The Clark Hill Project, South Carolina

STATEMENTS

BY

GOV. J. STROM THURMOND

AND

HON. BUTLER B. HARE

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HON. BURNET R. MAYBANK

OF SOUTH CAROLINA

Mr. MAYBANK. Mr. President, I hold in my hand copies of statements by two eminent and distinguished South Carolinians with relation to the appropriation for the Clark Hill project in my State. The first is a statement by Gov. J. Strom Thurmond of South Carolina, before the Civil Functions Appropriation Subcommittee of the Committee on Appropriations of the House of Representatives. The second is a statement by Hon. Butler B. Hare, a former Representative from South Carolina, before the same subcommittee.

I ask that both these statements be printed in the Appendix of the Record.

There being no objection, the addresses were ordered to be printed in the Record, as follows:

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

Chairman's and members of the Appropriations Subcommittee, the construction of the Clark 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 in hearing this matter.

It is our firm conviction that the Federal Government should continue with the construction of the Clark Hill project and for two reasons should not accept the offer of the Savannah River Electric Co. 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 1939 and did not build the dam it was supposed to construct. The company changed its mind.

About 1929 or 1930 the company, the Georgia Power Co., started the Furman Shoals project on Oconee River, near Milledgeville, and after spending several million dollars upon it, owned by the company decided to build steam plants instead of hydroelectric plants, and the Furman Shoals project has never been completed. With regard to continuing with that project, the company changed its mind.

In 1935 the Georgia Power Co. promised to cooperate with the Federal Government to build the Savannah River project in the construction of the Clark Hill project by the Federal Government. It expressed no desire to have the license 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, Ga., 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 1 year would be required to design plans and specifications, and this time would be required because a private concern, Charles T. Main & Co. of Boston, which designed the project, was not retained, 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 proposal the powerhouse would be placed on the Georgia side instead of the Carolina side, necessitating considerable change from 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 50 dams known as the TVA project. These were all completed. 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 Norfork Dam, which was carried to completion. And there is now being constructed a project on the Allstonia River, which we are informed is going forth without delay.

There is further assurance that this project will be carried on by the Federal Government. The Government has shown a steady and continuous interest in this project. Pursuant to the resolution of 1937, the Clark Hill project was included among the navigable streams of the Nation as worthy of development. Development was also authorized 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 this 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 of 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 $4,500,000 to continue construction of the project. This makes a total of $4,600,000 actually appropriated for construction, and of this amount about $4,500,000 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 398. In 1936 a special board appointed by President Roosevelt investigated this and submitted a favorable report to him. In 1939 the Chairman of the Federal Power Commission recommended it to Congress, 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 637 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.

If the Federal Government develops this project, the natural resources of the Savannah River Valley 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 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 stand-
point of the primary benefits. A more complete job will be done and the benefits will inure more to the people than if it is developed by the private company.

This project also has numerous secondary benefits:

Malaria control: This would be handled by the Federal Government, and we feel these benefits deserve the utmost consideration.

Wildlife conservation: It is felt that under Federal construction, wildlife will be conserved to a much greater extent and more pain will be taken to preserve it than under private development.

Recreation: This is one of the most important benefits of the project, although some say this is what the Constitution and laws of the United States provide that the waters of navigable streams belong to the people. We want the plan alone, do we feel these benefits will be received?

If the Federal Government develops this project, the first consideration will be the public's good. If the power company develops the project, the first consideration will be the company's good. A great majority of the people of South Carolina, one of the States which favors this project, favors public development. 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 Government.

I would like to briefly consider the objections that have been raised to Federal construction by those who favor the power company's project:

1. The first point raised by them is that the costs of the project will be too great. If the Federal Government develops this project, the cheap rates will be afforded the people will far more than offset the loss in taxes by the political subdivisions concerned. In addition, the manner in which the power company gets the funds to pay the taxes is from the people, and, after all, it comes out of the people, and the company has to make payments 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 we understand it will recommend to the 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. This is a self-liquidating project and it will amortize itself over a period of years, as many other projects are now doing. For this reason, there's no reason to believe that the people who reside in the Savannah River Basin, do not want these benefits I just enumerated positively to be had. 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 10 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 be able to develop the other dams. Or, if it did try to develop the other dams, we are very much afraid of the proper construction in regard to all these benefits that I have just enumerated would not be had, and that best results from the people would not be accomplished. There can be no doubt that the power company would not develop these 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 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 it makes.

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 these benefits deserve the utmost consideration.

