My fellow South Carolinians:

I want to discuss with you today my position in regard to the Natural Gas bill which has received much attention in the Senate during the past few weeks. It is scheduled for a final vote within a day or two.

Unless the Fulbright Natural Gas bill is adversely amended, it is my intention to vote for it. In 1938 Congress passed the Natural Gas Act to regulate the pipelines transporting gas in Interstate Commerce and the sale of natural gas for resale for public consumption.

This 1938 Act was not intended to apply to independent producers and gatherers of natural gas. The Federal Power Commission agreed with this interpretation and for 16 years made no effort to impose regulations over the producers. But in 1954, the Supreme Court handed down a decision in the Phillips Case which in effect gave the Commission authority to regulate producers and gatherers of natural gas sold in Interstate Commerce for resale.

Last year the House passed a similar bill which would exempt producers and gatherers of natural gas from federal regulation.

I believe in open competition in free enterprise without governmental regulation insofar as possible. I also believe in state regulation rather than federal regulation when regulation is necessary, and a choice can be made between federal and state authority.

If the federal government can regulate the price a man can get for the gas produced on his land, it is just as logical to argue that the government can control the price for which he can sell cotton, corn, wheat, milk, Kaolin clay, titanium, and other resources from the soil. Such regulation could also lead to federal price setting on products made in our textile plants which go into interstate commerce, such as
sheets, pillow cases, and other cotton-manufactured goods. Such regulation, if expanded and continued, could lead to the destruction of our American system of Constitutional Government.

The cost of exploration, the cost of labor, the cost of transmission, the cost of distribution, and other economic factors enter into the eventual price paid by the consumer of natural gas.

The records indicate that the producers of natural gas receive only about 10 per cent of the price paid by the consumer. The difference is added by the transmission lines and the distributors. If the price of natural gas were to rise, it appears that it would not be as a result of passage of this bill, but because of failure by the Federal Power Commission to regulate the transmission lines properly and failure by the State Commission to regulate the distributors properly.

The best way to reduce the price of any commodity is to increase its production. Increased gas production can best be encouraged without regimentation. I believe it to be my duty to vote for the Fulbright bill in the best interests of the public.

In addition to the Natural Gas bill, here are some other Washington news items of interest to South Carolina.

In reply to my recent request for textile import quotas, the White House informed me on Monday that the Tariff Commission will investigate the possible adverse effect of a portion of Japanese textile imports on our domestic economy. The specific item to be investigated is velveteen, satin-like a cotton textile with a finish.

On Tuesday, I appeared before the Senate Finance Committee with a delegation of South Carolinians seeking Social Security coverage for municipal firemen and policemen on a local option basis. We urged that the committee approve such an amendment, which Senator Johnston and I plan to offer, which would effect this change.
Later in the week, I joined Senator Stennis of Mississippi in seeking a guarantee of at least a 4-acre cotton allotment for our small cotton farmers. This could be accomplished by creating a 2 per cent reserve at the national level. This reserve would be created by adding 1 per cent to the national cotton allotment and setting aside another 1 per cent from the national allotment. Senator Stennis and I urged the Senate Agriculture Committee to write this provision into the new farm bill. If approved, this provision would benefit 38,000 farms in South Carolina.

I hope you will tune in again for my next report from Washington. Thank you.

The End