States Senate

MEMORANDUM

Robert W.
Ruhl, Editor

MEDFORD (OREGON) MAIL TRIBUNE
January 1, 1956

Quo Vadis

"Mr. Anonymous" has returned.

And he calls ex-Governor Stevenson "just another egg-head."

All of which seems like old times and removes all doubt—if there has ever been any—that the presidential campaign of 1956 has started.

* * * * *

WHAT interested us most in this offering, however, was the comment on an editorial in this column a week or two ago, explaining to "newcomers" that the term "independent" on the mast-head of this paper meant exactly what it said.

"Mr. Anonymous" calls that a 'lot' of applesauce.' "Everyone in Southern Oregon," he adds, "knows that the Mail Tribune will support the Democratic ticket next year as it did in 1952, regardless." Moreover if we were "honest" we would replace that "independent with Democratic"—though he might allow us to include the qualification "independent" if it would make us feel any better.

That is very generous of our unidentified correspondent, but as he is 100% wrong as usual, the Mail Tribune masthead will remain as it has been for close to half a century. So that concludes that particular argument.

Now as to the facts—

* * * * *

EVERYONE in Southern Oregon DOES NOT know the Mail Tribune will support the Democratic ticket next year, for we don't know ourselves.

We grant the probability.

But if Senator Lyndon Johnson of Texas, fine gentleman and excellent Democratic senate leader that he is—on a platform of private power over public power, should be the Democratic candidate—the Mail Tribune certainly would not support him.

And if by chance Chief Justice Warren of the U.S. Supreme Court should head the Republican ticket, on a platform of public power over private power—where the former is indicated—and development of tidelands oil for the benefit of the people and public education rather than a few private oil companies—there is equal lack of doubt that the Mail Tribune would then support the Republican ticket.

* * * * *

WE grant such eventualities are unlikely. But stranger—or at least as strange—things have happened in politics—in the past.

For example: Who would ever have thought the Democratic party would nominate for President an unknown, long-haired, table-thumping congressman from rural Nebraska for its presidential nominee and on a free-silver ticket, over half a century ago?

Or shortly thereafter who would have believed that President Theodore Roosevelt would desert the Republican party, form a new party, and do everything in his power to defeat and humiliate his longtime friend, and his own selection as his successor, one William Howard Taft?

* * * * *

POLITICS not only makes strange bed-fellows. Politics makes strange and weird tape recording on the tablets of national history.

The Mail Tribune is no more committed to support the Democratic ticket next year, than it was committed four years ago at this time to support the Republican ticket, though all the evidence available pointed that way.

Attendance at the two party conventions changed the political views of the Mail Tribune in 1952. That may happen again in 1956. Or it may not.

"Mr. Anonymous," or anyone else interested in speculating on such momentous decisions must therefore await the event.—R.W.R.

What's Wrong With Johnson?

Anticipating an inquiry from "Mr. Anonymous" (or some of his friends) as to what the Mail Tribune has against Senator Lyndon Johnson of Texas we herewith explain, that we have nothing against him as an individual, a Senator, or an effective majority leader in the Upper House of the congress.

But we would oppose him as a leader of the Democratic party and as President of the United States, because we don't believe in what he believes in. That's all.

* * * * *

MR JOHNSON believes in "state rights" as many other Southerners do. He believes in the doctrine of nullification as espoused by Calhoun prior to the Civil War, as many other Southerners and many Texans apparently do.

Also, according to what we believe reliable information, the Senior Senator from Texas advocated the Tidelands Oil measure, which handed over billions of dollars rightly belonging to all the people of the United States, to three or four states and eventually to three or four large oil combines.

We believe that this action was contrary to the public welfare clause of the Constitution and involved a great injustice to the American people and especially to the cause of federal aid to education.

* * * * *

FINALLY there is the natural gas bill which would, if passed, free the natural gas companies from all federal control, and allow the private gas companies to profit enormously at the expense of the gas consumers. Senator Johnson is one of the leaders in the effort to put this "give away" over.

* * * * *

SO for these fairly definite reasons we would not be in favor of the Texas Senator as candidate and spokesman of the Democratic party, and if the Democratic convention should decide otherwise, we would look elsewhere for a candidate or a party we could conscientiously support.—R.W.R.

United States Senate

MEMORANDUM

Feb. 6,1956

Senator:

Here is the Herald-Trib editorial to be put in the record.

GER

NEW YORK HERALD TRIBUNE
February 6, 1956

The Issue in the Natural Gas Debate

As the Senate prepares to begin voting on the Fulbright bill to limit Federal controls on natural gas prices, the already highly intricate subject has been further complicated by Senator Case's implication of an effort to influence the result by a campaign contribution. If this episode results in a firm charge of attempted bribery it will be most serious. Certainly the study initiated by the Federal Bureau of Investigation is fully justified, and the Senate itself should undertake its own inquiry. But unless far stronger and broader evidence of illegal operations is presented, it is difficult to see any valid reason why the incident should affect the vote.

The Fulbright bill would alter the responsibility now vested in the Federal Power Commission by a Supreme Court interpretation of the natural gas act to control prices of natural gas at the wellhead. In its place, the bill would require the commission to determine whether the interstate pipeline companies were paying a "fair market price" for the gas they pass on to consumers by way of local utility companies. The producers of natural gas favor the bill because it would free them from the rigid controls now in force. The Federal Power Commission also approves the bill because it fears that fixing prices for thousands of producers (many of them marginal) would be an impossible [illegible] companies are fighting [illegible] they are afraid of being [illegible] rising wellhead prices and [illegible] controls under which they operate locally. Political leaders in the consuming states have, to a large extent, taken the same stand, on the ground that their constituents will pay higher utility bills.

Thus there are a great many pressures being exerted from both sides upon the Senate—a conflict of various forms of self-interest, bolstered by impressive, if sometimes contradictory, statistics. This newspaper believes that the core of the argument for the Fulbright bill is sound: that it would retain the principle, honored in every other form of utility regulation, of not applying Federal controls to the price of raw materials. This is consonant with the system of free enterprise, and would have the great practical advantage of stimulating the search for new sources of gas.

If there has been an attempt at bribery, or any other form of illegal or unethical influence in the natural gas debate (and this is still far from clear), the offenders should be sought out and punished. But in the meanwhile, the great issues at stake are not affected. Should the Senators vote today, before the results of the investigation into Senator Case's charge are known, they must do so on those issues, as their consciences bid them.

United States Senate

MEMORANDUM

Jan. 16,1956

Senator:

Here is the article in the Communist paper. It was the Sunday edition which is known as "The Worker" instead of the "Daily Worker" but it is still the communist party's official publication.

GER

Dirty Work Deep in the Heart of T

By ART SHIELDS

A TALL, heavy man with graying hair drove up to a wide, spreading ranch house in the hills of South Central Texas last month as the hunting season was about to begin. The visitor was Robert S. Kerr of Oklahoma City, one of the three or four richest men in the millionaire's club known as the U. S. Senate. And he had come to discuss something dear to the heart of his host and himself.

His host was Lyndon Johnson, the Senate's majority leader, who owns a beautiful ranch on the winding Pedernales River. The region is a Mecca for sportsmen. Its deer and wild turkey are famous. But Kerr had not come to talk of bucks and gobblers. His subject was GAS.

Gas and oil are favorite topics with the broad-brimmed gentry in the Southwest's Cadillac class. And the two men chatted for hours as they sat in Johnson's air-conditioned rooms or strolled under his pecan trees outside. But they weren't just talking for fun.

They were talking for money. They were working out plans to blitz through a bill to give Kerr additional millions. This bill — the Harris-Fullbright measure would end all Federal control of gas prices at the gas wells. This would open the way to vast price increases. The gouge might total as much as 800 million dollars a year.

This gigantic give-away plot has President Eisenhower's backing. With his help the bill slipped through the House last summer by a six vote margin. But now it is under heavy attack from trade unions, householders, mayors and some conservative industrial consumers. And Kerr and Johnson are worried.

★

THE TWO Senators, however, are experienced schemers. They have won many battles for the oil and gas trusts before. Johnson, in fact, is the industry's handiest handyman in Congress. He was elected with oil and gas money, and works for the oil and gas lords every day. He admits that himself.

DIRKSEN

In a wire to the Texas Independent Petroleum and Royalties Owners Association he once said: "I am here (in Washington) to fight the organization's battles every day."

And Kerr is a multi-millionaire oil and gas lord himself. His operations stretch far and wide. The Senator's rigs are drilling into the sands of distant Israel, while riches flow from his 1,200 American wells.

Kerr began as an "independent" many years ago. But today he is cheek by jowl with the trusts. His 43 million dollar outfit—the Kerr-McGee Oil Industries Co.—pipes gas to the billion dollar Phillips Petroleum Co., in which the duPonts have a stake. And Phillips, in turn, controls the line that pipes the gas into Detroit. So Kerr cashes in when a Ford or Chrysler worker turns on the gas.

★

THE HOME on the Pedernales was a humming guest house this fall as many other politicians and oil and gas men came to see the Senate leader. And the oil and gas men were helpful indeed. The Wall Street Journal reports that the industry has raised a million and a half dollar fund to pass the gas measure. And Johnson's handshake is especially warm when he greets his friend Herman Brown, who financed his two Senate campaigns.

Johnson's friend, Herman Brown of Houston, is not just an ordinary Texas tycoon. He is one of the hundred million dollar giants. Brown dominates the famous "Big Inch" company—the Texas Eastern Gas Transmission firm—that pipes gas into New York City, New Jersey, Philadelphia and New England. He is a giant contractor too, who builds Army and Navy bases all over the American Empire—with non-union labor.

Brown is often called the most powerful figure behind Texas politics today. And the most ruthless. His war on the unions never lets up. He has obtained anti-strike injunctions against more than 90 labor unions in Texas at one time or another. And his lawyers helped draft the so-called "right to work" law that bans the union shop. This is the man who guides the majority leader of the U. S. Senate today.

Johnson has promised Brown and Kerr and still bigger men to make the gas bill his first order of business when the Senate opens in the first week of January. He has little choice in fixing the date. He must rush the give-away quickly or face probable defeat. The steal is too crude for delay.

★

THE GAS vote will split Johnson's party in the Senate as it has in the House, where the great majority of the Democrats from the Northern gas-using (not gas producing) states voted "Nay." A smaller percentage of Republicans did the same.

This split will hurt the Democrats in the '56 election. But Johnson's duty to the gas kings comes before party loyalty. And he is counting on a hard core of oil and gas Senators to help with the blitz. Several of these oil and gas Senators are on the Interstate and Foreign Commerce Committee that will handle the bill.

Among them are:

SEN. JAMES DUFF (R-Pa), ex-head of the Oil and Gas Association of Western Pennsylvania.

SEN. JOHN W. BRICKER (R-Ohio), whose law firm represents the East Ohio Gas Co.

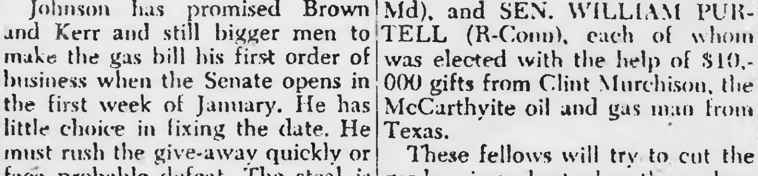
SEN. PRICE DANIEL (D-Tex), an oil and gas tool, whose election campaign was boosted by a big check from Hugh Roy Cullen, the McCarthyite oil King of Houston.

SEN. JOHN M. BUTLER (R-Md), and SEN. WILLIAM PURTELL (R-Conn), each of whom was elected with the help of $10,000 gifts from Clint Murchison, the McCarthyite oil and gas man from Texas.

These fellows will try to cut the gas hearings short when the spokesmen of 30 million consumers protest the big steal.

★

THIS GROUP, however, is just a beginning. One sees many other loyal servants of the oil and gas trusts as he looks down from the



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EASTLAND

Senate Press Gallery. Among them are:

WILLIAM F. KNOWLAND (R-Cal), who faithfully serves the California oil and gas men.

JAMES EASTLAND (D-Miss), and SPESSARD HOLLAND (D-Fla), who led the drive to give away the oil tidelands, even before Eisenhower surrendered.

