STATEMENT OF J. STROM THURMOND, GOVERNOR OF SOUTH CAROLINA, BEFORE THE CIVIL FUNCTIONS APPROPRIATIONS SUBCOMMITTEE

Chairman Engel and members of the committee:

The construction of the Clark's Hill project by the Federal Government is of vital importance to the States of South Carolina and Georgia, and we greatly appreciate the courtesy extended us of a hearing in this matter.

It is our firm conviction that the Federal Government should continue with the construction of the Clark's Hill project and for two reasons should not accept the offer of the Savannah River Electric Company to build it:

1. **THERE IS NO ASSURANCE THE POWER COMPANY WILL CONSTRUCT THE PROJECT.**

   We doubt the good faith of the power company in its request to build this project. The past history of this Company, or its affiliates, indicates that it would not. A license was granted to this Company in 1928 and it held this license until 1932 and did not build the dam. It surrendered the license. The Company changed its mind.

   About 1929 or '30, the Company, the Georgia Power Company, started the Furman Shoals project on Oconee River near Milledgeville and after spending several million dollars upon it, over a period of 17 years, the company decided to build steam plants instead of hydro-electric plants, and the Furman Shoals project has never been completed. With regard to continuing with that project, the company again changed its mind.

   In 1935, the Georgia Power Company promised to cooperate with the Federal Government in the construction of the Clark's Hill project. It expressed no desire to build it and offered to assist Georgia and South
Carolina in furthering the project. In July or August 1946, the Company again changed its mind.

At the Federal Power Commission hearing in Atlanta, Georgia, during October, 1946, when the Power company attempted to obtain another license to build this project, Mr. Arkwright, former President of the Power company, stated conditions had changed, that money rates were low, coal high, and it was their desire now to build the project. But, what will occur if money rates go up, coal down, or a depression occurs? We are fearful that the Company will again change its mind. If a license should be granted to the Power Company to construct the project, about one year would be required because a private concern, Charles T. Main and Company of Boston, which designed the plans for the Government, required about this time to design the present plans. The Power Company would require a similar length of time, or approximately that, in our judgment, especially since it says it will furnish its own plans; and especially since under the Company's proposal the powerhouse would be placed on the Georgia side instead of the Carolina side, as provided in the present Government plans.

On the other hand, the past history of the Federal Government in projects of this nature leads us to believe that it will complete the project. We do not know of any Government project of this nature that has been abandoned by the Government. We know of many such projects that have been constructed by the Government and carried to speedy conclusion.

On the Tennessee River there are approximately fifty dams known as the "TVA project." They were all carried to completion. On the Colorado River there is the Boulder Dam, which was carried to completion. On the
Columbia River there are the Grand Coulee and Bonneville Dams, which were carried to completion. On the White River in Arkansas there is the Norfolk Dam, which was carried to completion. And there is now being constructed a project on the Allatoona River, which we are informed is going forth without delay.

There is further assurance that this project will be completed by the Federal Government. The Government has shown a steady and continuous interest in this project. Pursuant to the resolution of 1927, the Clark's Hill project was included among the navigable streams of the nation as worthy of development. In 1936 Congress acted favorably in the Flood Control Act, by embracing therein a proviso authorizing this project again to be investigated. In 1938 an appropriation was included to begin work on this project, but the Comptroller of the United States ruled that the project had not been authorized, therefore the appropriation could not be used, and it was not used, but it showed the interest of Congress in the project in 1938.

In 1944 the Flood Control Act actually authorized the construction of the project. In 1945 the first Deficiency Appropriation Act included an appropriation of $1,000,000 to begin construction of the project. In 1946 there was appropriated an additional four and one-half million dollars to continue construction of the project. This makes a total of $5,500,000 actually appropriated for construction, and of this amount about $3,500,000 has been spent or committed.
2. FEDERAL CONSTRUCTION OF THE PROJECT IS IN THE PUBLIC INTEREST

Public development of this project has been recommended by every public agency that has investigated it. In 1935 the Army Engineers submitted a report to Congress and recommended it, known as Report 308. In 1936 a special board appointed by President Roosevelt investigated the project and submitted a favorable report to him. In 1939 the Chairman of the Federal Power Commission concurred in the reports of the Rivers and Harbors Board and the Chief of Engineers, both of which reports recommended the construction of this project. In May, 1944, the Chairman of the Federal Power Commission recommended it to the Chief of Engineers of the United States Army. In June, 1944, the Secretary of War recommended it to Congress, in House Document 657 of the Seventy-Eighth Congress.