If the Federal Government develops this project, the first consideration will be the public good. If the power company develops the project, the first consideration will be the company's good.

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sions but base your conclusions upon facts and logic.

I flatter myself in thinking that due to our past associations I may have lent to the impression of presenting justifications supporting any matter I would rely solely upon information and established facts. It shall therefore, to comply on this basis further appropriations for the development of Clark Hill project on the Savannah River.

For the benefit of the members I shall briefly review the history of the project before going into greater detail of its purpose. The Savannah River is the boundary line between the States of Georgia and South Carolina, a distance of approximately 210 miles. It is reported to be the longest river flowing into the Atlantic between Maine and Florida. The early settlers of this area found a wide variety of forests, which, for many years, served to control the floods and promote navigation by temporarily withholding floodwaters and feeding them into the main stream over a longer period of time. But after the forests were removed to accommodate a rapidly increasing population, the excess waters found their way to the main stream more quickly and more rapidly, resulting in more frequent and disastrous floods along the river for a distance of up to 200 miles between Augusta and Savannah. One of the chief and largest cities on the Savannah, was settled a little more than 200 years ago and grew quickly because of its location near the head of navigation. There were quite a number of other trading posts established on both sides of the river, such as Petersburg, Forsyth, Hamburg, Silver Bluff, and a number of smaller towns and villages. Quite a number of the export and import trade was carried on through these towns, the early exports being principally cotton, lumber, and tobacco. After the forests were removed and the floods became larger and more numerous, all of these towns and villages were virtually destroyed and abandoned and today you can hardly find a trace of them except the city of Augusta.

The proposal before you is to my personal knowledge, been of interest to the people in that area for the past 29 years; they have constantly urged the Federal Government in assisting navigation facilities by providing a more uniform and regular flow on the Savannah River. For a number of years there have been vitally interested and watched the development of the project. The Army engineers did not act hastily in preparing its report and making its recommendations. Their study and surveys covered a period of many years. The Federal Power Commission did not act hastily. The Rivers and Harbors Committee and the Flood Control and Navigation Committee in preparing and submitting their report to Congress. The Congress did not act hastily in passing the act authorizing the development of the project. The time consumed by these several agencies of Government covered the period from 1935 to 1937; no time there was any pronounced opposition recorded. Two years elapsed before Congress made the first appropriation of $1,000,000 and the second appropriation of $1,500,000 was made in May 1946 and up to this time nothing but cooperation had come from the power companies or otherwise at any time.

SAVANNAH RIVER ELECTRIC CO. OBJECTS

Although the Savannah River Electric Co., owned by the Commonwealth & Southern Power Co. of New York, was one of the outstanding sponsors of this project for a period of some years, it has been forced by the Committee to disregard the action of the Congress and disallow the appropriation recommended by the Budget Board. It is proposing the work now in progress; it is also proposing the sale of the Government for upward of $20,000,000 to the Government for upward of $20,000,000, and so far reaching in its objective I am sure, if you plan to give the matter any consideration whatever, you will want to go into it with less detail and more uniform and regular flow on the Savannah River for the following reasons. The proposed dam, have been let and contractors have now been at work for several months. Other contracts for performing specific parts of the construction work have been let and others are now being processed.

The following year this report was submitted to the National Resources Committee and to the Federal Power Commission for a further study and report on the necessity and industrial possibilities in the Savannah River Valley and adjacent territory. These two agencies submitted their report in due time and stated that there would be ample and suitable markets for all the electric power to be generated at this plant when completed. The proposal was then considered by the Committee on Rivers and Harbors of the House of Representatives. It was my privilege to attend the hearing and I did not hear of any objection to the proposal from any source whatsoever. The recommendations for this project were approved, reported by the committee and included in the Rivers and Harbors bill and later in the Flood Control bill, both of which were approved by the House of Representatives and the Senate and the latter became a law on December 22, 1944. That is now over 5 years ago, and I think it is time now we start the project.

In 1927 the river and harbor bill provided that the Board of Engineers should make a thorough survey of the Savannah River with the idea of determining whether there would be justified by the additional Federal aid in providing facilities for increased navigation and flood control. A great deal of work was required in this survey and the engineers did not report until 7 years later, in 1934, when a rather full and complete report was submitted. It was recommended that a dam be the Columbia across the Savannah River about 21 miles above the city of Augusta at a point near Clark Hill post office, South Carolina. It was recommended further that since the dam was to be constructed at an estimated cost of upward of $20,000,000, a power development should be added in order that it may be a lasting and fundamental contribution to the Government be reimbursed for expenses incurred.