J. W. FULBRIGHT (D-Ark), co-author of the give-away gas bill with Rep. Oren Harris of the same state.

EDWARD MARTIN (R-Pa), who was a Mellon family banker before he entered politics. He has dutifully served the Mellons' Gulf Oil and Aluminum interests since.

And then come more Republicans, elected with oil and gas money — mainly Texas money. Among these bought-and-paid for Senators are:

JOSEPH McCARTHY (R-Wis), whom Texas oil men wanted in the White House; GEORGE W. MALONE (R-Nev); HERMAN WELKER (R-Idaho); WILLIAM E. JENNER (R-Ind); EVERETT DIRKSEN (R-Ill); BARRY GOLDWATER (R-Ariz) and others.

This looks like a powerful combination. But it can be beaten, because the Senators are afraid of the people. So afraid, indeed, that the New York Herald-Tribune recent-

(Continued on Page 7)

DIRTY WORK IN TEXAS

(Continued from Page 3)

ly predicted that the gas bill may lose.

Several Senators have responded to the people's pressure already. Among them are PAUL DOUGLAS (D-Ill), and ESTES KEFAUVER (D-Tenn), who are fighting the bill. But, unfortunately, the top Democratic leaders outside the Senate are silent on the steal. No word has come yet from Adlai Stevenson, who opposed the tidelands steal in his '52 campaign.

★

THE GAS consumers, of course, can expect no help from Paul Butler, the Democratic Party's national chairman. Butler is too closely tied to the gas monopoly himself. His law firm is the counsel for the Standard Oil Co. of Indiana and Socony-Mobil, two giant Rockefeller oil and gas firms. This tie gives Butler much in common with Secretary of State John Foster Dulles, whose law firm (Sullivan and Cromwell) represents the Standard Oil Co. of New Jersey.

The biggest help in the fight will come from the labor and consumer forcse. The latter are represented by the Mayors of New York, Philadelphia, Pittsburgh and other cities, who testified before the House committee last spring. They are expected to fight the battle before the Senate committee next month.

Delegations are also visiting Senators to bring them into line.

This battle, of course, is just one round in the fight against monopoly, which will never end until the people of this country are masters of the wealth they produce.

1 Anderson
Clements
2 Daniel
Ervin
Frear
Fulbright
Gore
Hennings
Holland
Humphrey
Jackson
Kennedy
Kerr
Long
Mansfield
Monroney
Morse
Neuberger
5 Smathers
Stennis

H.R.
5614
~~C~~ 11246

June 29 –
11 – 4 –
Aug 3 –

Question: How about the gas bill?

Answer: The measure is pending upon the Calendar and of course the Senate Democratic Policy Committee will decide when it will be taken up.

Question: Do you expect it to split the Democratic Party?

Answer: There will, of course, be some opposition within both parties and some support within both parties. However, I think that if the measure is considered on its merits we can dispose of it within a reasonable time.

In my opinion, Senator Fulbright's bill is a good bill which should be passed. It represents simple justice to gas producers and I think there are adequate protections in it for the consumers. I have seen the various estimates on the so-called cost of the bill to the consumers but I don't believe that those estimates can be justified.

This measure is not a dispute between producers and consumers. It seems to represent more than anything else an argument between producers and the large public utilities of the North. I believe that if this measure is discussed dispassionately and in an effort to arrive at the facts it will become apparent that the measure should be passed. If natural gas producers -- who do not constitute any kind of a monopoly and who operate solely within State lines -- can be regulated by the Federal Government, I do not think that any industry can be considered exempt.

Humphrey Says Opponents Of Gas Bill Gain Strength

WASHINGTON (AP) — Sen. Humphrey (D-Minn) said today Senate opponents of the natural gas bill are picking up strength and the final outcome may be decided by two or three votes.

Humphrey has announced he will fight the measure which would lift federal regulation from the independent producers of natural gas whose product moves in interstate commerce.

The House earlier this year passed the bill 209-203 and sent it to the Senate. Senate Democratic leader Lyndon Johnson (Tex) has listed the measure as one of those he will press for passage in 1956.

"It will be a close fight in the Senate," Humphrey said in an interview. "At this stage, I would say that it was still somewhat favorable to those seeking passage of the gas bill. But I believe there will be some shifts towards our side when the issue comes up in the Senate for a vote.

"I feel that the producers are doing very well economically and that such operations are essentially public utilities. I believe they need to be publicly regulated."

Although he has worked closely with Johnson on many issues, Humphrey is in direct opposition to the Democratic leader on this matter. Referring to this, the Minnesota senator said:

"I have never believed that I should accept anything that the leaders laid down. We have a right to disagree. We have unity on many matters of general policies, but there are regional differences. We all recognize that the cotton area has different problems than the cattle area, for instance.

"We try to help all areas. But when there is a real difference of opinion, we have to vote our convictions. We cannot be all things to all people."

Humphrey said opponents have picked up strength since the somewhat similar Kerr bill was passed by Congress several years ago. That measure, however, ran into a veto from President Truman.

Msgr. John Kiely to Retire

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Date: JAN 4 1956

The Washington Merry-Go-Round

Democrats Face Hassle in Senate

By Drew Pearson

Two significant backstage Senate huddles took place the weekend of Jan. 1, 1955, and the weekend of Jan. 1, 1956, with far-reaching effects on the Democratic Party. The huddle on Jan. 1, 1955, brought unity to the Democrats. The huddle on Jan. 1, 1956, may split the Democratic Party wide open.

Pearson

A year ago, Northern Senate Democrats decided to sidetrack any battle for the Negro and civil rights. The decision was made at the urging of eloquent, persuasive Senate Leader Lyndon Johnson, who argued that the Democrats, having won a vital election, must show a united front.

Most Northern Democrats agreed. Even Sen. Hubert Humphrey, who had fought for civil rights at the Chicago Democratic Convention, joined Johnson in urging that civil rights be sidetracked. So did Sen. Paul Douglas of Chicago, militant champion of the underdog.

Only Herbert Lehman, former Governor of New York, persisted. During the private huddle of Northern Democrats, he argued for civil rights until the end. When he finished, Douglas told him:

"If you make the motion, I'll go along but I think it's better not to rock the boat."

At huddle No. 2, which actually is a series of continuing huddles held as Senators returned to Washington after Christmas, the same Sen. Douglas had different ideas.

In the first place, a boy from his city, Emmett Till, had been murdered in Mississippi, and Chicago's huge Negro population has been seething.

Second, Lyndon Johnson of Texas, who successfully poured oil on Democratic dissent one year ago, this year is pushing one of the most turbulent bills in the Senate. He is determined to ram the Harris-Fulbright bill to reverse the Supreme Court on the regulation of natural gas through the Senate immediately.

Higher Priced Gas

This is a bill which puts every Northern Democrat on the spot. Big cities like Chicago, Philadelphia, Detroit, Milwaukee, St. Louis, which depend on Southern gas for cooking-heating, will have to battle this bill and battle it hard. Not only will it hike the price of gas to Northern consumers but it upsets the principle that the Supreme Court has a right to interpret the law.

It will, therefore, split the Democratic Party wide open. It will cause almost as much friction as an anti-lynching bill or a fair employment practices bill.

The natural gas bill was all set to pass late last summer when Lyndon Johnson suffered his heart attack. In his absence, other Democrats threatened a filibuster; so acting leader Clements of Kentucky wisely sidetracked the gas bill.

Today, therefore, Lyndon wants to pass it in the first ten days of Congress before a filibuster could be effective.

This is where Senator Douglas comes in. He's holding a trump card which Lyndon Johnson obviously doesn't want him to play. But Douglas, who enlisted in the Marine Corps as a private at the age of 50 and was terribly wounded at Iwo Jima, is likely to play it.

His ace is a sort of anti-lynching amendment to the natural gas bill which makes it a Federal offense to attack anyone on the basis of race, creed or color.

This would have removed the Till case from a Mississippi grand jury and placed it before the Justice Department in Washington. It would also cover any race riot, kidnaping or rape case.

Whether Douglas tacks this onto the natural gas bill will depend largely on the suave, astute Senator from Texas. It's assumed that Johnson, who always bows reverently toward the Texas oil and gas fields, will not sidetrack the gas bill, but will try to talk his way out of the Douglas threat.

Aero-Go-Round

One reason why "Sinny" Weeks, the Boston blue-blood now running the Commerce Department, fired Fred Lee as Civil Aeronautics administrator was Lee's opposition to the telephone company. Weeks wanted to sell the Government's air traffic control system to American Telephone & Telegraph. Lee objected. . . Lee, incidentally, can claim just as much blue blood in his veins as Sinny Weeks—if he wants to. Lee is a Vermont Republican, Weeks a Massachusetts Republican. Lee is independently wealthy, served in Government because he wanted to make a career of it. Appointed by Hoover in 1931, he was continued by Roosevelt, promoted by Truman, fired by Eisenhower. . . His wife, whose name is "Pillow" Lee—a family name—is one of Washington's hardest workers for the Community Chest and other civic enterprises. Ike-men couldn't have picked a more popular bureaucrat, with both Democrats and Republicans, to fire . . . Actually two Lees were fired—Fred Lee, a Republican, in charge of the Civil Aeronautics Administration, which deals with air safety; and Josh Lee, Democrat, a member of the Civil Aeronautics Board, which allocates air routes. Both Lees were doing fine jobs. . . One backstage factor lurking in the Fred Lee dismissal is a management survey of the CAA by Cresap, McCormick and Paget of Chicago. This cost the Government $104,500 and was opposed by Lee. This firm had just finished a survey of the New York Central and was railroad-minded. Lee had bucked the railroads.

The man who went over Lee's head and ordered the survey anyway was Under Secretary of Commerce Robert Murray—also railroad-minded. After he left the Ike Administration he went to work for Baldwin Locomotive.

Mr. President:

Twenty-five years ago today I first came to Washington as a Congressional secretary. To me, this is a very important anniversary.

They have been a hectic 25 years.

They include the famous "100 days" of the New Deal.

They include the bitter debates over Passamaquoddy.

They include the violent arguments over the holding company act.

But in all my experience, I have never seen such a ~~virulent~~ well-organized campaign of smears, threats and intimidation as has been directed against this bill.

This campaign has brought together such strange bedfellows as the communist Daily Worker and the great gas distributors. It has meant full page ads in the great newspapers of the country depicting the proponents of the bill as bandits holding people at the point of a pistol.

(more)

It has included five to six columns from Drew Pearson of which the one this morning is typical. I might add that so far as it pertains to me, it is just a plain lie.

The Washington Post greets us at the opening of debate this morning with an editorial and a cartoon by Herblock—again telling the public that those who vote for the bill have listened only to the voice of money.

Mr. President, I cannot speak for the oil and gas companies. They have opposed me in every contested campaign I have had for election—so much so that in 1948—when I was elected to the Senate—I denounced the "oilcrats."

But I don't have to speak for them to resent the type of pressure that has been put on the Senate of the United States.

When public utilities tell their customers—in distributing their monthly bills—that passage of this measure will increase gas prices, that is certainly pressure of the most direct type.

When cartoonists depict the proponents of this bill as robbers and moneybags, that is certainly vile abuse.

(more)

When columnists spin fanciful tales about oil and gas money being passed out in an office in the Munsey building in 1938, that is certainly intimidation of the rankest sort.

I would like to know if there is any member of this Senate who has been "intimidated" by a proponent of this bill. If so, I wish he would stand up and explain the circumstances.

I am not asking those to stand up who have rejected intimidation because I assume the Senate is made up of men of courage and honor.

Mr. President, I must confess a deep feeling of disappointment over this situation. We have apparently reached a point in this country where an issue cannot be debated in the public press on its merits.

The "clever" cartoon and the cynical quip have replaced discussion of merits and of justice.

I do not think any of my colleagues can detect one instance in which I have ever impugned motives or been other than courteous. I intend to continue my policies of the past.

(more)

But I think it is time to serve notice that I—and others who are on both sides of this issue—resent the outside influences that have been brought to bear on this measure. They have sowed the wind and they cannot complain if they reap the whirlwind.

# # #

United States Senate

MEMORANDUM

Jan. 29,1956

Senator:

Here are a few things that might be said about natural gas.

GER

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Robert Mar

Digitization Technician

Passage of this bill will establish no new Federal policy. On the contrary, it will reestablish a policy toward production which was firmly in force for 16 years--from 1938 to 1954.

