Politics of "Partnership": The Eisenhower Administration and Conservation, 1952-60

Dusen George Van
Loyola University Chicago

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"POLITICS OF 'PARTNERSHIP': THE EISENHOWER ADMINISTRATION AND CONSERVATION, 1952-60"

by

George Van Dusen

A Dissertation Submitted to the Faculty of the Graduate School of Loyola University in Partial Fulfillment of the Requirements for the Degree of Doctor of Philosophy

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The dissertation submitted by George Van Dusen has been read and approved by members of the Department of History.

The final copies have been examined by the director of the dissertation and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the dissertation is now given final approval with reference to content and form.

The dissertation is therefore accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

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INTRODUCTION

The seventeenth century philosopher Francis Bacon once wryly noted that philosophers "make imaginary laws for imaginary commonwealths, and their discourses are as the stars which give little light because they are so high." This observation could be applied equally to our present-day poets and philosophers who weave dreams of a perfectly harmonious and beautiful world. Unfortunately conservation policymaking is not that simple; rather, the wise use of our natural resources often involves a complexity of human affairs, personal piques, bureaucratic conflicts, tough lobbying, and so on. Dwight Eisenhower correctly perceived this process: "But the other power is exercised by lobbies and congressional blocs, power contesting with power, for motives sometimes obvious, sometimes obscure, with little of the resulting contest revealed fully and accurately to the public for whom the fight is presumably waged."^1 In other words, politics is often the dark and bloody ground upon which the real conservation battles are fought and decided. To the victors of these battles go the spoils—and these spoils—oil, natural gas, electric power, timber, land, water and atomic energy—are indeed valuable prizes. Thus, if we are ever to acquire that beautiful and harmonious

environment the poets and philosophers envisage, we must first come to fully appreciate the political process out of which our federal conservation policy is forged. Accordingly, this dissertation has a dual purpose: first, to investigate the importance of conservation in the nineteen fifties and, secondly, to gain a glimpse into the historical workings of the American political process.
CHAPTER I

THE NEW DEAL AS BOLD RELIEF

With the end of World War II and the onset of the Cold War, certain issues involving the formulation of a coherent federal natural resources policy made their impact immediately. In 1952, Stephen Raushenbush correctly forecasted that the three fundamental questions awaiting the attention of professional conservationists and public servants during the Eisenhower presidency would be: (1) "How is the national need [for natural resources] to be met at reasonable prices when resource owners (particularly the small areas) refuse or are unable to adopt good conservation practices and the higher immediate costs that attend them?"; (2) "...How can the governmental part of the conservation job be done efficiently?"; and, (3) "...For whose benefit should national aid to conservation and development be undertaken?"

While men of widely differing political faiths could easily agree on the need for conservation, questions such as those raised by Raushenbush evoked widely different answers. For example, David Lilienthal felt that industrial bigness and free enterprise was an undeniable asset to better conservation of natural resources, while Barrow Lyons pointed a hostile

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finger at the past performance of American industry in this area. If industry's increased need for resources was not enough reason for a consistent federal resources policy, the rising rate of population with all its accompanying demands certainly pressed hard for one. In the 1940's the American population increased nineteen million; between 1946 and 1955 it rose 16.9 percent.

But it was in the political arena that these questions were raised, debated, and some of the answers finally found. The Eisenhower Administration's answer to these conservation questions was summed up in one word: partnership. Essentially this policy constituted a strongly conservative, free enterprise, and anti-New Deal orientation that had laid fallow during much of the thirties but had gained great acceptance in the forties. This philosophy was in sharp contrast to the New Deal.

The New Deal was not so much the beginning of something new as it was the culmination of a long process of attempting to come to grips with the basic problems of the twentieth century. For the fundamental question facing post-Civil War America had been how to bring a semblance of order out of the chaos in which the new dominant industrial economy found itself. And the answer eventually agreed upon was governmental management and regulation of the economy through

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3 Lyons, *Tomorrow's Birthright*, ch. 3, "Fertility Uncontrolled."
bureaucracy. A vague notion of bureaucracy probably dated from the nineteenth century movement for civil service reform.

Before the inception of the New Deal there existed two types of federal bureaucracy, management and regulatory. The Corps of Engineers, Bureau of Reclamation, National Park Service, Bureau of Land Management and the Forest Service fell into the management category. Each bureau was charged with the responsibility of managing a particular area of the federal domain. The regulatory bureaucracy was born as a result of the Progressive Era's attempt to confront the gnawing problem of unfettered industrial monopoly. The Federal Trade Commission, Federal Power Commission, Food and Drug Administration, Interstate Commerce Commission, and the Federal Reserve System are examples of regulatory bureaucracy. The New Deal simply brought this trend toward bureaucraticization of the American economy and government to a head. Several new regulatory agencies, such as the Securities Exchange Commission, were introduced and, in at least one instance, a former management bureau even became regulatory. Under the Taylor Grazing Act (1934) grazing on the public domain now became subject to regulation by the Department of Interior—an objective supported by many conservationists dating from the Ballinger-Pinchot controversy of the Progressive Era.

While it established some order in the economy, the growth of bureaucracy also created new problems. Many of the bureaus found themselves at cross purposes. The Forest Service
and Bureau of Reclamation tangled during the heated Ballinger-Pinchot controversy; the Corps of Engineers and Bureau of Reclamation often fought over commonly desired western areas for dam construction; and the Bureau of Reclamation often attempted to invade areas under the protective arm of the National Park Service. With a view toward streamlining the bureaucracy and eliminating such conflicts, commission after commission has been established to study the situation and to make recommendations. And repeatedly these recommendations have not been enacted. Furthermore, a serious question has been raised regarding the actual independence of the regulatory commissions: Are the regulated actually running the regulatory agencies, rather than vice versa? There is, for example, substantial reason to suspect that the Federal Power Commission, which is charged with overseeing the activities of the electrical and natural gas industries, is actually run by industry representatives. An integral part of the New Deal was governmental intervention in the economy and the bureaucracy was Franklin Roosevelt's tool for accomplishing this end. The New Deal was thus the bold relief against which the politics of partnership was arrayed.4

During Franklin Roosevelt's first term a policy of direct governmental intervention in the economy emerged and it certainly was not anywhere more apparent than in the

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4 For a detailed background on FDR's conservation policy see Anna Lou Reisch, "Conservation under Franklin Roosevelt" (Unpublished doctoral dissertation, University of Wisconsin, 1952).
Administration's attitude toward conservation. Under the New Deal public power became an established fact. The Tennessee Valley Authority (TVA) was one of FDR's earliest accomplishments, followed in 1935 by passage of the controversial Public Utilities Holding Company Act and the creation of the Rural Electrification Administration (REA). Under the leadership of Harold Ickes the Department of Interior advocated greatly increased federal planning and construction of dams. The Department's Bureau of Reclamation was thus an important political instrument for advancing the New Deal philosophy. Soil conservation was not neglected either as the Soil Conservation Service (SCS) was created within the Department of Agriculture. Furthermore, the Civilian Conservation Corps (CCC) provided thousands of youths with jobs.5

Politically, the conservation policy of the New Deal translated its burgeoning bureaucracy into a political weapon for the enforcement of the President's and his administrators' own philosophy. By creating agencies such as the TVA, REA, SCS, CCC, and others, the President created wholly new constituencies which, over the long run, made valuable contributions toward sustaining himself and his successor, Harry S. Truman, in office for five consecutive terms. The Rural Electrification Administration was a case in point. Under

Morris Llewellyn Cooke the REA revolutionized life in rural America and it became an obvious success. Cooke took an active personal interest in the creation of nonprofit co-operatives. After six years in existence, four out of ten American farms had electricity; in 1950, it was nine out of ten. The National Rural Electric Co-Operative Association was formed to influence legislation favorable to the REA and, conversely, to defend the REA from anti-New Deal attacks. Other pressure groups were also created to accomplish like results for their interests. The TVA became so politically potent that no politician from a TVA state dared defy it, lest his or her political life be cut short. The Soil Conservation Districts protected the Soil Conservation Service. The National Reclamation Association was organized in 1952 when the Bureau of Reclamation appeared threatened by Congress. The Association feared the Bureau's appropriations would be cut and its functions transferred to the Department of Agriculture. Organized labor, always an important element in FDR's coalition, also came to the aid of the New Deal conservation program.

Economically, the New and Fair Deals introduced certain innovative and controversial principles. Under FDR deficit spending became an accepted fact of economic life. In terms of public power the New Deal planted the principle of preference more firmly in the soil of American law. The principle simply stated that in the sale of power from federal dams and

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other power installations preference would always be assured to public power agencies and cooperatives over private enterprise. In other words, the federal government would give preference to the TVA, REA, and other public power groups. Moreover, the federal government was actively competing with the private sector of the economy. The TVA most poignantly demonstrated the extent to which FDR would actively push the federal government into the economy. Here the federal government directly owned and operated a power installation. When the critics called it "socialism," FDR explained that the TVA actually represented only a "yardstick" by which to measure the price rates charged by the private electric firms.7

The New Deal did not face any serious opposition to its programs until after FDR's stunning re-election in 1936. A coalition of businessmen, disgruntled over the President's meddling with the free enterprise system, conservative southern Democrats, convinced their position in the Party was dwindling, and, of course, the Republicans, yearning to throw the Democrats out of office, took definite shape. The business community had to a large extent initially feared FDR anyway, but, because many business and community leaders had been discredited by the depression, many congressmen reluctantly went along with the Administration's legislative proposals. By 1937, however, the business community no longer feared whatever

7For a brief background on the growth of the public power philosophy see John D. Hicks, Republican Ascendancy, 1921-1933 (New York, 1963), 124-26; specifically for FDR's public power philosophy see Reisch, "Conservation under Franklin Roosevelt," 298-99.
chaos might ensue from open dissent to the New Deal. Many congressmen, disenchanted with the New Deal for a variety of reasons, now listened more attentively to these influential businessmen. 8

Through the congressional seniority system "the solid South" gradually regained the political influence it had lost during the Civil War. Southern political leaders willingly supported the New Deal so long as it did not disturb southern agricultural, industrial, or social patterns. But after the 1936 elections, when the northern wing of the party, dominated by minority groups and labor unions, began to predominate, a southern revolt became inevitable. While southern political leaders might buck the national party, there was no chance they would officially turn Republican since southern voter antipathy for Republicans remained strong and the South's political power depended on its committee chairmanships. Of course this did not preclude southern political leaders from quietly working for the same objectives as their Republican ideological counterparts. 9

The crux of Southern opposition to the New Deal derived from a difference in economic philosophy. Dixie had been one of Woodrow Wilson's leading supporters for a regulated economy. 10

8 James T. Patterson, Congressional Conservatism and the New Deal (University of Kentucky Press, 1967), 335-36.

9 Patterson, Congressional Conservatism, 132.

So long as the New Deal did not venture beyond that the South remained loyal to FDR. But by 1936 the New Deal had gone a step beyond the Wilsonian regulatory state to more direct intervention in the economy. Southern political leaders interpreted this development as a threat to the burgeoning economy of "the new South." As it had become industrialized in the twentieth century the South took on a "growth psychology" which made her conservative in economic complexion. Thus, the South's thinking was heavily biased in favor of states' rights, a balanced budget, and free enterprise. Obviously, deficit spending and support for labor unions and minorities were diametrically contrary to these concepts. By 1940, the South found herself on the threshold of her greatest economic growth. Reflecting these attitudes, such important Southern senators as Walter F. George of Georgia, Tom Connally of Texas, and Josiah Bailey of South Carolina began to openly oppose the economic policies of the New Deal.\footnote{More, "Senator Josiah Bailey," 22; Patterson, Congressional Conservatism, 44-45, 112-13; George Brown Tindall, The Emergence of the New South, 1913-1945 (Louisiana State University Press, 1967), 472; George Mowry, The Urban Nation (New York, 1965), 246-47; Samuel Lubell, The Future of American Politics (New York, 1956), 118-20.}

The circle of opposition was completed by the Republican party. Roosevelt's first administration had so routed the G.O.P. that after the 1936 elections there was serious speculation the Republican party might never recover.\footnote{As a result of the election the Republicans occupied 88 seats in the House and 16 in the Senate.}
of this sad state of affairs Republican congressional leaders, under the leadership of Senator Arthur Vandenberg of Michigan, agreed upon a strategy of silence. The Republicans would henceforth vote as a bloc with Democratic conservatives but would let their newly-found bedfellows lead the vocal attacks on the New Deal.  

Until 1937, the anti-New Deal coalition had not been firmly knitted together. In that year Republicans and Dixiecrats worked together to oppose the sit-down strikes, a wages and hours bill, and government reorganization. What finally cemented the coalition together, however, was Roosevelt's attempt to pack the Supreme Court. Under Vandenberg's leadership the Republicans pursued their strategy of silence, content to let the southerners denounce the plan. Senator Charles McNary, one of the leading Republican opponents of the court packing scheme, commented: "Let the boys across the aisle [the southern Democrats] do the talking. We'll do the voting." Their strategy forced FDR to relent.  

As a result of this victory, in December, 1937, the coalition leaders collaborated in writing a conservative manifesto. Nearly all of the Democrats who had fought the court packing scheme, particularly Senators Millard Tydings of Maryland and Walter George, as


well as several Republicans, notably Vandenberg and Senator Warren R. Austin of Vermont, joined in the preparation of this ten-point declaration. The document, "An Address to the People of the United States," was a direct prelude to the Eisenhower philosophy of partnership. Briefly, the document expressed a desire for free enterprise, states' rights, a balanced budget, and opposition to "unnecessary" government competition with free enterprise. They contended that Roosevelt was leading the nation down the dangerous path of socialism. The newspapers got hold of it and published it prematurely, making it politically necessary for the participants to deny any collusion. Nevertheless, the document pointed to the formation of a congressional alliance between Dixiecrats and the Republican party. 15

Roosevelt recognized the danger this coalition presented and decided to blunt it in the off-year elections of 1938. By the end of 1937 the President's liberal, northern, urban advisors, Harry Hopkins, Tommy Corcoran, Harold Ickes, and James Roosevelt, the President's son, began to explore the possibility of purging the Democratic party of some of the leaders of the conservative opposition. When Calude Pepper of Florida and Lister Hill of Alabama, both ardent supporters of the New Deal, won their primary contests for the Senate, the "elimination committee," as it was dubbed, decided to work actively for the defeat of select Democratic anti-New Dealers. Roosevelt

personally campaigned against such powerful Senate figures as Walter F. George, Millard Tydings and Cotton Ed Smith of South Carolina. Roosevelt's efforts failed, however, as all three men were returned to the Senate.

The 1938 elections had even greater significance for the Republicans, for the G.O.P. once again became a viable political force. The Republicans picked up eighty-one seats in the House, eight in the Senate, and captured thirteen governorships. No Republican incumbent running for the House suffered defeat. The President's close political advisor, James A. Farley, correctly called this election "the great turnover."

With the 1938 elections the conservative, anti-New Deal coalition came into undisputed control of Capitol Hill. In years to come, the coalition showed its fiber by preventing passage of further liberal programs. Administration-sponsored measures repeatedly felt the sting of defeat. For example, the coalition turned back efforts to create "seven little TVAs," to establish a permanent National Resources Planning Board, and to initiate a Columbia Valley Authority.


17 Reisch, "Conservation under Franklin D. Roosevelt," 259-87; Charles McKinley, Uncle Sam in the Pacific Northwest: Federal Management of Natural Resources in the Columbia River Valley (Berkeley, 1952), 543-617; Leuchtenberg, "Roosevelt, Norris, and the 'Seven Little TVAs,'" Journal of Politics, XIV (August, 1952).
The Republican victories of 1938 insured that the Party would once again be an important national political force. In that year Robert Taft of Ohio was elected to his first term in the Senate. Under Taft's and Vandenberg's leadership the Republican party increased its influence in Congress. And from 1938 onward the Party made steady gains in the House. By 1942 the Republicans reduced formal Democratic control of the House to five seats and, finally, in 1946, the G.O.P. won control of both houses of Congress. The Republicans from the Midwest and West, whose thinking lay much closer to the old progressivism than to the liberalism of the Eastern Republicans, took control of the congressional party. Robert Taft became majority leader of the Senate, Kenneth Wherry of Nebraska the majority whip, Eugene Milliken of Colorado chairman of the Republican caucus, and Styles Bridges of New Hampshire chairman of the Appropriations Committee. Moreover, Taft and Vandenberg agreed to split their official duties, with Taft representing the Party on domestic issues and Vandenberg on foreign affairs. Basically the Republican leadership was fiscally conservative and pre-New Deal in its social theory. It was overwhelmingly representative of nonurban states or those, like Ohio, with a strong tradition of conservative voting. In its rural and ideological background, the Republican leadership shared much in common with the conservative Southern Democrats. In fact Taft wanted to be the Republican party's spokesman for domestic affairs precisely so he could expand his ideological alliance with the South. Taft, harboring
presidential ambitions, knew full well that southern votes would be important to satisfying that thirst. 18

The Republicans had dented the "solid South" in 1928 and the Party's appeal continued to increase throughout the forties. Between 1940 and 1948, for example, the Republican presidential vote in the South leaped fifty percent. The Republicans made gains particularly in the most urbanized states, Texas, Florida, Virginia, and North Carolina. During this period the G.O.P.'s tally in Houston and Dallas more than doubled. In the 1948 election Truman lost four states in the deep South. In 1950 Southern liberalism suffered two crushing primary defeats when Claude Pepper of Florida and Frank Graham of North Carolina lost their bids for the Senate. Significantly, a precinct-by-precinct breakdown in the major cities revealed a remarkably close corelation between the vote cast against Graham and Pepper and the Republican-Dixicrat showing of 1948. Furthermore, the Republicans made substantial gains in the November, 1950 elections. The G.O.P. increased its Senate membership from 42 to 47 and its House membership from 171 to 199. 19 Thus, by 1952, the Republican-Dixicrat alliance was in a firm position to seize control of both the presidency and congress.


In 1952, Robert Taft, the undisputed leader of Republican conservatives, dominated the Party's thinking and was the logical candidate for its presidential nomination. Taft feared that if the New Deal-Fair Deal policies continued to prevail, the American political system would give way to government by pressure groups unrelated to the old political constituencies. He, therefore, was more interested in curtailing the power of the New Deal interest groups and bureaucracy than in indiscriminately repealing FDR's legislation. Taft clearly distinguished between the legitimate recovery measures that conformed to American political, social, and economic principles and the New Deal innovations that he felt would revolutionize the fabric of American society, thereby retarding the country's growth. Consequently, the Taft-Hartley Act was not aimed at destroying labor unions so much as it was an attempt to restore a balance between labor and management. The Ohio senator also supported subsidies for low-cost housing and even tolerated the social security program. But Taft, an intransigent disciple of free enterprise, vigorously opposed projects like the TVA. To him the TVA, or "King Kilowatt," as its conservative critics called it, was destroying the private utility industry and was operating as an autonomous monopoly almost beyond congressional control. In a more general sense, then, Taft and his followers equated the New Deal with socialism, likening it to a malignant cancer that must be cut from the American body politic. During the 1938 campaign Taft succinctly explained his opposition to the New Deal and the idea of a regulated
In spite of manipulation of the currency, in spite of devaluing the dollar, in spite of deficits amounting to $15 billion and the pouring out of public funds, in spite of unlimited power given to regulate farm industry, the coal industry, the utility industry, and the issue of securities, in spite of countless additional powers as great as could be granted within the constitution, we are faced today with complete failure.

This was a theme to which Taft and his followers repeatedly returned in attacking the New Deal-Fair Deal. Instead of government intervention, Taft advocated a balanced economy, states' rights, and the other traditional principles that had already been outlined in the conservative manifesto of 1937.20

The Republican convention in 1952 was not the lovefest one might have expected now that it finally appeared the Democrats could be beaten; instead, the Party split wide open between the old guard conservatives and the Eastern liberals. Robert Taft was the easy choice of the Party's conservative wing. After a couple of primaries the Eastern liberals narrowed their choice to Dwight D. Eisenhower. The Eastern Republicans believed Taft's ideological rigidity would doom the Party to defeat; this conviction was confirmed by various opinion polls. Eisenhower fitted neatly into their bill of particulars. As Supreme Commander of the Allied Forces in World War II and Commander of the NATO forces, he was a popular military leader.21 More than anything else, Eisenhower's


21Mayer, Republican Party, 487.
qualifications for the Republican nomination rested on the fact that as an unknown political quantity he had not offended anyone, as Taft had over the years. Ike possessed the image of a fair man and appealed to all colors in the political spectrum.

Eisenhower had been reluctant to enter politics while still in uniform. Nevertheless, after Senator Henry Cabot Lodge, Jr., of Massachusetts urged him, Eisenhower issued a statement in January 1952, testifying to his membership in the Republican Party. With this concession, Ike's supporters went to work. They showed their potential strength by defeating Taft in the New Hampshire primary in March and by picking up 100,000 write-in votes in the Minnesota primary. In April, however, Taft laid to waste any illusions that he might be an ineffective campaigner by defeating both Governor Harold Stassen of Minnesota and Governor Earl Warren of California in the Wisconsin primary. When it became clear that Taft could wrap up the nomination unless Eisenhower departed from Paris and returned to the United States to actively campaign for the nomination, he resigned as Supreme Commander of NATO. 22

Ironically, the crucial fight for the nomination turned on the seating of the delegates from Texas, Georgia, and Louisiana. The Southern wing of the Party was supposedly one of Taft's strongholds and the Eisenhower forces conceded that if Taft's delegates from these states were seated at the

22 Ibid., 482.
convention, the senator from Ohio could conceivably win a first ballot nomination. The Eastern Republicans determined to stop Taft by charging his forces with blatant delegate fraud in these states. Eisenhower even described this so-called fraud as a "betrayal of the whole Republican party and its principles." Rather than fraud, however, the real issue was control of southern Republican state politics.

For decades the southern Republicans had been reluctant to broaden the Party's appeal by bringing new blood into the Party, even though some southern states had occasionally deserted Roosevelt and Truman. Since the local Republicans fed from the small trough of patronage supplied by the Taft wing, their object was not to win elections. On the contrary, they desired to keep the local party small and exclusive so that the Washington spoils would not have to be divided too thinly. But the South was crucial to the election of Eisenhower. This meant the Party's appeal would have to be broadened beyond anything the Republican regulars had ever envisioned. The die was cast by the time the convention convened.23

The Taft-controlled Republican National Committee offered a compromise whereby 16 of the 38 Texas seats would go to Ike. Lodge, Eisenhower's campaign manager, refused the offer and instead vowed to take the issue to the floor of the convention. And this Eisenhower's strategists did.

After dispensing with the preliminaries the Eisenhower forces wasted no time getting to the heart of the matter.

23Burns, Deadlock, 183-84.
When Senator John W. Bricker of Ohio offered the usual motion that the convention follow the 1948 rules, Governor Arthur Langlie of Washington jumped to his feet with a substitute motion that had been carefully prepared by Eisenhower's strategists. Langlie requested that the contested delegations of Georgia and Texas and thirteen delegates from Louisiana be denied the right to participate in the convention or on any of its committees until their qualifications had been settled upon by a majority of the convention. A bitter debate ensued. Clarence J. Brown, a Taftite, offered a compromise motion that the convention turned down. Langlie's motion finally carried without a roll call vote. The Eisenhower strategists thus stymied a potential Taftite bandwagon before it had gotten out of first gear. The rest was anti-climactic. When Eisenhower received 595 votes on the first ballot, just nine short of nomination, Senator Edward Thye of Minnesota changed his state's votes to Eisenhower. But the convention had left deep political wounds in its wake. As Governor J. Bracken Lee of Utah, a diehard Taftite, bitterly recalled a few years afterwards: "I think actually, at the [1952] convention, if there hadn't been dishonest manipulation of the vote, Eisenhower would never have been nominated." Later this fissure was partially spliced together at the Morningside Heights Conference in New York, when Eisenhower and Taft held a long discussion about the upcoming election and Republican politics and philosophy. Afterwards Taft announced that the two agreed on domestic policy and disagreed only on foreign policy. They agreed, in
short, on the need for an anti-New Deal domestic policy. 24

In November Eisenhower won handily. His popular victory was 33,936,252 to 27,314,992 for Stevenson; in the Electoral College his margin was even more impressive—39 states (442 votes) to 9 states (82 votes). Significantly, Eisenhower carried Texas, Florida, and Virginia as well as several border states. This southern vote was all the more impressive than Hoover's in 1928. This time the G.O.P. had presented many more candidates for state and local offices. Also, a large number of Northern Republicans had been enticed to move South by either financial opportunities or retirement prospects and they naturally retained their Republican voting habits. Certainly Truman's civil rights policy also had convinced many native southerners to shift their allegiance.

Besides electing their first President since 1928, the Republicans also gained a slim margin in Congress. In the Senate the G.O.P. held a 49 to 47 edge and in the House a 221 to 214 margin. While Eisenhower received 55.1 percent of the popular vote, the Republican candidates for the federal legislature received only a little more than 50 percent. 25 Nevertheless, Congress was not simply a tool to be used easily by


25 Mayer, Republican Party, 494-95.
the new President. Robert Taft, still the leader of the Republican legislators, was determined that Ike would live up to his campaign promises on domestic affairs. Moreover, the Dixicrat-Republican coalition remained as tacit as ever.

While they had serious differences over foreign policy, Taft and Eisenhower agreed in their views on conservation. They were intransigently opposed to the New Deal initiatives, such as the TVA. Moreover, they felt the business community should be allowed more freedom from governmental intervention in developing the nation's natural resources. The new administration's policy of "partnership" was as much a reflection of Taft's philosophy as it was of Eisenhower's. Conservation was one area where Taft and his followers would have no reason to complain about Eisenhower's leadership.
CHAPTER II

PARTNERSHIP PROFILE

The Eisenhower Administration's philosophy on natural resources development—called "partnership"—reflected the economic and social views of the Taft-Hoover wing of the Party, as well as their bedfellows, the Dixicrats. The core of the partnership philosophy did not involve repealing the New Deal recovery measures, but was an attempt to restore fiscal integrity to the federal budget, to cut runaway government spending by reducing the growing bureaucracy, and to give incentives to the business community and other local enterprises.¹

Repeatedly Eisenhower and his appointees drove home their belief in these first principles. In his first State of the Union message, the President sought to reassure his critics that he had no intention of pulling the federal government completely out of the field of natural resources development. "Soundly-planned projects already initiated should be carried out," he said. "New ones will be planned for the future." But he also made plain his antipathy for the federal bureaucracy. "The best natural resources program for America will not result from exclusive dependence on Federal bureaucracy. It will

involve a partnership of the states and local communities, private citizens and the Federal Government, all working together. This combined effort will advance the development of the great river valleys of our nation and the power they can generate."² Later, in a Message to the Congress Relative to a Program Designed to Conserve and Improve the Nation's Resources, the President again stressed the central pillars on which his conservation policy rested: "To do this within the framework of a sound fiscal policy and in the light of defense needs will require the maximum cooperation among the states and local communities, farmers, businessmen, and other private citizens, and the Federal Government."³ Should the Federal Government not reduce its expenditures, Treasury Secretary George Humphreys warned, there would be "the destruction of all that we hold dear."⁴ Eisenhower repeatedly invoked this inspiration from a Republican predecessor, Abraham Lincoln, to sum up what he conceived to be the proper role of the Federal Government in conservation: "The legitimate object of Government is to do for a community of people whatever they need to have done but cannot do at all or cannot do so well. In all that the people can individually do so well for themselves Government ought not to interfere."⁵ In other words, the

⁴Nathaniel R. Howard (ed.), The Basic Papers of George M. Humphrey, 1953-57 (Cleveland, 1965), 46.
⁵Speech at the opening of the Garrison Dam, North Dakota, June 11, 1953, in Public Papers, 1953.
Federal Government ought to minimize its role and allow local communities and business initiatives to do as much as they can—something they thought the New Deal had stifled. Significantly, to implements its desire for fiscal integrity the Administration reduced expenditures for natural resources development; as the gross national product increased 15 percent from fiscal years 1953 to 1956, federal spending for natural resources rose only 2 percent.6

The Republican and Democratic platforms in 1952 had accurately shown the wide differences between the partnership and New Deal philosophies. The Republican platform called for legislation to better define the rights and privileges of grazers and other cooperators and users, for the end of arbitrary bureaucracy, and for protection of the grazers by an independent judicial review board against administrative invasions of the grazers' rights and privileges. The platform came out foresquare on the issue of water policy: "We vigorously oppose the efforts of this [New Deal-Fair Deal] national Administration, in California and elsewhere, to undermine state control over water use, to acquire paramount water rights without just compensation, and to establish all-powerful Federal socialistic valley authorities." On the controversial issue of offshore oil the Republican platform unequivocably championed restoration of this rich oil to the states. The Democrats, on the other hand, wrote a litany commending the

6Seymour E. Harris, The Economics of the Political Parties (New York, 1962), 303-04.
New Deal-Fair Deal conservation efforts. In applauding the success of their Soil Conservation Service, and the new agricultural, forestry, and research programs, the Democrats flatly stated: "These programs have revolutionized American agriculture and must be continued and expanded." They also pointed out that in 1935 only 10 percent of American farm homes had electricity and that in 1952 it was 85 percent. They further pledged to continue this effort and those like the TVA and other river basin projects. Significantly, however, the Democrats fell silent on the volatile offshore oil issue. Thus the Republicans were pledged to get the federal government out of resources development insofar as it was consistent with national defense while the Democrats would continue to build on their past efforts.