In 1935, upon the request of Members of Congress from South Carolina and Georgia, the Chamber of Commerce of Augusta, Ga., the engineers and other representatives of the Savannah River Electric Co., and the Georgia Power Co., the President of the United States called upon the Secretary of War, the Secretary of the Interior, and the Chairman of the Federal Power Commission to designate one or more representatives from each of these agencies to make a further study and report on the advisability of proceeding with the construction of the project recommended." The following year this committee or board submitted its report, showing that the site near Clark Hill was exceptionally well suited for the creation of a reservoir to impound waters for flood-control purposes. It was stated that the reservoir would be equally well suited for storing waters to be used when needed for navigation purposes. To use the exact language, the report read:

"This reservoir is located well down the main stream of the river so that a large volume of water for impounding during the flood season is definitely assured. The reservoir could be operated in such a manner as to reduce the stage of major floods in the dam without detriment to either navigation or power, and thus increase the margin of safety at Augusta against possible flooding." This report not only showed that the construction of the dam would prove to be an insurance against floods for a distance of over one hundred miles of the Savannah River for navigation, but it found that:

"The Clark's Hill site is one of the best undeveloped power sites on any of the streams entering the Atlantic Ocean from the South Atlantic States."

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Flood control and navigation on the Savannah River was a live issue when I was first elected to Congress in 1926, and it fell to the honor to represent two congressional districts in the meantime. The two districts together include nearly 400,000 acres of land that touches the Savannah River. Therefore, I have been vitally interested and watched the development with a great deal of concern. I shall endeavor to give the committee my sincere reaction to the more recent developments. To do this I will be necessary to review the relationship of the Savannah River Electric Co. to the Savannah River development program for the last 10 or 15 years, and in doing so I shall begin with the written records and not rely upon hearsay evidence.

POWER COMPANY SECURES LICENSE, 1928

In 1928 the Savannah River Electric Co. secured from the Federal Power Commission a license to develop what is now known as the Clark Hill project. The company later decided not to go ahead with the project and voluntarily returned the license to the Federal Power Commission in 1933, simply saying it could not obtain water power for the company says now it did not construct the plant because of the stringent money market and its inability to secure the necessary capital. The company then pursued the development of hydroelectric power, saying it may become interested later if conditions change. Apparently these recent developments have not changed, and there is now a wide difference of opinion on the basis of the Company to the Government for upward of $20,000,000, and so far reaching in its objective I am sure, if you plan to give the matter any consideration whatever, you will want to go into it with less detail and more uniform and regular flow on the Savannah River.

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to why the license was voluntarily returned. According to written statements, the presi-
dent of the Savannah River Electric Co. said in 1935 that the company had "changed its
mind" and is now unwilling to construct this project and is now at work and, under the prospects of completing it, business activities are springing up in prac-
tically every locality within 50 or 75 miles of the project, and it is the taxes from these activities that will increase the revenues of the counties affected. I am advised that a new hydro power plant has been completed in McCormick County primarily because of the prospect of obtaining sufficient taxes, and the Government, under the provisions of the act, will pay into the county treasury annu-
ally between two and three times as much as is now paid by the Savannah River Elec-
tric Co.

POWER COMPANY ONE OF FIRST TO URGE DE-
VELOPMENT OF PROJECT BY GOVERNMENT-
TRANSPORT CHARGE MADE ON MATERIALS

A public hearing in the interest of the development was held in Augusta, Ga., Octo-
ber 2, 1935, where Mr. Arkwright, president of the Savannah River Electric Co., testifed at length, and in his opening statement said: "I didn't come here for the purpose of hurting this enterprise. I came here with the idea of being of help to those who do not want to volunteer anything except with the approval of the committee in charge of it. We did not initiate the petition for the development of Clark Hill. We are not in objection or antagonistic toward it. We wish to cooperate with it to the full extent of our ability. I would like to say that we are here for the purpose of its support. Probably it might seem unusual to you that the electric power company in the immediate territory to be affected by the development of a hydro-
electric plant by the Government should not be in opposition or an antagonist but should come to support it. For my own part I know of no other instance where that is not the case."

While discussing how the electric power would be disposed of following the construc-
tion of the plant, Mr. Arkwright said: "I assume that some of the load would be allocated to South Carolina and perhaps some to Savannah, but whatever remains, or if you cannot get it absorbed in South Carolina or Savannah, I believe the Georgia Power Co. could in time, absorb it all. Not all at once. There was a load-building time allowed at Boulder Dam and it would be reasonable to allow a load-building period here. Now that means that until that was absorbed, if you wished us to absorb it, it would be turning over to the support of the development all that is left in the electric market in the main part of Georgia for at least 10 years."