This 16-year policy was not changed by any Federal regulatory commission. It was not changed by act of Congress--in fact, Congress actually reaffirmed it.

At the present time, the situation in the Natural Gas industry is one of chaos. The Court was able to overturn the thinking and the precedents of 16 years. But it was not able to establish a firm,constructive approach to the problem.

That is something that only the Congress can do and we would be shirking our responsibilities to the people if we postponed a decision.

# # #

There is a basic issue involved in this bill which has not been brought home with sufficient force.

Never before--except in time of war--has this country sought to regulate a competitive industry. We have remained firm in our faith that the consumer's best protection was free enterprise.

There is much honest controversy over the effects of this bill. But one fact is not in dispute. It is that if this bill is defeated, the natural gas industry will be regulated like a public utility.

That will be a long and fateful step. It will take us into a new world--a world in which free enterprise will be nothing but a fond memory.

We cannot deceive ourselves by saying: "Thus far and no further. We will regulate this one competitive industry and no others."

In the field of economics, there is no such thing as being a little bit pregnant. The field of regulation is one in which there is no point of return.

# # #

We cannot argue that natural gas should be regulated because there are some giant concerns in the industry without opening up a real bag full of trouble.

On that basis, should the Federal government put price ceilings on General Motors? Should General Electric and Westinghouse conduct ~~xxx~~ their operations solely at the sufferance of a governmental bureaucracy?

Are we to argue for a cost plus six percent ceiling on the meat packing industry? It seems to me that we had some experience with that proposition and I don't believe there are very many Americans who would like to repeat it.

# # #

One of the worst mistakes we could make would be to single out an industry as a "whipping boy" fit only for Federal controls. We might find ourselves in the embarassing position of having to eat some of our words.

Just twenty years ago, the public utilities were considered a proper target for every stray crusader with time on his hands. They were pilloried on every corner;served up hot for breakfast; hung in effigy in every public square.

Today, according to the opponents of this bill, the public utilities are on the side of the angels. They are supposedly fighting the good fight--leading the battle for the consumer.

I hope I can be forgiven a note of skepticism. I somehow doubt whether the heirs of Sam Insull have suddenly been converted into evangelists seeking the salvation of the common man.

# # #

Somewhere along the line, there seems to be a lack of proportion.

Natural gas has increased less in price than any of the competing fuels. And yet, there is no outcry for Federal regulation on anthracite; no clamor for a cost plus six per cent ceiling on bituminous coal.

Are we to clamp Federal regulation on the cheapest and most efficient fuel? If we do so, we will have established a new principle of government--an official penalty for efficiency.

# # #

Who wants cost plus six per cent regulation over natural gas?

The federal agencies who must deal with the problem do not want it--and have never wanted it.

The Congressional committees that have studied the problem do not want it--and have signified their feelings by a majority vote.

The demand for regulation comes from the public utilities and the utility commissions who may well be seeking an excuse for their failure to hold down the consumers bills.It is a strange assortment.

# # #

Question: How about the gas bill?

Answer: The measure is pending upon the Calendar and of course the Senate Democratic Policy Committee will decide when it will be taken up.

Question: Do you expect it to split the Democratic Party?

Answer: There will, of course, be some opposition within both parties and some support within both parties. However, I think that if the measure is considered on its merits we can dispose of it within a reasonable time.

In my opinion, Senator Fulbright's bill is a good bill which should be passed. It represents simple justice to gas producers and I think there are adequate protections in it for the consumers. I have seen the various estimates on the so-called cost of the bill to the consumers but I don't believe that those estimates can be justified.

This measure is not a dispute between producers and consumers. It seems to represent more than anything else an argument between producers and the large public utilities of the North. I believe that if this measure is discussed dispassionately and in an effort to arrive at the facts it will become apparent that the measure should be passed. If natural gas producers -- who do not constitute any kind of a monopoly and who operate solely within State lines -- can be regulated by the Federal Government, I do not think that any industry can be considered exempt.

Anderson
Clements
Daniel
Ervin
Frear
Fulbright
Gore
Hennings
Holland
Humphrey
Jackson
Kennedy
Kerr
Long
Mansfield
Monroney
Morse
Neuberger
Smathers
Stennis

GWS:md
policy

Fulbright

Mr. President:

The bill now pending before the Senate is a bill which I had the privilege of introducing last year as a companion to the measure introduced in the House by my colleague, Mr. Harris of Arkansas.

I am proud to be associated with this legislation. The bill is vitally-needed; it is needed by the government, needed by the public, and needed by the industry. That need has existed for a long time and is daily becoming more pressing.

Long before most of us came to the Senate the Federal government, at the direction of Congress, undertook to share with the states part of the responsibility for regulating the segments of the interstate natural gas marketing industry. For many years, that relationship was amicable, beneficial, and constructive: all segments of the industry flourished and the public prospered richly because the regulation was orderly, fair, reasonable, and applied without conflict or confusion.

In 1954 — sixteen years after the Federal government entered its partnership with the states — this wholesome relationship was destroyed by a decision of the Supreme Court. That decision, known as the Phillips case, changed the whole character of the Natural Gas Act, and, as a consequence, changed the character of the Federal role and responsibility.

- more -

The Natural Gas Act of 1938 was a jurisdictional measure; it was passed to close a gap in jurisdiction over the interstate transmission of natural gas.

The Phillips decision of 1954 destroyed the defined and established limits of Federal jurisdiction; it created and opened a new gap in the jurisdictional processes.

Where, prior to 1938, the interstate pipelines had operated in a legal desert, a sort of "no-man's-land," free of any controls or any accountability, this Supreme Court decision eighteen months ago undid the good accomplished in making the pipelines accountable by creating at the well-head a new sort of jurisdictional "no-man's-land."

The Court said that the provisions of the Act excluding production and gathering from Federal jurisdiction had no force or effect. It knocked down the fence between Federal responsibility and state responsibility, but it made no attempt to draw a line between the two or to suggest how either responsibility should be exercised. As a result, we see today the spectacle of the Federal government and the state governments wrestling around over the well-heads of the nation's oil and gas fields while the producers stand by unable to know or to learn to which level of government they are to be accountable.

This is an unhealthy and untenable situation. No public interest is being served by allowing this aimless scramble to continue endlessly.

- more -

Congress has both the power and the ability to write a workable policy into law — a policy under which the consumer, the producer, the transporter, and the distributor will all know what to expect, will all know the areas of governmental responsibility. Until such a policy is in force, this Congress cannot say that it has kept faith with the people.

I realize there are some who say that there is a policy — that the Federal Power Commission has jurisdiction over production and gathering and is exercising that power. From that premise, the argument is compounded that the bill now before the Senate is unnecessary and that it should not pass. That argument, I say, is insupportable.

If there is a Federal policy on the regulation of natural gas production, where is it? Where on the pages of any volume of the U. S. code can anyone point and say this is how producers and gatherers are to be regulated?

If such a citation exists it has escaped the notice of the agency responsible for applying such regulation. The Federal Power Commission has not to this day found the guidance for its course from any laws written by Congress.

When the Phillips decision was handed down, the Commission issued an order freezing field prices as of the date of that decision. Is that regulation? Is that a policy? Is there a sentence or a syllable in the Natural Gas Act suggesting or directing such use of power? No, there is not. The concept of a fixed price or a frozen price is a concept alien to the history of utility regulation, yet that is the best the Commission could do because the laws of the land provide no guidance.

- more -

In the months since, the Commission has been asked again and again whether this phase or that phase of production and gathering was subject to its jurisdiction. They have not been able to answer on the basis of law. They have been forced, each time, to hold hearings, to take testimony, to invite opinions; then they have retired to their deliberations and reached their own conclusions as to what their jurisdiction should be. Their decisions, when finally announced, have the weight of law and are, in fact, expressions of national policy — but those decisions are nothing more than opinions.

That is how our policy is being made today. I cannot bring myself to accept the proposition that any policy does, in fact, exist. At those Commission hearings, producers are represented, pipelines are represented, distributors are represented, regulatory commissions are represented. That may be well and good. But I have yet to find where, in any such proceeding on a major decision, a single elected official — a single man representing the people and accountable to them directly — has participated in any way. Yes, there may be a practice, but there is not a policy, and whatever there is the people are not in on it.

If the regulation of production is as urgent as some here say that it is, if it is so imperative to the public interest, how can they justify leaving the determination of the necessary policy to mere chance?

Why is there not a bill here setting forth a complete policy for such regulation?

- more -

Even if we agreed that the body of the Natural Gas Act is adequate to guide regulation of production — a position I cannot support myself — the fact remains beyond dispute that the area of Federal jurisdiction is not properly and clearly defined. The question is pertinent and quite valid to ask why, in particular, there has never been any effort to present to the Congress an affirmative case for extending the limits of Federal jurisdiction?

The Senators who take a position against restricting or even re-defining the limits of Federal jurisdiction must realize, I am sure, that by being against restriction, they are for extension. There is no non-controversial, pleasant, and peaceful status quo to stand on or to stand behind. Therefore, there is an obligation to make an affirmative case for extending the power of the Federal government.

To this hour, no such case has ever been attempted, much less proved. This is a serious matter, a very serious matter.

Here there is a situation in which, if this bill does not pass, vital and important powers will be taken away from the States — the power to regulate production, the power to conserve gas and along with it oil, the power to levy and collect taxes at the well-head of producing wells.

Search the pages of testimony on this issue through the years, read every word of it, and you will not find one word supporting the position that the states have failed in the exercise of these powers or that there exists a public interest requiring the Federal government to usurp these functions.

What manner of caprice is this, to turn the direction of our Federal government about and send it running down a blind alley without even attempting to show the need, much less explore what lies ahead.

The answer is given, I realize, that whatever the consequences the course is necessary and justified because of the importance of protecting the consumer; to keep the consumer's gas bills down, we are told, any manner of trampling on the orderly processes of government is justified.

Here again, if I may emphasize a curious emptiness in the record, the essential testimony and evidence to support this position is missing.

There has never been — and there is not now — any effort to prove the consumer's need for relief from unreasonable rates. In all the pages of the testimony before our committee, there is no testimony saying that the gas rates to domestic consumers in any community or in any state are too high. The full burden of that testimony is to ask Congress for relief from a situation which does not exist. Is this a proper basis for action? I do not think that it is.

This whole controversy has been precipitated in the consumer's name, but I say to you that the consumer is not, in truth, a party to this effort to keep Congress from establishing a proper Federal policy.

This is the heart of the whole matter. It is most imperative that whatever the Senate does such action be taken with a full and clear knowledge of what is involved.

At the outset, it should be understood that no price paid by a consumer of natural gas is regulated by or subject to the jurisdiction of the Federal government.

When consumers are led to believe that the establishment of controls over production will protect their price, will freeze it or will lower it, the consumers are being woefully misled.

The local rates that consumers pay are determined locally, by local authorities; that has always been the practice in utility regulation in this country, and, I daresay, there are few in this chamber prepared to advocate that the control of local utility rates be taken away from the cities and states and vested in the Federal Power Commission. Until the Congress is willing to extend Federal jurisdiction in that direction, the talk of helping or protecting consumers is, in reality, empty and idle.

Now let us proceed a step further.

The consumer's rate is regulated -- what sort of regulation is it? Is it a form of price control? Is the consumer offered or promised a fixed and guaranteed price? The answer is, no.

In true utility rate regulation, there is no such thing as a fixed price. Utility regulation does not attach to a commodity; it attaches to a service. The utility receives a franchise -- that is, a legal and protected monopoly -- under which it agrees to perform a certain service and for which it is promised a fair return on the costs of performing that service. If costs increase, the rates are increased to yeild a fair return.

- more -

The consumer does not have a contract with the utility and he does not expect one. What the consumer expects, and all that he expects, is that the regulatory agency will see to it that the utility's profit from the service it renders is not excessive.

The Natural Gas Act of 1938 applied this same utility principle to the interstate pipelines. Congress did not attach an arbitrary control — or a control of any kind — to the gas in the lines; instead, Congress attached the public interest to the service rendered by the pipelines and said that the pipelines' return should be determinedon the basis of the total cost of that service. Congress did not say that the public interest required gas to be delivered at such-and-such a price; it did say that the public interest required that the charges for delivering that gas be reasonable.