The Administration's emphasis on states' rights and local initiative produced an immediate appeal to many of the nation's governors who had been seeking to regain some of the lost power that, in their opinion, Washington had grabbed during the depression and war. In early May 1953, the President met with forty-four state and territorial governors to discuss various problems facing the states. One of the most important topics of discussion was future participation of the states in natural resources development. The governors stressed their opposition to the "usurpation" of the states' prerogatives by the Federal Power Commission in the development of hydroelectric

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7New York Times, July 11, 8; July 24, 1952, 16-17; Mayer, Republican Party, 491.
power and natural gas transmission lines. They further decla-
dered the TVA a success but opposed the adoption of similar
plans for the development of the Missouri and Columbia River
basins. Generally they complained that agencies of the Exec-
utive Branch inherently overrode established state policies
and disregarded the rights of the states. Finally, the states'
leaders voiced a protest that had arisen only since the end
of the War. They viewed the rapid extension of natural gas
lines as another instance of federal usurpation. The Admini-
stration's ear was particularly receptive to many of these
complaints. For example, Arthur Larson, a member of the Ad-
ministration, fully articulated the need for "striking a new
federal-state balance." Simply put: "If you have an Administra-
tion which lapses comfortably into the habit of applying sweep-
ing federal remedies for all ills, you may look for another
era of concentration of power in Washington and withering-away
of state governments--this time perhaps forever...." Consequently, the Eisenhower philosophy of partnership was well
tailored to serve the protests against the federal government's
encroachment on the rights of the states.

The men Eisenhower appointed to his cabinet, subcabinet,
Federal Power Commission, and Atomic Power Commission fully
agreed with the President's general philosophy and Republican
platform. It is not entirely an exaggeration to say that the

9 Larson, A Republican Looks, 37-38.
Eisenhower cabinet was composed of "nine millionaires and a plumber," for admittedly, it was indeed a wealthy and conservative group. And the hand of Taft was felt everywhere. Because he was better versed in foreign affairs than domestic issues, Eisenhower leaned heavily on his cabinet. Moreover, considering his military background, it was only logical for him to establish a chain of command by which he delegated broad areas of responsibility to his subordinates. Consequently, the Secretaries of Interior and Agriculture were decisive in carrying out the Administrative partnership policy.

The Department of Interior especially was a representative case of the Administration's orientation. As perhaps the most influential agent in the formation of a natural resources policy, the interior department had become a center of great notoriety during the New Deal, especially under the direction of Harold Ickes. Thus the man picked to fill this post would have to be wholly in tune with the Administration's partnership policy. Traditionally one of the essential qualifications was that the Secretary had to come from the West. Since the


11 Mayer, Republican Party, 495; Clarence Davis, "Eisenhower Administration," transcript of a tape recorded interview conducted by Ed Edwin (Columbia University, for Dwight D. Eisenhower Oral History Project, Dwight D. Eisenhower Library, 1968), 13. In his interview Davis noted: "But on domestic issues, I would feel that the President was a long ways from being an expert on the national economy, labor, a lot of things that are prominent national issues, and therefore he was governed pretty largely by the views of the Cabinet man who had that particular field within his domain. That showed up at many of these cabinet meetings."
partnership philosophy stressed a bigger role for the states, it was only fitting that Eisenhower searched for a governor to fill the post. Governor Arthur Langlie, who had played an important role in Eisenhower's nomination victory, could have had the job but decided otherwise since he had just been elected to another four year term as governor. Also it was rumored that Governor Dan Thornton of Colorado might receive the nod but Eisenhower discarded him; as one insider put it, "they thought he would be a bull in a China shop." Senator Guy Cordon of Oregon declined the Secretaryship but recommended the governor of his state, Douglas McKay. When Eisenhower offered the position to the governor it was accepted.12

Douglas McKay was virtually unknown outside Oregon and Republican circles. Born in Portland in 1893, he worked his way through Oregon State College as a janitor, and, in 1917, received a Bachelor of Science degree in agriculture. After receiving his degree McKay became a successful automobile salesman. In 1933, he was elected mayor of Salem, Oregon. Except for a brief tour in the Army during World War II, he served as state senator from Marion County from 1935 to 1949. In 1948 McKay was elected governor of the state and was re-elected two years later.13

12 Davis, OH, 57; Adams, Firsthand, 62-66; Eisenhower, Mandate, 86-87; Raymond Moley, Newsweek (Nov. 17, 1952), 120. The Department of Agriculture, Federal Power Commission, and the Atomic Energy Commission will be dealt with in detail in later chapters.

McKay supported Thomas Dewey's nomination in 1948 and fully supported Eisenhower's drive for the nomination four years hence. On the eve of the forty-fourth governors' conference in 1952, McKay and Governor Thornton launched an offensive designed to convince the uncommitted colleagues that Taft would weaken the Republican ticket in the Pacific and Mountain states. McKay also became involved in the delegate fight over Texas. Along with Governors Sherman Adams of New Hampshire and Dewey of New York, McKay sent a telegram to the Republican National Committee in Chicago urging the seating of the Eisenhower delegates from Texas. They claimed it was "important to the honor and integrity of the Republican Party that the Eisenhower delegation from Texas be seated at the national convention." At the convention McKay played a leading role in obtaining West Coast delegates for Eisenhower; for example, he attempted to woo his friend, Governor Earl Warren, into releasing the California delegation.  

McKay's outspoken social and economic views, in the opinion of Sherman Adams, the President's political confidant, were "probably more conservative than anyone else in the considerably conservative Eisenhower Cabinet."  

In a statement ranking only second to Secretary of Defense Charles Wilson's, McKay, shortly after accepting the Interior appointment, made unequivocally clear his mission: "We're here in the saddle as an

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14 New York Times, June 30, 8; July 2, 16; July 9, 9; Nov. 21, 1952, 1.

15 Adams, Firsthand, 236.
administration representing business and industry."\textsuperscript{16} And his views on states' rights, local initiative, and natural resources development were in perfect conformity with the thrust of the partnership philosophy. McKay made it perfectly clear, for example, that he opposed the New Deal's rural electrification program because it damaged free enterprise. He was admittedly in complete agreement with the Republican platform plank on public works and water resources.\textsuperscript{17}

The men serving under McKay were cut from the same cloth. Before coming to Interior, Clarence Davis had represented the electrical industry in western Nebraska. He was first appointed Solicitor and two years later was promoted to Under Secretary of Interior. Davis, who had been recommended by his friend Senator Butler of Nebraska, was familiar with the Bureau of Reclamation. He opposed much that had gone on under the Ickes and Oscar Chapman stewardships. In his opinion:

\begin{quote}
We're at the point now...where the power in Washington can control elections, it can control economic life, it can decree economic death, it can do this, that and the other. And slowly, therefore, the pattern is set for a completely socialized America.\textsuperscript{18}
\end{quote}

Fred A. Aandahl, formerly a governor and congressman from North Dakota, became Assistant Secretary of Interior. As a congressman he had voted five times out of seven against public

\textsuperscript{16}Harris, Economics of Political Parties, 11; Arthur Schlesinger, Jr., Kennedy or Nixon: Does It Make Any Difference? (New York, 1960), 47. Wilson had said: "What is good for General Motors is good for the United States."

\textsuperscript{17}Senate Hearings, Nomination of McKay, 4-6, 12, 17-18.

\textsuperscript{18}Davis OH, 3-4, 10, 11, 61.
power programs. As a congressman from Montana, Wesley D'Ewart had been a leading advocate of turning public grazing lands over to private interests. After he was defeated for the Senate in 1954, D'Ewart was named Assistant Secretary of Interior in charge of lands and reclamation. 19

McKay's appointment was greeted by mixed emotions. Raymond Moley, generally sympathetic to partnership and openly hostile to Ickes and the Bureau of Reclamation, concluded that McKay had already begun to attack the bureaucracy, Moley predicted that the New Deal "propaganda machine he inherited will vanish. He will economize." The Wall Street Journal also gave him a favorable review: "McKay is a proponent of public power and of government reclamation projects—but with a difference. He wants the people of the states affected to have voice, and he wants to let private utilities do the dam building wherever they are able and willing. One token of his position: He had opposed the idea of creating any Columbia River Authority, modeled on the TVA." On the other hand, Bergman, writing for the New Republic, expressed serious reservations about the appointment. It was his belief that McKay was too business-minded and conservative. He asked:

Will Douglas McKay—like Harold Ickes and Oscar Chapman before him—fight for the principle that public power should be used for the benefit of all the people, not for the private-power companies? Will McKay keep them in the public domain where the government can charge reasonable rates to the big and little stockmen alike? Will he protect our too rapidly dwindling

19 Harris, Economics of Political Parties, 1.
forests from exploitation by lumber interests? Needless to say he was quite sceptical. 20

Eisenhower found little congressional opposition to the confirmation of his high-level cabinet and commission appointments, but this was hardly the case with his bureaucratic appointments. One of the initial problems confronting the new Secretary of Interior was the dismissal of bureaucrats imbued with the philosophy of the New and Fair Deals. To make matters difficult, Truman had revised the civil service rules to insure the retention of his appointments after he had departed the White House. After taking office, Eisenhower ordered that all positions "of a confidential or policy-determining character" should be removed from the merit system. Few observers could disagree, for instance, that the directorship of the Bureau of Land Management was a policy-determining position and therefore should not be in the category of classified service. 21 "The crux of the problem," Under Secretary Ralph Tudor explained,

lies in the inability of the Secretary [of Interior] to replace bureau heads and their assistants, regional directors of various bureaus, attorneys and others to whom, in an organization as large and diversified as Interior, must be delegated the authority and responsibility to make policy. Virtually all of these offices are now occupied by persons fully protected against removal or transfer by the administration of Civil Service.


Consequently, Tudor "strongly urged that Civil Service be importuned to take a realistic look at requests for transfer of policy-making positions to Schedule 'C'."²² Clarence Davis concurred, asking: "...but what do you do to make your ideas effective in a big Department when the chiefs of the bureaus ...are all owing allegiance to somebody besides you and have very small regard for your notions about things?"²³ McKay wasted no time making known his feelings. He told a meeting of the Department's employees that they need not fear a big shake-up, but he did warn there would be changes in top-level posts, where "we will put in some new people sympathetic with the position of the Administration."²⁴

There was little doubt that the Bureau of Reclamation would be one of McKay's first targets. As early as April, 1952, one writer predicted that

if there is a G.O.P. victory at the polls next November, they vow that one of the first orders of business will be separating the Interior Department from its loudest and least repressible mouth [Michael Strauss, Commissioner of the Bureau of Reclamation].²⁵

Soon after his appointment, McKay confirmed that prediction by announcing that Michael Strauss' dismissal would be high on his list of priorities. Taking this hint, Strauss declared his intention to submit his resignation on the day Eisenhower

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²²Memo, Sept. 16, 1953, Tudor to McKay, Tudor Papers, Box 1, Eisenhower Library.

²³Davis OH, 18-19.


was sworn into office. While getting rid of Strauss proved easy, it was no simple trick finding a suitable successor.

Under Secretary Tudor first recommended Lyman Wilbur, chief engineer of the Morrison-Knudson Company, for the position. Tudor considered him "quite capable" both as an engineer and administrator. Nevertheless, McKay chose Marvin Nichols, a pro-Eisenhower Democrat from Fort Worth, Texas. Nichols had the full endorsement of both Texas senators, Lyndon Johnson and Price Daniel, plus Jack Porter, the state's Republican National Committeeman. The White House staff, however, was sceptical of his past connection under the Truman administration with a government-owned nickel mine and plant at Niccaro, Cuba. The Nichols nomination thus was held up for over two months. In a confidential memorandum to Charles F. Willis, Jr., a Special Assistant to the President, Under Secretary Tudor insisted there was "nothing in the records available to us that would indicate that he [Marvin Nichols] performed his assigned job in a manner other than entirely proper and to the advantage of the United States Government." Nevertheless, on June 27, 1953, Nichols withdrew his name, indicating that the White House Staff had opposed his appointment.

27 Memo, April 13, 1952, Tudor to McKay, Tudor Papers, Box 1, Eisenhower Library.
29 Memo, May 15, 1953, Tudor to Willis, Tudor Papers, Box 1, Eisenhower Library.
McKay accepted the withdrawal and on July 9 recommended Wilbur Dexheimer, who had served as a Lt. Colonel in the Corps of Engineers, principally in China. After the War Dexheimer had been employed by Morrison-Knudsen for railroad, highway, and port surveys in China. While at that company he had served as Ralph Tudor's "principal assistant." In 1947, Dexheimer became the Assistant Chief Construction Engineer in the Bureau of Reclamation's Denver office. He was appointed, and finally, after seven months of wrangling between the White House Staff and the interior department, there was now a Commissioner of the Bureau of Reclamation.

McKay also sought to replace Albert Day as Director of the Fish and Wildlife Service. Tudor recorded in his diary that Day was "a little different and over the years has become a rather tyrannical bureaucrat." Day had been a career biologist in government service for nearly thirty-five years and had been Director for seven years. In return for stepping down as Director, McKay offered him another position with the Service. John L. Farley of Seattle, a community relations director of the Crown Zellerbach Corporation, was designated

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30 New York Times, July 14, 1953, 15; July 9, 1953, McKay to Eisenhower, Central Files, OF-E, Box 118, and Confidential Letter, August 24, 1953, Tudor to Nichols, Tudor Papers, Box 1, Eisenhower Library; Phillip Sirotkin and Owen Stratton, The Echo Park Controversy (Inter-University Case Program, 1959), 65.

31 "Notes Recorded While Under Secretary, Department of Interior, March, 1953-Sept., 1954," Tudor Papers, Box 1, Entry for April 26, 1953, Eisenhower Library.
When Day charged that his removal came as a result of "special interests," particularly the California duck hunters and salmon packers, several congressmen and professional conservationists agreed. Senator Estes Kefauver warned that McKay had "decided to use one of the principal scientific and conservation agencies of the Federal Government for political purposes." Rachel Carson, author of the best-seller, The Sea Around Us, viewed Day's ouster as "one ominous threat to the cause of conservation and strongly suggests that our national resources are to become political pawns." Nature Magazine and John B. Oakes of the New York Times added that the ouster might discourage others from seeking careers as government conservationists. The Emergency Committee on Natural Resources, an organization composed of thirty-two conservation groups, was especially distressed by the Day affair. "We believe," the Committee wrote Eisenhower shortly after the inauguration, "that such agencies...should be administered and operated by professionally trained individuals selected under the Civil Service System and not subject to replacement for political reasons." On February 19, the Committee protested the Day dismissal to McKay, explaining that the Service "has done a good job in guarding this resource [wildlife], and in placing the interests of the resource above that of any group which seeks it exploitation." Although the Committee subsequently met with Eisenhower to discuss the matter of career...

conservationists in federal employment, the specific subject of Day's removal was not brought up. At a press conference the President defended the Day dismissal, as well as others, saying that "if these people could not support those [Administration] policies and their positions, they had no other recourse but to resign, as he saw it." Farley succeeded Day.33

Unlike Day, Marion Clawson, Director of the Bureau of Land Management (BLM), did not accept his dismissal quietly. Clawson had been Director since 1948 and a career official since 1929. The Administration considered him too independent and, as one put it, "primarily a semi-socialist." Clarence Davis, for example, expressed this opinion:

Marion Clawson has the philosophic belief that all land ought to be under the control of the government, that they [BLM] could manage it much better than the private owners could manage it, and he was just totally out of touch with what we roughly call the free enterprise, opportunity system that the Republican Party by and large has stood for, and certainly McKay has stood for.

In a twelve-page letter to McKay, Clawson, rather self-servingly, argued that his dismissal has "set back for twenty years or more a sound program of conservation and management of Federally owned lands and resources." Further, he called McKay's charges of "insubordination" false and asked to be

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retained in office. McKay, of course, did not comply. "It is evident," the Secretary replied, "that we would not be able to work together in any harmony under the circumstances and therefore your removal will serve to promote the efficiency of the Federal service." A deal, however, was worked out by which Clawson was offered a job in the Middle East. Edward Woozley, an Idaho State Land Commissioner, replaced him.34

Finally, McKay and Senator Arthur Watkins of Utah recommended that Charles Forbes be replaced by Tom Lyons as Director of the Bureau of Mines. John L. Lewis of the United Mine Workers protested the Lyon appointment. Like the others, Forbes had been a forty-year career man and Director of the Bureau since 1951. But when Lyon testified he had no respect for the mine safety program, protests erupted from Congress and the White House had to withdraw the nominee from consideration.35

Besides installing its own men in key bureaucratic positions, the Administration also faced the difficult task of reorganizing and trimming the bureaucracy. One of Eisenhower's major campaign themes, in fact, had been government inefficiency due to the runaway growth of bureaucracy; he had pledged to cut the bureaucracy and thus government spending. It was easier said than done, however. One of the departments that

34 Davis OH, 18-21; New York Times, April 23, 20; April 22, 1953, 32; Somers, "Federal Bureaucracy," 144.
had especially swelled in size during the New Deal had been Interior. Between 1932 and 1952 the staff of the Department had almost tripled in size. Such unchecked growth, the Administration contended, constituted an unmitigated danger to American liberty.\footnote{Moley, Republican Opportunity, 64-68. In 1932, the Department of Interior employed 20,486 and in 1953 it was 59,369.} Moreover, it was a fact that interagency conflicts often resulted in needlessly increased expenditures and overlapping responsibilities.\footnote{For examples of these interagency conflicts, cf. Coyle, Conservation, 139-41; Grant McConnell, Private Power and American Democracy (New York, 1966), 221-22, 244-45; Arthur Maas, Muddy Waters: The Army Engineers and the Nation's Rivers (Cambridge, 1951).} Past attempts to reorganize the multitude of conservation agencies had met with failure. The Corps of Engineers had been a special target. Two commissions were thus established by the Eisenhower administration to study the problems of government reorganization.

The President's Advisory Commission on Government Organization, known as the Rockefeller Commission, was established by Eisenhower at the end of November 1952, and was composed of Nelson Rockefeller, its chairman, Milton Eisenhower, the President's brother, and Arthur Fleming, Director of the Office of Defense Mobilization. The Commission submitted twenty-one unpublished studies to the President.\footnote{Somers, "Federal Bureaucracy," 133.} The Commission, seeking to reorganize the departmental functions of land management and water resources, recommended that land management of the
Federal Government be unified under a single head. To do this the Commission suggested that the Bureau of Land Management in the Department of Interior be transferred to the Department of Agriculture. Reflecting conclusions of earlier studies, the Rockefeller Commission also advised that the civil functions of the Corps of Engineers be transferred to the Department of Interior. Furthermore, the Secretary of Interior should continue to exercise exclusive appointive power over the Directors of the Bureau of Mines, Indian Affairs, Reclamation and the Geological Survey. "This recommendation," the Commission said, "is consistent with the principle of strengthening the executive authority of the department heads."

The power planning functions and investigation of gas resources should, the Commission felt, be transferred from the Federal Power Commission to the Department of Interior. The First

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39President's Advisory Committee on Government Organization, Memorandum No. 9, March 12, 1953, Central Files, OF-103-A, Eisenhower Library. McKay objected to this proposal. Instead, he felt the Forest Service in the Department of Agriculture should be transferred to Interior. He gave two reasons: (1) that the Department of Interior should be a "Department of Natural Resources," and (2) that land management activities are an element of the functions of such other bureaus of the Department of Interior as the Indian Service, Bureau of Reclamation, the Fish and Wildlife Service, Geological Survey, and the National Park Service. The Committee, on the other hand, contended that "public lands management is not the major purpose of Bureaus such as the Indian Service, Geological Survey, and the National Park Service."

40Ibid., 5. The Committee correctly said: "Because the Corps of Engineers has projects in most Congressional districts, and because of the close relationship between the Corps and Congress, the above proposal will probably encounter the most determined opposition of any reorganization proposal under consideration." The Second Hoover Commission was equally critical of the Corps. Cf. Commission on Organization of the Executive Branch of the Government (June, 1955), 802-21. Percival C. Brundage, The Bureau of the Budget (New York, 1970), 170-71.
Hoover Commission (1949), established by President Truman to study the Executive Branch, had recommended this as well. The Rockefeller Commission hoped this recommendation would "make the functions more susceptible to executive direction and integration with the broader programs of the Executive Branch." In the past the FPC, jealous of its prerogatives, had opposed any such transfer. 41

The Republican Congress also established another commission to investigate mainly power and water resources. Former President Herbert Hoover, the Commission's chairman, had been openly hostile to the New Deal's water and power policies. In 1953 Hoover outlined his general views. "The first step toward socialization," he contended,

was taken when the Federal Government undertook itself to generate and distribute this electric power from multiple-purpose dams. And now the Federal Government has taken further socialistic leaps by building stream and hydro plants solely for the generation of electric power.

Hoover recommended that "a temporary Commission" be set up to study a reorganization of the Federal Government's role in water and power resources. He became the head of that Commission and his views were strongly reflected in its report. 42

In effect the Commission on the Organization of the Executive Branch of the Government (the Second Hoover Commission) gave a blanket endorsement to the Administration's partnership

41 Ibid., 4.

philosophy:

It is apparent from the foregoing summary and analysis of the present status of Federal power authorities that Government economy and efficiency can be effected in the field of power by reducing expenditures, abol­ishing activities not necessary to the efficient con­duct of Government, and eliminating nonessential activ­ities which are competitive with private enterprise. 43

The Commission asserted that the preference clause, one of the bulwarks of the New Deal's power program, had accomplished its goal and now privately owned utilities should be permitted to purchase power generated at Federal projects. 44 In short, the Commission warned that:

Presently the only areas in the country where serious electric power shortages are anticipated in the future are those where the Government's power activities have become so dominant that the normal local non-Federal utilities have not been in position to function as the rest of the country. 45

The Commission was thus opposed to projects like the TVA. It reasoned that such "competition by the Federal Government with private enterprise in the power field is more extensive than in any other single governmental field and has taken on many aspects which are the negation of our fundamental economic sys­tem." 46 The purpose of the Commission's analysis was to reduce

43 Commission on Organization of the Executive Branch of the Government (June, 1955), 305.


the impact of the Federal Government on private enterprise; that is, to lessen the government's competition with private utilities. The Commission's recommendations regarding the construction of steam plants and transmission lines, the sale of power to preference customers and the fixing of rates to be charged on Federal projects were all designed to meet this objective. 47

The Commission's report was also sharply critical of the Corps of Engineers and the Bureau of Reclamation. It found these two agencies were "not realizing in its sales prices of power either the fair value or the full economic cost of the electric energy produced by it." To remedy this situation, the Commission concluded that "complete authority should be lodged in the Federal Power Commission to see that rates for all federally produced power conform at all times with the established standard." 48

Finally, the Commission recommended that local and state agencies and organizations should undertake water resources development except when it was needed to safeguard the national interest or to accomplish some other national objective. The Federal Government should assume responsibility only when the means are beyond the local and state bodies. 49

An integral part of the Administration's attempt to

reorganize the Federal Government was decentralization. According to this view the Federal Government's bureaucracy had become too centralized under the New Deal and there was now a need to decentralize the various agencies. After all, how else can local initiatives take precedence? In fact, McKay had recounted that when he took office in January 1952, he "faced bureaucratic concentration of resource management responsibility approaching the dangerous point." Under Secretary Tudor found the same thing:

While the authorities and responsibilities of the Assistant Secretaries are well defined, the bureaus act to a large extent independent of the Secretaries. Every opportunity should be taken to insure that the bureaus do, in fact, answer to the secretaries.

McKay resolved to rectify this deteriorating situation. Two of the most independent bureaus, Reclamation and Land Management, became special targets for decentralization.

The Bureau of Reclamation was one of the first bureaus to undergo decentralization. In August 1953, McKay set up a committee to study reorganization of the Department of Interior. The Committee concluded that one of the major defects of the Department was that too much time and money were concentrated in Washington. It therefore recommended that the Bureau of Reclamation's Washington Office be reduced so that only

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50 McKay, Natural Resources of U.S. Reported to Local Control," The Oregonian, Oct. 18, 1954; Memo, May 6, 1953, Tudor to McKay, Department of Interior, Special Office Files, no box number, National Archives. Tudor also sent McKay two other detailed memos on "Department Reorganization," and "Staff Reorganization," in Tudor Papers, Box 1, Eisenhower Library.
essential staff and liaison functions would be performed there. All responsibilities for technical analysis, review, and decision should be vested in the Denver office. While this regional concept should be continued, it said, all district offices should be discontinued. The report's suggestions were approved and made effective on October 28, 1953. As part of this effort to streamline, the Bureau's staff was cut by 10 percent in the first six months after McKay took office. The new Commission of the Bureau of Reclamation, Wilbur Dexheimer, explained the need for decentralization to the National Reclamation Association.

We [the Bureau of Reclamation] will be glad to assist, of course, but the major responsibility—the initiative—is yours, for you are the people who know best what you want and why you want it. Rather than have the Bureau act as salesman we ask you to be the salesman—both locally and in Congress.51

While replacement of bureaucrats and studying how to reorganize the Executive Branch were important, the heart of the Administration's partnership policy was presented in concrete terms by the Bureau of the Budget (BOB). Wielding the Administration's budget cleaver was Joseph M. Dodget, a Detroit

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banker, who became the first Director of the Bureau. The New Deal's natural resources policy was immediately put on his chopping block. And it must be noted that when BOB spoke, it did so for the President; simply put, no executive-initiated legislation could escape coming under the Bureau's scrutiny. In short, BOB, in dollar terms, set the tone for, if not the actual policy to be followed by the cabinet departments.