Reading further, and in concluding his statement, Mr. Arkwright suggested: "Now, as I get this situation, the people want improvement for navigation, which would be one of the big items of the purposes of this section. They want additional protec-
tion from floods, which would be extremely beneficial, taxes on the property for erosion; nothing could be more desirable. They want adequacy of electric supply. They want reasonable rates, which is perfectly
The statements quoted were made about 3 years after the power company had voluntarily surrendered its license and had stated it had abandoned the idea of developing this project. Thereafter, it was in competition with other companies in the development of projects to construct another hydroelectric plant.

The printed hearings before the Rivers and Harbors Commission referred to, as follows:

"I would also like to mention in this connection that the Savannah River Electric Co., and others of the Georgia Power Co., in the Commonwealth & Southern Corp.'s, south-eastern power system, owns about 40,000 acres of land, including the dam site, in the proposed Clark Hill Reservoir. In event the Clark's Hill development is authorized by the Federal Power Commission and the Georgia Power Co. will cooperate in the construction of the development by transferring this land with the dam site to the proper authority at a fair price based on actual cost to the Savannah River Electric Co. and by purchasing at the switchboard at a fair price, all electrical energy which can be generated (or such portion of the energy which can be generated and allotted to the Georgia Co. for distribution throughout the State of Georgia over its extensive transmission and distribution system, asraphs and credits obtained by normal growth of load on this system, or used to replace steam generated energy. I have no desire and will not now at this time, as assurance of our desire to cooperate in any development of the Savannah River area, which may be recommended by your Board and authorized by Congress."

COMPANY AIDS TO DEFEAT PROJECT

All these commitments confirm the statement that the power company had no intention of developing this project. The situation is further confirmed by an admitted fact that the power company has, in the meantime, had plenty of money to construct, or now have under construction at least three commercial steam plants in the Southeast, to enable us to assist in taking care of the increased demands for electric power. If the power company had any intention whatsoever to develop this project, this company would have been more than willing to do so in order to get the power to sell and convey the land at a reasonable price, not in excess of the cost."

Mr. Chairman, if the Savannah River Electric Co. or any of its officers made any reservations in 1932, their actions from 1935 to 1945 and subsequent thereto show conclusively they never intended to file a new license and resume their program some time in the future, and that by reason of these reservations the Government put on notice and that, therefore, has some right, legal or equitable, that should be recognized by you on your committee to help him enforce such right.

I am not prepared to say Mr. Arkwright did not indicate in some way that he may at some time in the future want to renew his interest for a license. That may have been reasonable, but there is no evidence that such suggestion was in writing, and if it had been it would have had no binding effect on the Government; for 3 years later, in 1935, Mr. Arkwright appeared before a representative of the Federal Power Commission, the United States Board of Engineers, and the National Resources Commission for the city of Augusta, and says he told them: "We would be pleased to let them go on the property for the purpose of surveys and development," saying further that of course they would sell and convey the land at a reasonable price, not in excess of the cost."

Now, Mr. Chairman, if the Savannah River Electric Co. or any of its officers made any reservations in 1932, their actions from 1935 to 1945 and subsequent thereto show conclusively they never intended to file a new license and their tactics in this procedure are not calculated to inspire any confidence whatsoever in the representatives of the Congress, or in the two States, that they have been treated fairly.

I understand, Mr. Chairman, that you and members of your committee, as well as other Members of the Congress, have been flooded with a number of letters from people, representing that while they believe the project should be developed, they are opposed to the work being done by the Government alone, and that a number of those I have had from the Savannah River Electric Co. saying that a majority of the people in the two States are interested in the project. I have not received such letters. I want to say emphatically that such statements are erroneous. When I saw press accounts of the Government expenditures for flood control and navigation alone they come nearer being socialistic than the proposal with the power feature added. In the former, the expenditures would be a gratuity paid by the Government which the Government would get no immediate return, whereas under the proposed plan the payments would be in return for flood control and navigation will be the ones to use the power and therefore, related revenue from the expenditures for flood control and navigation will be the ones to use the power and therefore, related revenue from the expenditures. I am not prepared to say Mr. Arkwright was primarily reason for referring to it now is to show that the power company has again changed its mind and has gone within the past 6 or 8 months in an effort to delay or defeat this project by propagandizing the public in an effort to have the Government think the people of South Carolina and Georgia are really opposed to the development of this project.