Thus, in the case of both the pipeline and the distributing utility the ultimate rate — the regulated rate — is a rate based on the composite of many expenses, of which the cost of natural gas is only one. Wages go into the rate, salaries are part of it, steel, fabrication, equipment, trucks, office machines, rents, maybe thousands of items necessary to the performance of a service are all considered in making that ultimate rate. As most of the Senators know, these items represent about ninety percent of the rate which the ultimate consumer pays. The field price of natural gas amounts to only ten percent of the total.

I don't suggest that this ten percent is insignificant; I don't say that it is a matter of pennies, because it isn't. I do make the point, however, that it is the least variable portion of that final cost.

The field price of natural gas is subject to a twenty year contract. Both the pipeline and the distributing utility can predict and project the cost of natural gas for two decades; this they cannot do for any other item in their rate base.

Can they persuade General Motors to enter a twenty-year contract for the delivery of necessary trucks at a fixed price over the entire period? Can they persuade U.S. Steel to guarantee delivery of steel and steel pipe at a firm price for two decades? Can they expect IBM to promise to make billing machines available in 1976 at 1956 prices? Can they, in fact, ask or expect the CIO to sign a twenty year contract for the wages of the members of their locals?

Of course, the answer is no.

Therefore, if the Senate of the United States wants to promise the nation's consumers that their gas bills will not increase in the future, then that promise can only be fulfilled by placing all these components of the ultimate price under Federal control. Any action less than that is no action at all.

If the field price of natural gas is controlled -- if it remains frozen as it is now -- the ordinary processes of an inflating economy will still cause the expense of the distributing utilities to increase and that, in turn, will cause the consumer gas rates to rise.

If this bill does not pass, if there is dancing in the streets because gas producers are brought under or left under control, what will be the answer of those who had a part in its defeat when in a few months or a few years consumers come here and say, "Why is my gas bill increasing, why are my gas rates going up when you told me that you had protected me."

I would not want to be in that position.

Maybe this brings us closer to an understanding of this issue.

We hear, on all sides, the talk that field prices must be controlled or else natural gas will be "priced out of the market" by the producer. We hear it said that natural gas is threatened with the loss of its competitive position, that the consumers are captives, at the mercy of the producer.

This is frightened talk, calculated to inspire fear. I believe, however, that such talk deserves some careful examination.

From what source is this talk coming? From the consumer? No. The consumer does not consider natural gas to be priced out of the market. There are, in virtually every consuming state, long waiting lists of families anxious to secure gas, anxious to do so because they know that natural gas will mean a saving to them.

This threatening talk is coming from quite a different source. It is coming from the distributing utilities — the last remaining segment of the industry free of Federal controls. What they are saying should be looked at with the utmost care and attention.

Remember this, as we proceed: Federal authority ceases at the point where the distributing utility receives natural gas into its lines from an interstate transmission company. The one and only customer of the pipelines to whom the Federal government can pass along the benefit of a depressed field price is the utility customer. Any use made of Federal power to reduce natural gas prices serves the utilities and no one else. If I may reemphasize a point, the only customers to ask for Federal control of field prices have been the utilities.

Why do the utilities ask that the field prices be controlled?

Again, I invite your attention to the record. There is not one instance — not one — where a distributing utility executive testified before the Senate committee that if Federal control is upheld by us there will be a reduction in rate to residential consumers. They have made no such committment or promise.

What the utilities have said is this:

In the area of industrial sales, where they are selling gas at their cheapest rate, the total effect of rising costs is to reduce their ability to undersell competitive fuels such as coal and fuel oil. They are asking, therefore, that Federal power be used to freeze or depress the cost of gas in the field so that they can maintain a competitive advantage over other fuels in thecompetitive industrial market.

If anybody is going to benefit from Federal controls in the oil and gas fields, it will not be the families using gas to cook or heat. The prime beneficiaries will be the utilities of the nation, and that fact may as well be faced openly here and now.

What lobby is working most tirelessly against this bill now before the Senate?

Not the public. Not the hundreds of thousands of housewives and wage-earners whose names are on waiting lists, waiting for gas service to free them from high costs of other fuels. No, these are not the lobbyists demanding that Congress leave the nation with a confused and chaotic policy.

Every Senator in this chamber knows that the lobby working against this bill is the Council of Local Gas Companies — the distributing utilities of this nation, forty-one of the giants of the utility world.

These are the so-called "customers" demanding Federal controls over production.

These are the authorities who pose as spokesmen for the housewife.

These are the companies who say they speak for the public.

Is this the leadership the Senate should follow?

Let us look at the record closely, once more.

The Council of Local Gas Companies was organized at the initiative of two companies, Brooklyn Union Gas Company of Brooklyn, New York, and United Gas Improvement Company, of Philadelphia.

What is the record of these firms? What is their problem of distress which causes them to seek relief from the Congress of the United States? What is their experience which qualifies them as advisers on the shaping of national policy?

The president of Brooklyn Union Gas Company is Mr. John Heyke. This same Mr. Heyke is chairman of the Council of Local Gas Companies. Mr. Heyke is today the nation's principal spokesman for the opposition to the bill now before us. Mr. Heyke is the man who has assumed — or been delegated — the responsibility for persuading the Senate, persuading the public, and persuading the Mayors of the land that the regulatory policy which this nation pursued from 1938 to 1954 should not be restored.

What are Mr. Heyke's qualifications?

The year just ended, 1955, is the third full year in which Mr. Heyke's company, Brooklyn Union, has had experience with natural gas. Brooklyn Union has been distributing natural gas for only three years. The contracts it made — the decision it made to convert to natural gas — were made nearly fifteen years after the Natural Gas Act was passed and they were made at a time when there was no Federal regulation of production and gathering.

Mr. Heyke entered the business late, very late. Now that he is in it, however, he wants to change the rules; he wants to have the Federal policy re-made in the pattern laid down by the utilities.

Mr. Heyke has said this:

> "The real facts are that the Harris-Fulbright bill is a device to deliver to these producers huge windfall profits at the expense of consumers and their local suppliers."

Mr. Heyke's concern for "windfalls" is curious, very curious. The 1954 annual report of the Brooklyn Union Gas Company makes it perfectly clear where the windfalls are falling.

Let me quote to you the opening sentences of that report:

> "In 1954 Brooklyn Union had one of its best years. It marked the completion of the second full year in which the company distributed natural gas.
>
> "Since 1952, net income has increased by $1,497,600, an improvement of 47%. Substantial sales growth and lowered unit cost were made possible largely by this change-over from a manufactured-gas operation."

From 1952 to 1954, the Brooklyn Union earnings per share of stock increased from $1.69 to $2.50. The dividends per share increased, also, from $1.50 in 1952 to $1.80 for the past year.

Is this a picture of a company in distress? I believe the question answers itself.

Look, then, at United Gas Improvement Company in Philadelphia. From the Wall Street Journal of December 14, 1955, I read this report:

"Net income of United Gas Improvement Company for 1955 is expected to approximate last year's earnings of $2.10 a share. Operating revenues probably will rise to around $24.5 million from the 1954 total of $23.3 million..."

Again, there is no indication of distress. The utility is growing and it is prospering. How is it using its prosperity? Are rates being reduced to the housewives and home-owners of Philadelphia? Let me continue reading:

"The forecast of increased revenues in 1956 is based on the growing volume of both residential and industrial users of natural gas. The utility put lower rate schedules into effect for larger industrial customers this fall, hoping toe encourage more industrial use and greater consumption during the off-season. The first major industrial user to qualify for the high volume rate was Carpenter Steel Co. of Reading, Pa. Negotiations are under way with other large industrial customers."

There is another interesting aspect to this Philadelphia story.

In testimony before the Senate committee, the then-Mayor of Philadelphia, Mr. Joseph Clark, complained to the committee that because of increases in field prices of natural gas the local utility was having to pay more for gas at the city gate — although the additional amount had been absorbed with a rate increase.

Mayor Clark said, on page 351 of the printed hearings:

> "The significant point, though, is that we are paying here $3,500,000 more a year, mostly to producers in Texas and Louisiana. If we did not have to do this, rates couldbe lowered by this amount; or in the alternative, less would have tobe borrowed to replace and improve the plant. It is hard cash which we are paying out."

Now this testimony is interesting in several respects. The city of Philadelphia has a great and growing need for natural gas. Down in Texas and Louisiana, and in Arkansas, too, producers arebusy searching for new supplies. In Louisana, at this moment, a well is being drilled for gas which has reached a depth more than four miles into the earth. Man has never penetrated the core of the earth that far before. Gas has been found. Gas will be produced. But what has that gas cost? Has it been found for nothing? Of course not.

As of mid-December, nearly two million dollars had been spent to drill that well. Before the operation is complete, the cost may exceed two million.

One such well — at $2,000,000 — would barely be noticed in supplying the needs of the City of Philadelphia. Many, many more wells must be drilled to make sure the people of Philadelphia continue to have cheap natural gas. Some such wells, quite conceivably, could cost more to drill than the entire sum about which the good Mayor is disturbed. If Federal power is used to reduce the cost of the Philadelphia gas utility, will that use of such power cause men to risk the millions necessary to meet that city's need. I do not believe that it will.

Furthermore, there is another point. Mayor Clark in his testimony revealed that of the gas rate charged Philadelphia consumers, $5,200,000 annually, is for the rental from the city of the municipal gas works by United Gas Improvement Company. Mayor Clark said that $5,200,000 rental fee is, and I quote, "a vital part of our municipal budget" — and that it was to protect that rental that the city officials had become, as he put it, "so exercised by the proposed legislation."

The city of Philadelphia is taking more money from the pockets of its gas-using families than they complain of the producers taking, but the officials of that city are pointing the finger of scorn at the producer and asking us to place the producer under Federal control. I ask the question: if the budget of Philadelphia requires more revenue, what is to keep them from raising that rental and coming down here to ask the Federal Power Commission to reduce field prices of the producer by that amount?

Obviously, from all of this, it may be seen clearly that the motive of the utilities — and those speaking for them — is to make the producer absorb their costs, the utility costs, sothe utilities can continue to prosper.

Mr. President, the design of the utilities is plain for all to see. If it is the desire of the Senate to serve the utilities and their interests, then this bill now before us should be defeated. If it is the desire of the Senateto serve the public and their interests, however, we should look to the record — not to the Borough of Brooklyn or the City of Philadelphia for guidance about our national policy.

A utility company president may know something about profits, but I respectfully point out that gas wells do not grow in Brooklyn. The president of Brooklyn Union and the presidents of the other utilities may know about annual dividends and net income, but I find no evidence in the record that they are experienced in finding or producing the gas they sell.

Yes, I respect their plea that the consumer is a captive, but whose captive is he? The producer has no hold on him. It is the utility company who has him captive. In the case of both utilities I have mentioned, a major part of their planning and their business involves the sale of gas appliances. They are doing so on the sound premise that by selling such appliances they are capturing a market — not just for today, but for tomorrow as well.

Natural gas is an exhaustible fuel. Someday the supply is gone. But when the utilities shed their tears over the captive consumer, they are not unmindful that every consumer who can be captured today — when gas is cheap — will remain a captive when andif it becomes necessary for the utilities to begin selling manufactured gas again.

- more -

Before the Senate does the bidding of the utilities, it would be well to think seriously on the clear design which now emerges and unfolds.

The prime interest of every consumer is in gas supply. Without gas, what we do here is of no consequence and no benefit. The policy followed by this nation — from 1938 to 1954 — got the gas the nation needed and got the gas to the public. To abandon that policy now, to impose upon the producers a form of price control which any utility in the land would reject, the Senate must turn its back upon the testimony of every expert in the field who say, unanimously, that such controls will diminish the supply of gas available in the future.

Some may say that an equitable policy surely can be developed. Maybe it can. But to leave the situation as it now stands, no Senator here can say that such a policy will be developed. Unless the Senates acts, the status of future supplies will merely be a wild and foolish gamble.

This bill now before us protects the consumer.

It leaves unimpeded and uninhibited the free search for new gas supplies. That is the first requisite of a workable policy.

Also, this bill provides that the pipelines shall not be able to pass on to consumers excessive prices resulting from irresponsible contract practices. This is protection the consumer has never had.

Let's get this straight. The producer does not write the contract which he signs for the delivery of gas. He signs the contract offered him by the pipeline. The pipeline must be able to establish that it can pay itself out on the basis of its contracted agreements at both ends of the line. The pipeline knows the range of price at which gas can be delivered competitively; therefore, it knows — and it alone knows — the range of price to be offered in the field to the producers for their gas. The producer cannot control that.