Shortly after the November election Dodge was dispatched to Washington to help prepare the budget for the coming fiscal year. As part of this work he reviewed the previous administration's land and water resources policy. The Truman policy was changed by the incoming Director through BOB Circular A-47. The Circular set temporary economic standards to be followed by the federal Agencies dealing with the "conservation, development and use of water and related land resources" until the President's Advisory Committee on Water Resources Policy could file its report. Essentially the Circular attempted to translate Eisenhower's partnership philosophy into actual economic practice. In other words, it attempted to reduce the role of the Federal Government in resource management activities. In an administratively confidential memo to the President about a year after issuance of Circular A-47, Dodge plainly revealed the Bureau's policy:

The objectives of a resource policy should be to provide permanent solutions to clearly established needs, developed and continued according to sound practices, a minimum of Federal investment, including as much local participation as possible in operation, control and eventual ownership; and an adequate interest return,
Following these guidelines, McKay issued a new power policy statement for the Department of Interior. Before it was drawn up the statement had been discussed in detail with representatives of the White House, Corps of Engineers, Bureau of the Budget, Federal Power Commission, and the Cabinet. Each of these agencies agreed with its general principles. The new statement reversed the one established in 1946 by President Truman. The upshot: "The Department of Interior will particularly emphasize those multipurpose projects with hydroelectric developments which, because of size or complexity, are beyond the means of local, public or private enterprise." But:

It is recognized that the primary responsibility for supplying power needs of an area rests with the people locally....The Department does not assume that it has the exclusive right or responsibility for the construction of dams or generation, transmission and sale of electric energy in any area, basin, or region.53


The new power policy of the Interior Department received a mixed reaction. The National Reclamation Association passed a resolution in 1953 endorsing the new power policy. But the National Rural Electric Cooperative Association objected, noting that the new policy "would make the preference clause meaningless, would undermine all Federal power programs and ultimately would destroy the farmers' electrification program in many areas."\(^{54}\)

In defending itself, interior department representatives explained they intended to follow the laws regarding preference rights. But, as Fred Aandahl said, the Administration was "deeply disturbed when...those who even at this early stage are crusaders for a Federal power monopoly try to use the Rural Electric Cooperatives and their associations to foster Federal monopoly." Moreover, the Department stressed the need for economy on the part of the Federal Government. In 1954, McKay told the National Reclamation Association simply:

Frankly stated, the task is too vast, especially in the present state of the budget, to be done by the Federal Government alone. We cannot carry the tremendous defense expenditures of the moment and also at the same time sponsor all of the projects for water use and control which may be desirable.

Hence: "There is convincing evidence that local initiative, if given the chance, is prepared to tackle local water problems

The Administration's new water and power policy was officially formulated by the President's Advisory Committee on Water Resources Policy. The Committee, established on May 26, 1954, was directed "to undertake a comprehensive review looking toward modernization of Federal policies and programs in the field of water resources." It was composed of representatives from the Departments of Agriculture, Health, Education and Welfare, Defense, Commerce, and Interior, and the Bureau of the Budget. At its meeting on October 20, 1954, the Committee agreed that "the role of the Federal Government should be in general that which has been expressed again and again by the President and members of the Cabinet; i.e., the basic partnership policy..." The Committee's report, delivered in December 1955, concluded that there was no national water problem. "Instead," it said,

there are nationwide problems relating to the use and development of water resources which vary widely between different sections of the country and frequently between local areas....A uniform national blueprint for water resources development is neither practicable or desirable.

Thus, each area of the country ought "to be considered in the light of its own present and anticipated problems." To accomplish this objective the Committee recommended the establishment of strengthened water resources committees for coordinating state and federal resources activities. In 1958, Congress authorized these interagency committees. The Committee also recommended the establishment of an advisory Inter-Agency Committee on Water Resources, to operate as a "medium for coordination" for the Departments of Agriculture, Army, Health, Education and Welfare, Interior and the Federal Power Commission. In the Executive Office of the President there should be established an office of Coordination of Water Resources. Further, the Committee suggested that a Board of Review be created within the Executive Office. The members of this Board would be completely separated from the Federal agencies dealing with water policy and it should not be involved in projects coming before it. The Board would report to the President through the Coordinator of Water Resources.56

By the end of its first year, the Eisenhower policy of partnership had encountered the wrath of most conservationists. The mutual suspicion between the two was no more evident than

in the preparation for the Mid-Century Conference on Resources for the Future. During the campaign of 1952 both contestants agreed that a conference on natural resources should be held. Not long after his inauguration Eisenhower agreed to the convening of such a conference and instructed the appropriate government agencies to cooperate.57

The Mid-Century Conference was funded by the Ford Foundation and organized by Resources for the Future, Inc., an independent organization dedicated to studying and evaluating federal conservation policies. One of Resources for the Future's leading spokesmen was Horace M. Albright, a well-known conservationist. Since he was both a Republican and a businessman, Albright was ably suited to act as a bridge between the White House and the conservationists.58

From the beginning, the White House was suspicious of the organizers of the Conference. The President's chief political advisor, Sherman Adams, felt the staff and Board of Directors of Resources for the Future was biased in favor of the New Deal; he saw them as "idealists" and "planners." Joseph Dodge, Director of the Bureau of the Budget, took an equally negative view. "As far as the over-all objectives of the


58 Donald Swain, Wilderness Defender, Horace M. Albright and Conservation (University of Chicago, 1970), 293.
Conference go," he wrote Eisenhower, "I have my fingers crossed; I still believe its emphasis will be to the left, New Dealish, and Democratic, and that the forces really in control are not friends of the Republican party." He then suggested that in his speech convening the Conference, Eisenhower ought to say that the conservation movement is stagnant and "has not had a new thought for fifty years." After all, "The hard core conservationists, to a great extent, belong to those groups who think the government can do everything...." To assuage these feelings the Conference leadership agreed that no policy suggestions would be made by the Conference. Also the leadership allowed the President to renege on his commitment to hold the Conference at the White House.59

For the past year the conservationists had been openly critical of the partnership policy. The offshore oil, Hells Canyon, mineral resources, Echo Park, grazing and atomic energy controversies each elicited a torrent of criticism for the Administration. Observing this concern, Albright wrote Dr. Gabriel Hauge, a presidential assistant, that the President's speech to the Conference ought to "strongly" confirm the policies established by Theodore Roosevelt. He warned that "a general impression has spread over the country that this

59Swain, Wilderness Defender, 297; Memo, undated, Dodge, Central Files, OF-155, Box 825, Eisenhower Library; Albright OH, 815-18; Memo, March 2, 1953, Hauge to Eisenhower, Central Files, OF-134-G, Eisenhower Library. Hauge advised the President to write a positive letter to Albright endorsing the Conference: "In recommending this action, I want to say that Albright and company couldn't have been nicer in letting us get out of the White House Conference commitment which they had on the basis of campaign correspondence."
administration is somehow or other going to weaken the con­
ervation policies that have been built up to control our renew­able and non-renewable resources since the days of Theodore
Roosevelt." This impression, he said, had been created by
the offshore oil issue, the D'Ewart grazing bill, the dismis­sal of certain civil service employees (e.g., Day and Claw­son), and concern over Olympic National Park and Glacier View
Dam. The President's speech, to his mind, was thus an oppor­tunity for the Administration to reassure conservationists
that it understood and was sympathetic to their problems. 60

The Mid-Century Conference, held in December 1953 at the
Shoreham Hotel in Washington, D.C., was attended by about
1,600 conservationists, business leaders, labor officials,
scientists and representatives of federal, state and local
governments. Practically all the important conservationists
attended. The U.S. Chamber of Commerce and the National Asso­
ciation of Manufacturers, however, refused to endorse the Con­ference. The Conference discussed a wide range of resource
topics. Significantly, though, Eisenhower's opening remarks
were short and noncommittal. After telling the Conference he
was "delighted" to see such a meeting convened, the President
reminded them: "You are not going to waste your time taking
notes and forming a lot of conclusions. In other words, this
looks to me like a body that is really going to work on the

60 Swain, Wilderness Defender, 301-02; Albright, "Notes
for Mr. Gabriel Hauge," November 27, 1953, Bryce Harlow Files,
Box 4, Eisenhower Library.
subject." And he was right. The Conference did not spark originality; rather, it became immersed in cliches about water, minerals, land, trees, grazing, and wildlife resources. Nevertheless, the Conference at least gave the need for conservation some badly needed publicity and did assure the future of Resources for the Future. The Administration's attitude toward the Conference did not help allay the fears of conservationists either.  

CHAPTER III

AN OPENING WEDGE:

THE OFFSHORE OIL CONTROVERSY

Few natural resources have been more enveloped in controversy than oil. The person of John D. Rockefeller, Sr., and the scandal of Teapot Dome serve as only two examples. The years following World War II certainly proved no exception. Off the coasts of California, Texas, and Louisiana valuable oil deposits lay ready for exploration. In 1894, oil was first discovered off the coast of California and in 1938, the Standard Oil Co. and Pure Oil Co. jointly constructed a successful oil well in the Gulf of Mexico. This offshore oil now became the central issue in a political, constitutional and economic controversy that was not finally resolved until Dwight D. Eisenhower was elected president in 1952.¹

Since oil and natural gas were integral parts of the economy, not only of the three coastal states but of the entire Southwest as well, the question of ownership of the

¹This oil issue has often been mistakenly called "the tidelands oil controversy." Actually the oil involved in this controversy was not in the "tidelands." Rather it was located under the marginal sea off the coasts of California, Louisiana, and Texas. Hence, the controversy was over what more accurately is the offshore oil.

In 1845, the Supreme Court, in Pollard's lessee v. Hogan, declared that the tidelands and the bottoms of the inland lakes and rivers were owned by the states and not the Federal Government. The tidelands, therefore, were not at issue here. Cf. J. Skelly Wright, "Jurisdiction in the Tidelands," Tulane Law Review, 32 (Feb. 1958), 175-86.
offshore oil properties exerted a pervasive influence. Oil and natural gas were basic ingredients in the future industrial growth of the South and Southwest. By 1956, 49 percent of Texas, 47 percent of Louisiana, 45 percent of Oklahoma, 42 percent of Wyoming, and 52 percent of Florida were leased for oil exploration. Large oil companies meant badly needed managerial and labor skills, technology, new markets, and associated industries would soon flow into these regions. Out of oil and natural gas came the need for a chemical industry. As early as 1929, Texas, Oklahoma, Arkansas, and Louisiana produced about 59 percent of the nation's oil and about 40 percent of its refining capacity. Since oil was gradually replacing coal as the nation's most important energy resource, the South and Southwest were especially receptive to the states' rights pleas of California, Texas, and Louisiana. And there was no doubt the prize was a big one. Based upon figures determined by the Geological Survey, Mastin G. White, Solicitor of the Department of Interior, estimated that in 1952, the worth of the continental shelf beneath the marginal sea adjacent to the coasts of California, Louisiana, and Texas would have an aggregate value of $7,070,000,000 and that the minimum royalty would be $883,750,000. This then was no insignificant controversy.2

The essential issue was whether these oil properties should be owned by the Federal Government or the individual coastal states. The Federal Government claimed paramount rights to the oil, while the states maintained they had rights to the oil extending to their historic boundaries. All three states insisted they had at least a three-mile boundary; Texas, however, went further and laid claim to a ten and one-half mile historic limit. Finally, a hostility to the New Deal, particularly the Department of Interior, always lurked beneath the surface. The drama was fully played out in the courts and the political process.

The Roosevelt and Truman Administrations had strongly urged retention of the offshore oil deposits in the hands of the Federal Government for the twin purpose of conservation and national defense. Secretary of Interior Harold Ickes, an irascible New Dealer, originally favored leasing the lands by the states but around 1937 he reversed that position and now advocated federal control of the lands. It ought to be noted, however, that the Department of Interior had a vested interest of its own in this oil. If Ickes harbored any reservations the war only served to convince him of the correctness of his new position. "The war has impressed us with the necessity for an augmented supply of natural resources," he wrote to Roosevelt in 1943. "In this conviction I draw your attention to the importance of the Continental Shelf not only to the defense of our country, but more particularly as a storehouse of natural resources." He, therefore, recommended that the
Departments of Interior, Justice, and State, together with the National Resources Planning Board, investigate how this recommendation could be implemented. Before the end of the war there was no doubt the offshore oil was extremely valuable. Ickes' recommendation also aroused considerable criticism; in fact, the lines for the confrontation were now clearly drawn. The Association of Attorneys General, for example, took violent exception:

There is and can be no middle ground. If Mr. Ickes can seize one square foot of the tide or submerged lands in any state and maintain his seizure, it will be the official duty of federal officers everywhere to complete the conquest of all like areas in all the states.

In other words, according to this view, the encroachment of the bureaucracy of the federal government on the prerogatives of the states that had gained power under the New Deal must be stopped and the off-shore oil question was a good place to lay down the gauntlet.³

In January, 1946, the offshore oil question struck politically sensitive nerves when President Truman decided to nominate Edwin Pauley as Undersecretary of the Navy. Pauley, a prominent California oil mogul, had exerted important

³Engler, Politics of Oil, 88; June 5, 1943, Ickes to Roosevelt, and Memo, Aug. 10, 1944, Lee to Harper; "Brief of Attorneys General in Support of Joint Resolutions Quieting Titles of States to Lands Beneath Tidewater and Navigable Waters," (1954)(their emphasis), in Department of Interior, Office of the Secretary, Central Classified Files, 1937-53, Box 3278, National Archives. For an example of the political importance of oil, in general, during depression days in Texas, see Senator Tom Connally, as told to Alfred Steinberg, My Name Is Tom Connally (New York, 1954), 162-64.
influence in the Democratic party. Between 1941 and 1945, Pauley had served in various high level positions with the Democratic National Committee. He had been, in fact, one of the "quartet of kingmakers" who, in 1944, had persuaded Roosevelt to dump Henry Wallace and take Harry Truman as his running mate. Consequently, when Truman succeeded FDR, Pauley was one of the men who stepped into the President's inner circle. His fund-raising efforts as Treasurer of the Democratic National Committee erased the Party's deficit. What made Pauley front page news, however, was his close connection with the offshore oil issue.

Pauley certainly understood that good politics and good business mix well together. Thus, since he had been the head of a modest-sized oil firm, the Petrol Corporation, Pauley naturally took a keen interest in the offshore oil developments. He strongly supported the claims of the states and admitted having used his political influence to introduce William W. Clay, the Assistant Attorney General of California and one of the bulwarks behind the state-ownership forces, to Sam Rayburn, Speaker of the House, and to the chairmen of the House and Senate Judiciary Committees that would dispose of the oil issue.

Harold Ickes brought the issue to the fore when he publicly accused Pauley of attempting to bribe him with a large contribution for the Democratic Party. As part of the agreement Ickes was supposed to request the Justice Department to drop a federal suit pending against California, Texas, and
other states concerning the offshore oil. This allegation was also substantiated by Abe Fortas, the Undersecretary of Interior. When Truman refused to withdraw Pauley's name, Ickes resigned from the Cabinet. At a press conference the former Secretary of Interior dramatically placed all his cards on the table: "I don't care to stay in an administration where I am expected to commit perjury for the sake of the party." The resignation had its intended effect, however. To save the Administration any further embarrassment Pauley reluctantly asked that his name be withdrawn and Truman complied with his request on March 18, 1946. Now the offshore oil issue was fully before the public's eye.  

In order the settle the matter Ickes had persuaded the U.S. Attorney General to bring the issue before the Supreme Court. In a suit brought against California the Court rendered a close verdict in favor of the Federal Government. Justice Hugo Black, a consistent New Dealer, declared in the majority opinion that the Federal Government possessed "paramount rights" to the oil and other subsurface minerals in the offshore area. He wrote: "Conceding that the state [of California] has been authorized to exercise local police power functions in the part of the marginal belt within its declared boundaries, these do not detract from the Federal Government's paramount rights in and power over this area." In other words,

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the Federal Government must exert whatever power and dominion are necessary to protect the country from dangers to its national security and tranquility. In cases involving Louisiana and Texas the Court made similar judgments. 5

Nevertheless, the Supreme Court's decision left many questions unanswered. As the Solicitor of the Department of Interior conceded to Texas Congressman Lindley Beckworth, the matter of who should administer the offshore lands of the continental shelf had not been resolved by the California decision. 6 Furthermore, the problem of how the proceeds from the development of the oil and gas resources in the continental shelf should be used and distributed was not settled. These were knotty problems that Congress would have to unravel. Thus, while the Federal Government had won a significant victory in the California case, it was still possible for Congress to give the oil to the states.

Important local organizations in California and Texas protested the decision of the Supreme Court and exhorted their congressmen to push vigorously for passage of a bill transferring these lands to the states. Two examples ought to suffice. The Texas State Board of Education passed a resolution calling upon "all of the officials of Texas, particularly our Senators


6 Mastin G. White to Rep. Lindley Beckworth, Department of Interior, Office of the Secretary, Central Files, 1937-53, Box 3283, National Archives.
and Congressmen to continue to exert their uncompromising efforts to procure the passage of an act of Congress removing said cloud from our title." The Harbor Island Causeway Company of California put it more bluntly: "We believe that the recent Supreme Court decision re: Ownership of California Tidelands, evidences a dangerous un-American trend toward a confiscatory principle as regards ownership of property."  

Truman was nonetheless determined that control of the offshore oil should remain within the purview of the Federal Government. And on two occasions he vetoed bills which would have transferred these lands to the states. In his first veto the President explained that Congress should not deal with the problem while the Supreme Court was still considering the case. The second veto simply pleaded that the oil was essential for the nation's defense. In a speech to the Americans for Democratic Action in 1952 Truman, with characteristic verve, summarized his reasons. He painted a dark picture of oil lobbies pressuring "us to turn over to a handful of states, where the powerful private oil interests hope to exploit it to suit themselves." He labelled the state ownership idea "robbery in broad daylight—and on a colossal scale."

This did not mean, however, that the Administration had been

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7 Aug. 11, 1947, Texas State Board of Education resolution; Feb. 21, 1948, Harbor Island Causeway Company; among the local protesting groups were Optimist, Rotary, and Kiwanis clubs, VFWs, American Legion, Chambers of Commerce, local bar associations and city councils; see Department of Interior, Office of the Secretary, Central Classified Files, 1937-53, Boxes 3280-81, National Archives.
unwilling to strike a compromise of sorts. Senators Joseph O'Mahoney of Wyoming and Clinton Anderson of New Mexico sought passage of a bill that would have given federal regulation to all oil and gas leases in the submerged lands prior to December 1948, which were in good standing on June 5, 1950, when the Supreme Court handed down its decision in the Texas and Louisiana cases. The Secretary of Interior would then negotiate these leases. In return, the states would receive 37½ percent of the income derived from the portion of the shelf situated within their historic boundaries. Oscar Chap­man, Secretary of Interior, later lamented, "I believe that if the O'Mahoney-Anderson proposal had been passed by Congress, it would have been signed by President Truman." But this over­ture was unacceptable to the states; they would bargain no compromise. 8

The Administration was not without support of its own. Labor endorsed the federalist position. For example, in the midst of the heated campaign of 1948, the International Asso­ciation of Machinists intoned:

The [oil trust] conspirators of 1948 will eventually be smoked, as were the Falls and Sinclairs of the 1920's...We must forestall another Teapot Dome.... You, Mr. President, have proven yourself a faithful champion of the people's rights in the tidewater oil resources....

Also, R. V. Bottomly, the Attorney General of Montana, had

previously supported the states but in 1947 he changed his mind. He now believed it "is apparent that the proponents of this legislation [to give the offshore oil to the states] are primarily the large [oil] companies...".

While the principal participants in the controversy were the states of California, Texas, and Louisiana, the State of Washington jumped into the fray in 1952, an election year. In late 1951, the Department of Interior learned that Washington State was issuing oil and gas permits or leases on the submerged lands underlying the open waters of the Pacific Ocean. Upon learning in February 1952, that the Union Oil Company of California had oil leases in Washington, the Secretary of Interior, Oscar Chapman, wrote Governor Langlie demanding that the practice be halted. Citing the doctrine of paramount rights, Chapman maintained that the oil in question "is not now and never has been owned by the State of Washington." Langlie disagreed, insisting that Chapman had no right to impose such an "edict" on his state. "Your statement," he wrote Chapman,

that such area is not now and never has been owned by the State of Washington, attempts to secure for the Federal Government certain rights and controls which definitely lie within the scope of the powers of Congress to determine. It is one more instance of the usurpation of legislative powers by judicial and administrative decree.

Langlie went on to make a case for Washington based on her

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historic boundaries, an argument similar to those of the three coastal states. Chapman again pointed out to the governor that the historic boundary question already had been laid to rest by the Supreme Court. He further warned Langlie that "Pending the enactment of legislation with respect to the submerged lands of the continental shelf adjacent to the coast of the United States, I am under a duty...to protect the interests of the United States in such lands by preventing the unauthorized removal from them of oil and gas or other minerals."

Senator Harry Cain (R-Wash.) countered that Chapman's logic could be applied equally to the inland waterways. The Secretary of Interior vehemently denied this assertion. "With regard to the tidelands and the beds of navigable inland waters situated within the boundaries of a State, it has been well settled by decisions of the Supreme Court for more than a hundred years that such lands belong to the State (or its grantees)." Chapman wrote O'Mahoney in the middle of the Langlie controversy. The secretary continued: "So far as I am aware, no responsible official of the Federal Government has expressed a contrary view at any time during the past hundred years." As we will see later, this particular aspect of the controversy did not cease here. In March, 1952, Chapman requested that the Attorney General initiate "an appropriate judicial proceeding" against the recalcitrant Langlie in order that the controversy "may be resolved in the orderly, objective manner provided for in the Constitution." But the election of
By 1952, the offshore dilemma had reached a political stalemate. The Supreme Court had ruled in favor of the Federal Government but the claims of state ownership enjoyed overwhelming support in Congress. Twice Congress had voted a quitclaim for the states and twice Truman exercised a veto. At any time a bill favoring the states could be passed but there were serious doubts that the President's veto could be overridden in the Senate. Yet no bill advocating federal control was ever passed out of a congressional committee. Little hope existed that the issue would be finally resolved until there was a change in the White House's attitude.

In 1952, the two presidential candidates made their views on the subject unequivocal. Even before the two conventions...

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10 Feb. 19, 1952, Fred Bush, Union Oil Company of California, to Z. G. Snow, Oil and Gas Supervisor, Department of Interior; Dec. 20, 1948, Sam Grinsfelder, Vice President, Union Oil Company of California, to Otto A. Case; Feb. 12, 1952, Chapman to Langlie; March 7, 1952, Chapman to O'Mahoney; March 20, 1952, Chapman to J. Howard McGrath, Attorney General; in Department of Interior, Office of the Secretary, Central Classified Files, 1937-53, Box 3284, National Archives. Senator Cain made his attack plain: "This doctrine of paramount power which the Secretary of Interior asks to impose on the sovereignty of the State of Washington violates the guaranties provided by our Constitution which protect private property and the rights of States and unless this doctrine is stopped by the Congress it can lead to the nationalization of the natural resources of our Nation regardless of the State in which they may be located. If the Federal Government, allegedly in the interest of national defense has this right of paramount power over the submerged lands and resources of Washington, California, Texas, and Louisiana, it has the same power over every farm, river, mine, and factory in every state in the Nation." Congressional Record, 82nd Cong., 2d Sess., v. 98, part 2 (March 5, 1952), 1890-92.

11 Bartley, Tidelands Oil Controversy, 215, 229-30.
the differences between the two parties was explicit. All three leading candidates for the Republican nomination, Taft, Eisenhower, and Governor Warren of California, supported the claims of the states. Among the Democrats, only Senator Richard Russell of Georgia, championed the rights of the states. Stevenson, of course, fully supported Truman. The issue was far from being partisan, however. In October, Senator Wayne Morse, a Republican from Oregon, announced he would sit out the campaign, saying it was "a sad thing that Eisenhower in apparent ignorance of United States Supreme Court decisions has been taken in by selfish interests who seek to steal tidelands belonging to all the people of the United States."

Morse later endorsed Stevenson. But the issue divided the Democrats much more than the Republicans.12

The oil issue was especially volatile in Texas and Louisiana. In November, 1951, Congressman J. Frank Wilson of Texas told Chapman that a rumor was circulating to the effect that the Interior Department intended to take over and operate the offshore lands under the War Powers Act. Wilson did not think Chapman would seriously entertain doing such a thing but just in case he issued this warning: "I believe the consequences of any such action will be more serious than is anticipated by those who favor any such move." And he was correct. In the 1952 election, Texas became a bitter political battlefield between those Democrats who remained loyal to the

national party and those who broke away over the oil issue. Speaker Sam Rayburn and Senator Lyndon Johnson both supported Stevenson, though they disagreed with his position on offshore oil. Johnson explained it this way: "I thoroughly disagree with Governor Stevenson on his views regarding ownership of the Texas tidelands; the fact that Governor Stevenson is wrong on this issue does not automatically make General Eisenhower right on all other issues." 14 The Democratic candidates for governor and senator did not see it that way; they broke with the national party. Price Daniel, the Attorney General of Texas and an outspoken leader for state ownership, was the Democratic candidate for the Senate and he ran precisely on this issue. In a speech before the Fourth Annual Bankers' Clinic of the First National Bank, Daniel warned against the dangers of an overly centralized government. He noted: "No issue presents a better opportunity for Texans to act against this type of government than in the tidelands controversy." 15


15 "Three Papers Delivered at the Fourth Annual Bankers' Clinic of First National Bank," Houston, Oct. 20-21, 1951, in Department of Interior, Office of the Secretary, Central Classified Files, 1937-53, Box 3283, National Archives. Indicative of how deep this political schism in Texas went, Senator Tom Connally decided not to run for reelection. Both Daniel and Shivers were, in the words of Connally, "bitterly anti-Truman." He also records that there existed "detailed evidence of enormous anti-Truman feeling in the state." He contended that the Shivers-Daniel plan was to attack Truman and to close in on himself through guilt-by-association. "As an example of how this [Shivers-Daniel strategy] would operate, the Shivers-Daniel group were anti-Truman because the President vetoed the Tidelands Bill." One of the reasons Connally decided, after having served twenty-four years in the Senate, not to run for reelection was because of the rigorous campaign that would be required to defeat Daniel in the primary. Finally, Connally
Governor Allan Shivers, running for re-election, echoed the same sentiments.