RESERVATIONS

The late Mr. Arkwright, president of the Savannah River Electric Co., at the hearing in Atlanta October 28, last year, stated that when he returned the license to the Federal Power Commission in 1932 he made some reservation by saying his company wanted to get a new license and resume their program some time in the future, and that by reason of these reservations the Government was put on notice and that, therefore, has some right, legal or equitable, that should be recognized by you on your committee to help him enforce such right.
such activity and found it was inspired by the people concerned. I suggested that the Clark Hill Authority of South Carolina make an effort to ascertain the true sentiment of the people in the county touching the Savannah River for navigation purposes. These waters belong to the public, and it is a responsibility of the Government to conserve and control them. We did not travel from county to county to contact and argue with people and prevail upon them to write a letter in support of the proposal, but the people in the county were requested to write to the Clark Hill Authority of South Carolina, and they did. We simply addressed a questionnaire containing one question, which was as follows:

"What percentage of the adult population in your county would prefer having the Savannah River completed as the Savannah River Electric Co. proposes—under a power, flood-control, the navigation, and power project now under construction on the Savannah River near Clarks Hill, S. C., rather than rely upon the promise of a corporation or private individuals to complete it?" (Give your answer, name, occupation, post office, county, and State.)"

Many of the questionnaires were addressed to "B. C. Holder," because we were anxious to secure the unbiased and unprejudiced opinion of the people. Generally, between 1,000 and 1,500 questionnaires were mailed, about 43 percent of which were returned, and the tabulated results show that 97.2 percent of the adult population are represented forward of the Government completing this project rather than having it done by someone else. I tabulated these returns in the following manner: I found 33 percent of those reporting were farmers, 12 percent merchants, and 1 or more of the occupations mentioned. I next tabulated the questionnaire to one, 2 years after the Congress had provided for the project should be developed by the Army engineers, and after appropriating $5,500,000 for this purpose, and after work on the project has been in progress for approximately 1 year, the company now comes and urges that no further appropriations be made for the project, and that a new license be granted, notwithstanding that for the past 11 years the company has insisted that the work be done by the Government.

2. The excuse the company gives for not developing the project when it had a license was because of the stringent money market. No further than a mere statement, that this was the real reason, but there is a transcribed record showing with the president of the company stated the license was returned because they did not want to be bothered with the cumbersome paperwork of the Government. It is true there was a stringent money market in 1926, but if that had been the reason, the company would have submitted no reason why the application for a new license was not renewed in 1939, 1940, 1941, 1942, and 1943. At the meeting for the money market was in excellent condition and the demand for electric power was greater than any 5-year period in our history. The reason the company gives about the stringent money market does not appear to reason, but the license is not returned with reservations consented to by the Federal Power Commission, that is not returned in evidence to this effect, and if true, there should certainly be a written record of some kind in the office of both the company and the Federal Power Commission. In the absence of such a record, the logical assumption is that the president of the company was deliberately incorrect. It is said his company never intended to construct another hydroelectric plant, and this company now does not develop the plant which the company had a license, it will still be sufficient reason for changing its mind again and developing the plant in 15, or indefinitely if possible, for this appears to be its only purpose.

3. The company insists that the license was returned with reservations consented to by the Federal Power Commission, but no record has been offered in evidence to this effect, and if true, there should certainly be a written record of some kind in the office of both the company and the Federal Power Commission. In the absence of such a record, the logical assumption is that the president of the company was deliberately incorrect. It is said his company never intended to construct another hydroelectric plant, and this company now does not develop the plant which the company had a license, it will still be sufficient reason for changing its mind again and developing the plant in 15 years, or indefinitely if possible, for this appears to be its only purpose.

4. The company complains about the Government depriving it of the right to develop its own properties; in fact, it has no properties at Clark Hill except land and scenic, and it is water in the Savannah River in which the Government is interested in protecting and controlling. The power company has no water; it does not own a gallon, not even a drop of water in the Savannah River. These waters belong to the public, and it is a responsibility of the Government to control them for the benefit of the public. It is true this company owns about 40,000 acres of land adjoining the Clark Hill site, which, according to reports, would be $2,000,000 in 1928 and 1929, at ridiculously low prices by promising the owners that the company would use the land for an artificial agronomic power plant, and at the same time control the floods and promote navigation on the Savannah, I am convinced the licenses granted the company had secured a license from the Government to develop the project.