The pipeline contracts calling for escalations, spiral clauses, favored nation's clause are devices the lines have used to tie up blocks of reserves from competitors. When a pipeline commits itself to pay an unstated and unpredictable price, then it is not pursuing reasonable business practice.

The pipelines are under — and have been under it for 18 years — Federal control. Is it necessary to extend Federal jurisdiction to halt a practice of companies already under jurisdiction. I think not. Why should the producer be brought under jurisdiction tokeep him from signing a contract which is offered by a company already under jurisdiction.

If there is any irresponsibility, it is the pipeline's, not the producer's.

This bill strengthens the Federal Power Commission's authority over the pipelines to halt such practices. The Commission is given more authority, but not more jurisdition. If this bill goes into effect, the consumer and the local utilities alike will be assured of predictable gas costs. That is all that is being asked. That is all that is necessary.

Under such circumstances, an extension of Federal jurisdiction would be gratuitous and unjustifiable except to those who have other purposes and other goals in their minds.

This bill offers an opportunity to restore order where confusion now reigns. It offers a return to the only Federal policy which has ever worked successfully for the consumer benefit. For the sake of the national well-being, this bill, I believe, should be passed.

##

Mr. President:

The question before the Senate today is a simple question and the decision the Senate must reach is a simple decision.

Shall we or shall we not have a clearly-established Federal policy to guide the regulation of the segments of the natural gas marketing industry?

I realize that the question is not ordinarily approached from this direction. For nearly ten years, the issue has been in contention. Over that period, those who have sought to learn about it have been deliberately discouraged by the novel thesis that the matter is too complex for a mere Senator to understand. The popular conception is that only a trained economist can talk about the issue, and the rest of us are qualified only to sit by with our hands folded and stare at the ceiling.

I certainly will concede that the natural gas industry itself is a very complex business, but I do not -- and will not -- concede that the decision facing the Senate is complex or in any way beyond our individual powers of comprehension.

What we face is a choice between resposnsible government and highly irresponsible government.

Basically, the problem which has made this debate necessary is not an industry problem -- it is a governmental problem, a question of how the government of the United States is to be run and who is to run it.

In 1938, the Congress gave us the Natural Gas Act. That Act fixed as the established policy of the land that the Federal government should <u>share</u> with the states part of the responsibility for regulating the natural gas industry since that interstate business was, in part, beyond the reach of the Constitutional authority of the states. As far as I know, there has never been any dispute about this; no one seriously suggests that the Congress intended to bring the whole natural gas industry under Federal control.

Whatever Congress intended to do, the fact has been established in the past decade that it did not do it well -- or, at least, not well enough. From the language of the jurisdictional section of the Natural Gas Act, two diametrically opposed and irreconciliable interpretations of the scope of Federal power and jurisdiction have been drawn. As a result, we have had twoentirely different Federal policies and each have been supported by the same language.

Now certainly it is clear that something is wrong; certainly it is clear that no Congress is so adroit that it can author a law from which, like a cocoon, a beautiful new meaning will fly forth at some appointed time in the future.

Section 1(b) of the Natural Gas Act says that Federal jurisdiction shall not apply to production and gathering. From 1938 to 1954, there was no jurisdiction over production and gathering. Today production and gathering is under Federal jurisdiction.

Now, as I see it, this is not as it should be.

Language which is subject to two such extreme constructions is not proper language to leave in force without clarification. Whether we favor or do not favor extending Federal authority into the nation's oil and gas fields, we ought to agree that the law on the subject should be clear.

I regret to say that we do not agree on this point.

Confusion about the meaning of Section 1(b) of the Natural Gas Act first arose in about 1947. Time and time again since then committees of both Houses have held extensive hearings on the subject. Each time our committees have made recommendations they have consistently recommended that the law be clarified. With equal and more remarkable consistency, there has developed -- particularly outside Congress -- a determined and vocal opposition to Congressional clarification. We are faced with that same sort of opposition today.

The bill before the Senate is a bill to clarify the meaning of the original Natural Gas Act. If we pass this bill, we know from actual past experience what the result will be. If this bill is not passed, no one among us -- indeed, no one in the land -- can say with certainty what sort of policy we will have or what the consequences will be.

The policy of the Federal government -- in the absence of action by this Congress -- will be only what a three-member majority of a politically appointed Commission may decide that it should be at any given moment.

Can such a situation be defended as a proper example of Congressional responsibility and orderly government?

I say that the answer is, no.

When any man says that Congress should not act, he is saying that we should allow chaos to reign. He is saying that we should abandon our duty, abandon our responsibility, abandon our obligations to the people we represent and leave the exercise of a vital regulatory function to nothing more than chance.

There is no clearly-established Federal policy in this realm today. This fact simply cannot be disputed.

For the past nineteen months, the Federal Power Commission has asserted jurisdiction over the production of natural gas. To this very moment, though, no one is able to say what the dimensions of that jurisdiction actually are. Week after week and month after month, the agency has nibbled away at the task of deciding for itself how far it can go. It has an area of jurisdiction, but it does not have a policy.

Thus, we are faced with this situation: a Federal agency has been turned loose in the nation's oil and gas fields and told to apply controls, but it has been given neither a reason nor a way to guide its application of those controls.

This situation is without precedent in our national history. Never before have any five appointive officials held in their hands the power which the members of the Federal Power Commission now hold in theirs.

They are making the law, administering the law, and passing judgment on their own acts. What they do and how they do it is no matter of small consequence to the nation.

The Commission is in the position of groping blindly about in the industry which supplies more than two-thirds of our energy fuel. It is in position to obliterate private enterprise in this segment of the American economy. It is in position to dominate and control a competitive fuel market. Furthermore, it is in position to render meaningless the powers of the states over the conservation and taxation of natural resources.

In the face of this, who will say that it is no concern of Congress how the Commission shall proceed about its business? Clearly, Congress has an obligation to establish a firm policy for the guidance of the Commission — and that obligation cannot be postponed tosome future date.

I realize that it is being said that the question of policy has been decided by the Supreme Court in the Phillips case decision. That argument bears no weight at all. The Court cannot make policy, and it did not do so in that instance. The Court struck down a limit on Federal jurisdiction, but it did not set out a policy to guide the Commission in entering that area of jurisdiction.

Whether we agree or disagree with the results of the Phillips decision, the Court left Congress no choice but to clarify the language of the Natural Gas Act. Mr. Justice Frankfurter made this clear in his concurring opinion when he found it necessary to re-write the language of the jurisdictional section to support his decision that production should be regulated.

The language of the Act is not clear and it is not adequate.

The Supreme Court agrees on that.

The Federal Power Commission agrees on that.

The committees of Congress agree on that.

To advocate, in the face of this, that Congress take no action is the ultimate of irresponsible government. The Court has opened the issue; it has not closed it.

Congress must settle the issue and we must do so affirmatively.

If we reject the approach presented by this pending legislation, then there must be presented and passed another bill declaring that it is the intent of this Congress that a Federal agency shall move into the nation's oil and gas fields and occupy an area of jurisdiction at the well-heads never before occupied by Federal power.

The present law on the books is an inadequate and inapplicable and unclear law. In its present state, it offers no equity for either consumers or producers; it is satisfactory to neither group.

Failure to pass this present bill will, in no way, settle this issue. A vote against the policy proposed in this legislation carries with it an obligation to vote again -- to vote for Federal regulation in the oil and gas fields, to vote for termination of state conservation activities, to vote for usurpation of the state's rights to levy and collect taxes on natural resource production, to vote for selective price controls over raw commodities. A negative vote on this policy now must, in time, become an affirmative vote for these things I mention.

The Senate will not have done its duty, will not have met its responsibilities, simply by defeating this legislative proposal. Those who insist that the Senate can act merely by not acting are singing a siren song.

This emphasizes, I believe, another important point. Throughout the legislative history of this controversy, there has never been -- and there is not now -- a serious effort to have Congress consider a positive proposal for imposing price controls on producers of natural gas.

This is a glaring ommission from the record.

A massive case has been accumulated in some quarters to attempt to prove that Federal well-head controls are essential and indispensable to the protection of the consumer. But how have these statistics been used? They have been used only in attempts to prevent Congress from clarifying the confused language of the Natural Gas Act.

This is the ninth Congress -- the eighteenth session -- toconvene since the Natural Gas Act was passed. Until eighteen months ago, there had never been even the slightest bit of the well-head regulation which is now, once more, portrayed as indispensable to the public. Yet through all that time those opposed to this bill never asked Congress to change the policy which was in force -- the policy of no well-head controls.

Why not?

I cannot accept the answer that they believed the Natural Gas Act provided for such controls, all the while. If they believed that, they were unaccountably silent for most of the life of the Act and they were negligent, by their own standards, in protecting the consumers.

If they knew that the Act provided for controls, they knew more than the members of the Federal Power Commission did under President Roosevelt, President Truman, and President Eisenhower.

Republicans and Democrats alike on the Commission administered the Act to exempt production and gathering. No appointee was ever challenged by either House for failing to assume such jurisdiction. The records of Congress aredevoid of suggestions that the Commission should or could assume these controls.

Why was this practice and policy not challenged? Why was -- why has -- no effort been made to justify a policy of control? Why has the total effort been negative?

I believe the answer is perfectly clear. There has never been any basis in the record of the administration of the Natural Gas Act to justify a change in the policy which was actually practiced from 1938 to 1954 -- the policy which this bill would reestablish.

To have justified a change in that policy, it would have been necessary to prove that the policy was not working, that it was not effective. At no time was any such proof offered or even attempted.

The duty of the Federal Power Commission is to regulate the rate of return received by pipelines transporting natural gas in interstate commerce for resale. The Commission was never, at any time, unable to perform this duty. By that standard, there was no basis for a change in policy.

A change in policy might have been justifiable if it could have been established that consumers were suffering. Again, no such proof was offered or attempted.

The record shows that while competitive fuels -- anthracite, bituminous coal, and fuel oil -- more than doubled in price from 1938 to 1954, natural gas actually declined in price during much of that period and it is now as it has always been the cheapest fuel available in the competitive market. Furthermore, the record shows that while the general cost of living rose to its greatest heights on the consumer price index -- from 100.8 to191.3 -- natural gas declined from 98.8 to 85.9.

This happened, I remind you, without any well-head price controls on natural gas whatsoever. The cost-of-living increased under OPA controls, but the cost to consumers of natural gas decreased with no controls.

The record shows this, too. In the period when this policy was in force, more gas was discovered and more marketed than at any previous time in history. More families received gas service in their homes. The number of gas customers tripled, from six million to nearly twenty million.

That is the record. It needs no elaboration and no explanation. It speaks for itself.

On the other side of the ledger, we have had Federal well-head controls for eighteen months. What has been the result? Natural gas prices to consumers have not been reduced. Discoveries of new gas reserves have diminished. The ratio of reserves to production has dropped. Pipeline projects have been cancelled. No major cities hafe received new gas service. The waiting lists for gas connections have grown.

That record, too, speaks for itself.

The Senate must choose between these two records.

Obviously, the first requisite for continued growth and expansion of the industry is the establishment of a firm and clear Federal policy. A risk business does not flourish in a climate of uncertain and confused governmental practice. For consumer and producer alike, the reestablishment of a workable Federal policy is imperative.

In choosing the policy we are to follow, we are not faced with the challenge of striking out on an untested course into an area where there are no guides. We are not embarking upon an experiment. We are only seeking to perpetuate a function which the Federal government assumed as its responsibility nearly 18 years ago.

If the Senate wishes to experiment, then, of course, it can elect to do so. If the Senators believe this is a proper time to extend the powers of the Federal government drastically, to disavow faith in competition and private enterprise, to vote no confidence in the states, then, certainly, that course can be pursued by rejecting this legislation.

However, if the Senate wishes to stay on a safe, tested, proved course, if we want to proceed without risk and with secure knowledge of the consequences of our action, then we have an established and successful pattern of regulation to follow. That is the pattern which this bill follows. To justify any other course, it would be necessary to prove that this pattern failed, and there is no evidence of such failure in the record.

The argument is made, by some, that this policy should not be reestablished because it would, in due time, be likely to fail. They say that if this bill is passed, the price of gas will -- as a direct result -- increase to consumers. I say that argument is false, irrelevant, and misleading.