The Republicans naturally looked to Texas and Louisiana as possible soft spots in the Democratic underbelly. In August, Jack Porter, the new Republican National Committeeman from Texas, intimated the Republicans might put Shivers and Daniel on their ticket in an effort to attract Democratic and independent voters to Eisenhower. A few days later Shivers asked his fellow Texans to express their views on the offshore oil controversy after he had just announced he could not endorse Stevenson's views on the oil, civil rights, and filibuster issues. The same day Daniel called upon Texas Democrats to "revolt" against the national ticket and all other Democrats favoring federal control of offshore oil. Subsequently, as Porter had thought they might, the Republicans of Texas, for the first time in the state's history, placed fifteen Democrats, including Shivers and Daniel, on their ticket. Then the stateownership advocates revolted. When the Democratic State Convention met in September it went through the normal motions of placing Stevenson and Senator John Sparkman at the head of the ticket. But, by an overwhelming voice vote, the two thousand Democrats declared their real sympathies for Eisenhower and Nixon. The importance of Shivers and Daniel to the Eisenhower campaign was obvious. Ben Guill, the Eisen-

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put his finger on the reason why Stevenson lost Texas: "A final factor in the 1952 election was the dissatisfaction of many southern Democrats. They were anti-Truman because of the Tidelands Bill, his civil-rights program and because of the long tenure of the party in office." Connally, *My Name Is Tom Connally*, 358-61.
hower campaign manager in Texas, wrote Sherman Adams on this subject. "I cannot overemphasize the necessity for these two men [Shivers and Daniel] to get all the way on the soap box," he said. "We are building a very fine organization in Texas, and the first one, I might add, in its history; but Sherman, Shivers and Daniel are the 'Number One' factors in carrying Texas for the General." 16

The oil issue was also a hot one in Louisiana. Senator Allen J. Ellender announced that he would vote for Stevenson out of party loyalty but due to their disparate positions on the oil issue he could not campaign for him. Governor Robert Kennon refused to support Stevenson; instead he openly campaigned for Ike. Four Democratic electors from Louisiana resigned rather than support Stevenson. 17

In October Eisenhower made a foray into Texas and Louisiana, hitting hard on the issue of offshore oil. In New Orleans Ike was introduced by Governor Kennon who branded the Democratic platform "un-American" and said it was the right of every Louisiana Democrat to oppose Stevenson. Eisenhower then made a firm commitment: "Twice, by substantial majorities, both houses of Congress have voted to recognize the traditional concept of state ownership of these submerged areas. Twice these acts of Congress have been vetoed by the President. I would approve such acts of Congress." In Houston, the following


day, Eisenhower praised Shivers and Daniel for their stands on the oil issue and then reiterated his commitment. Later Eisenhower telegraphed Kennon and Shivers his thanks "for all you did for me." 18

The Republican strategy worked in November. Eisenhower carried Texas and Florida. An official caucus of the Florida House of Representatives had refused to endorse Stevenson and Sparkman until they changed their ideas on offshore oil and the filibuster. While Eisenhower did not win it in 1952, he took Louisiana in 1956, along with Texas and Florida again. 19

With the fox now in the coop, the Truman Administration realized it must do something to save its chicken. Chapman and Truman discussed the problem on December 29, 1952, at which time the President decided he "would like to consider the feasibility of dealing with this problem through the establishment of a new naval petroleum reserve to include the submerged lands of the continental shelf." Secretary Chapman and the Attorney General agreed that such a proposed executive order would be legal. Four days before Eisenhower's inauguration Truman issued an executive order making the entire continental shelf around the United States and Alaska a naval


reserve. Once again the President gave national defense as his reason. The President felt "it would be the height of folly" for the Federal Government to give the oil to the states, and later have to repurchase "this same oil at stiff prices for use by the Army, the Navy, and the Air Force in the defense of the Nation." Thus the administration of these lands was transferred from the Department of Interior to the Department of Navy. As might be expected, the order met considerable criticism. Representative Wingate Lucas of Texas called Truman's action "another attempt on the part of the Socialists in the administration to find some way whereby they can perpetuate the injustice which the American people clearly voted in the last election to correct." Frank M. Porter, president of the American Petroleum Institute and the chief lobbying agent for the claims of the states, pronounced it "unsound and without basis." 20

Despite Eisenhower's campaign assurances there was some doubt whether he would give his full support for the states when the oil issue came before Congress. First of all, the President had not included the issue in his State of the Union message. Also, there was some question whether he ought to revoke Truman's executive order. Gerald Morgan, an assistant to the President, thought it would be a good idea to simply rescind the order. His reasoning: "I don't know how widespread

this feeling is, but since the President took such a definite stand on the Tidelands issue, and because of his very stature, he certainly could not be accused of depriving the United States of a needed defense facility." Nevertheless, the Administration decided against revoking Truman's order. Governor Shivers telegrammed Eisenhower and Adams that he "had been hopeful that you would revoke Truman's last action on Tidelands and [would] leave the matter entirely to Congress." He went on to note that he hoped the President would not "foreclose full settlement of the issue including the continental shelf at this session of the Congress." Adams explained to the governor that the oil issue was not mentioned in the State of the Union Message because the Administration felt Congress "can and will deal adequately with the problem, so that it was not deemed necessary that a Presidential order transferring the reserves to the Navy need be revoked." Since the leadership of the newly elected Republican Congress was in complete accord with Eisenhower's views on the subject there was little real reason for anxiety. Reflecting this view Senator Daniel said he was not worried the President had failed to make a positive recommendation on the oil issue in his State of the Union Message. The President's views were well-known, and, he said, "I am certain President Eisenhower will sign the stateownership bill, which will be presented to him by Congress."

21 Memo, Feb. 5, 1953, Gerald Morgan to General Pearson, Morgan Papers, Box 9, Eisenhower Library; Telegrams, Jan. 28, 1953, Shivers to Adams, and Shivers to Eisenhower; Telegram, Feb. 2, 1953, Adams to Shivers, in Central Files, OF-1-134-F, Box 681, Eisenhower Library. Cf. also, Telegram, Jan. 28,
Concerning the matter of Truman's executive order, the new Administration advanced the position that the order did nothing more than merely "transfer to the Secretary of the Navy authority over the [offshore] lands which had previously been conferred upon the Secretary of the Interior...." Herbert Brownell, the Attorney General, told the Department of Defense that the former Attorney General under Truman had approved the order "on the understanding that it did not intend to, nor did it in fact or in law, create a naval petroleum reserve within the meaning of the statute." In order to create a naval petroleum reserve, Brownell opined, it was first necessary to have an act of Congress, something Truman had neglected to get. He based his judgment on the fact all previous naval petroleum reserves had been created by acts of Congress. Thus, he concluded, no naval petroleum reserve had been legally created by Truman's executive order. Two opponents of state ownership, Senators James Murray (D-Mont.) and Clinton Anderson, disagreed, saying that "none of the lawyers who participated in the discussions ever expressed any doubt concerning the power of the President to set the lands aside for the future use of the Navy under the designation of a Naval petroleum reserve."22


Reversing the opinions of their New Deal predecessors, the Secretaries of Interior and Navy concurred with Brownell. Secretary of Interior McKay explained, in effect, that the needs of national defense could be fully met provided the United States retained the oil beyond the traditional boundaries. He frankly thought the logic of Truman's order was specious. The Department of Navy fully agreed. Rear Admiral Ira H. Nunn, speaking for the Secretary of Navy and the Department of Defense, told the House Judiciary subcommittee that the defense needs of the country would not suffer in the least if the states were allowed to develop the oil. 23

The Senate was presented with four bills and an amendment dealing with offshore oil. Two bills gave the lands to the states. A bill sponsored by Senator Spessard Holland (D-Florida) and thirty-eight other senators sought to transfer the oil located within the historic boundaries to the states. This bill was fully supported by the senators from the oil and gas producing states. Senator Daniel proposed a more extreme measure, providing for "jurisdiction, use, and control of the subsoil and seabed of the Continental Shelf lying outside of the original [historic] State boundaries." The opposition presented two bills and an amendment of its own. Senator Estes Kefauver (D-Tenn.) proposed that a nine-man commission be established "to assist in making a proper and equitable settlement of the submerged lands problems." Senator Clinton

23HR Judiciary Subcommittee No. 1, HR 2948 (Feb.-March, 1953), 180-81, 211.
Anderson's bill sought to leave authority for the oil within the jurisdiction of the Federal Government. Seventeen Democrats and one Republican from the consumer states co-sponsored this bill. Finally, an amendment prepared by Senator Lister Hill (D-Ala.) stipulated that funds accruing from the oil exploration would be earmarked directly for education; the oil would, however, remain under the watchful eye of the Federal Government.  

While the Administration did not officially back any particular bill there was no doubt it looked favorably upon the Holland measure. The Attorney General stirred up some dust when he told the Senate Interior and Insular Affairs Committee that the constitutional question involved in the issue could be avoided if "the Federal Government would grant to the States only such authority as required for the States to administer and develop the natural resources" but not grant them "a blanket quitclaim to the submerged lands within their territorial boundaries." This suggestion appeared to be a dramatic shift from the Administration's outspoken campaign pronouncements. Nevertheless, Brownell quickly insisted that McKay and he were in perfect agreement on state ownership. As usual there was no mistaking McKay's position: "I do believe that the national interest would be best served by restoring to the various States the coastal offshore lands to the limits of the line marked by the historical boundaries of

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the respective States."25

The state ownership advocates flatly rejected the Brow­nnell formula and made it plain they would brook no compromise. Representative Hale Boggs (D-La.) called the Brownell propo­sal "reprehensible." Representative Sam Yorty (D-Calif.) dismissed it by saying it would solve nothing; it "would merely bring it [the oil issue] up in different form." None­theless, after a meeting with the President, Senator Daniel and Governor Kennon reiterated their confidence that Eisen­hower would honor his campaign pledge. Senator Russell Long (D-La.) also expressed confidence: "I have never had any doubt that the President would sign bills of the kind Mr. Truman vetoed. That was Brownell's formula and not Eisen­hower's." The following day Eisenhower again emphatically came out for stateownership. He said that while the Attorney General's job demanded that he investigate all legal questions, he, as President, thought the states should receive their land.26

The quitclaim legislation received considerable attention from outside lobbying groups. These agents saw stateownership as a beginning toward restoring control to the local communi­ties, and therefore, away from the Federal Government and its many-tentacled bureaucracy. About a month after Eisenhower's

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25 Senate Interior Committee, SJ 13 (Feb.-March, 1953), 926, 954-55; HR Judiciary Subcommittee No. 1, HR 2948 (Feb.-March, 1953), 180-81, 218-20, 236ff.

26 HR Judiciary Subcommittee No. 1, HR 2948 (Feb.-March, 1953), 241-42, 144-45; New York Times, March 5, 15; March 6, 1953, 15.
election the National Conference of Mayors went on record favoring stateownership. Predictably this was followed by a similar resolution of the National Association of Attorneys General. Likewise, the United States Chamber of Commerce "strongly" urged passage of stateownership legislation because: "We firmly believe that the doctrine of paramount rights and dominion, set forth in the Supreme Court's tidelands decision, is a dangerous one that should be repudiated at once." The American Farm Bureau Federation supported the Holland bill claiming "the general welfare will in the long run be most effectively furthered by local control of resource development." Invoking the same reasons, the American Bar Association, Pacific Coast Association of Port Authorities, the Great Lakes Harbor Association, the National Reclamation Association, and Interstate Oil Compact also supported this legislation. Of course, the American Petroleum Institute lobbied vigorously for the Holland bill.27

The quitclaim legislation was opposed by former members of the Truman Administration as well as groups that had traditionally supported the New and Fair Deals. Former Secretary of Interior, Oscar Chapman, in testifying against both the Holland and Daniel bills, declared that "for years powerful pressure groups have been attempting to raid various parts of the public domain. They are now redoubling their efforts because they see in the inexperience of the new administration

an opportunity to put over some of their giveaway legislation."
Chapman added: "I am deeply concerned that if these [offshore oil] measures are enacted they will establish the pattern for the greatest giveaway program in the history of the world."
The former Solicitor General of the United States, Philip B. Perlman, who had successfully argued the government's thesis in the Texas and Louisiana cases, wrote Eisenhower that the legal rights of the coastal states do not include the submerged lands of the sea. "There is no valid reason, legal or moral," Perlman thought, "why the United States should make a donation of all its valuable oil and other mineral rights in the marginal sea to these States at the expense of the other forty-five States." Labor continued to back the advocates of federal ownership. The American Federation of Labor and the Congress of Industrial Organizations supported the Anderson bill and Hill amendment. O. A. Knight, Vice President of the C.I.O. and President of the Oil Workers International Union, favored letting the Federal Government operate the offshore oil deposits while earmarking 62½ percent of the Government's share from the oil for education. The Americans for Democratic Action supported the Hill amendment and opposed the Holland and Daniel bills. A couple of farm organizations also saw dangers in stateownership. The National Grange issued this condemnation:

We are strongly convinced that if the Congress passes Senate Joint Resolution 13 [the Holland bill] it will be a giveaway for selfish use of unpredictable and valuable future resources that in reality belong to all the people of the Nation, it will make a regrettable error that will greatly impair the future security of our nation.
Angus McDonald of the National Farmers Union likewise opposed the Holland and Daniel bills and supported the Hill amendment. Finally, the Fisherman's Cooperative Association of San Diego, California, saw a new objection to stateownership. "If one nation," it contended, "can unilaterally extend its sovereign territory out to sea by as much as a quarter of a mile, then there is no reason why it or any other nation cannot extend its boundaries seaward by 200 miles, by 400 miles, or by such distance it may desire." Senator John F. Kennedy of Massachusetts, representing East Coast fishing interests, agreed with this opinion. 28

Congress wasted no time taking up the issue. Both houses of Congress began hearings on the offshore bills within a few weeks after the inauguration. The House Judiciary subcommittee took less than a month of testimony and the bill reported out by the full Judiciary Committee provided that the offshore oil within historic boundaries would go to the states and that the states should be allowed to continue severance or production taxes, over and above royalties, on the area beyond the historic boundaries. This measure subsequently passed the House by an overwhelming margin. 29


29 Cf. HR Judiciary Subcommittee No. 1, HR 2948 (Feb.-March, 1953); New York Times, March 25, 1953, 36; Congressional Record, 83rd Cong., 1st sess., v. 99, part 2 (April 1, 1953), 2656. The vote on the House bill was 285-108, with 38 not voting; 188 Republicans and 97 Democrats voted for the measure; 89 Democrats, 1 Independent, and 18 Republicans voted against it.
dispensed with the issue in quick fashion, the supporters of stateownership ran into a couple of stumbling blocks in the Senate.

Senator Guy Cordon (R-Ore.), one of the co-sponsors of the Holland bill, was designated to chair the proceedings of the Senate Interior and Insular Affairs Committee which would handle the issue. The Committee quickly rejected the Anderson bill and reported out the Holland bill. While the state ownership bill was pushed out of committee with dispatch, a final vote by the Senate was stymied when opponents to the Holland measure filibustered. Senator Wayne Morse, for example, distinguished himself by speaking against the bill for a breathtaking twenty-two hours and twenty-six minutes. Senators J. William Fulbright and Lister Hill were the only southerners to participate in this filibuster. During the debate a significant exchange of letters took place between the President and the opponents of the Holland bill. In a letter to the President, twenty-four senators stated their opposition to Senator Holland's measure, "the proposed legislation," as they put it, "to give the three states at the expense of the other forty-five the natural resources in oil and other minerals in the submerged lands of the marginal seas." They requested that the Administration officially state its position on the issue of what the coastal states' boundaries were. The letter was viewed by the White House as an obvious political maneuver. Although Eisenhower signed the letter, it was substantially the work of Senator Taft and Attorney General Brownell.
The President's reply broke a long standing policy of not commenting on congressional controversies. It re-stated the President's views expressed during the campaign, noting that his "position is the same today," and urging "prompt passage" of the Holland bill. To help the filibuster Eisenhower continued, "I hesitate to express an opinion on legislative procedure, but I am deeply concerned with the delay of the entire Administration program in the Senate of the United States."\(^{30}\)

A few days later a test vote was taken on the Hill amendment. Senator Hill had long fought for increased Federal aid to education, particularly for the South. As early as 1943, Hill, along with other southern senators, had advocated increased Federal aid to education. At this time he said it "must be an accepted principle of American Government that wealth, income, and privileges should be taxed wherever found, and the revenue spent for public service wherever needed." Yet successive bills for Federal aid to education either never emerged from the congressional committees or were never brought to a floor vote. Hill now saw another chance to secure passage of a federal aid to education bill. This time he thought the primary question "that should concern the Congress and the American people is not how to give the oil and gas away, but

how to keep it and use it in the national interest. This national patrimony belongs to the people of the entire nation and must be used for their benefit and the benefit of succeeding generations." His proposal would have directed that the money derived from the offshore oil be given to education.

Hill argued:

Witness the dilapidated condition of our schools, all too many of which are dangerously overcrowded; the alarming exodus of inadequately salaried teachers from the teaching profession into better-paying pursuits; and, furthermore, the absolute necessity of expanding our schools to meet the needs of the next few years.

The advocates of stateownership dismissed this argument as a "diversion measure growing out of the desperate effort" to prevent the states from gaining what was rightfully theirs.

When a vote was taken the Hill amendment went down to defeat. Thirty-eight Republicans and eighteen Democrats, mostly from the South and Southwest, voted against the amendment while one Independent, twenty-five Democrats and seven Republicans voted for it. When the advocates of federal control could muster only thirty-three votes the result was inevitable.

The opponents to federal control were obviously in solid control of the situation.31

A few days after the Hill amendment met defeat Majority Leader Robert Taft threatened to keep the Senate in continuous

session until a vote was taken on the Holland bill. The oppo-
nents to stateownership finally agreed to a vote. On May 5, 
the Senate voted 56 to 35 to approve the bill. A conference 
between the House and Senate settled on the less extreme Sen-
ate version. Shortly thereafter Eisenhower signed the bill 
into law.\textsuperscript{32}

Not long afterward the Outer Continental Shelf Act was 
passed by Congress, and signed by the President. The law 
placed the area beyond the state limit under exclusive federal 
jurisdiction. The Secretary of Interior was authorized to 
lease by competitive bidding these areas in lots not to exceed 
5,760 acres. By 1958, 1,586,709 acres had been leased. The 
revenue from these leases produced almost three billion dol-
lars in cash bonuses and the royalty on the leases are now 
over one hundred million dollars annually.\textsuperscript{33}

The anxiety of the coastal states was not over yet, how-
ever. The two laws passed by Congress were too ambiguous 
concerning the exact boundaries separating the submerged lands 
and the outer continental shelf. Hence, in 1957, the United 
States Solicitor General filed suit in the Supreme Court 
against Texas and Louisiana to help clear up the matter. 

This awkward procedure caused much anxiety particularly in 

\textsuperscript{32}New York Times, April 29, 1; May 6, 1; May 14, 1953, 1; 
Congressional Record, 83rd Cong., 1st Sess., v. 99, part 4 
(May 5, 1953), 4486; Bartley, Tidelands Oil Controversy, 216-17, 
223-24, 226-27; Public Papers of the Presidents, 1953, 326-27; 
Wright, "Jurisdiction," 180.

\textsuperscript{33}Nash, United States Oil Policy, 194; House of Represen-
tatives, 83rd Cong., 1st Sess., Report 413 (May 12, 1953); Sen-
ate, 83rd Cong., 1st Sess., Report 411 (June 15, 1953); New 
York Times, July 31, 1953, 7; Marion Clawson, The Bureau of 
Land Management (New York, 1971), 135-36; Wright, "Jurisdic-
tion," 182.
Texas. Jack Porter, the Republican National Chairman in Texas, complained that the Justice Department need not have included Texas in the suit, although he did think the suit against Louisiana was justified "on account of the absurd claims they were making." Eisenhower attempted to allay these fears. In a letter to both Governor Shivers and Porter the President reiterated his earlier pledges to the coastal states. The culprit in this matter, he noted, was Congress: "I must say it is regrettable that Congress did not follow the Administration's recommendations for making this boundary question clear, but instead left the law ambiguous so that the matter had to be litigated." The Presidential letter to Porter was reprinted on the front pages of various Texas newspapers. Porter told Ike the "reaction [to his letter] throughout the State [of Texas] has been most favorable and I am certain the people of Texas appreciate your attitude in this matter." In 1960, the Supreme Court delivered a settlement amicable to the coastal states.34

When Eisenhower signed the offshore oil bill he took the occasion to point out: "As I have said many times, I deplore and I will always resist federal encroachment upon the rights of the States." The President indeed hit upon the most enlightening point brought out by the offshore oil controversy.

Essentially the controversy was tied to the sensitive conflict between states' rights and the legitimate power of the federal government.

As early as 1945, the Attorney General recognized how perplexing this issue would be. "It may be added," he observed,

that there is strong feeling against the claim of the United States within many important coastal states, notably California, Texas, Louisiana, Mississippi, and Florida. There has likewise been strong feeling in some interior states, though this may perhaps be alleviated by the fact that the proposed suit will make claim only to the lands below the marginal seas and not to tidelands or land beneath inland waters.

In its brief against the State of California, the United States made its position clear on the issue of inland waters.

"This suit," it said,

does not involve any bays, harbors, rivers or other inland waters of California, nor does it involve the so-called tidelands, namely those which are covered and uncovered by the daily flux of the tides. It is limited solely to that portion of the open sea embraced within the three-mile belt, sometimes referred to as the marginal sea.

These declarations to the contrary, the inland water states still felt threatened. This accounted for what Harold Ickes called, "a unanimity of opinion" among the Attorneys General of the United States. It was also a crucial ingredient in the campaign of 1952. In his New Orleans address Eisenhower carefully noted: "I favor the recognition of clear legal title to these lands in each of the forty-eight states." In the midst of the campaign Senator O'Mahoney, an opponent of state ownership, warned Stevenson about this specific problem. "The passage of a quitclaim bill by Congress will lead inevitably
to the demand for the cession to the Interior states of public lands within their boundaries. "35

Since this general problem of states' rights touched on inland water and mineral rights there was no neglecting these important matters. In November 1952, the National Reclamation Association thought the oil issue was only symptomatic of a much wider malady; it contended the Federal Government's position on the oil controversy constituted "a dangerous step toward Federal control over all of the navigable waters of the Nation and the resources lying under the same." The Great Lakes states also expressed concern. The legislature of the State of Illinois passed a resolution similar to the National Reclamation Association's. Frank G. Millard, Attorney General of Michigan, testified in favor of the Holland Bill in order to secure "a reaffirmation of the proprietary rights in the use and development and control of the lands and resources in the Great Lakes area in which we are interested." 36

Likewise the issue of the relationship between the states

35 Memo, April 19, 1945, Attorney General to the President, in Department of Interior, Office of the Secretary, Central Classified Files, 1937-53, Box 3278, National Archives; U.S. Supreme Court, No. 12, Original, United States v. California, Motion for Leave to File Complaint (Oct., 1945); Aug. 7, 1952, O'Mahoney to Stevenson, Department of Interior, Office of the Secretary, Central Classified Files, 1937-53, Box 3284, National Archives. It should be pointed out that O'Mahoney, in 1952, submitted an amendment which would have specifically exempted the inland waters from such offshore legislation. Bartley, Tidelands Oil Controversy, 225.

36 HR Judiciary Subcommittee No. 1, HR 2948 (Feb.-March, 1953), 234-44, 338; Senate Interior Committee, S.J. 15 (Feb.-March, 1953), 81, and for other comments along the same line, 245-46, 255-56, 1047-49.
and mineral leases acquired new importance. After all, oil is mineral; what, then, of the minerals in the interior? Secretary of Interior McKay did not feel there was any connection. "I do not think," he told a congressional committee,

the States have any right to that [federal inland mineral resources] because ordinarily when you acquire land, unless it is stated in the title, you are entitled to the land and subsoil and air above. Most of the States now, when they are selling land, reserve the mineral rights. If it is Federal land, I do not know why the States should come along and demand the minerals underneath."

Senator George Malone of Nevada disagreed with his fellow Republican's estimate. In questioning Brownell on the offshore oil question, Malone explained his position: "My question is: If the Congress of the United States is now going to take a hand and transfer mineral rights to a few states, there seems to be no reason why the mineral rights should not just be transferred to all the States." Senators Malone and Arthur V. Watkins of Utah sought, in committee, to attach an amendment to the offshore oil bill which would have given each state all revenues from the subsoil mineral resources of the public lands within their boundaries. The Senate Interior Committee narrowly turned down this amendment to the Holland bill.37 It was not surprising, then, for the Western and Great Lakes states to vote in great numbers for the Holland

37HR Judiciary Subcommittee No. 1, HR 2948 (Feb.-March, 1953), 191; Senate Interior Committee, SJ 13, (Feb.-March, 1953), 928ff; Senator Hunt of Wyoming introduced a bill similar to the Watkins-Malone measure. Cf. Senate Interior Committee, SJ 13 (Feb.-March, 1953), 875-83.
bill. This controversy poignantly demonstrated that the issue of states' rights, upon which the Administration based its partnership policy, was politically and economically sensitive not only in the South but in other areas of the country as well.

It was precisely because of these implications for other natural resources that many independent conservation-minded people, New Deal liberals, and professional conservation organizations strongly protested the stateownership legislation. As William Blair of the New York Times remarked:

There has been increasing speculation that once the states gained control of the seaward oil resources they would turn their attention to the mountains and the forests, major targets of some industrial interests because of the tremendous reserves of timber, minerals, water and water power, and grazing rights.

The Americans for Democratic Action charged that politicians were "already planning legislation to give away the western grazing lands, and the off-shore oil 'give-away' can set off a chain reaction which will strip the American people of all their natural resources." Similarly, Commonweal warned: "The offshore oil battle therefore is of the widest public concern. It must be followed up by stands against similar legislation and administrative raids on vital national resources--there would be reason enough to resist them solely in the interests of national defense." After all, if McKay could reverse the Department of Interior's posture on offshore oil, he could do likewise in other critical areas as well. Thus, for conservationists and New Deal liberals alike, the gnawing question
was whether the offshore oil legislation was merely an aberration or the opening wedge to a menacing pattern.38

CHAPTER IV

THE NATURAL GAS IMBROGLIO

Natural gas is a by-product of oil and, like that resource, it has had an equally volcanic history, particularly in the nineteen forties and fifties. As in the offshore oil controversy, the dispute over regulation of the producers of natural gas involved two presidential vetos, a significant congressional battle, a major scandal, and a greatly debated Supreme Court decision. But, unlike the offshore oil controversy, this issue revolved around what limits, if any, should be placed on the Federal Power Commission's authority to regulate the natural gas industry. This added an ingredient to an already complicated political and constitutional recipe.

The dispute over regulation of the natural gas industry evolved from a confluence of interconnected circumstances. During the nineteen thirties the natural gas industry had begun to expand, and as a result, Congress passed the Natural Gas Act of 1938. Though designed to supplement state regulation it granted regulatory authority to the Federal Power Commission. The FPC seemingly possessed the power to regulate the transportation and sale of natural gas for resale. Also, the Commission was empowered to determine prices for gas involved in interstate commerce. The FPC thus became the prime enforcer of the Act. While the Act seemed explicit enough in
theory, there soon developed great difficulty in enforcing it. In short, the language of the Natural Gas Act of 1938 was too ambiguous. Specifically, Section 1(b) of the Act provided that the FPC's jurisdiction should apply "to the transportation of natural gas in interstate commerce, to the sale in interstate commerce of natural gas for resale for ultimate public consumption...and to natural gas companies engaged in such transportation or sale." This sentence appeared sufficiently precise, but the very next words so qualified its meaning that the entire section was rendered open to practically any interpretation. It continued: "...but the FPC's jurisdiction shall not apply to any other transportation or sale of natural gas or to the local distribution of natural gas or to the facilities used for such distribution or to the producing or gathering of natural gas." As a result of this vague wording, the focal point of the dispute was whether the Federal Power Commission's authority extended exclusively to the distributors and not to the independent producers. To complicate matters more, the Commission itself was hopelessly divided over the matter. Eventually the Supreme Court had to deliver a highly controversial interpretation.\(^1\)

With a rapidly increasing demand for natural gas at the end of the Second World War, the problem became more acute. Natural gas was particularly essential because it was one of

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\(^1\) Nash, United States Oil Policy, 214-15; Edith T. Carper, Lobbying and the Natural Gas Bill (University of Alabama Press, The Inter-University Case Program, 1962), 170.
the most accessible and least exploited forms of energy, and thus could be used easily to meet the requirements of the country's rapidly growing population. Between 1945 and 1950, the search for energy substitutes was also encouraged by fuel oil shortages. Furthermore, improved technology, especially in pipelines, meant that natural gas was no cheaper and could be distributed at the national level. All of this was reflected in the statistical increase in natural gas consumption. The total production of natural gas in the United States was increased from 2,660.2 billion cubic feet in 1940 to 9,405.4 billion cubic feet in 1955. Between 1930 and 1960 residential and industrial consumption rose more than tenfold. As the demand for natural gas increased consumers clamored for more vigorous regulation of the field prices of the producers. Of course, the producers fought such regulation just as strenuously. Thus the increased demand for natural gas forced the political and judicial process to clarify the ambiguity of the Natural Gas Act of 1938. 