Not a single public agency that has investigated this project, so far as we are informed, has recommended private construction. On the other hand, the numerous boards and agencies that I enumerated have all recommended that this project be developed by the Federal Government.

We feel that if the Federal Government develops this project the natural resources of the Savannah River Basin will be more fully utilized and the potential values of the entire Savannah River Valley will be developed to the maximum, whereas, we are very much concerned about this if it is developed by the Power Company.

The proposed development is a multiple-purpose project. It has three primary benefits: Power, navigation and flood control. We think it is better for the Federal Government to develop this project from the standpoint of the primary benefits. We feel that a more complete job will be done and the benefits will inure more to the people than if it is developed by the Power Company.
THIS PROJECT ALSO HAS NUMEROUS SECONDARY BENEFITS:

Malarial control, which would be handled by the U. S. Public Health Service and which we feel will give adequate malaria control and not be a mere stab at the matter.

Reforestation, which will be handled by another branch of the Government, and which we feel will be a great asset in the development of this comprehensive project.

Soil conservation, which in our judgment means a great deal to this country and to the people of the Savannah River Basin; and with the great arm of the Federal Government, we feel that adequate steps will be taken along this line.

Wildlife conservation. We feel confident under the Federal Construction, that wildlife will be conserved to a much greater extent and more pains will be taken to preserve it than under private development.

Recreation. We feel that this is one of the most important benefits of the project, although classified as a secondary benefit. Under the proposal, about 16,000 acres of land in the Savannah River Basin would be used for recreational purposes. If the Power Company should develop this project, as I understand it, the land would be available for recreational purposes, but someone else would have to do most, if not all, of the recreational work on the project, in order for the people to reap the biggest benefits from the standpoint of recreation. If the Federal Government develops the project, the plans call for beautiful parks, roads and trails. Water is to be provided. Facilities will be available for fishing, boating, swimming and picnicking. This means not only more enjoyment but increased health to our citizens. All of these things mean a great deal to our people of the Savannah River Basin. We feel that the working people, the farmers, textile workers, barbers, mechanics, people on the street, the people we
frequently refer to as the "common man," will have an opportunity to enjoy the benefits of this Basin from a recreational standpoint.

Recreation is now given more attention throughout the country than ever before. We who have dealt with courts and crime, know the importance of proper recreational facilities in preventing crime in this country. We, the people who reside in the Savannah River Basin, do not want these benefits I have just enumerated only passively concurred in. We want them aggressively accomplished. We do not feel that any private company will aggressively accomplish them to the extent that the Federal Government will.

We also feel that since there are ten other dams to be constructed in this Savannah River Basin, the keystone dam should not be allotted to any private company to develop, as it might then be probable that the Federal Government would not see fit to develop the other dams. Or, if it did see fit to develop the other dams, we are very fearful that the proper coordination in regard to all these benefits that I have just enumerated would not be had, and the best results for the people would not be accomplished. There can be no doubt that the Power Company would not develop the other 10 dams.

The Constitution and laws of the United States provide that the waters of navigable streams belong to the people. We want the greatest benefits from these waters, and under the proposed plan of the Federal Government for construction, and under that plan alone, do we feel that these benefits will be derived.

The Power Company is in the business to make money. It was organized for that purpose. Monetary considerations govern its actions. The profit motive will undoubtedly determine the course it will pursue in every major decision. If the Federal Government develops this project, there are many
considerations, other than making money or deriving a profit, that are of
great advantage to the people of the Savannah River Basin, and we feel
that these benefits deserve the utmost consideration.

If the Federal Government develops this project, the first consideration,
we think, will be the public good. If the Power Company develops this
project, we feel their first consideration will be the Company's good. And we
represent the people of one of the states vitally interested in this
project, we favor public development, of this project. We feel
that if we are to receive \lower power rates for REA cooperatives and for other purposes, our best hope, in fact, practically
our only hope, lies in the development of this project by the Federal Govern-
ment.