When Congress passed the Natural Gas Act, it did so at the urging of the States to occupy a jurisdictional vacancy -- so that local regulation of consumer prices could be made successful.

Two matters are important here:

First. Congress expressly and specifically exempted, as the first exemption mentioned in the Act, local distribution of natural gas. This meant that Congress disavowed any and all responsibility for the consumer's gas rate. What consumers in each state pay for natural gas is and always has been beyond the reach of Federal power, and will continue so whether this bill passes or not.

Second. Congress attached the regulatory responsibility of the Federal Power Commission to the service of transporting gas, not to the gas itself. Congress did not set a price on gas. It did direct the Commission to control the charges made by pipelines for the service of transporting gas to the city gate, to make sure that those charges were reasonable and would produce a fair rate of return.

By exempting the local distribution of natural gas, Congress rendered unnecessary and even pointless any Federal control over production and producer's rates. The exercise of Federal authority at the well-head would have no bearing on what the consumer might pay. The producer is only a supplier of a utility -- and not a direct supplier at that; his costs are less than ten percent of what the utility charges the consumer. Other suppliers have as much, or more, to do with the consumer's rate as the gas producer.

It is elementary and obvious that the use of governmental power to control prices for the public benefit must apply at the point where the public makes its purchase.

If we controlled the price of the commodities used in the manufacture of automobiles -- including the price of labor -- but did not control the price of the finished car, we might help the dealers but not the public.

Exactly the same situation is involved here.

Price controls in the field might help the utilities, but there would be no assurance and no possible way to transfer that benefit to the consumer. As other commodities purchased by the utility increased in price, as wages and salaries increased, the consumer's gas rate would increase and Federal authority in the producing field would be only a punitive, pointless exercise of power.

This is not in the public interest.

In the long term, the consumer's principal interest lies in supply. Natural gas can be a bargain only so long as there is plenty of it. When natural gas becomes scarce, the consumer will suffer -- and no governmental power on earth can overcome that problem.

Here, once more, the choice is simple.

We have a policy which, when it was in force, fostered the greatest development of new supplies in history. That policy is the policy in this bill. If we abandon that policy, we must do so in the face of the overwhelming testimony of qualified authorities that the development of new supplies will be discouraged and retarded.

Surely it would be the utmost of irresponsible government to flaunt the consumer's primary interest and embrace a course which we know in advance would be hostile to the consumer's welfare.

Responsible government does not depart from the tested and established course without cause. I, for one, see no cause to turn our backs now on the Federal policy which clearly and plainly benefitted the nation's 25,000,000 gas customers.

We must have a policy. We must act. We cannot fulfill the trust of our positions if we fail to do that. In deciding the design of that policy, the responsible course for us to follow is to stay with the policy which worked successfully, the policy which got the gas to the public, and the policy which made natural gas America's No. 1 fuelbargain.

This bill gives us such a policy. It is a bill which should be passed for the good of the nation.

##

M E M O R A N D U M

1. One of the more unfortunate aspects of the debate on Natural Gas legislation has been the claim--promoted assiduously by opponents--that passage of the bill will defeat northern Democrats in 1956. This line has not been kept within the confines of Democratic Party circles but has "leaked out" to columnists who have pounced upon it in high glee. The argument advanced is:

   a) The bill has been brought before Congress under Democratic leadership.

   b) It is a "special interest" bill and therefore, Democrats are deprived of the "giveaway" campaign argument against Republicans.

2. When the argument is examined on its merits, it becomes obvious that there is no more reason for the gas bill to defeat Northern Democrats than there is for public housing or Hells Canyon to defeat Texas Democrats. The facts are:

   a) The argument assumes that Fulbright, Monroney, Anderson and other pro-gas bill Senators are the tools of a special interest and that Douglas, Lehman, Morse and Pastore are the only honorable men. The public is not likely to take this kind of argument seriously.

   b) Regardless of the merits of the bill itself, the fact remains that more Republicans than Democrats are going to vote for it. If it is a good bill, neither party can claim credit for it. Similarly, if it is a bad bill, neither party can claim the onus for it.

   c) To say that one issue can defeat a party is a confession of political bankruptcy and obvious nonsense. Responsible Southern Democrats have been running--and winning--for many years despite the fact that the Northern wing of the party espouses issues which are far more unpopular in the South than the gas bill in the north.

3. The fact is, however, that those opponents of the bill who claim that it will defeat the Democratic Party are defeating themselves. If they cannot carry their areas in 1956, they will have themselves--and only themselves--to blame. What they are doing is:

(more)

a) Telling their constituents that the Natural Gas bill is the sole issue upon which their votes should be cast in 1956.

b) Telling their constituents that they are members of a party whose leadership is controlled by special interests.

c) Telling their constituents to ignore every positive achievement of the Democratic Party and to concentrate solely on the gas bill.

d) Telling their constituents to overlook the fact that the entire Republican leadership and a majority of Congressional Republicans favor the gas bill.

e) Telling their constituents that the Democratic Party is licked before it starts (and usually this is the best way to get a licking.)

4. Nobody objects to the gas bill opponents carrying their case as vigorously as they wish to the public. But when they go beyond the merits of the bill and start speculating on how it will destroy the Democratic Party in such a way that the speculation breaks into print, somebody should blow the whistle. Up to the point that the bill reached the Senate Majority Policy Committee, such arguments had relevancy--whether right or wrong. But once the bill was sent to the floor, they became nothing but an advertising vehicle for the Republican Party.

# # #

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Denison (Tex.) Herald

JAN 10 1956

Tax Exempt Gas Bill Slated For Monday Debate

51

WASHINGTON (AP) — The Senate Democratic leader, Lyndon Johnson of Texas, said yesterday he would call for debate "probably Monday" the bill to exempt natural gas producers from federal regulation.

Foes of the measure, which has passed the House, contend it would raise costs of gas to consumers in the East and Middle West. Its backers dispute that.

Sen. Moroney (D-Okla) told the Senate yesterday the Washington Gas Light Co. charges $1.31 per thousand cubic feet for natural gas for which the producer receives only 12½ cents.

He said an examination of the gas bill for his home here convinced him that the gas is delivered to Washington for a total cost of 41 cents—12½ cents for the producer and 28½ cents for transportation to the city gate by interstate pipeline.

Monroney and Sen. Fulbright (D-Ark) are co-authors of a measure to require the local distributing company to print on each consumer's gas bill a breakdown showing the cost at the well, as well as the cost by the time the gas enters the local distributing system.

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Front Page | Edit Page | Other Page 1 - C

Date: DEC 29 1955

Democrat Against Democrat In Fight Over Gas Regulation

Bill Pending in Senate Would Remove Federal Price Controls at the Field — Party Split Dismays Leaders.

By EDWARD F. WOODS

A Washington Correspondent of the Post-Dispatch.

WASHINGTON, Dec. 29.

DEMOCRAT will be pitted against Democrat in the Senate next month in the most violent intra-party flareup since the battle over the rights to the off-shore oil deposits.

The issue this time is a bill to exempt natural gas producers from federal price control which, its critics allege, would turn the producers loose to charge all the traffic could bear and result in a boost in the bills to ultimate consumers estimated as high as $800,000,000 a year.

The legislation is high on the calendar of unfinished business awaiting Senate action after the Senate reconvenes Jan. 3. It should be called up for action by Jan. 15. Three weeks of debate is expected before the vote. The outcome is in doubt, though at the present count the opponents of the bill appear to be the underdogs.

The impending debate will have such outstanding Senate Democrats as Majority Leader Lyndon B. Johnson of Texas, J. ~~William Fulbright of Arkansas~~ and A. S. Mike Monroney of Oklahoma engaged in bitter struggle with other leading Democratic colleagues such as Paul H. Douglas of Illinois, Hubert H. Humphrey of Minnesota and Herbert Lehman of New York.

Some Leaders Dismayed.

This situation is being viewed with some dismay by Democratic leaders who have been looking forward to an era of party unity during the presidential election year.

Whichever way the final vote goes, the Democrats will have had their hopes for enduring unity breached in the Senate and they will have been deprived of some of the force of their election year campaign war cry that the Republican party is the "give-away" party.

Proponents of regulation will be going into the fight with a hard core of 36 votes which they expect to retain through the roll call. In addition, there are seven Senators they class as doubtful but whom they expect to win over.

On the other side, the forces behind the bill claim they will have the backing of 30 Senators and expect to capture the votes of 24 others whom they classify as doubtful.

If the expectations of the anti-regulation group are fulfilled, the bill will win by a margin of 10 votes.

Both Johnson and Republican Minority Leader William F. Knowland predict that the bill will pass.

Their estimates, however, are challenged by Douglas, who believes he and his colleagues will take a heavy toll among the 24 "doubtful" Senators the opposition now is claiming.

Republicans Favor Bill.

Republicans, as might be expected, are overwhelmingly in favor of exempting natural gas from price regulation at the well-head.

Nevertheless, the proposed legislation is essentially a Democratic undertaking. The exemption bill was sponsored in the House last summer by Representative Oren Harris of Arkansas, a Democrat. Speaker Sam Rayburn of Texas, a Democrat, pressured a Democratic-controlled committee into reporting it favorably by a vote of 16 to 15.

It was Rayburn who pushed the Harris bill through the House by a narrow margin, 209 to 203, last July. In that balloting, 83 Democrats joined with 121 Republicans in voting for passage. Sixty-seven Republicans and 136 Democrats voted against it.

Sponsor of the Senate counterpart of the ~~Harris bill is~~ Fulbright. The most powerful force behind it in the upper chamber is Johnson. Floor manager for the bill is Monroney.

Moreover, the Senate in 1950 passed a bill to exempt natural gas at the field from federal price regulation. This measure was sponsored by Senator Robert S. Kerr (Dem.), Oklahoma. The bill, however, was vetoed by President Truman and Kerr, with a passing vote of only 44 to 33 in the Senate, did not risk an attempt to override the veto.

For Regulation.

An appraisal of the strength of the Douglas-Humphrey-Lehman forces indicates they may count on all-the-way support

Continued on Page 7, Column 2.

DEMOCRATS SPLIT OVER SENATE GAS REGULATION FIGHT

Continued From Page One.

from the following Senators:

Democrats: Hennings and Symington of Missouri; Clements and Barkley of Kentucky; Green and Pastore of Rhode Island; Hill of Alabama; Jackson and Magnuson of Washington; Kilgore and Neely of West Virginia; Kefauver of Tennessee; Mansfield and Murray of Montana; McNamara of Michigan; Morse and Neuberger of Oregon, and Kennedy of Massachusetts.

Republicans: Aiken and Flanders of Vermont; Bush and Purtell of Connecticut; Case and H. Alexander Smith of New Jersey; Payne and Mrs. Margaret Chase Smith of Maine; Duff of Pennsylvania; Ives of New York; Saltonstall of Massachusetts; Thye of Minnesota; Wiley of Wisconsin; Williams of Delaware, and Potter of Michigan.

Heavily counted on to join with the proponents of regulation are Bible of Nevada; Byrd and Robertson of Virginia; Frear of Delaware; Gore of Tennessee; Scott of North Carolina, and Sparkman of Alabama, all Democrats.

Curious Line-up.

There is a curious alignment in this battle over natural gas price controls.

Johnson, Rayburn and Monroney clearly are serving the interests of their "producing" states against those of such gas "consumer" states as Minnesota, New York, Illinois and Missouri. But Fulbright's state, Arkansas, produces only a little more than 4 per cent of the nation's total natural gas output.

Behind the Fulbright bill are the powerful major oil companies which control most of the producing fields, but the customary "big business" united front has been broken by a group of 40 local gas companies in major cities who have joined ranks with Douglas, organized labor, municipal law officers and state utility regulators in the drive to preserve regulation.

The local gas companies are fearful that increased charges expected to result from nonregulation in the field will make their competitive position with oil and coal untenable.

United States Senate

MEMORANDUM

(1)

The Gas Bill was ordered Reported by the Senate Interstate and Foreign Commerce Committee on June 29, 1955

actually Reported on July 28, 1955.

MEMORANDUM TO SENATOR JOHNSON

January 9, 1956

From: G. W. Siegel GWS

Subject: Local gas bills

As requested, attached are 3 District gas bills for my residence, for the months October, November and December.