Like the offshore oil controversy, the natural gas battle exerted an important influence on the economy of the Southern and Southwestern, as well as the Far Western and Mountain states. Eighty-four percent of the gas reserves of the United States were located in Texas, Louisiana, Oklahoma, Kansas, Mississippi, New Mexico, and Arkansas. Texas served as a typical example. While the importance of agriculture to the state's

\[2\text{Nash, United States Oil Policy, 209-10; Carper, Lobby-}
\[\text{ing, 7.}\]
economy dwindled, Texas' natural gas industry expanded rapidly. Situated in the Houston-Beaumont-Port Arthur area, it developed a petrochemical industry. In fact, Texas became the nation's leading producer of natural gas. By the end of the fifties the natural gas industry in Texas increased over one-half billion dollars. Expansion of the natural gas and oil industry insured lucrative defense contracts for California and Texas. By 1960, only California and New York exceeded Texas in defense contract allocations. Natural gas was indeed a vital resource to these states.3

The Federal Power Commission unsuccessfully sought to settle the issue. In August, 1947, the Commission unanimously issued Order No. 139, the intention of which was to end any uncertainty that existed in the minds of natural gas producers. The Order told the independent producers and gatherers of natural gas that they could "sell at arm's length and deliver such [natural] gas to interstate pipelines...without apprehension that in so doing they may become subject to assertions of jurisdiction by the Federal Power Commission under the Natural Gas Act." Since this ruling was not binding on future commissions, the leaders of the gas industry continued to push for legislation.4

Because of new consumer and industrial demands for natural gas and the FPC's exhaustive study of the natural gas

4Nash, United States Oil Policy, 217-18.
industry, the Commission split evenly in 1948 over the issue. Commissioners Harrington Wimberley and Nelson Lee Smith opted for a strict interpretation of Section 1(b) of the Natural Gas Act. They urged Congress to enact a bill which would specifically exempt intrastate gas producers from FPC jurisdiction and lay down policy guidelines for rate-making and control of wholesale sales. Commissioners Leland Olds and Thomas Buchanan had joined in the unanimous decision on Order 139 but now reversed their opinion. They did not think any amendments to the Natural Gas Act were needed; indeed, they wanted the FPC's authority over the industry increased. It was their conviction that if federal controls were not tightened the supply of natural gas would soon be depleted. Olds, in particular, had incurred the wrath of the gas industry because he was an uncompromising champion of strengthening authority for the Federal Power Commission. With the FPC evenly split no resolution could be made through the Commission.5

In 1949, Leland Olds did not stand well with the oil and natural gas industry and its congressional representatives. When Truman nominated him to a third term on the Federal Power Commission, the entire issue came to a head. Olds was a native of Rochester, New York, a graduate of Amherst College, and a veteran of World War I. His economic orientation was left of

5Nash, United States Oil Policy, 218-19; Carper, Lobbying, 6. There was one vacancy on the FPC which accounted for the even split. The FPC is a five-man commission.
center, and after the First World War, he had written for Labor Leader, a leftist paper. Olds later became head of the New York State Power Authority and, in 1939, Roosevelt appointed him to the Federal Power Commission, where he soon became known as one of the more militant advocates of strict government regulation of private utility rate-making. Leland Olds was unquestionably a faithful New Dealer. 6

Besides running afoul of the natural gas industry, Olds had incurred the wrath of Harold Ickes, who thought the commissioner had advised Roosevelt against appointing him chairman of the new Federal Water-Power Commission. Ickes took revenge by permitting Abe Fortas, the Undersecretary of Interior, to supply a friend, Senator Lyndon Johnson, with damaging information about Olds. For Johnson the Olds affair held a particular appeal. In 1948, he had barely won a seat in the Senate and Texas was quickly becoming a conservative state.

To ensure re-election and to gain admittance into the Senate hierarchy, Johnson realized it would be necessary to ingratiate himself with the Senate's conservative elders and the oil and natural gas industry back home. This he proceeded to do. The fact that Olds had attempted to mobilize media opposition to a bill which would have struck down the FPC's authority over the independent producers of natural gas did not enhance his popularity either. 7


7Evans and Novak, Lyndon Johnson, 46–49.
The Olds nomination was sent to a Senate Interstate and Foreign Commerce subcommittee chaired by Johnson. The members of the subcommittee were bitterly hostile to him. During the nomination hearings, Olds' chief questioners, Senators Kerr and Johnson and Representative Lyle of Texas, did not examine the nominee's qualifications for serving on the Commission so much as his leftist activities in the decade after the First World War. Lyle, in fact, was determined to demonstrate his firm desire for ridding the Federal Power Commission of anyone he deemed a Communist sympathizer. In September the subcommittee voted unanimously against Olds. Despite political pressure from the White House, the full Senate Committee on Interstate and Foreign Commerce voted overwhelmingly against Olds' nomination. Truman, however, refused to withdraw the nomination, and in October, the Senate voted 53 to 15 against Olds. The Commission was now stymied with two for and two against strict regulation of the individual producers. A successful Olds nomination would have tilted the FPC in favor of regulation.8

In 1949, Oklahoma Senators Kerr and Elbert Thomas introduced a bill which would have exempted individual producers of natural gas from Section 1(b). Senators Johnson and Russell Long of Louisiana vigorously supported the bill. The Kerr bill was similar to one passed by the House the previous

8 Nash, United States Oil Policy, 6. In 1949 Truman had appointed a commissioner who had sided with Olds and Buchanan. The Olds nomination was thus crucial to the FPC's regulatory powers over the independent producers of natural gas.
session but not acted upon by the Senate. The bill received staunch opposition from the representatives of the large consumer states. Senators Paul Douglas of Illinois and Wayne Morse of Oregon led the fight against the bill. Once again, however, the Federal Power Commission reversed itself. Though in 1947 all of the commissioners had favored legislation exempting local gas producers from Commission jurisdiction, three of the commissioners, including Olds, now openly opposed the bill. Congress passed the Kerr measure and Truman, following the advice of a majority of the FPC, vetoed the bill. Truman's veto reflected consumer opposition to the measure. He pointed out that unlike coal and oil, the "consumer of natural gas cannot move easily from one producer to another in search of lower prices." In other words, if the independent producers of natural gas went unregulated it would result in higher prices for the consumer. As in the offshore oil controversy, a Truman veto caused a political stalemate and the issue was laid before the Supreme Court.9

The Supreme Court made a ruling in 1954, which, for the time being, settled the question in favor of FPC regulation of the independent producers. In 1951, a case involving the Phillips Petroleum Company, the nation's largest independent producer of natural gas, came before the Federal Power Commission. In a four to one opinion, the Commission ruled that Phillips was exempt from Section 1(b) of the Natural Gas Act.

9Nash, United States Oil Policy, 218-23.
Since the Phillips Company was a giant in the industry consumer interests could not let the Commission's ruling go unchallenged. Several consumer representatives filed petitions for review in the United States Circuit Court of Appeals for the District of Columbia. The consumer participants urging the Circuit Court to reverse the RPC ruling were the State of Wisconsin, Wayne County, Michigan, and the cities of Kansas City (Missouri), Detroit, and Milwaukee. All of them were consumers of Phillips gas. The Circuit Court ruled in favor of the consumers. This decision was appealed to the Supreme Court which, on June 7, 1954, upheld the lower court's decision. Ironically, the Supreme Court had interpreted the law more broadly than the Commission itself had desired. At any rate, the Phillips decision temporarily solved the problem.

Beyond question, the Federal Power Commission now possessed the authority to regulate the field prices of independent producers of natural gas. 10

The decision fell heavily on the Federal Power Commission and the oil and natural gas industry. Since it is practically impossible to separate oil and gas production, the oil companies were particularly hit hard by the Phillips decision. They contended that oil would likely be next. Also, the gas producers feared that credit for gas production would be more difficult to secure due to the financial insecurity that would undoubtedly sweep the industry. Moreover, the

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10 Engler, Politics of Oil, 117-31; Nash, United States Oil Policy, 233-34; Carper, Lobbying, 6-7.
Phillips decision greatly increased the work load of the Federal Power Commission. The Commission now assumed, in addition to its other burdens, the regulation of about 40,000 gas producers. To remedy this situation the natural gas industry and the Eisenhower-appointed Federal Power Commission went to Congress for legislation that would reverse the Phillips decision.11

Until this point Eisenhower had remained remarkably silent. But the Phillips decision changed that. A week after the Supreme Court announced its decision, Senator Johnson of Texas recommended that a commission be set up to "study carefully" the problems of the natural gas industry and to make recommendations "for appropriate legislation." While Bureau of the Budget Director Rowland Hughes suggested that the problems be forwarded to a commission already in existence, the Administration decided instead to create a new commission to investigate this and other energy resource issues. On July 30, 1954, the White House announced the establishment of a Cabinet Committee on Energy Supplies and Resources Policy. The Secretaries of the Departments of State, Treasury, Defense, Justice, Interior, Commerce, and Labor composed the Committee. Arthur Fleming, Director of the Office of Defense Mobilization, was designated its chairman. The Committee was charged with the responsibility of undertaking "a study to evaluate all

factors pertaining to the continual development of energy supplies and resources and fuels in the United States, with the aim of strengthening the national defense, providing orderly industrial growth, and assuring supplies for our expanding national economy and for any future emergency." The report of the Committee, issued in early 1955, recommended the exemption of independent producers from FPC regulation. The report was correctly interpreted by *Business Week* as "Eisenhower's invitation to Congress" to repeal the Phillips decision. Consumer interests greeted the report with stinging criticism. Senator Alexander Wiley of Wisconsin rejected the report out-of-hand. Unless the natural gas industry were subjected to Federal regulation, he declared, "the respective consuming states like my own would be virtually helpless in trying to establish reasonable prices by the time the over-priced gas were to come into the respective state boundaries." In a letter to Arthur Fleming, Senator Paul Douglas objected to the composition of the Committee. He argued that it had been weighted in favor of the oil and gas industry and thus was antipathetic to consumer interests. Fleming replied by arguing that the "positions of these [oil and gas] industries are widely divergent in character." There was not, he concluded, a single bloc of oil and gas representatives. Douglas remained unconvinced. "And while you refer to the divergent views of the coal industry and the oil and gas industry on many issues," he said, "they have long seen eye to eye on the precise legislative issue I mentioned--the question of
exempting from reasonable regulation the sales in interstate commerce of nontransporting as producers. 12

In 1955, a bill conforming to the recommendations of the Presidential Advisory Committee on Energy Supplies was introduced into Congress by Senator J. William Fulbright and Representative Oren Harris, both Democrats from Arkansas. Under the proposed bill, the Federal Power Commission's jurisdiction over field process would have been severely curtailed. The Commission would regulate the producers in such a way as to allow for a "reasonable market price" and a "fair gathering charge in those cases where such price is determined before but not after gathering is completed." In this sense, the Fulbright-Harris proposal differed from the Kerr bill which would have simply exempted the producers from all regulation. While the President would most likely sign such a bill, many pundits speculated he would not "lift a finger to help get it passed." This assessment was partially true, for the Administration let Congressional leaders handle the matter almost exclusively. 13


Opposition to the bill arose from organized labor, gas utility companies, municipal organizations, and the coal interests. The labor and mayor groups concentrated their lobbying efforts on behalf of their consumer constituency. Representative Clement J. Zablocki of Wisconsin summarized their arguments:

If the cost of the gas brought into our State through that [natural gas] pipeline increases, the consumers have little alternative but to pay the higher price. They cannot go to another supplier, and they cannot change to another fuel—such as coal, oil, or electricity—without losing their investment in gas-burning equipment.

The United Auto Workers had waged a strong fight against the Kerr Bill and now it protested the Fulbright-Harris measure. The UAW charged that the "reasonable market price" provision was just a gimmick. If passed, the Fulbright-Harris bill would thus be "a 30 billion windfall to big oil and natural gas producers..." Joseph W. Childs of the CIO contended that competition within the industry sent prices up, not down as the producers sought to prove. He concluded: "If this is the kind of protection we get from competition in the sale of natural gas to pipelines, we've had enough." The National Farmers Union also believed that the nature of the industry required regulation, not total free enterprise. The Union foresaw a dangerous precedent being set by the Fulbright-Harris bill: "...and finally if the authority of the Federal Power Commission is weakened and destroyed in regard to regulation of natural gas prices, it is probable that authority to regulate electric power wholesale rates for resale will be
These consumer interests took their case directly to the White House. Led by Senator Wiley a delegation of municipal and state associations met with Eisenhower on March 18, 1955, to urge him to oppose the Fulbright-Harris bill, but when the President proved unsympathetic, consumer opposition to the bill was mobilized by mayors of cities from around the country. On April 6, 1955, Mayors Joseph S. Clark, Jr. of Philadelphia, Robert Wagner of New York, and David Lawrence of Pittsburgh sent telegrams to a hundred mayors of cities with populations over 100,000 people. In early February the three mayors met with a half dozen senators, including Douglas of Illinois and Lehman and Ives of New York, to arrange strategy for the difficult fight ahead. In protesting the bill, Mayor Clark set forth what the mayors conceived as the central issue:

And the real issue raised by this legislation which we oppose is whether a group of producers, the fulcrum of whose power rests in the hands of the large oil companies in this country would be permitted to determine the price of a commodity passing in interstate commerce and affected by the public interest, unilaterally and without policing in the consumer interest by a regulatory body: the Federal Power Commission.

Nevertheless, the efforts of organized labor and mayors attracted little public attention.  


15New York Times, March 19, 8; April 7, 1955, 37; Feb. 2,
The gas industry was not unified on the bill. The gas utilities opposed the escalator clause and since the Fulbright-Harris bill did not eliminate it, they too fought the bill's passage. At a meeting in October 1955, the gas utilities organized the Council of Local Gas Companies, a group designed to work closely with the opposition congressmen. The Council's leader was John Heyke, the President of Brooklyn Union Gas Company. Approximately sixty companies from twenty states made up the Council. The Council protested the Fulbright-Harris claiming it would exempt producers from regulation while the local gas companies would still be tied to escalator clauses. "Many of these escalator clauses," the Council remonstrated, "are unfair and vicious in their operation, since the uncontrolled action of third parties can bring about the increase in price without any regard to the necessities of the producer who is selling the gas." Heyke reiterated to the House Committee on Interstate and Foreign Commerce that "The operation of these [escalator] clauses has in recent years resulted in unjustified price increases for producers which bear no reasonable relationship at all to producer costs, risks, required incentives, or general economic conditions." Randall LeBoeuf of Consolidated Edison Co. of New York agreed: "No regulatory process can function if these [escalator] clauses change rates without the exercise of any judgment on

1956, 14; House Hearings, 1955, 1380-84; March 9, 1955, Alexander to Bernard M. Shanley, Central Files, OF-140-A, Box 725, Eisenhower Library; Congressional Record, 84th Cong., 1st Sess., v. 101, part 9 (July 28, 1955), 1181-82.
the part of the regulatory body." The independent Natural Gas Association of America echoed the same sentiments. The gas utilities agreed that rate increases did not derive from any necessary hike in producers' expenses or even in the value of natural gas; rather, they felt "artificial extraneous circumstances" accounted for the rate increases. If the escalator clause remained operative while the producers went unregulated, gas prices would jump, making it exceedingly more difficult for gas utilities to compete with coal as an economical energy resource. 16

The coal states of West Virginia, Kentucky, Pennsylvania, and Ohio were equally opposed to the Fulbright-Harris bill. The United Mine Workers championed gas conservation, something the union hoped would stem the competitive impact of natural gas on coal. The National Coal Association put the real reason succinctly: "It is important to make it clear to the Congress that coal has lost substantial markets to such unregulated natural gas competition, and most such losses can be attributed to the price flexibility of natural gas which is possible because of the exemption [of natural gas from FPC regulation]." Accordingly, Representative Harley Staggers of West Virginia introduced a bill to help protect the coal industry from the "unfair" competition of natural gas. Representative James Van Zandt of Pennsylvania advocated federal

16 Council of Local Gas Companies, "The Natural Gas Issue Before Congress" (Pamphlet), in Paul Douglas Papers, Box 357; House Hearings, 1955, 395-97, 675-82, 803-04; Carper, Lobbying, 32-34.
regulation of the natural gas industry in order to preserve jobs. "As a representative of a congressional district whose economy depends upon coal and railroads," he said, "this unfair competition from natural gas has thrown thousands of coal miners, railroad workers, and other employees in related industries out of jobs." 17

The Fulbright-Harris bill gathered support from several important sources. It received the overwhelming endorsement of the Eisenhower-appointed Federal Power Commission. This time the Commission was not as badly divided as on previous occasions. Commissioner Buchanan met a fate similar to Olds'. Truman renominated him to the FPC but the Senate subcommittee which investigated his nomination voted nine to four against him. Nevertheless, Truman kept Buchanan on the Commission through a recess appointment. The appointment of a new Chairman of the FPC concerned the advocates of federal regulation of natural gas. For example, Senator Wiley urged that in selecting a new Chairman "every consideration be given to selecting an individual who will hold views" sympathetic to the construction of the Saint Lawrence Seaway and "to protecting the rights of consumers especially in so crucial an area of utility regulation as natural gas rates." But Eisenhower promptly withdrew Buchanan's name for Senate consideration and replaced him with Jerome Kuykendall, a member of the Washington State Public Utility Commission. While a lawyer in

17 Nash, United States Oil Policy, 228; House Hearings, 1955, 299, 1099, 1891-94.
private practice, Kuykendall had numbered Trans-Northwest Gas, Inc., and the Western Gas Co. among his clients. Despite some opposition to his appointment, Kuykendall was confirmed and made Chairman of the Commission. Likewise, when the term of Harrington Wimberley expired in 1953, Seaborn Digby, an Eisenhower Democrat from Louisiana, was appointed to the Commission. From 1948 to 1952, Digby had sat on the industry-dominated Conservation Commission of Louisiana and had been a member of the Legal Committee of the Interstate Oil Compact since 1948. Seemingly, Digby was a good political appointment. After investigating him, Kuykendall reported to Charles Willis, Jr., a special assistant to the President, that "All the informants indicated that Mr. Digby was not an outstanding political figure although quite well known in Louisiana politics. Apparently all political factions in Louisiana like and respect Mr. Digby." Similarly, James F. McKillips, Jr., an assistant to the Chairman of the Republican National Committee, recommended him: "It is my understanding this would be a popular appointment in Louisiana." The Digby appointment did not meet with unqualified enthusiasm from all quarters, however. Senator Charles Tobey of New Hampshire, the new Chairman of the Senate Committee on Interstate and Foreign Commerce, felt the Federal Power Commission was biased in favor of the gas producing states. "Let us look at the picture realistically," he wrote Sherman Adams. "If Mr. Digby, a gas producer-state Democrat, is appointed to the Commission, who is the countervailing representative of the northern gas consumer on the
other side?" For various reasons Tobey did not believe Commissioner Draper was "an adequate countervailing influence in favor of the consumer." But Tobey singled out Commissioner Nelson Lee Smith for his most severe criticism. He thought Smith, also from New Hampshire, should have been the consumer countervailing force on the FPC but, instead, he "has consistently depended for his political support on Texas gas interests." Consequently, he suggested that Smith be replaced when his term expired on the Commission. Tobey wanted him transferred to the Interstate Commerce Commission and his successor to represent the consumer states. Specifically, Tobey wanted the new commissioner to come from New England. In a separate communication to Adams, Tobey also outlined the political value of appointing a consumer representative to the FPC. "If we are going to put champions of higher gas prices in the field on the [Federal Power] Commission," he pointedly concluded, "we have got to take care of this consumer problem on the Power Commission." When his appointment expired in June, 1955, Commissioner Smith was succeeded by William R. Connole of Connecticut, a consumer-oriented commissioner. Unfortunately this appointment did not come until after the Commission, with only one dissenting vote, had endorsed the Fulbright-Harris bill. 18

18 Engler, Politics of Oil, 325-26; Nash, United States Oil Policy, 232; Feb. 24, 1953, Wiley to Eisenhower; Memo, June 4, 1953, Kuykendall to Willis; May 19, 1953, McKillips to Willis; July 6, 1953, Tobey to Adams; (Tobey also sent another letter to Adams on the same day); Feb. 2, 1955, Nelson Lee Smith to Eisenhower; April 3, 1953, in Central Files, OF-18, Box 193, Eisenhower Library.
The chief advocates of the Fulbright-Harris bill were Arthur Fleming, Director of the Office of Defense Mobilization and Chairman of the President's Advisory Committee on Energy Resources, the Federal Power Commission, and the American Petroleum Institute, which represented the independent producers. After Wiley's consumer group visited with Eisenhower in March 1955, Fleming adamantly defended his Committee's recommendation. "All of these [consumer] arguments bear upon the likelihood of unreasonable price increases," he observed. They ignore the availability of the antitrust laws to deter and break up combinations of companies for the purpose of increasing prices in interstate commerce. They ignore or belittle the basic advantage of unregulated commodity prices in a free market and the national policy against Government interference with private enterprise.

Jerome Kuykendall, Chairman of the Federal Power Commission, also endorsed the Fulbright-Harris bill. He marshalled six reasons why independent producers should not be regulated by the FPC. First, natural gas is a resource, like coal and oil, and they are not regulated. Therefore: "If one of these fuels is to be subjected to regulation, they all should be." Second, since natural gas is not a public utility, the laws of competition—not regulation—ought to be allowed full play. "We [the FPC]," Kuykendall said, "are of the opinion that the gas producing industry does not have the characteristics of public utilities which must and should be monopolies, and is the type of industry in which competition or any unfair competition, if any, should and can be dealt with by proper application of our antitrust laws." Third, such a law would eliminate
the cloud of financial uncertainty presently hanging over the industry. Fourth, since the supply of domestic natural gas might diminish because regulation would destroy incentive for gas exploration, some industries in the North and Midwest might find themselves compelled to move to the natural gas producing states unless this bill is enacted. Otherwise this trend could have a devastating effect on the economy of the Northern and Midwestern states. Fifth, "the fixing of rates of producers for gas sold in interstate commerce for resale will inevitably conflict with the recognized power of the States to regulate producers for purposes of conservation." Finally: "We [the FPC] believe that a sound fuel policy is essential to a robust and expanding internal economy and to the successful development of the national defense." Commissioner Draper, who accepted the arguments of the consumer advocates, was the lone dissenter from the Commission's official views. "This seller's market situation," Draper maintained, "is aggravated by the fact that, generally speaking, neither the distributing companies nor the consumers are in a position to bargain directly with the producers who are the ultimate suppliers of natural gas."19

The American Petroleum Institute (API) was delegated the job of bringing the producers' case before the Federal Government and the general public. After the Circuit Court handed

down its decision in the Phillips case, the API established
two ad hoc committees designed to encourage remedial legis­
lation. The General Gas Committee became the API lobbying
agent and the Natural Gas and Oil Resources Committee was
organized to educate the public about the problems plaguing
the industry due to the Phillips decision. Dr. John Boat­
wright, chief economist for Standard Oil of Indiana, directed
the research activities of the General Gas Committee. Testi­
fying before the House and Senate Commerce Committees, Boat­
wright contended that while the natural gas market was widen­
ing, the supply of natural gas might be greatly diminished in
the future because there will be no incentive to explore for
the resource. He cited one case in particular and concluded:
"Regulation, as practiced, did stifle exploratory efforts to
discover new [natural gas] resources." This was just one of
the many arguments employed to persuade congressmen to the
merits of the Fulbright-Harris bill. Business Week displayed
the same reasoning: "Government control [of the natural gas
industry] would only impose unnecessary restraints and would
run counter to the sound principle that government should not
attempt to do what private industry can do better." 20

The opponents of federal regulation also obtained support
from influential organizations outside the industry. The

20 Carper, Lobbying, 8, 12; Senate, Committee on Inter­
state and Foreign Commerce, 84th Cong., 1st Sess., Natural
Gas Act (1955), 120-227 [hereafter referred to as Senate Hear­
ings, 1955]; "Industry Can Do It Better," Business Week, 1327
(Feb. 5, 1955), 144.
American Cattlemen's Association viewed federal regulation of the natural gas industry as a dangerous precedent. If the Federal Government could regulate this resource, it reasoned, then someday it might decide to regulate all American industries, including livestock. Better to stop the government now before it gets out of hand. The American Farm Bureau agreed wholeheartedly. The National Wool Growers Association loudly protested the implications of the Phillips decision. The Association felt that a statement redefining the powers of the Federal Power Commission would also "clearly and firmly state that neither that agency nor any other of the Federal Government shall have the power to encroach upon the prerogatives and long-established practices of the respective States nor upon the intrinsic and inalienable rights of individual citizens, nor to fix prices in any competitive business." 21

Despite its well-chartered course, the Fulbright-Harris bill did not find an altogether clear road ahead. The House Commerce Committee reported out the bill without any changes. After a motion for recommittal was narrowly defeated, the bill passed by only six votes. The proponents of the bill now redoubled their efforts for the expected fight in the Senate. Not everyone, however, interpreted the narrow victory in the House as a danger sign for the gas producers. Noting little public response to the bill, Commonweal thought the "chances of defeating the measure would be greatly enhanced if somehow

21 The opinions of these organizations can be found in House Hearings, 1955, 523-25; Senate Hearings, 1955, 1453.
the consuming public would be induced to take part." And the Case scandal did exactly that. 22

Unexpectedly, in the midst of the debate on the Fulbright-Harris bill, Senator Case, a conservative Republican from South Dakota, informed his colleagues of his intention to vote against the pending measure. He revealed that a lawyer had contributed twenty-five hundred dollar bills to his re-election campaign. He did not charge, however, that the money was a bribe; after all, he was already going to vote for the bill anyway. But because of the size of the contribution and the relative anonymity of the donor, Case simply could not vote for the measure. "The point at which I object,...," the Senator explained, "is that of doing something so valuable to those interested in natural gas that they advance huge sums of money as a down payment so to speak, on the profits they expect to harvest." Obviously piqued by Case's disclosure, Senator Fulbright, the sponsor of the bill, badgered Case to divulge the name of the individual who had given the money to his campaign. Fulbright sharply drew his point:

...To come in here and use this example of malfeasance of alleged supporters of the bill without any knowledge of who they are and whom they represent leaves us in a very peculiar position. There is necessarily suspicion around with references to any Senator who supports the bill, because the Senator from South Dakota himself has changed his position because of the offer of a bribe--

22House of Representatives, 84th Cong., 1st Sess., Report N. 992 (June 28, 1955); Congressional Record, 84th Cong., 1st Sess., v. 101, part 9 (July 28, 1955), 11921-30; "Threat to the Consumers," Commonweal, 62 (Aug. 12, 1955), 461. The House vote was nonpartisan as in the offshore oil case. 86 Democrats and 123 Republicans voted for the bill and 136 Democrats and 67 Republicans opposed it. Generally speaking, the votes could be broken down according to consumer/producer state interest.
A couple of days later Majority Leader Lyndon Johnson and Minority Leader William Knowland introduced a joint resolution to establish a committee to investigate Case's disclosure.

The investigative committee, headed by Walter F. George of Georgia, was composed of senior members of the Senate. The Committee found there had been no attempted bribery but did determine "galloping irresponsibility" on the part of the donor. George's committee suggested that a thorough study of the Federal Lobbying Act, Federal Corrupt Practices Act, and the election laws should be undertaken. A Federal Grand Jury was not as lenient with the donor, however. The defendants pleaded guilty to violating the Federal Lobbying Act and received fines. Ironically, there had been no need for the entire incident. Fulbright's bill would have passed the Senate easily. The scandal now cast a long shadow over the political atmosphere.23

When the Senate Commerce Committee reported out the producers' bill, the Council of Local Gas Companies, quickly surmising that the Fulbright forces had the necessary votes, wisely decided to attempt to modify the bill through amendment. The floor managers of the bill adopted a strategy of

opposing all such amendments. Senator John Pastore of Rhode Island proposed that a provision be inserted in the bill stipulating that the FPC ought to take into consideration the interests of the consumer as well as a reasonable market price. Fulbright answered that the Federal Power Commission was already commanded by law to consider the consumers' interests by testing "the reasonableness of the provisions of the contract as they relate to existing and future prices." Senator Douglas' amendment would have freed "the small producers of natural gas from all regulation," and would have retained "regulation for the approximately 200 large producers." Had Douglas' amendment been accepted the bill would have been returned to the House, where it no longer enjoyed majority support. Both the Pastore and Douglas amendments were defeated.