5. The company is endeavoring to lead the public to believe that this is primarily a power project, but it knows this is not true, for its president, testifying under oath before the Federal Corporation less than a year ago, denies and refutes the idea when he said, "The Government is not interested in navigation and flood control. They make and sell electric power as an incident to their control of the river for navigation purposes."}

6. This company is trying to convince you and the public that the people of Georgia and South Carolina are now opposed to having the Government complete the project. You did not hear of the people objecting in 1926 when the President and its Unanimous support to the proposal, saying the project should be developed and operated by the Government under the money market was insufficient to reimburse the Government for expenditures, then to be turned over to some municipality, county, State, or power company. These people, or their representatives, did not object to you and other Members of Congress when you recommended appropri­ations for this project on two separate occasions. No; you did not hear of any opposition from the people of Georgia for a period of 10 years, or until last August when this power company played the Judas Icarios act, by renouncing its allegiance to the program and began to propaganda. The Congress and the people who then suggested, saying that a major­ity of the people are now in favor of taking their chances with the power company rather than the Government. To illustrate the justification for this statement, the company refers to a hearing in Atlanta last October, where 67 witnesses appeared in favor of the company and only 7 appeared as being against it. The company does not tell you that its president was one of the 67 witnesses and that a number of his staff had been contacting people in person and telling them their counties would be destroyed if the Government completed the project, but if the power company could build it, their taxes would be decreased.

To find out to what extent the people had fallen for this propaganda, the Clark Hill Authority of South Carolina sent a question­naire to 1,200 or 1,500 people in the counties in South Carolina touching the Savannah River, requesting them to state in their opinion what percent of the adult population in the county preferred having the Government complete the project rather than the company. It turns out that 80 percent of the 100 questionnaires show that 90 percent favor the Government completing the project. Many of these questionnaires were from any particular class of people or to box holders and to show how representative of the people from which reports came, we have here printed the tabulations from the replies received, where the tabulations show 72 occupations, which would indicate we have a good cross section of the entire population.

Mr. Chairman, when the President of the Savannah River Electric Co. stated orally and in writing in 1935 and subsequently there-
to that if the United States Government would agree to construct, maintain, and operate the Clark Hill project the company would convey approximately 40,000 acres of land to the Government at a price not exceeding the cost, turn over its files and records to the Government to be used in any way it may see fit, furnish any information it may have that might prove to be of service, and cooperate in every possible way in the development and operation of the project; it was an offer with no reservations attached, for his concluding words were: "Regardless of what plan you may finally recommend, we stand ready to cooperate to the fullest extent," and when Congress passed the flood control bill in December, 1944, providing for the development and operation of this project it accepted that offer, and both parties then became honor-bound to the fulfillment of the agreement. I shall let the Congress be the judge as to what constitutes honor. Our Government has always been very jealous of its honor, and I am glad to bear witness that the Congress, irrespective of political parties, has ever guarded with jealous care its honor and integrity. "That nation is worthless that will not venture all for its honor."

When the State of South Carolina, through its legislature in 1933, authorized and directing the governor and secretary of state to issue to the United States a grant of such lands, flowage rights or easements, that may be required in the development of the navigation project or projects on the Savannah River, it was a conditional offer to the United States Government and when Congress on December 23, 1944, passed the flood control bill, the offer, in effect, was accepted by the United States Government and both are now honor-bound to carry out their agreement. When South Carolina, through its legislature in the early part of 1947, unanimously adopted a resolution favoring and urging the completion of the project by the United States Government, it reaffirmed the action of the State legislature of 1933 and declared, in effect, that the State is still willing, ready, and able to discharge its part of the agreement. I understand that similar action was taken by the State Legislature of Georgia, and to turn turtle now, after the action of the Congress in providing for the authorization without any objections on the part of anyone, coupled with the persistent support and cooperation of the Savannah River Electric Co., for 10 years, and with the construction of the project well underway, it would be a breach of good faith with the State of South Carolina, the State of Georgia, with the people of the United States, and it would create much criticism, raise a justified suspicion, and tend to destroy the confidence of the people in the integrity of the Congress of the United States.

Mr. Chairman and gentlemen of the committee, the development of this project has been one of the dreams of my political life, and, in view of the preceding actions of the Congress, I would regret to learn that the interest of the people I represented for 16 years has been subjected to an unprecedented action of the Congress simply to promote the unwarranted selfish interest of a small group of individuals after having broken their faith with the Congress. The establishment of such a precedent would be extremely dangerous. I shall look with confidence for your decision in the matter.