Washington Gas & Light uses the block pricing method and quotes gas prices on the bill on a Per Therm basis. The billing shows the number of cubic feet used as well as the number of therms. The bill also carries a current conversion factor which apparently changes from month to month, for example, in December 100 cubic feet equalled 1.03 therms; in November, 100 cubic feet equalled 1.05 therms and in October, 1.04.

There is, of course, no breakdown from which it is possible to determine field price, transportation costs and the cost of local distribution.

WASHINGTON GAS LIGHT COMPANY

ELEVENTH AND H STREETS, N. W.   TELEPHONE REPUBLIC 7-4500   WASHINGTON 1, D. C.

GROSS AMOUNT DUE AFTER DEC. 29, 1955

GERALD W SIEGEL
3424 GARRISON ST N W 641
WASH 8 D C 3450

DESCRIPTION	SCH.	SERVICE		METER READINGS		GAS USED		TAX	NET AMOUNT
		FROM	TO	PRESENT	PREVIOUS	100 CU. FT.	THERMS		
GAS	A	NOV 01	DEC 01	1465	1417	48	49.4	.15	7.31

Pd
12/21/55

GROSS PAYMENT

BILLS ARE DUE WHEN RENDERED

SCHEDULE "A"– GENERAL SERVICE

Available to any customer for gas service for any purpose.

				NET	GROSS
FIRST	4.8	THERMS OR LESS PER MONTH		$1.00	$1.10
NEXT	10.2	THERMS PER MONTH	PER THERM	.156	.171
NEXT	15.0	THERMS PER MONTH	PER THERM	.14	.15
NEXT	570.0	THERMS PER MONTH	PER THERM	.118	.123
NEXT	5,400.0	THERMS PER MONTH	PER THERM	.095	.097
OVER	6,000.0	THERMS PER MONTH	PER THERM	.085	.085
MINIMUM BILL PER METER PER MONTH				1.00	1.10

(EXCEPT GROUP METERED MULTIPLE DWELLING PROJECTS OF FOUR UNITS OR MORE)

PURCHASED GAS ADJUSTMENT:

CHARGES FOR GAS SERVICE. AT THE RATES SHOWN ABOVE ARE SUBJECT TO AN INCREASE OR DECREASE TO REFLECT CHANGES IN THE WHOLESALE PRICE PAID BY THE COMPANY FOR NATURAL GAS. THE CURRENT ADJUSTMENT IS AN INCREASE OF $.0036 PER THERM. IT COMPRISES AN INCREASE OF $.0046 FOR A CURRENT WHOLESALE INCREASE, MINUS $.0010 FOR A RETROACTIVE WHOLESALE DECREASE.

NET AND GROSS RATE

NET RATES APPLY WHEN MONTHLY BILLS ARE PAID WITHIN TWENTY DAYS FROM DATE OF RENDITION (SEE LAST NET PAYMENT DATE ON FACE OF BILL). IF PAYMENT IS MADE AFTER THE TWENTY DAY PERIOD GROSS RATES SHALL APPLY.

SPECIAL TERMS AND CONDITIONS OF SERVICE

THE APPLICATION OF ABOVE RATE IS SUBJECT TO THE GENERAL SERVICE PROVISIONS OF THE COMPANY AS THEY MAY BE IN EFFECT FROM TIME TO TIME, AND AS APPROVED BY THE PUBLIC UTILITIES COMMISSION OF THE DISTRICT OF COLUMBIA.

SEASONAL OFF PEAK RATE SCHEDULE AND OTHER DETAILS WILL BE FURNISHED UPON REQUEST.

TO DETERMINE NUMBER OF THERMS USED:

MULTIPLY HUNDREDS OF CUBIC FEET USED BY 1.03

W 11-59

WASHINGTON GAS LIGHT COMPANY

ELEVENTH AND H STREETS, N. W. TELEPHONE REPUBLIC 7-4500 WASHINGTON 1, D. C.

GROSS AMOUNT DUE AFTER NOV. 29, 1955

GERALD W SIEGEL
3424 GARRISON ST N W 641
WASH 8 D C 3450

DESCRIPTION	SCH.	SERVICE FROM	SERVICE TO	METER READINGS PRESENT	METER READINGS PREVIOUS	GAS USED 100 CU. FT.	GAS USED THERMS	SALES TAX	NET AMOUNT
GAS	A	SEP 30	NOV 01	1417	1371	46	48.3	.14	7.21

Pd 11/26/55

GROSS PAYMENT

BILLS ARE DUE WHEN RENDERED

WASHINGTON GAS LIGHT COMPANY

ELEVENTH AND H STREETS, N. W. TELEPHONE REPUBLIC 7-4500 WASHINGTON 1, D. C.

GROSS AMOUNT DUE AFTER OCT. 28, 1955

GERALD W SIEGEL
3424 GARRISON ST N W 641
WASH 8 D C 3450

DESCRIPTION	SCH.	SERVICE FROM	SERVICE TO	METER READINGS PRESENT	METER READINGS PREVIOUS	GAS USED 100 CU. FT.	GAS USED THERMS	SALES TAX	NET AMOUNT
GAS	A	AUG 31	SEP 30	1371	1339	32	33.3	.11	5.34

Pd 10/13/55

GROSS PAYMENT

BILLS ARE DUE WHEN RENDERED

United States Senate

MEMORANDUM

Here are copies of a memo Gerry dictated re costs of distributing gas in major cities of gas producing and non-producing states.

Processing Note:

2/20/2025

There are 17 copies of the following one-page document. Only one copy has been scanned.

Robert Mar

Digitization Technician

MEMO

FROM: Senator Lyndon B. Johnson

I should like to get as soon as possible the cost of distributing natural gas in the major cities of the gas producing states, such as in Dallas, Houston, New Orleans and Oklahoma City.

It is desired that some comparisons be made on the distributing costs between the producing states and the non-producing states.

(NATURAL GAS)

SEN. WAYNE MORSE SAID THERE IS "NO PROSPECT" OF A PRESIDENTIAL VETO IF THE SENATE PASSES THE CONTROVERSIAL NATURAL GAS BILL.

THE OREGON DEMOCRAT SAID, "THE SENATE IS THE LAST REAL HOPE FOR PREVENTING A RAID UPON THE CONSUMER OF AMERICA."

MORSE EXPRESSED HIS OPPOSITION TO THE BILL IN A SPEECH PREPARED FOR THE OPENING OF THE THIRD WEEK OF SENATE DEBATE ON THE HOUSE-PASSED MEASURE.

MORSE RECALLED THAT FORMER PRESIDENT TRUMAN VETOED THE SOMEWHAT SIMILAR KERR NATURAL GAS BILL IN 1950.

"TRUMAN SAVED THE GAS CONSUMERS OF THE NATION," THE SENATOR SAID. "UNFORTUNATELY, THERE IS NO PROSPECT FOR A PRESIDENTIAL SAVE, IF IT SHOULD BECOME NECESSARY, THIS YEAR."

MORSE SAID THE DIVISION OF THE SENATE ON THE BILL IS CLOSE AND -- JUST AS IN 1950 -- A PRESIDENTIAL VETO COULD NOT BE OVERRIDDEN. HE SAID OPPONENTS STILL "MAY VERY WELL WIN" THEIR FIGHT WHEN THE SENATE REACHES A VOTE ON THE BILL, PROBABLY LATE THIS WEEK.

1/30--GE903A

NATURAL GAS PIPELINE COMPANIES HAD A NET INCREASE IN INCOME OF 22.3 PERCENT IN THE 12-MONTH PERIOD ENDED NOV. 1955, COMPARED WITH A SIMILAR PERIOD IN 1954, THE FPC REPORTED.

COMPANIES REPORTING HAD A TOTAL NET INCOME OF $203,676,960 FOR THE 1955 PERIOD COMPARED TO $166,489,977 FOR THE 12 MONTHS ENDING IN NOV. 1954.

2/2--N505P

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① Kennedy ③ Mansfield ② Jackson ④ Humphrey ⑤ Hill

KEY –
✓ = OK
✓? = Probably OK
D = Doubtful
X = Against

The United States Senate

EIGHTY-FOURTH CONGRESS, FIRST SESSION

RICHARD NIXON, VICE PRESIDENT OF THE UNITED STATES AND PRESIDENT OF THE SENATE
WALTER F. GEORGE, PRESIDENT PRO TEMPORE OF THE SENATE

FELTON M. JOHNSTON, SECRETARY
JOSEPH C. DUKE, SERGEANT AT ARMS
EMERY L. FRAZIER, CHIEF CLERK

ROBERT G. BAKER, SECRETARY FOR THE MAJORITY
J. MARK TRICE, SECRETARY FOR THE MINORITY
REVEREND FREDERICK BROWN HARRIS, D. D., CHAPLAIN