The pressure put on the senators was great. For example, Senators Pat McNamara (D-Mich.) and George Aiken (R-Vt.) declared they had never experienced such pressure. On the same day Johnson and Knowland introduced their resolution to investigate the Case episode, the Senate voted 53 to 38 for the bill. The no-amendment strategy had worked. All eyes now focussed on the White House.24

Although the President had not publicly committed himself to the bill, it was generally agreed he would sign it.

24Carper, Lobbying, 34; Congressional Record, 84th Cong., 2d Sess., v. 102, part 2 (Feb. 6, 1956), 2064-67, 2074-75, 2096; New York Times, Jan. 18, 24; Feb. 1, 12; Feb. 7, 1956, 1; "The President's Veto," Commonweal, 63 (March 2, 1956), 560. The vote was: 30 Republicans and 23 Democrats for; 14 Republicans and 24 Democrats opposed.
Oren Harris urged Eisenhower to sign it. "I sincerely hope, Mr. President," he wrote, "that you will not be persuaded by the propaganda, the distortion of the facts and the unfortunate event of the Senator Case matter." Representative Charles Halleck (R-Ill.) agreed that the Case affair "should certainly not be permitted to cloud the issue." But 1956 was a political year, and Eisenhower vetoed the measure. In the veto message Eisenhower said: "I believe I would not be discharging my own duty were I to approve this legislation before the activities in question have been fully investigated by the Congress and the Department of Justice." Nevertheless, Eisenhower noted that he agreed with the principle of the bill. Commonweal complimented the President on his action. "Defeat of the measure," it said, "is, therefore, a sort of political muscle resulting from the President's determination to defend 'the integrity of governmental processes.'" Henry Hazlitt of Newsweek was not so admiring. "President Eisenhower's veto of the natural-gas bill was confused, irrelevant, and political blunder," he inveighed. "It cannot be defended logically, constitutionally, or economically."²⁵

Shortly after the veto the White House quietly sent out word to Southwestern oilmen that the Administration would

support a gas bill protecting the consumer and reconciling the difference between producers and distributors. In his Budget Message of January 1957, Eisenhower told Congress that "legislation freeing gas producers from public utility-type regulation is essential." To facilitate matters, Gerald Morgan, a White House aide, asked the Chairman of the FPC to draft a bill conforming to the requirements of the President's veto message, and harmonizing the interests of the producers, distributors, and pipelines. When Kuykendall discovered he could not do it unaided, the FPC chairman conferred with Randall LeBoeuf, who had been a leading spokesman for the utility distributors opposing the Fulbright-Harris bill, William Tarver, a former member of the FPC staff and presently employed with a pipeline company, and David T. Searls, who had supported the producers. When critics later charged that consumers were not represented at these secret meetings, Kuykendall defended himself: "I got 3 extremely able men from those 3 segments of the industry (producer, pipeline, distributor), and I believe that among those the consumer interests were adequately represented." When the head of the Brooklyn Union Gas Company asked him to step out of the picture because a separate industry group aiming at the same objectives had been previously formed, Kuykendall complied with his wishes. In the next session of Congress, Representative Oren Harris introduced a new bill, outlawing the escalator clause and stipulating that producers had to prove their rates were reasonable if the FPC or a third party challenged them. The Federal Power Commission
and all three segments of the industry supported this revised bill. This time LeBoeuf testified in favor of the legislation. While the bill was reported out of committee it never reached a vote. Once again the Administration decided the time had not come for such a law. A bill of this type never did pass under Eisenhower's presidency. 26

The natural gas controversy involved all aspects of the American political and judicial system. But for the sake of a scandal, the Natural Gas Act would have been amended in 1956. The offshore oil and natural gas controversies followed much the same routes. In one case the Supreme Court was overturned by Congress; in the other the high court's decision stood only because a scandal made it politically impropitious for the President to sign the Fulbright-Harris bill. But the natural gas controversy highlighted some new questions. Kuykendall had worked with representatives of the industry to write a bill which would have diminished the regulatory powers of his own commission. Many observers seriously questioned whether his activities had been in keeping with the statutory independence of such commissions from outside entanglement and interference. When he came up for renomination, Kuykendall

had to answer this among other questions. Meanwhile, a new competitive energy resource, atomic energy, also demanded legislative and executive attention.
When America emerged from the Second World War the newest form of energy, atomic power, occupied a unique position among the country's resources. Because of its military importance atomic energy became the exclusive monopoly of the Federal Government. This monopoly meant the application of nuclear energy to peaceful domestic purposes was regulated to secondary importance. By 1953, however, industry was demanding access to this new power resource. The development of a new industry awaited. While its impact upon the American economy during the fifties was negligible, the potential economic importance of atomic energy for industrial use was obvious. But as the Federal Government loosened its grip, several policymaking problems developed. During the fifties, the political mechanism by which domestic nuclear energy would be regulated by the Atomic Energy Commission (AEC), the Joint Congressional Committee on Atomic Energy (JCAE), and the White House took definite shape.¹

The Atomic Energy Commission stood out among other agencies in the maze of federal bureaucracy. Most of the AEC's

business was shrouded in secrecy and devoted almost entirely to military phases of atomic energy. As long as the atom remained a monopoly of the Federal Government the AEC did not have or need a political constituency; in a sense, the Commission was above politics. But once the Federal Government consented to release the atom for peaceful domestic purposes the AEC found itself cut adrift in the midst of a political thunderstorm.\(^2\)

The Joint Congressional Committee on Atomic Energy was also in the eye of that storm. Among congressional committees, the JCAE, established in 1946, enjoyed special benefits. The JCAE, for example, was the only joint committee granted legislative authority; the other nine joint committees served only investigative, study, or housekeeping chores. Besides its legislative functions, the JCAE also exercised the customary investigative and study duties. Furthermore, the joint committee, by its nature, had singular legislative powers. Ordinarily, if unacceptable legislation were reported out by a committee in one branch of Congress, the parallel committee in the other house could amend it. Such was not the case with the JCAE. Once the Joint Committee reported out a bill, all avenues, short of amending it on the floor of Congress or actually defeating the bill, were closed.

Nevertheless, one important limitation was placed on the Joint Committee's legislative authority. Until 1954, the Committee was not empowered to authorize the construction or acquisition of new atomic facilities. The JCAE thus worked closely with the House and Senate appropriations committees. It is easy to understand why the JCAE jealously guarded its legislative prerogatives and independence.3

Since the committee was prestigious, congressmen naturally sought membership on it. An examination of the membership of the Joint Committee reveals, however, that electoral constituency interest often played a large role. The locations of the original atomic installations were determined solely by technical requirements, not constituency interests. But as these installations became integrated with the economies of the states and regions where they were located, congressmen from these areas naturally gravitated to the JCAE. An AEC laboratory or plant could mean large government contracts and jobs, a political as well as an economic inducement. This is not to say that all states possessing AEC facilities obtained representation on the committee. Among those in the fifties best reflecting this constituency concern, however, were Senators Clinton Anderson (Los Alamos and Sandia), Henry Jackson (Hanford), Albert Gore (Oak Ridge), and Representatives

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3Rosenthal and Green, Government of the Atom, 26, 127; Morgan Thomas, in collaboration with Robert M. Northrup, Atomic Energy and Congress (Ann Arbor, University of Michigan Press, 1956), 17-20. Since the JCAE worked with important secret information it was highly unlikely any JCAE-sponsored bill would be defeated. The chances for amending legislation were poor.
Chet Holifield and Craig Hosmer (Lawrence Radiation Laboratory and Stanford linear acceleration), and Melvin Price (Argonne). Throughout the fifties these congressmen fought tenaciously to preserve and occasionally to expand the JCAE's jurisdiction over the AEC.  

Since the AEC had no political constituency and the JCAE closely identified with Commission activities, the Joint Committee became the AEC's public apologist. Whenever the AEC underwent public criticism, members of the JCAE defended it. Realizing the significance of this marriage Gordon Dean, the first Chairman of the Atomic Energy Commission, nurtured a close relationship between the Commission and the Joint Committee. According to Section 15(b) of the McMahon Act, the basic atomic energy law, the Commission was ordered to "keep the joint committee [JCAE] fully and currently informed with respect to the Commission's activities." For the most part the AEC complied with this provision as, indeed, the JCAE took its responsibility seriously. In fact, the Committee came to regard itself as a full policymaking partner, and not just as a "watchdog" over the AEC. "Fundamental policy, though normally originating within the [Atomic Energy] Commission tends to be made with the advice and consent of the congressional committee [JCAE]." Senator Henry M. Jackson, a

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member of the JCAE explained. "And in the case of certain vital policy decisions, the urging from the Committee has played so powerful a role that it can be said the Committee made the decisions, with the advise and consent of the executive branch." From 1946 until 1953, the JCAE and AEC lived in a harmonious relationship. But between 1953 and 1958, the years when Lewis Strauss reigned over the Commission, the JCAE vigorously resisted the tendency toward executive domination of the AEC. The Joint Committee simply opposed any divorce. While the turf over which the battle took place appeared to be the public versus private power issue, the real struggle concerned which branch of the government, the JCAE or the White House, would predominate over AEC activities.5

The executive-legislative struggle arose largely out of the ambiguous nature of the McMahon Act (1946). The Joint Congressional Committee, as we have seen, enjoyed unique status and independence in Congress, thus jealously guarding its responsibilities and prerogatives. But the relationship of the Executive to the Atomic Energy Commission was less explicit. The Act made the AEC relatively independent of the White House. The Commissioners and the General Manager of the AEC were appointed by the President with the advice and consent of the Senate. Once appointed, however, a commissioner

could be dismissed by the President only for reasons specified by the McMahon Act. Thus, the Commission was intended to exercise a degree of autonomy. The nub of the problem was that while the McMahon Act directed the President to oversee the Commission's work relating to fissionable materials and atomic weapons, the mechanism by which this should be done was not made plain. Rather it was left to the executive branch to devise. 6

When Lewis Strauss became Chairman of the AEC in 1953, he stepped into a crossfire between the White House and the JCAE. As a member of the Taft-Hoover wing of the Republican Party, Strauss was unpopular with many Democrats from the start. He and Taft had begun their public careers together when Herbert Hoover, the future president, headed the Food Administration during World War I. As each pursued his own career, the three men remained close friends over the years. When Taft sought the presidential nomination in 1952, both Strauss and Hoover supported him. Born and educated in Charleston, West Virginia, Strauss rose to prominence in business circles as a partner in the finance firm of Kuhn, Loeb & Co. In 1946, Truman offered him a position on the newly created AEC, a position he accepted after consulting with Taft. After the Soviet Union exploded its first atomic bomb in 1949, the loss of the American atomic monopoly was a cause of concern.

6 Morgan Thomas, Atomic Energy, 12-13. Also, it ought to be pointed out that the President appointed all the members of the General Advisory Committee of the AEC.
for many. Consequently, Strauss, along with Gordon Dean, recommended the United States undertake construction of the hydrogen bomb. Truman accepted their controversial advice. Strauss later resigned from the Commission and returned to business. When Eisenhower took over, he named Strauss his executive assistant for consultation on atomic energy matters, and not long afterwards, nominated him chairman of the AEC. As Chairman of the AEC Strauss occupied a politically sensitive position. He was head of a relatively independent Commission with firm ties to an influential congressional committee; on the other hand, Eisenhower made him a member of the National Security Council and a Special Advisor to the President. Inexorably, a political tug-of-war between the JCAE and the White House resulted. The fact that the Democrats controlled the JCAE after 1955 only exacerbated these tensions.

By Eisenhower's inauguration, industry had already mounted pressure for relaxation of the federal monopoly on atomic patents and source material. Until 1950 the AEC had been involved in only one nonmilitary project and that had been discontinued. Later the Monsanto Chemical and Dow Chemical-Detroit Edison industrial groups introduced proposals

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for industrial participation in domestic development of the atom for electric power. Finally, in 1951, the Atomic Energy Commission initiated the Industrial Participation Program, by permitting the AEC's reactor program to be studied by businesses concerned with the atom. Two rounds of such studies resulted. The National Security Resources Board recommended, in December 1952, that the McMahon Act be revised to allow for participation of private interests in the development of atomic energy. "Direct the Atomic Energy Commission, in consultation with the Department of the Interior and the Federal Power Commission, as well as other interested agencies," it advised, "to draft for submission to the Congress an amendment to the [McMahon] act specifying the conditions--including patent rights, availability of fissionable materials and allocation of costs as between industrial power and weapons--under which private interests could operate commercially to benefit from their atomic power research, development and production." The President's Advisory Committee on Government Organization made a similar suggestion. 8

Eisenhower heeded this advice and, in February 1954, forwarded a special message to Congress recommending amendments to the McMahon Act. Aside from certain foreign policy changes, the President felt the time had now come for "broadened participation in the development of peacetime uses of

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energy in the United States." "But," he added, "in any undertaking, the enterprise, initiative and competitive spirit of individuals and groups within our free economy are needed to assure the greatest efficiency and progress at the least cost to the public." The Atomic Energy Commission, likewise, sent two draft bills to Congress. The Chairman of the Joint Congressional Committee on Atomic Energy, Representative W. Sterling Cole (R-NY) refused to even consider these bills because they arrogated too much authority to the President. Even though a Republican, Cole was not about to let the White House usurp any of the JCAE's power. Consequently, Cole and Senator Bourke Hickenlooper of Iowa, the Vice Chairman of the Committee, drafted their own bill. The intention of the Cole-Hickenlooper bill was to preserve the authority of the JCAE while achieving the Administration's basic objectives.⁹

The Cole-Hickenlooper bill had three main provisions. First, the AEC would be authorized to release information to the allies of the United States for the design and development of defense plans and training of personnel, although information regarding the design or manufacture of weapons could not be made available. Secondly, the AEC also would be allowed to give data to its Allies regarding "industrial and other applications of atomic energy for peaceful purposes."

Fissionable materials for industrial use could be released. Finally, the bill aimed at creating "a great new industry in atomic energy" by permitting and encouraging private industry to own and operate atomic reactors and power plants under regulation by the Atomic Energy Commission.10

Generally, the bill met with the approval of industry but not with the constituent groups of the New Deal coalition. The National Rural Electric Cooperative Association complained that the bill would legalize a return to the days of Samuel Insull and the "power trusts." In effect, the Cole-Hickenlooper bill, the NRECA asserted, would create new utility holding companies, an evil the Public Utilities Holding Company Act of 1935 had attempted to destroy. Agreeing with the NRECA, the C.I.O envisioned the bill making "inevitable the creation of a giant monopoly in the production of atomic power...." In other words, the opponents of the bill feared that if industry owned its source material and had exclusive patents they would monopolize the domestic use of atomic energy. Trumpeting the virtues of free enterprise, industry, of course, was especially eager for passage of the Cole-Hickenlooper bill. E. H. Dixon, President of Middle South Utilities, Inc., and an influential member of the Edison Electric Institute, contended that if "the superior position of the United States" in atomic energy were to be maintained, it would have to be done "in terms of industrial capacity and industrial

development." "In this respect," he went on, "the present [McMahon] act operates in reverse; complete Government monopoly tends to inhibit industrial participation, the very level upon which our superiority has been demonstrated in other fields and can be maintained with respect to the atom." The United States Chamber of Commerce felt that relaxation of the government's monopoly would encourage development of "the science of atomic power." Furthermore, Walker Cisler, President of the Detroit Edison Co., thought the bill should permit private enterprise to build and operate atomic energy plants, to acquire, own and dispose of fissionable and source materials, to sell and distribute end products and by-products produced in an atomic energy facility, to obtain licenses from the AEC for such work, and to have the normal patent and trade-secret protection subject, of course, to full disclosure to the Commission for its own use and military purposes. The industrialists had one added advantage; they received the support of the Atomic Energy Commission.\(^{11}\)

The Commission unanimously endorsed the Cole-Hickenlooper bill, noting it "would carry out the basic objectives of the President's message in this area." The AEC, in fact, encouraged development of atomic energy by industry. Reflecting the arguments of industry, the Commission told the JCAE: "Putting this resource to work, through continued Government development

where necessary, and through private industry, to strengthen the economy—to create power for industry and homes, open up jobs, create new sources of revenue—will most quickly and securely achieve and spread its benefits."  

Before atomic energy could be opened to industry it was first necessary to iron out certain technical and political problems. Specifically, questions involving ownership of patents and source material, preference to public power groups, and the "principal officer" clause had to be answered. The Cole-Hickenlooper bill would have provided for normal patent practices. Those who agreed with this provision envisaged such patent rights encouraging industry to develop atomic technology and science. In order "to permit a reasonably wide dissemination of the knowledge now accumulated in the field," the American Bar Association and the Atomic Energy Commission sounded a compromising note by suggesting that a transitional period of five years would be preferable to instituting the traditional patent laws right away. Alfred Iddles, President of the Babcock & Wilcox Co., which manufactured steam-generating units, said that a transition period would be amenable to him. Nevertheless, there was no doubt he preferred the traditional patent provisions. "...It happens," he said, "that all of my competitors are already in the business, and if I can beat them out in doing the next job in competition better, and get a patent on it, I ought to be able to do so."

12 Ibid., 563, 575, 615.
E. H. Dixon noted that patents had played almost no direct part in the electric power industry for many decades and that "it is believed that patents will play a small part, if any, within the electric power industry itself in the atomic age, since the industry is one in which profits are limited, and the patent incentives would necessarily be relatively unimportant." The American Public Power Association took exception to this reasoning. The Association felt the patent provision in the Cole-Hickenlooper bill was "so obviously designed to serve individual private interests at the expense of the general welfare as to require their total rejection..." The National Farmers Union suggested that all atomic patents should be "nonexclusive" (i.e., available to the entire industry), and the AEC should be empowered to set reasonable royalty fees. The National Rural Electric Cooperative Association predicted that electricity rates would increase if exclusive patents were granted. "I predict," Clyde T. Ellis of the NRECA inveighed, "that if Congress yields to the demands of the monopolistic power companies and permits the granting of exclusive patents...the adverse reaction will be voiced at every farm breakfast table and in every rural ballot box in the United States."13

The question of ownership of fissionable materials went straight to the heart of the problem. The industrialists believed industry should be allowed to own its own source

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materials, while opponents fought to have the materials leased to industry by the Federal Government. E. H. Dixon cited four cogent reasons why industry ought to possess the source material. First, if it leases the material the government would then be in private business "in a very important manner." Second, the expense for the government would be great. "Regardless of the needs of the [Federal] Government for special material and regardless of the status of its finances, it would have a continuing obligation to spend enormous sums of money in fulfillment of such a program," Dixon pointed out. Third, the present system "might tend to discourage the investment of private capital in the industry." Finally, industry could conceivably find itself in a dangerous political position. To wit: a situation could arise in which "a hostile administration might use the lease device adversely against a business or businesses for reasons having nothing to do with the special problems surrounding special material and its use." Walker Cisler pointed out that "with private ownership the rights of private investors would be more adequately protected." The National Association of Manufactures and the American Bar Association fully concurred with Cisler and Dixon. The American Public Power Association disagreed, urging "that controls of fissionable materials contained in the 1946 [McMahon] act be not released until adequate knowledge is available with respect to the production of electric energy."\(^{14}\)

\(^{14}\)Ibid., 370, 78, 461, 59, 176-77.
The line was most clearly drawn on the issue of preference. The National Rural Electric Cooperative Association and the National Farmers Union demanded that a clause insuring preference for public bodies be inserted in the bill. The NRECA wanted the government to build atomic reactors for the generation of electric power and to market that power under the preference laws. "Safeguarding the interest of the public in the public domain and in the development of public-power sites," the National Farmers Union added, "goes back almost to the beginning of our history as a nation." Leland Olds, a former public power advocate on the RPC, also testified in favor of a preference clause. Walker Cisler, however, was adamantly opposed to any preferential treatment for public or private bodies. "I believe that there should be no preference," he said pointedly. "I believe it should take its rightful place in the economic order and that there should be no special preference for the distribution of atomic generated power as compared to the conventional."

When Representative Holifield asked him if he advocated "a different system than is now contained in the Federal Power Act," Cisler responded: "Yes, I believe that is not a fair situation that now exists." Hence the Cole-Hickenlooper bill was generally viewed on all sides as an attack on the principle of preference.15

While the issues of ownership of source materials, and

patent and preference rights were, by and large, topics that had filled the air hanging over the public versus private power dilemma since the Reclamation Act of 1902, the debate about the "principal officer" clause of the Cole-Hickenlooper bill brought a new dimension to the atomic energy controversy. For the first time the Commission was in open disagreement over an internal organizational matter. According to the bill the Chairman of the Atomic Energy Commission would henceforth be designated the principal officer of the Commission. While the AEC, in its policy statement to the JCAE, took no official stand on this issue, individual members did. With regard to regulatory commissions, the First Hoover Commission, in 1947, had recommended "that all administrative responsibilities be vested in the chairman of the commission." While this recommendation had not applied directly to the AEC, Chairman Strauss told the JCAE that the Hoover Commission suggestion, nonetheless, was applicable to his Commission's managerial problems. By streamlining its lines of authority, Strauss believed, the AEC's work would be performed more efficiently. In responding to a question from Representative Holifield, Strauss said he approved of the clause because it would be "an improvement on the existing lack of any delineation of the duties and responsibilities of the Chairman." Commissioner Joseph Campbell, also an Eisenhower appointee, sided with Strauss. Commissioners Eugene Zuckert, Thomas E. Murray, and Henry DeWolf Smyth, all Truman appointees, however, took exception to this clause. Because Strauss was both a Presidential
advisor and chairman of the AEC, they believed such a provision would, in fact, reduce the Commission to presidential subservience. "To me, the fact that the Chairman does have a dual capacity," Zuckert emphasized, "makes it all the more imperative that every step possible be taken to preserve and promote for the long run the substance of the Commission concept for the direction of the responsibilities entrusted to it." The Democratic members of the JCAE obviously agreed with these three commissioners. Representative Holifield was determined to have this clause deleted from the bill while in committee and, if it was not, he would fight it on the floor of the House. Eventually, the Committee compromised and changed the designation from "principal officer" to "official spokesman." Nonetheless, this dispute was only the first leak in the dike.16

Once the hearings ended, Representatives Holifield and Price submitted a resolution in the House. Describing the proposed changes in the Atomic Energy law as "premature and ill-advised," they cautioned against any action that would "entail huge Government subsidies to private firms or restrict the participation, through patent devices or otherwise, to a small segment of industry." The Joint Committee, nevertheless, unanimously reported the bill out.

Public power advocates mobilized support in an effort to defeat the bill in the House and Senate. In July 1954, a group of consumer, labor and farm organization leaders accidently met while individually attempting to secure Senate opposition to the Cole-Hickenlooper bill. The group, composed of Alex Radin of the American Public Power Association, Dr. Clay Cochran, a research economist for the National Rural Electric Cooperative Association, George Taylor, director of the National Hells Canyon Association, Angus McDonald of the National Farmers Union, and Donald Montgomery of the UAW, decided to find a senator willing to lead the fight against the bill. After approaching Senator Warren Magnuson, who was "willing to go along" if they could "round up a few more," they finally landed on Senator Lister Hill of Alabama. Hill bluntly told them that the public power senators would do all they could but there were not enough of them. "You've got to get the word out to the people," he counseled. "Tell them if we don't get their support, this bill is going through." The group did its best; the Dixon-Yates scandal, however, directed more public attention to the issues than any concerted effort could possibly ever have.17

The Tennessee Valley Authority had stood out in the minds of opponents of public power as a glaring example of "creeping socialism." While few seriously entertained the thought of destroying the TVA, many were nevertheless determined that Authority expansion must be halted. The Eisenhower partnership policy was particularly suited to that end.

The new Administration's hostility to the TVA was clearly demonstrated publicly and privately. In a speech at Memphis, Tennessee, in October 1952, Eisenhower credited the Tennessee Valley Authority with making a substantial contribution to the life of the Valley. Nevertheless, he did not think it should be looked upon "as a single pattern for such development in other regions." Rather, he envisioned a Federal Government "devoted to the principle of decentralized government and to the principle of states' rights, as well as to full development of our resources." This was, as it turned out, a subtle hint to the Valley; no further expansion of the TVA would be permitted. At a cabinet meeting in July 1953, Eisenhower exclaimed, "By God, if ever we could do it, before we leave here, I'd like to see us sell the whole thing [the TVA], but I suppose we can't go that far." The President again reiterated his opinion of such valley authorities when he dedicated the McNary Dam in September 1954. Lewis Strauss and Joseph Dodge, Director of the Bureau of the Budget, shared Eisenhower's convictions on this subject. For cosmetic purposes Gabriel Hauge, a White House aide, advised the President to use some term other than "creeping socialism" to
describe the TVA. But Hauge stressed that he took "no exception to the ideas expressed" by the phrase. 18

By the end of the Second World War the power requirements of the Tennessee Valley had increased considerably. Besides business and municipal needs, the Valley now had huge atomic energy and military installations requiring large amounts of power. After an initial defeat by a Republican congress, the Democratic congress in 1949 voted a new plant for the area and an attempt in 1952 to cut TVA appropriations was repelled. These difficult days, however, were only harbingers of what was to come when a Republican president and congress assumed power in 1953. 19

By 1952 the Authority was aware that it would shortly be unable to supply the needs of its domestic customers due to overriding defense obligations. The West Memphis, Arkansas, area had the most severe problem. Consequently, the TVA proposed building a plant in Fulton, Tennessee, an area close enough to supply West Memphis. The funds for the plant were requested in the Truman budget of 1952. Naturally, the request was opposed by private utilities located in the Fulton area, particularly the Middle Southern Utilities Company, a holding


19 Wildavsky, Dixon-Yates, 3-5, 10-15.
company with subsidiaries on the Western border of the TVA system. Edgar H. Dixon, president of Middle Southern, expressed fear that the TVA would now expand into his company's domain. This fear was compounded by the fact that while net income and common stock dividends rose significantly over a period of three decades the percentage of power supplied by private power had decreased from 93.5 to 75.5 percent. When he assumed office, Eisenhower decided to postpone action on the Truman request for TVA funds until the Bureau of the Budget could study the problem. Senator John Sherman Cooper (R-Ky) and seven Democratic senators from TVA states, urged the President not to cut the TVA budget. Nevertheless, in March 1953, the budget conscious Administration deleted the Fulton plant and made other significant cuts in the Authority's budget. Both Joseph Dodge and Lewis Strauss felt the Atomic Energy Commission ought to find a private utility to supply its Paducah, Kentucky, installation. In this way, the TVA could have the additional power it had been supplying that installation freed for other purposes. After all, should this plan fail, the Administration could always request a supplemental appropriation for the Fulton steam plant. As finally worked out, the plan called for the AEC to purchase power from a private utility and then to release an equivalent amount of power to the TVA for the West Memphis area. Since the idea initially had been his anyway, Gordon Clapp, Chairman of the TVA Board, agreed to go along with this plan. On December 24, 1953, Rowland Hughes of the Bureau of the Budget
told Strauss to begin negotiations with the private utilities. 20

Economically Clapp's plan was particularly alluring to an Administration opposed to any increase in the TVA budget. In addition, TVA's defense and domestic power needs would also be met. Politically the plan was equally appealing. Since Clapp had suggested it originally, the TVA could hardly protest the scheme. But the plan contained certain pitfalls into which the Administration could easily fall if it did not carefully watch its step. First, the Administration was now committed to a specific course of action and could not wait until new appointments to the TVA Board fell due. Second, the White House was in a tricky position: either it contracted with a private utility or it would have to request a supplemental appropriation for the Fulton plant. Finally, the bargain warned the private utilities that failure to reach a contract with the Atomic Energy Commission would result in forcing the Administration to support new steam plant funds for the TVA. 21

In the meantime, the Bureau of the Budget decided to make "a commercial financial appraisal of [the] TVA."