I WOULD LIKE TO BRIEFLY CONSIDER THE OBJECTIONS THAT HAVE BEEN RAISED
TO FEDERAL CONSTRUCTION BY THOSE WHO FAVOR THE POWER COMPANY DEVELOPING THIS
PROJECT:

The first point raised by them is that the counties and political sub-
divisions might suffer a loss of taxes. If the project is developed by
the Federal Government, we feel the cheap rates to be afforded the people will
far more than offset the small loss in taxes by the political subdivisions
concerned. In addition, the manner in which the Power Company gets the money
with which to pay its taxes is from the people, and after all, it comes out of
the people, and the company has to make a profit from the users of current in
order to pay the taxes. Besides, we are not too certain there will be a loss
in revenue to the political subdivisions, because the Federal Real Estate Board
is now working upon a plan which will recommend, to make payments to political
subdivisions in the respective states for land taken over by the Federal
Government, in lieu of taxes that would have been paid upon that land.
2. The second point raised by opponents to Federal construction is that this project will increase the public debt. We take the position that this is a self-liquidating project and that it will amortize itself over a period of years, as many other projects are now doing, and for this reason the finances of the country will not be jeopardized one iota by the building of the Clark's Hill project. I am informed that the expected revenue from the sale of power will far more than offset the payments that will be required to liquidate the cost of this project over a period of years.

3. The third point raised by opponents to Federal construction is that roads will be destroyed. Plans for this have already been worked out by the Federal Government. Also, I understand other plans are in contemplation of being worked out for the county roads, so there should be no loss to any political subdivision on account of the roads that would be destroyed by the construction of this project. Whether the Power Company builds the project, or the Federal Government, we all know that the roads will have to be relocated, and we believe that the Federal Government will be more reasonable with the people and will reconstruct better roads than would the Power Company.

4. The fourth objection that has been raised to Federal construction is that the Government is entering business. On this point we wish to say that we do not object to the Federal Government entering business where the health, welfare or security of the people is involved. And in this particular project, there is no question but that the health and the welfare of the people are involved.

5. The fifth point that has been raised by opponents to Federal construction is that the project is Socialistic. It might be said for the record that from 1935 until 1946, eleven years—eleven long years—the Power Company didn't think that the project was Socialistic so far as we have been able to find out. But after the Power Company decided it desired to build this
project, it used the argument to the people that it was Socialism, or bordering on Socialism, for the Government to build it. My information is that it has not stated the Allatoona project is Socialistic. My further information is that the power to be derived at Allatoona is nothing to be compared with this project. The Company feels it couldn't make a profit on the Allatoona project and doesn't care to build it and doesn't call it Socialistic, but does call the Clark's Hill project Socialistic because it wants this dam site and this area to build the dam, to make a profit for the Company.

The People of South Carolina had this issue presented to them this past summer in the Governor's race. My opponent in the second primary stated that he favored building the project by either method, whichever would build it the quickest. I took the straight out position that I favored construction of the project by the Federal Government, that I did not approve building the project by any private power company or any private concern, and that the benefits that should derive to the people of South Carolina could only result if the project were developed by the Federal Government in its comprehensive plan for the development of the entire Savannah River Basin.

The South Carolina Legislature at its recent 1947 session unanimously adopted in both bodies a concurrent resolution which was signed by me, endorsing the Federal construction of the Clark's Hill project. This resolution had over one hundred authors in the body of its origin and signifies the strong feeling of the people of South Carolina that the Federal Government should build the project.

The Honorable Monson Morris, President of South Carolina Electric Cooperative, states that 99% of the 70,000 members of his organization desired the Government to build the project.

The Honorable Butler B. Hare, former Congressman from the Third District,
of South Carolina, conducted a straw vote poll on the question of the Federal Government continuing with the project, and about 90% of the responses were to the effect that it should.

Let me say that all of us appreciate the necessity for economy in governmental expenditures at this time. Certainly non-essential activities and personnel must be eliminated. However, there are some functions and activities of government which are so essential to the future prosperity and happiness of our people that it would be almost criminal to neglect or eliminate them, and one of these is the continued development of our rivers and watershed. Every dollar spent in making these streams navigable, in controlling floods, in developing power, in the reforestation of the watersheds, and in providing recreational facilities for the people, is an investment in the future. It is protection for generations yet unborn. In the end every dollar invested will yield handsome dividends, not only in dollars but in better living for our people.