NAME	RESIDENCE	SERVICE				NAME	RESIDENCE	SERVICE			
George D. Aiken D	Putney, Vt	Jan.	10, 1941	Jan.	2, 1957	Olin D. Johnston ✓	Spartanburg, S. C.	Jan.	3, 1945	Jan.	2, 1957
Gordon Allott ✓	Lamar, Colo	Jan.	3, 1955	Jan.	2, 1961	Estes Kefauver X	Chattanooga, Tenn	Jan.	3, 1949	Jan.	2, 1961
Clinton P. Anderson ✓	Albuquerque, N. Mex.	Jan.	3, 1949	Jan	2, 1961	John F. Kennedy X	Boston, Mass	Jan.	3, 1953	Jan.	2, 1959
Alben W. Barkley X	Paducah, Ky	Jan.	3, 1955	Jan.	2, 1961	Robert S. Kerr ✓	Oklahoma City, Okla.	Jan.	3, 1949	Jan.	2, 1961
Frank A. Barrett ✓	Lusk, Wyo	Jan.	3, 1953	Jan.	2, 1959	Harley M. Kilgore X	Beckley, W. Va	Jan.	3, 1941	Jan.	2, 1959
J. Glenn Beall ✓?	Frostburg, Md	Jan.	3, 1953	Jan.	2, 1959	*William F. Knowland* ✓	Piedmont, Calif	Aug.	26, 1945	Jan.	2, 1959
George H. Bender ✓?	Chagrin Falls, Ohio	Dec.	16, 1954	Jan.	2, 1957	*Thomas H. Kuchel* ✓	Anaheim, Calif	Jan.	2, 1953	Jan.	2, 1957
Wallace F. Bennett ✓	Salt Lake City, Utah	Jan.	3, 1951	Jan.	2, 1957	*William Langer* D	Bismarck, N. Dak	Jan.	3, 1941	Jan.	2, 1959
Alan Bible ✓	Reno, Nev	Dec.	2, 1954	Jan.	2, 1957	Herbert H. Lehman X	New York, N. Y.	Nov.	9, 1949	Jan.	2, 1957
John W. Bricker ✓?	Columbus, Ohio	Jan.	3, 1947	Jan.	2, 1959	Russell B. Long ✓	Baton Rouge, La	Dec.	31, 1948	Jan.	2, 1957
Styles Bridges ✓	Concord, N. H.	Jan.	3, 1937	Jan.	2, 1961	Warren G. Magnuson X	Seattle, Wash	Dec.	14, 1944	Jan.	2, 1957
Prescott Bush D	Greenwich, Conn	Nov.	5, 1952	Jan.	2, 1957	*George W. Malone* ✓	Reno, Nev	Jan.	3, 1947	Jan.	2, 1959
John Marshall Butler ✓	Baltimore, Md	Jan.	3, 1951	Jan.	2, 1957	Mike Mansfield ✓?	Missoula, Mont	Jan.	3, 1953	Jan.	2, 1959
Harry Flood Byrd D	Berryville, Va	Mar.	4, 1933	Jan.	2, 1959	*Thos. E. Martin* ✓	Iowa City, Iowa	Jan.	3, 1955	Jan.	2, 1961
Homer E. Capehart ✓	Washington, Ind	Jan.	3, 1945	Jan.	2, 1957	*Edward Martin* ✓	Washington, Pa	Jan.	3, 1947	Jan.	2, 1959
Frank Carlson ✓	Concordia, Kans	Nov.	29, 1950	Jan.	2, 1957	*Joseph R. McCarthy* ✓	Appleton, Wis	Jan.	3, 1947	Jan.	2, 1959
Clifford P. Case X	Rahway, N. J.	Jan.	3, 1955	Jan.	2, 1961	John L. McClellan ✓	Camden, Ark	Jan.	3, 1943	Jan.	2, 1961
Francis Case D	Custer, S. Dak	Jan.	3, 1951	Jan.	2, 1957	Pat McNamara X	Detroit, Mich	Jan.	3, 1955	Jan.	2, 1961
Dennis Chavez ✓	Albuquerque, N. Mex.	May	11, 1935	Jan.	2, 1959	*Eugene D. Millikin* ✓	Denver, Colo	Dec.	20, 1941	Jan.	2, 1957
Earle C. Clements X	Morganfield, Ky	Nov.	27, 1950	Jan.	2, 1957	A. S. Mike Monroney ✓	Oklahoma City, Okla.	Jan.	3, 1951	Jan.	2, 1957
Norris Cotton ✓	Lebanon, N. H.	Nov.	8, 1954	Jan.	2, 1957	Wayne Morse X	Eugene, Oreg	Jan.	3, 1945	Jan.	2, 1957
Carl T. Curtis ✓	Minden, Nebr	Jan.	1, 1955	Jan.	2, 1961	*Karl E. Mundt* ✓	Madison, S. Dak	Dec.	31, 1948	Jan.	2, 1961
Price Daniel ✓	Liberty, Tex	Jan.	3, 1953	Jan.	2, 1959	James E. Murray ✓?	Butte, Mont	Nov.	7, 1934	Jan.	2, 1961
Everett McKinley Dirksen ✓	Pekin, Ill	Jan.	3, 1951	Jan.	2, 1957	Matthew M. Neely X	Fairmont, W. Va	Jan.	3, 1949	Jan.	2, 1961
Paul H. Douglas X	Chicago, Ill	Jan.	3, 1949	Jan.	2, 1961	Richard L. Neuberger X	Portland, Oreg	Jan.	3, 1955	Jan.	2, 1961
James H. Duff X	Carnegie, Pa	Jan.	16, 1951	Jan.	2, 1957	Joseph C. O'Mahoney D	Cheyenne, Wyo	Nov.	29, 1954	Jan.	2, 1961
Henry Dworshak ✓	Burley, Idaho	Oct.	14, 1949	Jan.	2, 1961	John O. Pastore X	Providence, R. I.	Dec.	19, 1950	Jan.	2, 1959
James O. Eastland ✓	Doddsville, Miss	Jan.	3, 1943	Jan.	2, 1961	*Frederick G. Payne* ✓	Waldoboro, Maine	Jan.	3, 1953	Jan.	2, 1959
Allen J. Ellender ✓	Houma, La	Jan.	3, 1937	Jan.	2, 1961	*Charles E. Potter* D	Cheboygan, Mich	Nov.	5, 1952	Jan.	2, 1959
Sam J. Ervin, Jr. ✓?	Morganton, N. C.	June	5, 1954	Jan.	2, 1957	*William A. Purtell* X	West Hartford, Conn.	Jan.	3, 1953	Jan.	2, 1959
Ralph E. Flanders ✓	Springfield, Vt	Nov.	1, 1946	Jan.	2, 1959	A. Willis Robertson X	Lexington, Va	Nov.	6, 1946	Jan.	2, 1961
J. Allen Frear, Jr. ✓	Dover, Del	Jan.	3, 1949	Jan.	2, 1961	Richard B. Russell D	Winder, Ga	Jan.	12, 1933	Jan.	2, 1961
J. W. Fulbright ✓	Fayetteville, Ark	Jan.	3, 1945	Jan.	2, 1957	*Leverett Saltonstall* D	Dover, Mass	Jan.	4, 1945	Jan.	2, 1961
Walter F. George ✓?	Vienna, Ga	Nov.	8, 1922	Jan.	2, 1957	*Andrew F. Schoeppel* ✓	Wichita, Kans	Jan.	3, 1949	Jan.	2, 1961
Barry Goldwater ✓	Phoenix, Ariz	Jan.	3, 1953	Jan.	2, 1959	W. Kerr Scott ✓	Haw River, N. C.	Nov.	29, 1954	Jan.	2, 1961
Albert Gore X	Carthage, Tenn	Jan.	3, 1953	Jan.	2, 1959	George A. Smathers ✓	Miami, Fla	Jan.	3, 1951	Jan.	2, 1957
Theodore Francis Green X	Providence, R. I.	Jan.	3, 1937	Jan.	2, 1961	*Margaret Chase Smith* D	Skowhegan, Maine	Jan.	3, 1949	Jan.	2, 1961
Carl Hayden ✓	Phoenix, Ariz	Mar.	4, 1927	Jan.	2, 1957	*H. Alexander Smith* X	Princeton, N. J.	Dec.	7, 1944	Jan.	2, 1959
Thomas C. Hennings, Jr. X	St. Louis, Mo	Jan.	3, 1951	Jan.	2, 1957	John Sparkman D	Huntsville, Ala	Nov.	6, 1946	Jan.	2, 1961
Bourke B. Hickenlooper ✓	Cedar Rapids, Iowa	Jan.	3, 1945	Jan.	2, 1957	John Stennis ✓	DeKalb, Miss	Nov.	5, 1947	Jan.	2, 1959
Lister Hill D	Montgomery, Ala	Jan.	11, 1938	Jan.	2, 1957	Stuart Symington X	Creve Coeur, Mo	Jan.	3, 1953	Jan.	2, 1959
Spessard L. Holland ✓	Bartow, Fla	Sept.	25, 1946	Jan.	2, 1959	Strom Thurmond ✓	Aiken, S. C.	Dec.	24, 1954	Jan.	2, 1951
Roman L. Hruska ✓	Omaha, Nebr	Nov.	8, 1954	Jan.	2, 1959	*Edward J. Thye* X	Northfield, Minn	Jan.	3, 1947	Jan.	2, 1959
Hubert H. Humphrey X	Minneapolis, Minn	Jan.	3, 1949	Jan.	2, 1961	*Arthur V. Watkins* ✓?	Orem, Utah	Jan.	3, 1947	Jan.	2, 1959
Irving M. Ives X	Norwich, N. Y.	Jan.	3, 1947	Jan.	2, 1959	*Herman Welker* ✓	Payette, Idaho	Jan.	3, 1951	Jan.	2, 1957
Henry M. Jackson X	Everett, Wash	Jan.	3, 1953	Jan.	2, 1959	*Alexander Wiley* X	Chippewa Falls, Wis.	Jan.	3, 1939	Jan.	2, 1957
William E. Jenner ✓	Bedford, Ind	Jan.	3, 1947	Jan.	2, 1959	*John J. Williams* X	Millsboro, Del	Jan.	3, 1947	Jan.	2, 1959
Lyndon B. Johnson ✓	Johnson City, Tex	Jan.	3, 1949	Jan.	2, 1961	*Milton R. Young* ✓	La Moure, N. Dak	Mar.	12, 1945	Jan.	2, 1957

✓ = 48   ✓? = 8

7-20-55

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United States Senate

OFFICE OF THE SECRETARY

Prepared under the direction of Felton M. Johnston, Secretary of the Senate,
by Wm. H. Wannall, Printing Clerk

SENATORS IN THE EIGHTY-FOURTH CONGRESS

1957

DEMOCRATS (15):

Bible, Alan	Reno, Nev.
Clements, Earle C	Morganfield, Ky.
Ervin, Sam J., Jr	Morganton, N. C.
Fulbright, J. W	Fayetteville, Ark.
George, Walter F	Vienna, Ga.
Hayden, Carl	Phoenix, Ariz.
Hennings, Thomas C., Jr	St. Louis, Mo.
Hill, Lister	Montgomery, Ala.
Johnston, Olin D	Spartanburg, S. C.
Lehman, Herbert H	New York, N. Y.
Long, Russell B	Baton Rouge, La.
Magnuson, Warren G	Seattle, Wash.
Monroney, A. S. Mike	Oklahoma City, Okla.
Morse, Wayne	Eugene, Oreg.
Smathers, George A	Miami, Fla.
Thurmond, Strom	Aiken, SC

REPUBLICANS (17):

Aiken, George D	Putney, Vt.
Bender, George H	Chagrin Falls, Ohio
Bennett, Wallace F	Salt Lake City, Utah
Bush, Prescott	Greenwich, Conn.
Butler, John Marshall	Baltimore, Md.
Capehart, Homer E	Washington, Ind.
Carlson, Frank	Concordia, Kans.
Case, Francis	Custer, S. Dak.
Cotton, Norris	Lebanon, N. H.
Dirksen, Everett McKinley	Pekin, Ill.
Duff, James H	Carnegie, Pa.
Hickenlooper, Bourke B	Cedar Rapids, Iowa
Kuchel, Thomas H	Anaheim, Calif.
Millikin, Eugene D	Denver, Colo
Welker, Herman	Payette, Idaho
Wiley, Alexander	Chippewa Falls, Wis.
Young, Milton R	La Moure, N. Dak.

1959

DEMOCRATS (12):

Byrd, Harry Flood	Berryville, Va.
Chavez, Dennis	Albuquerque, N. Mex.
Daniel, Price	Liberty, Tex.
Gore, Albert	Carthage, Tenn.
Holland, Spessard L	Bartow, Fla.
Jackson, Henry M	Everett, Wash.
Kennedy, John F	Boston, Mass.
Kilgore, Harley M	Beckley, W. Va.
Mansfield, Mike	Missoula, Mont.
Pastore, John O	Providence, R. I.
Stennis, John	DeKalb, Miss.
Symington, Stuart	Creve Coeur, Mo.

REPUBLICANS (20):

Barrett, Frank A	Lusk, Wyo.
Beall, J. Glenn	Frostburg, Md.
Bricker, John W	Columbus, Ohio
Flanders, Ralph E	Springfield, Vt.
Goldwater, Barry	Phoenix Ariz.
Hruska, Roman L	Omaha, Nebr.
Ives, Irving M	Norwich, N. Y.
Jenner, William E	Bedford, Ind.
Knowland, William F	Piedmont, Calif.
Langer, William	Bismarck, N. Dak.
Malone, George W	Reno, Nev.
Martin, Edward	Washington, Pa.
McCarthy, Joseph R	Appleton, Wis.
Payne, Frederick G	Waldoboro, Maine
Potter, Charles E	Cheboygan, Mich.
Purtell, William A	West Hartford, Conn.
Smith, H. Alexander	Princeton, N. J.
Thye, Edward J	Northfield, Minn.
Watkins, Arthur V	Orem, Utah
Williams, John J	Millsboro, Del.

1961

DEMOCRATS (22):

Anderson, Clinton P	Albuquerque, N. Mex.
Barkley, Alben W	Paducah, Ky.
Douglas, Paul H	Chicago, Ill.
Eastland, James O	Doddsville, Miss.
Ellender, Allen J	Houma, La.
Frear, J. Allen	Dover, Del.
Green, Theodore Francis	Providence, R. I.
Humphrey, Hubert H	Minneapolis, Minn.
Johnson, Lyndon B	Johnson City, Tex.
Kefauver, Estes	Chattanooga, Tenn.
Kerr, Robert S	Oklahoma City, Okla.
McClellan, John L	Camden, Ark.
McNamara, Pat	Detroit, Mich.
Murray, James E	Butte, Mont.
Neely, Matthew M	Fairmont, W. Va.
Neuberger, Richard L	Portland, Oreg.
O'Mahoney, Joseph C	Cheyenne, Wyo.
Robertson, A. Willis	Lexington, Va.
Russell, Richard B	Winder, Ga.
Scott, W. Kerr	Haw River, N. C
Sparkman, John	Huntsville, Ala.
Thurmond, Strom	Aiken, S. C.

REPUBLICANS (10):

Allott, Gordon	Lamar, Colo.
Bridges, Styles	Concord, N. H.
Case, Clifford P	Rahway, N. J.
Curtis, Carl T	Minden, Nebr.
Dworshak, Henry	Burley, Idaho
Martin, Thos. E	Iowa City, Iowa
Mundt, Karl E	Madison, S. Dak.
Saltonstall, Leverett	Dover, Mass.
Schoeppel, Andrew F	Wichita, Kans.
Smith, Margaret Chase	Skowhegan, Maine

DEMOCRATS

1957	15
1959	12
1961	22
Total	49

REPUBLICANS

1957	17
1959	20
1961	10
Total	47

TOTALS

DEMOCRATS	49
REPUBLICANS	47
Total	96

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