The Bureau secured the services of Adolphe H. Wenzell, a vice
president and director of First Boston Corporation, one of the nation's largest underwriters of private utility securities. Wenzell's admitted predisposition against the TVA was clear in his report. He recommended four alternatives, three of which he rejected because they would have caused the breakup of the TVA system and thus the loss of economies important to the region. Instead he favored selling the TVA to a new private corporation. This way the Authority's power system would be part of a tax-producing corporation, while the navigation and flood control activities would remain with the Authority.22

In 1954, after some initial difficulties, the Middle Southern Utilities Co. and the Southern Company, a utility holding company with subsidiaries on the southwestern border of TVA, made a combined proposal to the AEC. The two heads of the companies, Edgar Dixon of Middle Southern and Eugene A. Yates of Southern, proposed to supply 600,000 kilowatts of power to the AEC at $200 per kilowatt of capacity. It was understood this energy would replace a same amount supplied by the TVA. The AEC, however, would be required to reimburse the two companies "for all taxes of every kind or character." This contract for replacement power was not unusual.23

But one of the pitfalls now became apparent. In March 1954, the TVA and AEC agreed to undertake a joint study of

22Wildavsky, Dixon-Yates, 22-28; Memo, Dodge to Adams, May 11, 1953, Central Files, OF-50, Box 234, Eisenhower Library.

the Dixon-Yates proposal for the Bureau of the Budget. The TVA discovered in this analysis that a private utility would supply the power to the Authority by way of a contract with the Atomic Energy Commission. The TVA could see no reason why the Commission should act as its agent when the Authority itself could just as easily negotiate the contract. In other words, the TVA now viewed the AEC as simply a front for private power interests. And the Authority was not wrong. At the insistence of the Administration, in April Dixon-Yates withdrew their first proposal and submitted a new one. The revised estimates were lower than the previous proposal. The private power companies and the Administration definitely wanted to be sure the Authority could not make political capital out of faulty figures in the private utility proposal. While the contract received the approval of the Federal Power Commission and the Army Corps of Engineers, an impasse resulted between the TVA and the Administration. 24

The Tennessee Valley Authority was run by a three-man Board of Directors. If the Administration wished to secure a favorable majority on the Board it either would have to remove two of the commissioners for cause or wait until their terms expired. When the Administration came to power it

considered dismissing two of the TVA commissioners. Gordon Clapp, the vigorous Director of the TVA, was especially a thorn in the Administration's side because he was an opponent of the new partnership policy and an astute defender of the TVA. One White House aide asked the Justice Department if members of the TVA "could be removed from office other than for cause?" In the midst of the controversy over the reduced TVA budget, Sherman Adams sent two significant memos to Dodge. In one he laconically noted: "If we could effect some changes [in the status of the TVA commissioners], it might be a most appropriate solution to their TVA expansion program." On another occasion, Adams put it bluntly: "Is there any way within the law for us to dispense with their [the TVA commissioners'] services?" This was not a frivolous question since there was a precedent for dismissing a commissioner for cause. In 1938, Franklin Roosevelt had fired Arthur Morgan from the TVA Board for "contumacy." Ironically, Morgan now came to the defense of Clapp's stewardship. When Clapp's term expired Dodge suggested the Administration look for a man who, among other things, was "in complete sympathy with the objectives of the administration..." The White House first thought of Harry Carbuagh, a successful Chattanooga businessman, who had the support of the Secretary of the Treasury. Senator Cooper opposed Carbaugh on the grounds it "would give the Democrats in the Congress the chance to dramatize the issue of public power versus private power when there is no necessity for such a debate." Preferring to complete his present work,
S. D. Sturgis, Jr., Major General, Chief of the Corps of Engineers, asked that his name be withdrawn from consideration. The Administration finally settled on General Herbert Vogel, a member of the Corps of Engineers. From June 1952 to August 1954, Vogel had been chairman of the Arkansas-White-Red-Basin Interagency Committee and the Division Engineer of the Southwestern Division of the Corps in Dallas, Texas. During his confirmation hearing, Vogel testified, under vigorous examination by Senator Albert Gore of Tennessee, that he could "obviously, positively" support the TVA act. At the suggestion of Senator Cooper, Vogel's confirmation was delayed until after action had been taken on the controversial Cole-Hickenlooper bill. In August 1954, the Senate finally confirmed Vogel by voice vote. But the White House still faced an intransigent TVA Board. The terms of the remaining dissident commissioners, Harry Curtis and Raymond Paty, would not expire until 1957 and 1960, respectively. Although the Administration need only have removed one member to obtain a favorable majority, Eisenhower decided against taking a chance of inflaming an already explosive situation. But the TVA-Administration impasse was only part of the problem. The White House was also experiencing serious difficulties with the AEC.25

25 Wildavsky, Dixon-Yates; Gordon Clapp's ideas on partnership and the TVA can be found in his The TVA: An Approach to the Development of a Region (University of Chicago Press, 1955), 71-73, 124-25; Memo, undated, Willis to J. Rankin Lee, Department of Justice; Memo, Adams to Dodge, May 13, 1953; Personal Memo, Adams to Dodge, May 20, 1953; Morgan to Eisenhower, March 1, 1954; Memo, Dodge to Adams, January 26, 1954;
The Administration had chosen the AEC as the agent to supply the power to the Authority. The Commission had seemed pliable enough. Lewis Strauss was divided between his loyalty to the White House and his fellow commissioners, but could be counted on to do the Administration's bidding. Joseph Campbell, an Eisenhower appointee, would go along with Strauss. Commissioners Henry Smyth and Eugene Zuckert probably would oppose the project. The balance on the Commission hung with Thomas Murray, ostensibly an advocate of free enterprise. In many ways Murray and Strauss bore remarkable resemblances. Both were wealthy and came from business backgrounds; they believed in free enterprise. Nevertheless Murray opposed the Dixon-Yates contract. He simply did not believe the AEC should become needlessly involved in a political controversy that would "seriously" impair "the nonpolitical character" of the Commission. The dissident commissioners reserved their most stinging criticism for Strauss personally. Until January 1954, Strauss had been the only member of the AEC aware of the potential contract. The other members discovered the negotiations accidently. After a reporter for the Memphis

Press Scimitar inquired about the existence of such a contract, it was discovered that indeed negotiations were going on. Until this point the conflict within the Atomic Energy Commission over the principal officer clause had only been brewing; now it reached the boiling point. Before the JCAE Murray openly accused Strauss of purposely hiding information about the contract from his fellow commissioners. "I call your attention to the fact I am a member of the Atomic Energy Commission with full authority, full access to all information," he pointedly reminded Strauss, "and I call your attention to the fact that you, as Chairman of this Commission, took it upon yourself to start considering changing the power contracts that were in existence by the TVA without consulting with your associates." In a letter to the new Director of the Bureau of the Budget, Rowland Hughes, Commissioners Smyth and Zuckert expressed dissatisfaction that the contract "involves the AEC in a matter remote from its responsibilities." Smyth later resigned from the Commission but not before helping create a majority opposed to the Dixon-Yates contract. Consequently, the Administration found itself in the embarrassing position of confronting two Agencies, the TVA and AEC, with majorities opposed to the contract. Moreover, the Administration could not gracefully back out of the contract, for if it did the business community would question the sincerity of its new partnership program. Left with little other recourse, in June 1954, Eisenhower ordered the Atomic Energy Commission to negotiate a contract with Middle
South Utilities, Inc., and the Southern Company for a steam plant to be built at West Memphis, Arkansas. The contract dispute now became an integrated part of the general debate over the Cole-Hickenlooper bill. 26

The Cole-Hickenlooper bill and the Dixon-Yates contract were fully debated by Congress. Those opposing the contract charged it was a governmental "give-away" to big business. Senator Kefauver reflected the thinking of this group. He contended the people of the Tennessee Valley had every right to be suspicious of Yates' intentions, since Yates had been one of the original opponents of creation of the Tennessee Valley Authority. Harking back to the experience of the 1920s, Kefauver also foresaw that if the contract were approved the private utilities would again be in a position to dictate "their own terms to municipalities and rural electric cooperatives, who have been showing the country how the electric business can be and should be conducted." If the TVA were destroyed—as Kefauver thought the Dixon-Yates contract would, in effect, do—an increase in electricity bills would ensue. Finally, the senator saw wider implications than just for the

TVA states. Should the White House succeed in its drive against the TVA, the fight for public power in the Pacific Northwest would also be severely damaged. For this latter reason the National Hells Canyon Association, and the Democratic and Independent (Senator Wayne Morse) congressional delegations from the Pacific Northwest chimed in with the chorus opposing the Cole-Hickenlooper bill and the Dixon-Yates contract.

The Cole-Hickenlooper bill faced some opposition in the House, but, by and large, the bill emerged intact. An amendment reversing the President's order putting private power facilities in the Tennessee Valley lost. The bill and the contract were approved by a 231 to 154 vote. The most serious threat to defeating the bill and the contract was in the Senate.

In the Senate two amendments dealing with the Dixon-Yates contract were presented. Senator Clinton Anderson's amendment attempted to prevent the Atomic Energy Commission from contracting for private power to supply the TVA. The amendment prohibited replacement-power contracts and also would have required the AEC to submit any proposed contract to the Joint Congressional Committee on Atomic Energy for thirty days. If the JCAE did not approve the contract, the committee could ask Congress to invalidate it. Republican Senator


John Sherman Cooper defended the Anderson amendment. "Congress," he pointed out, "created the agency [TVA] and if any basic alterations in its nature are to be made, they should be made directly by the legislative action and by the direction of executive agencies of the Government." An Administration amendment sponsored by Senator Homer Ferguson of Michigan sought to approve the Dixon-Yates contract outright.

In essence, Ferguson's amendment approved of replacement contracts and of the AEC negotiating power contracts with public utilities. Senator Sam Ervin of North Carolina suggested the Ferguson amendment be modified to provide that the Dixon-Yates contract be submitted to the JCAE for thirty days for its inspection. The JCAE, however, would not have the authority to reject the contract. This modification was accepted by Ferguson. The Ferguson-Ervin amendment thus received the crucial southern support of the senators from Arkansas, Louisiana, Florida, North Carolina, and Virginia. Representative of their thinking, John L. McClellan of Arkansas asked, "Are we to continue to pour out millions and millions of collars in this [TVA] area to build it beyond its natural potentials while the rest of the country suffers and waits? Are we to show that favoritism?" Evidently the Senate agreed, for the Anderson amendment was defeated and the Ferguson-Ervin amendment won a decisive victory. The Dixon-Yates contract had now leaped another difficult hurdle.29

29Congressional Record, 83rd Cong., 2d Sess. (July 14, 1954), 1059-92, 10590; Cong. Rec., Ibid., July 20, 1954,
The public power advocates mustered enough strength to filibuster the Cole-Hickenlooper bill and, together with southerners opposed to "gag rules," to override an attempt at cloture. The Senate approved an amendment by Senator Albert Gore prohibiting the AEC from paying taxes on the private power contracts it negotiated. But the crucial amendment, presented by Senator Edwin Johnson of Colorado, authorized the AEC to produce electric power either in its own facilities or through other Federal agencies with a preference to non-profit distributors. The amendment narrowly passed and a fight to retain it was expected in the House-Senate conference. After a thirteen-day filibuster the Senate, by a 57 to 28 vote, finally passed the Cole-Hickenlooper bill.30

The public power advocates were still unsatisfied. After a House-Senate conference approved a final bill, the public power representatives on the conference, Anderson, Johnson (Colorado), and Holifield, refused to sign the final report, objecting strenuously to Representative Cole's provision concerning patents. The conference deleted the Senate version which would have increased the compulsory licensing

period to ten years, and inserted Cole's provision which removed all Government control over patents. Thus, the private utilities would be subject to the normal exclusive patent rights for seventeen years. Albert Gore and Lister Hill promised a determined fight against this amendment on the floor of the Senate. Gore declared, "It would open the doors of the patent office to a small group of companies that have a monopoly on the know-how and also have a monopoly on the employment of the people with the know-how." The Johnson amendment had been watered down as well. The public power advocates were not about to sit idly by and let all this pass unnoticed. By a voice vote the House approved the conference report. The Senate did not, however. Senator Johnson (Colorado) criticized the report for including the words "insofar as possible" concerning the AEC's duty toward preference customers. Senators Gore, Anderson, Hubert Humphrey, and Guy Gillette also objected to this language and suggested the bill be returned to conference. By a six-vote margin, the Senate sent the bill back to conference with instructions for its conferees to work for compulsory licensing of peacetime atomic patents and preference for public bodies and rural electric cooperatives. When the new conference report conformed to these wishes, the Senate passed the bill. Despite grave misgivings Representative Cole ruefully urged passage of the revised conference report. Concerning the patent provision Cole said he hoped Congress would "repeal this highly distasteful, highly un-American provision" in the next session
of Congress. By voice vote the House once again passed the bill. While the public power advocates had not gotten all they wanted, they nevertheless had won a victory of sorts. On August 30, 1954, Eisenhower signed the bill into law.31

The political implications of the Atomic Energy Act of 1954 were potentially great. In foreign policy the authority of the President was substantially increased. In domestic nuclear policy the President's victory on the Ferguson-Ervin amendment upheld his legal authority over the Atomic Energy Commission. A majority of AEC had opposed the Dixon-Yates contract; yet, at Strauss' request, the President had successfully ordered the Commission to negotiate the contract anyway. The McMahon Act had left undefined the extent of Executive control over the AEC but the Atomic Energy Act of 1954 and the Dixon-Yates controversy seemingly clarified some of the confusion. While Presidential authority increased, the power of the Joint Congressional Committee did not diminish. In Section 202 of the Act, the JCAE reasserted its authority over the AEC. "The [Atomic Energy] Commission," the Section read, "shall keep the Joint Committee fully and currently informed with respect to all of the Commission's activities." Consequently, the Committee retained and even increased its

supervisory authority over all the activities of the AEC.
Later, when Strauss was nominated in 1959 to be Secretary of Commerce, Senator Anderson claimed this section of the Act "was directly aimed at Mr. Strauss who had already in 1954 violated the law in carrying out his obligations." Moreover, with public power conscious Democrats in the majority on the Joint Committee after the elections of 1954, this provision became the cudgel with which they beat the Administration and Strauss. Now that industry would be entering the field of atomic energy, the JCAE was commanded to hold hearings the first sixty days of each session of Congress to obtain information on the "development, growth, and state of the atomic energy industry." 32

The Atomic Energy Commission, however, had been changed by the Act. The AEC no longer enjoyed a monopolistic position in the field of atomic energy. Also, the AEC now became a regulatory commission. But the Act, at best,
gave the Commission only a nebulous guideline of its new responsibilities. Its added duties included licensing of private production and utilization facilities, source and by-product materials, and the use of special nuclear materials. The Commission had to establish standards and regulations for the industrial development of atomic energy. One things was unambiguous, however; as one former AEC commissioner has written, the Atomic Energy Commission could no longer claim to be above politics. For the Commission was now, for better or worse, knee-deep in the politics of partnership.33

With passage of the Cole-Hickenlooper bill, the public-power drama was far from played out. In October 1954, the Attorney General ruled that the Dixon-Yates contract was valid under the recently passed Atomic Energy Act. The following month the Dixon-Yates controversy exerted a major influence on the elections of 1954. The controversy may well have contributed to the defeat of Senator John Sherman Cooper in Kentucky and to the senatorial victory of Richard L. Neuberger in Oregon. The Democrats regained control of both houses of Congress. And that meant Senator Clinton Anderson, the archfoe of Strauss, would become chairman of the Joint Committee.34

The Administration now moved quickly. Shortly after the elections, the JCAE, still Republican dominated, voted along straight party lines to waive the stipulation in the

33Mullenbach, Civilian Nuclear Power, 147; Thomas, Atomic Energy, 151-52.

34Wildavsky, Dixon-Yates, 132-33; Frier, Eisenhower Administration, 65-66.
new law requiring that all atomic energy contracts must lay before the JCAE for thirty days unless a majority of the committee rules otherwise. In voting to waive the contract, the Republican majority unequivocally characterized expansion of the TVA as "rank, unrestrained, unadulterated socialism." The Democratic minority, of course, saw it differently. "The proper business of the Atomic Energy Commission," they said, "is and must continue to be, atomic energy—not negotiating contracts for electric power for municipalities." In February 1955, the Securities Exchange Commission voted four to one to approve the Dixon-Yates contract. Paul Rowen, the lone dissenter, was a Democratic commissioner. By the beginning of 1955, the Administration could count a solid majority on the Atomic Energy Commission. Dr. John von Neuman, a noted mathematician, had taken the place of Zuckert and Dr. Willard Libby, a chemist from the University of Chicago, succeeded Smyth. Murray was the only Truman appointee left. While serving an interim appointment on the AEC Libby had endorsed the Dixon-Yates contract. At his confirmation hearing Libby admitted that his endorsement had been based on "cursory and inadequate study and the great faith I have in the competence and good intentions of my colleagues." This prompted Senator Kefauver to vow not to support Libby's confirmation until the Dixon-Yates business was settled. Besides, there did not appear to be majority sentiment in the Senate favoring repeal of the contract. All the obstacles to completing the contract seemed
finally removed. 35

The contract appeared to be well on its way toward final completion when it was disclosed that a possible conflict of interest was involved in the government's dealings. The financial agents for the Dixon-Yates contract were the First Boston Corporation and Lehman Brothers. Thinking the publicity accruing from the venture would be good for the firm's image, First Boston had not accepted a fee for its services. Earlier in the TVA-AEC controversy, the Bureau of the Budget had employed Adolphe Wenzell of First Boston to conduct an independent evaluation of the TVA, which, it turned out, was a condemnation of the Authority. Since the Administration had told no one, least of all Congress, of Wenzell's involvement a great impropriety, at best, appeared obvious. On February 18, 1955, Senator Lister Hill, one of the prime opponents of the contract, openly and directly attacked the Administration. He charged that the Administration had "deliberately" hidden the facts of the Dixon-Yates contract from the Congress. Specifically: "There exists persuasive evidence that this man [Wenzell] participated in conferences and meetings on the Dixon-Yates matter, which were held in the

Budget Bureau at the very time when the First Boston company was making arrangements for financing the Dixon-Yates plant."

In the meantime a New York financial and economic consultant, Walter Von Trescow, proposed an alternate plan. In January 1955, by a straight party vote, the Democratic-controlled JCAE, recommended that the Administration cancel the Dixon-Yates contract. After a few months of charges and countercharges, on July 11, the Administration terminated the contract.36

While termination of the Dixon-Yates contract ended the more spectacular phase of the atomic energy controversy, a new, more quiet yet subtle struggle took place afterwards. The Joint Congressional Committee on Atomic Energy, controlled by the Democrats, asserted itself.

The Democrats on the Joint Committee decided to face the Administration head-on concerning the public power issue. In 1956, Senator Gore and Representative Holifield introduced a bill directing the Atomic Energy Commission to expend $400 million for the construction of demonstration power plants. In essence, the Gore-Holifield bill represented a revolt on the part of the JCAE; the committee was now initiating legislation which, if passed, would blunt the pro-business bias of the Atomic Energy Act of 1954. The Democrats on the committee believed the Administration was proceeding too slowly in developing a domestic atomic energy program. While the

Joint Committee was unanimous in its opinions on defense, international affairs, and congressional authority over the AEC, it was divided, along party lines, on the public versus private power issue. In short, the Republicans opposed the bill while the Democrats favored it.  

The utility industry, the Atomic Energy Commission, and the coal interests rallied in opposition to the Gore-Holifield measure. The representative of the Edison Electric Institute saw the bill as a danger to American free enterprise. "We must not defeat the very objectives we are trying to achieve in that cold war by abandoning our principles of free enterprise along the way," the Institute warned the Joint Committee. Four of the five members of the AEC also opposed the bill. Strauss emphasized the bill would negate the free enterprise provisions of the Atomic Energy Act of 1954. But the Commission found most distasteful a stipulation directing, rather than simply authorizing, the AEC to fulfill the

37At least one Democratic member of the JCAE has made it plain that the majority members of the JCAE saw the Gore-Holifield bill as a means of reasserting the committee's power over the AEC. Cf. Melvin Price, "Atomic Energy in Congress," Bulletin of Atomic Scientists, XII (December, 1956). Rosen-thal and Green, Government of the Atom, 12, 120, 60-61; Mor-risson, "Federal Support," 212; Mullenbach, Civilian Nuclear Power, 10-11; Nieburg, "Eisenhower AEC and Congress," 134-35. The proponents of the bill did not always picture the controversy as a public versus private power issue. Senators Gore and Kefauver, for example, saw it as a matter of government responsibility toward industry. Kefauver noted this: "I gained the impression from reading the debate in the House of Representatives that the issue was presented as one of public versus private development. But, is it not a fact that, looking forward, private development will be along the line of experimentation before private industry will be willing to accept responsibility of such a large program? Gore answered in the affirmative. Congressional Record, 84th Cong., 2d Sess., v. 102, part 11 (July 26, 1956), 14724.
objectives of the bill. An altercation between Senators Pastore and Anderson and Chairman Strauss illustrated how divergent their attitudes were:

Mr. Strauss. Senator Pastore, do you feel that you cannot rely on the Atomic Energy Commission's good faith to carry out this policy which you have so eloquently described, but that we have to be directed to do it?

Senator Pastore. I will tell you very frankly, I would leave the 'direct' out, if you gentlemen would say that you believe this ought to be done, but you keep saying that we are doing enough, and we don't think we are doing enough, and we don't think that we ought to do any more.

Mr. Strauss. Do you think for a moment if you passed this bill and the Congress passed the bill, that we would go at it half-heartedly?

Chairman Anderson. You have testified that you don't think anything needs to be done.

Senator Pastore. I don't think that you would build the reactors.

Chairman Anderson. We have a record full of it.

Commissioner Murray agreed with Pastore and Anderson. "Moreover, in my judgment," he warned Senator Anderson, "it would be a tragic mistake to fail to give the Commission a definite directive to carry out the domestic program." Finally, as in the natural gas controversy, the coal interests feared that government-sponsored atomic energy would become a substitute energy resource. Representative John Saylor (R-Penn.) emphasized "that the Federal Government does not belong in private business and that we cannot afford to become involved in any more spurious blueprints produced on socialistic drawingboards." The coal interests maintained, based upon figures supplied by the Bureau of Mines and the U.S. Geological Survey, that the nation's coal reserves were sufficient to supply the country's energy requirements for at least the next
couple centuries. Significantly, the United Mine Workers persuaded seven Democrats to vote against the bill.38

With Senate Republicans abstaining, the Joint Committee unanimously reported out a compromise bill. The compromise version provided that $400 million would be authorized for an unspecified number of demonstration atomic plants to be built by the Atomic Energy Commission. The plants, however, were to be built only at AEC sites and the electric energy produced would be employed by the Commission. As in the original bill, the "authorized and directed" provision remained. Senator Anderson explained the compromise strategy intended to avoid a floor fight over the bill. If this were the real intention, it failed. The Gore-Holifield bill passed the Senate, with only three Republicans supporting it. But the onslaught of opposition came in the House. Even though Representative Cole won several amendments severely watering it down, the House voted to recommit the bill. The narrow margin between victory and defeat had been supplied by the seven Democrats from coal producing states.39

38 Strauss, Men and Decisions, 319; David F. Cavers, "Atomic Power: The Quest for a Program," The George Washington Law Review, 27 (April, 1959), 464-65; U.S. Congress, Joint Congressional Committee on Atomic Energy, 84th Cong., 2d Sess., Civilian Atomic Power Acceleration Program (June 28, 1956), 4-6, 10-18, 8-9, 45; Price, 374; Rosenthal and Green, Government of the Atom, 16-17; Congressional Record, 84th Cong., 2d Sess., v. 102, Part 10 (July 24, 1956), 945-47, 14262, 14251; New York Times, July 30, 1956, 8

39 U.S. Congress, Senate, 84th Congress, 2d Sess., Senate Report 2390 (June 29, 1956), (House Report No. 2622, July 5, 1956, was identical to Senate Report 2390.); Congressional Quarterly Almanac (1956), 542-46; Rosenthal and Green, Government of the Atom, 152-53; 134-35; Price, "Atomic Energy in
In 1957, to avoid another fight, the AEC announced a new round of the power-demonstration-reactor program. This ploy did not wash, however. What the Joint Committee had failed to gain when Gore-Holifield was defeated, it now won via the congressional appropriations process. According to Section 261 of the Atomic Energy Act of 1954, appropriations for construction of new "facilities" had to be first authorized by Congress. The powerful chairman of the House Appropriations Committee attacked this budgetary system in 1957 and threatened to freeze all AEC appropriations until the JCAE examined the Commission's program. The JCAE immediately did this; it recommended increased budget powers for itself. Congress granted the Joint Committee complete "project-by-project" authorization powers over the Commission's budget requests. Further, the Authorization Act of 1958 required the Atomic Energy Commission to lay any tentative contractual agreement before the JCAE for forty-five days while Congress was in session. While this Act did not empower the committee to stop completion of any contract, the JCAE now possessed full investigative powers over such contracts. The chances for another Dixon-Yates contract were thus considerably lessened. Strauss, in the end, was forced by circumstances beyond his control to agree to this new appropriations procedure. Secretary of State John Foster Dulles worked with the Democratic members of the Joint Committee to obtain their approval of

Congress, "374-75; Congressional Record, 84th Cong., 2d Sess., v. 102, part 9 (July 12, 1956), 12469; Cong. Rec., ibid., part 10 (July 24, 1956), 14288."
the Participation Act of the International Atomic Energy Agency. In return for their cooperation, Strauss lost the crucial support of the Administration in 1957-58 for the fight against the JCAE. In the end the Joint Committee established firm control over the AEC.40

The JCAE was determined to maintain its influence after Strauss left. Whenever a nominee for the AEC appeared before the Joint Committee, it extracted a promise from the candidate that he would keep the Committee fully informed of all the Commission's activities. Senator Anderson and Representative Holifield, for example, pointedly gave John McCone, Strauss' successor, some advice about the thin line between his future role as a presidential advisor and his responsibilities to Congress. "...So I am not going to advise you not to wear both hats," Anderson warned, "but I suggest to you that you will be happier if you do not." Apparently McCone accepted their advice because peace prevailed between the AEC and JCAE under his stewardship.41

Between 1955 and 1958 the Joint Congressional Committee wrested from the White House a great deal of power over the


Atomic Energy Commission. The JCAE has been equally resourceful in defending its actions during these years. In 1959, David F. Cavers criticized the JCAE for taking over the functions of the White House. "Apparently convinced that the AEC was failing the nation because of its dependence on teamwork with industry, the Democratic leadership in the Committee has been encroaching persistently on the domain that normally is reserved to the executive," he observed. Both Representative Melvin Price and Senator Anderson defended the Committee. Congress intended, they insisted, that the JCAE should exercise an active policymaking function and not play a passive role. The Gore-Holifield bill was, in their judgment, one instance of the Committee rightfully undertaking its policymaking prerogative. Results, they further pointed out, demonstrate the JCAE's role to have been beneficial. "Suffice it to say," Anderson wrote in 1961, "that there has been no criticism of the fact that the United States now has additional and better nuclear weapons, more raw materials and fissionable materials, a growing nuclear Navy, and an expanding research and development program for the peacetime atom, all of which have been urged by the Joint Committee and supported by the Congress." The victory of the Democratic-controlled Joint Congressional Committee on Atomic Energy simply served notice that the Administration's partnership policy would find rough treading in the turbulent waters of atomic energy policymaking.

CHAPTER VI

COMPREHENSIVE PLANNING OR PARTNERSHIP?--

THE HELLS CANYON DECISION

If the Tennessee Valley Authority represented "creeping socialism" to the adherents of partnership, the creation of any further valley authorities was certainly anathema. In the Pacific Northwest, however, a battle between private utility development and federal comprehensive planning of water resources had also been raging over the future of Hells Canyon, the deepest gorge in the North American continent. This site, located on the Snake River, was part of the boundary separating Oregon and Idaho. It was the last great underdeveloped power site in the West; in fact, its power potential exceeded all other sites in the United States. Moreover, there existed no doubt that development of Hells Canyon must begin soon to prevent a drastic power shortage in the Pacific Northwest.

Hells Canyon had been an object of attraction for some time. Since forty percent of the nation's potential hydro-electric power was located in the Pacific Northwest, Hells Canyon, in particular, drew attention. At Gifford Pinchot's suggestion, Theodore Roosevelt had set aside the Canyon as a potential water power site. Also, the Department of Interior had by no means overlooked the possibility of constructing a
high dam in the Canyon.\textsuperscript{1} The site acquired special appeal when the New Deal built such large multi-purpose dams as Bonneville and Grand Coulee, both on the Columbia River. Thus, in 1946, the Director of the Bureau of Reclamation, Region I, recommended that a storage and power project be erected at Hells Canyon. Subsequently this report was approved by the Secretary of Interior.\textsuperscript{2} The Corps of Engineers, not to be outdone, cast an eye on the Canyon. In a 1947 Interim Report, the Corps concluded that the Canyon could function well as part "of the integrated system of multi-purpose projects for development of the water resources of [the] Columbia River Basin." The following year the Corps issued its "308 Review Report," an eight-volume comprehensive plan for the Columbia River Basin. The Report proposed that Congress authorize reservoirs and dams at Albeni Falls on the Pend Oreille, Libby (Montana) on the Kostenai Rivers, Priest Rapids on the Columbia, John Day and The Dalles dams on the Columbia River, Glacier View in Glacier National Park, and Hells Canyon on the Snake River. The Corps pointed out that comprehensive development of the Columbia Basin was necessary to prevent floods, improve navigation, store water for irrigation, and increase the region's power supply. In arguing for multiple purpose development the Report maintained there was no other way to be "assured that the optimum development

\textsuperscript{1} Coyle, \textit{Conservation}, 196-97.

\textsuperscript{2} Senate, 84th Cong., 2d Sess., Report No. 2275 (June 19, 1956), 10.
of each water use will be accomplished in the best interests of each sub-basin, the region and of the Nation as a whole; or that improvements made to meet the present needs will not block or interfere with the more extensive improvements that will be required in the future." Governor Douglas McKay of Oregon "heartily" endorsed the Report. The conflict between the Corps and Bureau of Reclamation became heated. The Corps, for example, severely criticized the flood and irrigation provisions of the Bureau's report. When, in 1948, a flood overcame much of the Pacific Northwest, President Truman directed the Corps and the Bureau to coordinate their efforts. The Corps continued to criticize the Bureau's proposal but, on April 11, 1949, the Secretaries of Army and Interior, the Commissioner of the Bureau of Reclamation and the Chief of the Engineers finally signed an accord to coordinate their plans in the Columbia Valley. Governor McKay approved the coordinated plan and, despite some serious reservations, Governor Langlie of Washington also gave his consent. As part of the coordinated plan, the Bureau of Reclamation was assigned Hells Canyon. In February 1950, the Secretary of Interior, Oscar Chapman, forwarded this agreement to Congress.

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4June 15, 1948, O. E. Walsh, Colonel, Corps of Engineers, District Engineer, to R. J. Newell, Bureau of Reclamation, Regional Director; memo, August 13, 1948, Walsh to Chief of Engineers; August 27, 1948, W. S. Moore, Colonel,
In the meantime, the Administration had been developing an alternate plan. On several occasions the Administration proposed the creation of a Columbia Valley Authority (CVA), modelled after the Tennessee Valley Authority. But the Corps of Engineers and Bureau of Reclamation, along with private utility groups and the Forest Service, opposed the CVA, just as they had previously fought the Missouri and Tennessee Valley Authority. The Administration felt the CVA would eliminate the conflict between the Corps and the Bureau of Reclamation. President Truman informed an audience in Boise, Idaho, that a Columbia Valley Authority would "stop all the fuss" between the two agencies "and all the rest of the bureaus in Government." In his Annual Budget Message for fiscal 1951, the President again pressed Congress to authorize the CVA. Senators Warren Magnuson and Henry "Scoop" Jackson, both Democrats from Washington, fought hard for the Columbia Valley Authority but to no avail. In 1949 the CVA scheme received a painful blow when the First Hoover Commission recommended that the TVA be continued but that the Federal Government should not initiate any further authorities. Consequently,

in 1950, the Bureau of the Budget instead approved the Bureau of Reclamation–Corps of Engineers plan for comprehensive development of the area. The Truman Administration did not find success here either. Twice bills for the Hells Canyon dam failed to secure congressional approval.  

Until now it had been a governmental matter but the issue took on crucial significance when a private utility, the Idaho Power Company, became involved. In 1916, the Idaho Power Company acquired an interest in the area by purchasing a small plant at Oxbow, a location on the Snake River not far from Hells Canyon. While the Corps and Bureau were investigating the area, the Idaho Power Company, in June 1947, applied to the Federal Power Commission for a preliminary permit for a new hydroelectric project at Oxbow. Senator Glen Taylor of Idaho and the Department of Interior filed a protest and the Company temporarily suspended its request for an application. When the Corps-Bureau plan was voted down by Congress, Idaho Power, in December 1950, again applied to the FPC for a license to build the Oxbow project. Once more the Department of Interior issued a protest with the Commission. On May 7, 1952, the FPC decided to hold hearings on the matter. The Department of Interior and six regional public power organizations were granted petitions to intervene.

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5Leslie Miller, "The Battle that Squanders Billions," Saturday Evening Post, V. 221, No. 46 (May 14, 1949), 161; McKinley, Uncle Sam, Ch. XVI, and 643-53; Harry Truman, Public Papers (1950), 8, 90, 345-51; Congressional Record, 81st Cong., 1st Sess., v. 96, part IV (April 14, 1950), 5187-88, 5190; H. R. Document 473, V. 1, 4-5; Barrow Lyons, Tomorrow's Birthright, 274-75.
in the proceedings against the Company. The Idaho Power Company later amended its original five dam plan, now proposing a three dam project for Hells Canyon, Oxbow, and Brownlee. Thus, there were two alternative plans for tapping the resources of Hells Canyon. The Bureau of Reclamation planned to construct a high multi-purpose dam, while Idaho Power wanted to construct three small dams with a total power capacity of 783,000 kilowatts. The Bureau's dam called for a capacity of 1,022,000 kilowatts. Since Congress had not authorized the Corps-Bureau plan, the center of attention now moved to the Federal Power Commission as Eisenhower assumed the Presidency.6

On taking office the Eisenhower Administration faced a difficult decision. As the Denver Post accurately depicted the situation, no matter what it did, the Administration would be open to a torrent of criticism. Should the Administration attempt to deny the Idaho Power Company a license it would be held accountable for the inaction of the Republican-ruled Congress in approving a federal dam. If, on the other hand, the Administration allowed the Idaho Power Company to obtain the license it would be charged with having "sold out" Hells Canyon to Wall Street. Eisenhower made two appointments particularly vital toward a resolution of that dilemma.7

6Senate Report 2275, 10; Lyons, Tomorrow's Birthright, 276; Coyle, Conservation, 197; The Interveners included the National Hells Canyon Association, the Lewis County Public Utility District of Washington, seven other Public Utility Districts in Washington, and the NRECA.

7The Denver Post, May 13, 1953.
When Douglas McKay, a two-term governor of Oregon, became Secretary of Interior it was not altogether certain where he stood on the issue. As a firm believer in states' rights he had vigorously opposed the Columbia Valley Authority. "We definitely need the United States Government to develop the Columbia River," he affirmed at his nomination hearing in 1953. "Private power can't do it, but I have opposed the part of the Federal Government in imposing themselves in Authority affairs, because I think the people at the State level want to retain control of their natural resources." Yet he had approved both the "308 Review Report" and the Corps-Bureau agreement. When he was confirmed by the Senate, Wayne Morse of Oregon, who had dramatically broken with the Republican Party during the recent presidential campaign and was a strong advocate of the federal dam, took to the floor of the Senate to urge his fellow Oregonian's confirmation. A fellow supporter of the federal project, Senator Magnuson, however, opposed McKay's nomination because he disagreed with the nominee's views on development of public power in the Pacific Northwest.8

The appointment of Jerome Kuykendall as the new Chairman of the Federal Power Commission raised serious suspicions in the minds of those who favored construction of a Hells Canyon dam by the Bureau of Reclamation. Kuykendall had been

8Senate, Committee on Interior and Insular Affairs, 83rd Cong., 1st Sess., The Nomination of Governor Douglas McKay to be Secretary of the Interior (January 15, 1953); New York Times, January 22, 1953, 1, 10.
appointed to the Washington State Public Service Commission by Governor Langlie, a staunch opponent of both the Columbia Valley Authority and the federal dam. Consequently, organized labor in the State of Washington, the National Rural Electric Cooperative Association, and the Idaho-Oregon Hells Canyon Association pronounced Kuykendall guilty-by-association. "His first objective," Albert Ullman of the Hells Canyon Association predicted, "will be to accomplish what Langlie has been attempting for a long time—to put the hatchet to the federal Hells Canyon project." The United Steel Workers of Spokane declared that Kuykendall was "opposed to the development of the Northwest's industrial growth." While he would not commit himself on the issue, Kuykendall made it clear to the Senate Interior and Foreign Commerce Committee, which heard testimony on his nomination, that it was better for private capital to do the job when it could, rather than the federal government. In other words, the government, he said, should become involved only when private enterprise cannot perform the task. He was thus an exponent of partnership. 9

9 Senate, Committee on Interstate and Foreign Commerce, 83rd Cong., 1st Sess., Nomination of Jerome K. Kuykendall, of Washington, to be a Member of the Federal Power Commission for the remainder of the term expiring June 22, 1957 (April 22, 1953), 8, 14, ff; Ellis, A Giant Step, 125-27; Telegram, W. C. Weyer, President, United Steel Workers Local 338, USA, CIO, to Eisenhower, April 23, 1953, and telegram, April 23, 1953, D. E. Bandwaun, President, Spokane County CIO Council, to Eisenhower, in Eisenhower Library, Central Files, GF-43-A, Box 388; Engl er, 325-30; New York Times, May 16, 26; April 24, 25; April 23, 24; April 14, 1953, 53.
Furthermore, Bureau of the Budget Circular A-47 and the Department of Interior's new power policy signaled a reversal of the New Deal-Fair Deal emphasis on federal projects. "The New Deal's great public crusade is dead," Business Week correctly announced. "But one thing is certain: McKay has rung down the curtain on the kind of 'damn-private industry, government-should-build-everything' policy on federal power followed by his Democratic predecessors at Interior." The Department decided to get the Hells Canyon matter "cleaned up" rather than, as one member of the FPC advised Under Secretary Tudor, to "drag its feet." Consequently, on May 5, 1953, McKay officially withdrew the Department's intervention in the case. In explaining his decision, McKay noted that legislation favoring the high dam was presently before Congress, but "in view of efforts to balance the budget it appears doubtful that appropriations for the work can be justified now even if the project is authorized." When McKay's decision came under fire, Eisenhower defended it, saying that "many, many people" from the concerned area "insisted that they do not believe in this big federal dam." In keeping with the Administration's partnership policy, McKay explained that "private enterprise should be allowed to develop power as long as it does not interfere with the orderly development of natural resources." Significantly, he added: "There has been a tendency in the past to give breaks to all the public deals." When the Denver Post questioned whether this decision meant the engineers of the Bureau of Reclamation would
be permitted to testify before the FPC "without political restraints," the Department replied they would be. "No witness," Ralph Tudor assured Kuykendall, "is being controlled in any way in this matter and no employee who may be called as a witness need be concerned that his testimony in this case will have any effect on his future with the Department." 10

The action of the Department of Interior left adherents of a federal dam without an organization representing their interests before the Federal Power Commission. The National Hells Canyon Association, composed of various labor, farm, cooperative, and public utility groups, was quickly formed to fill this void. "The interests of these interveners," the Association told the FPC, "lie in a continuing increased supply of low-cost power and in full development of the resources of the Columbia River basin." The National Rural Electric Cooperative Association also joined as an intervener. In July 1953, the FPC officially accepted the Hells Canyon Association as an intervener against the Idaho Power Company. Clearly neither side would now compromise. 11

10 "McKay: Changing a Power Trend," Business Week (Sept. 12, 1953), 63; McKay's statement explaining the new power policy can be found in Elmer Bennett Papers, Box 6, Eisenhower Library; the official letter of withdrawal, May 5, 1953, Clarence Davis, Solicitor, to Kuykendall, in Federal Power Commission, Washington, D.C., Project No. 1971, Part 4; Public Papers of the Presidents, 1953, 287; Newsweek, 41 (May 18, 1953), 87; Denver Post, May 20, 1953; Tudor to Kuykendall, July 16, 1953, Central Files, OF-155-E-1, Box 838, Eisenhower Library.

11 Federal Power Commission, Petition for Leave to Intervene, June 26, 1953, Project No. 1971, Part 4; The Denver Post, May 18, 1953, noted that a compromise solution existed. According to this solution the Idaho Power Co. would have
About a week after McKay's announcement, the Idaho Power Company once again filed applications with the Commission for licenses to construct and operate the three-dam project. This time, however, the State of Washington intervened on behalf of the Company. Among other points, Governor Langlie's brief claimed the project would be "a flagrant dissipation" of federal money that "could more wisely be invested in projects known to have far greater flood control and hydroelectric potential."12

But one final problem remained. While it was officially neutral in the conflict over which should build the project, the National Park Service argued that "a master plan" protecting the site's recreational potential ought to be drawn up before construction began. Conrad Wirth, Director of the Park Service, estimated such a study would cost only $60,000 and could be completed within two years. He also maintained the Idaho Power Company should pay for the study in the event the FPC grants it a license. Reluctantly McKay complied with

built multiple purpose dams below Hells Canyon near the river's confluence with the Columbia. Neither side was amenable to accepting this compromise, however.

12 Quoted in Federal Power Commission, Intervener, State of Washington, Reply Brief to Idaho Power Company, Project Nos. 1971, 2132, 2133 (February 4, 1955), 1-2; Ralph Tudor, "Notes Recorded While Under Secretary, Department of Interior, March, 1953-Sept., 1954," in Eisenhower Library, Tudor Papers, Box 1, entry for May 3, 1953. In his diary Tudor noted that "about two weeks" before Interior announced its decision to withdraw from the case, a member of the FPC visited him and suggested that his department do nothing on the Hells Canyon matter, and "perhaps some of the controversy and excitement will die down." Interior did not agree and went ahead with withdrawing its intervention.
Wirth's wishes and so informed the Commission. In testimony, the National Park Service told the FPC that a desirable recreational plan could be developed whichever side won the case. Outwardly the issue was a re-enactment of the traditional public versus private power dilemma. The Administration held the position that free enterprise must be given an opportunity to develop the nation's resources. Obviously McKay and Eisenhower saw a danger of government monopoly in the federal dam. "I don't like monopoly of any kind," McKay once said, "but the worst type is monopoly by the Federal Government, because it's so hard to change." In answering the charge that the Idaho Power Company also would constitute a monopoly should the FPC grant it the license, McKay contended that private enterprise "can be controlled by regulatory bodies." More specifically, the Administration felt the Idaho Power Company should have the right to bring its case to the Commission and, if the Company satisfied the FPC, it ought to get the license. The main problems, the Administration argued, were political, economic and judicial.

13 Memo, Conrad Wirth to Orme Lewis, Assistant Secretary, October 8, 1953; memo, Wirth to Aandahl, December 13, 1953; memo, Tudor to McKay, February 5, 1954; McKay to Kuykendall, February 8, 1954, in Department of Interior, Office of the Secretary, Central Files Section, no box number, Federal Records Center, Suitland, Maryland. It deserves mentioning that the NPS testified that if the high dam "were not constructed, pressures would increase for the construction of Glacier View [Dam], which encroaches upon Glacier National Park." Counsel for the Idaho Power Company objected to this segment of the Park Service's statement and was sustained. Cf. Memo, John G. M. Marr, Technical Review Staff, to Tudor, February 9, 1954, "A Summary of FPC Hearings, Vols. 76-82," p. 5, and "Statement of the National Park Service," p. 8, in Department of Interior, Office of the Secretary, Central Office Files, no box number, Federal Records Center, Suitland, Maryland.
It was true, as Administration spokesmen repeatedly pointed out, that twice a Democratic Congress had not seen fit "to appropriate the tremendous sums needed for Hells Canyon or even to authorize the project." Of course, this argument overlooked the fact that it had been a Dixicrat-Republican coalition that had defeated the federal dam. In this connection, both Kuykendall and McKay emphasized that "the power supply in 1957 will be adequate in all regions of the country except the Pacific Northwest." Since the federal dam was unable to get congressional approval, it was thus imperative that free enterprise perform the task, lest the Pacific Northwest suffer a severe power shortage. Political partnership also meant a check on the growth of the federal bureaucracy's power. In a series of important articles, Raymond Moley, the Administration's most articulate apologist, agreed there was little real choice but to opt for free enterprise. To do otherwise, he thought, would allow the Bureau of Reclamation's power to continue unfettered. "To build it," he reminded his readers, "would be the summit of the bureau's ambition." 14

Considered from the Administration's economic vantage point the dictates of a balanced budget far outweighed any arguments for a government-sponsored project. "This country," McKay once told an interested party, "just cannot go on squandering money and survive as free people." Simply put, the high dam would have cost too much in lieu of defense expenses; McKay estimated a federal dam would run around $843,000,000. Once again, the Administration averred that since a private utility was willing to do "a very comparable job" which would meet the requirements of the Federal Power Act, the government ought not to throw roadblocks in its way. This reasoning particularly appealed to congressmen outside the Tennessee Valley and the Pacific Northwest. They questioned why their regions should be taxed for a dam in the Northwest when the burden could just as easily be borne "on the willing shoulders of the private investor." Senator Ralph Flanders of Vermont, for example, saw no sense in being taxed for a dam in Idaho when instead it would be better "to have the Idaho Power Company contribute something to the taxes" he had to pay. Contrary to what critics of partnership may have led some to believe, however, the Administration was not hostile to every federal project. The Dalles and John Day Dams, both part of the Corps' "308 Review Report," and the Upper Colorado River Storage Project received a partnership certification. In 1953, Senator Guy Gordon of Oregon, a strong partnership defender, presented the John Day plan
Finally, legal precedent was weighted heavily in the Administration's favor. In 1951, the Federal Power Commission had granted a license to the Virginia Electric and Power Company to build a power plant on the Roanoke River at Roanoke Rapids, Virginia. The Secretary of Interior and the National Rural Electric Cooperative Association of Virginia brought the case before the Supreme Court, which ruled the FPC was empowered to grant a license to any private company for any power site included in a plan for comprehensive river basin development, provided, of course, that Congress had not appropriated funds for construction of that project and if the licensing was in the public interest as designated by the Federal Power Act of 1920. Having "no disagreement with this conclusion," the Eisenhower Administration based its decision to withdraw Interior's intervention from the Hells Canyon case on this ruling.16

15 McKay to C. L. Gilstrap, March 22, 1954, Department of Interior, Office of the Secretary, no box number, Federal Records Center, Suitland, Maryland; Moley, "The John Day Partnership," Newsweek, 44 (July 26, 1954), 88; Ralph Flanders to Sherman Adams, Central Files, OF-155-E-1, Box 838, Eisenhower Library.

16 Lyons, Tomorrow's Birthright, 160-62; Ralph Tudor, Speech to Southwestern Electrical Exchange, Boca Rotan, Florida, March 22, 1954, in Elmer F. Bennett Papers, Box 10, Eisenhower Library. In a similar case the Supreme Court ruled that the statutes creating the FPC "expressed general policies and granted broad administrative and investigative power, making the Commission the permanent disinterested expert agency of Congress to carry out these policies." Chapman v. Federal Power Commission [345 U.S. 153, 168 (1953)].
Politically, the Administration's position was endorsed by the Republican governors of Washington, Oregon, and Idaho, as well as by both senators from Idaho and one from Oregon. Reclamation groups, including the Idaho State Reclamation Association, opposed the Bureau of Reclamation's plan because it was, in their opinion, "a power dam, pure and simple, and therein lies its potential threat to irrigation in Idaho."

The opponents of the Idaho Power Company employed primarily four arguments. They pointed out, first and most importantly, that the Idaho Power Company's three-dam plan would destroy comprehensive planning for the Columbia River basin. The Corps of Engineers-Bureau of Reclamation plan called for a network of dams which would supply hydroelectric power, irrigation, and flood control. By contrast, the Idaho Power Company's plan promised only hydroelectric power. Representative Gracie Pfost (D-Idaho), known as "Hells Belle" for her vociferous advocacy of the federal project, rightly believed comprehensive planning was "the basic question." If the Idaho Power Company received a license, she thought, it would mean comprehensive planning for the Columbia River Basin would be foresaken in favor of "piecemeal, partial development" for "the benefit only of a private monopoly." Oddly enough, the conservationists and the Bureau of Reclamation, for once,

were not at loggerheads. The Bureau defended its plan for a multiple purpose dam at Hells Canyon before the Federal Power Commission. The Bureau reasoned that since the unit cost of power for both plans would be about the same, the additional advantages from the multiple purpose development would best serve the entire needs of the area. Coincidentally, the Bureau and the conservationists were locked in a heated struggle over a proposed dam in Echo Park, Utah, as part of the Upper Colorado River Storage Project. The conservationists opposed the Administration and the Bureau of Reclamation here. The Echo Park conflict, however, had a direct bearing upon Hells Canyon. The high dam advocates caught the Department of Interior in an apparent contradiction. "If the Bureau [of Reclamation] people," Robert W. Lucas, editor of the Denver Post, asked, "can miss the mark so widely on the Snake [Hells Canyon], how do I know that their concepts of Echo Park and the feasibility of that project and others related thereto are trustworthy at all?" The Hells Canyon Association pointed out this logic to the FPC. Although the position of the Corps of Engineers was not as plain, there is evidence to suggest that it also lined up with the high dam advocates. Two months after the Department of Interior withdrew its intervention from the case, the Montana Great Falls Tribune quoted Brigadier General Samuel Sturgis saying that 1.3 million acre feet of the required 27 million acre feet of flood control storage would be lost in the event Idaho Power obtained a license. "We," Sturgis concluded, "can find substitute storage—but
where I don't know." When Representative Pfost asked if the article was correct, the Corps replied it was "substantially accurate." Also, in 1956, McKay, campaigning for Wayne Morse's senate seat, complained that Brigadier General L. H. Foote, North Pacific Division of the Corps, had made statements about Hells Canyon to the Oregonian "damaging to the Administration policy and my personal campaign." Foote, in fact, expressed concern that "only half the possible flood storage will be available" according to the plans of the private utility companies in the area. McKay subsequently asked Sherman Adams "for help in getting the Army Corps of Engineers back in step with administration policy concerning Hells Canyon Dam." Adams, according to McKay, accomplished this task. While they were not concerned with the power issue, the Wildlife Management Institute and the Citizens Committee on Natural Resources worried over another aspect of comprehensive planning. They feared the Idaho Power Company's plan would result in losses of fisheries, wildlife, and recreational facilities. The argument for the comprehensive plan of the Bureau of Reclamation was perhaps best summed up by the National Farmers' Union. "The Idaho Power Company project," it told the FPC, "would contribute absolutely nothing to the region in the way of benefits to irrigation and substantially less than the Federal Hells Canyon project to navigation and flood control." The public versus private power issue was only a fig leaf; actually, the real issue was over the relative
merits of comprehensive planning and partnership.  

The second reason the high dam advocates favored the Bureau of Reclamation's plan was economic. The Pacific Northwest possessed an aluminum industry dependent on low-cost power. Also, rock phosphate, located in southern Idaho, awaited exploitation, but this potential industry also required cheap power. The National Hells Canyon Association told the FPC the high dam "would contribute materially more to alleviate the hydroelectric power problem throughout the region, including southern Idaho." In other words, cheap power supplied by a federal project would entice more industry to the area, which, in turn, would create more jobs. Or, conversely, as former President Truman put it, if the FPC gives Idaho Power a license, there will be "less power and higher rates, fewer jobs and lower wages." Organized labor was especially receptive to this view. Andrew J. Biemiller of the AF of L and O. A. Knight, Vice President, C.I.O., both testified before the House Subcommittee on Irrigation and Reclamation for the

18 Ibid., 6-7, 98; Robert W. Lucas to Tudor, March 16, 1954; Memo, "Summary of volumes 117-132 of the Hearings Conducted by the Federal Power Commission on the subject matter Hells Canyon, John B. Bennett to Tudor, June 24, 1954, Department of Interior, Office of the Secretary, Central Files, no box number, Federal Records Center, Suitland, Maryland; Montana Great Falls Tribune, July 2, 1953; Pfost to Brig. General C. H. Chorpening, July 8, 1953; C. H. Chorpening to Pfost, July 28, 1953, Corps of Engineers Files, no box number, Federal Records Center, Suitland, Maryland; two telegrams, McKay to Adams, June 7, 1956, Central Files, GF-140-E-2, Eisenhower Library; McKay to Adams, June 15, 1956, Central Files, GF-109-A-2, Eisenhower Library; Senate Report 2275, 49; Congressional Record, 84th Cong., 2d Sess. (July 9, 1956), v. 102, part 10, 13479; New York Times, October 6, 1953, 34; Seymour Harris, Economics of Political Parties, 308-09.
federal dam. Further, after noting that eighty percent of its membership was unemployed seven months of the year, Elmer F. McIntire, executive secretary of the Idaho State Federation of Labor, suggested to the same subcommittee that "low-cost power from Hells Canyon will provide many thousands of new jobs, as well as firming up the economy for more year-round payrolls which the Northwest needs badly." For this reason organized labor in the State of Washington condemned Governor Langlie's intervention on the side of the Idaho Power Company, and worked to defeat his bid in 1956 for the Senate seat of Warren Magnuson, a longtime champion of the federal dam. The American Public Power Association also supported cheap power through a federal dam.19

The public power groups and conservationists painted the Idaho Power Company as a big business interloper whose true interests actually rested outside the Pacific Northwest. Senator Estes Kefauver, for example, charged that the Company's base was in New England and had "few controlling stockholders west of the Hudson River." If partnership meant local control, then, he asked, how does Idaho Power fit in?

Tom E. Roach, President of Idaho Power, said this image was a distortion. The Company's largest shareowner, he wrote Kefauver, represented "an ownership of about 2% of the total in terms of corporate voting power." The corporate voting power of Idaho shareowners alone, Roach continued, was "almost double that of shareowners residing in any other state."

Hence, Idaho Power was not, as Kefauver and others thought, an Eastern-based operation, controlled by a few shareholders. Nonetheless, the Cooperative League, testifying on behalf of the federal dam, accused Idaho Power of having its "principal stockholders" in Boston, New York, and Philadelphia.

Finally, the advocates of the federal project perceived a parallel between Hells Canyon and Dixon-Yates. According to them, a victory for Idaho Power and Dixon-Yates would signify a return to "the power trust" of the twenties. Senator Wayne Morse, for example, correctly noted that a majority of the members of the Atomic Energy Commission disapproved of the Dixon-Yates contract but Eisenhower nevertheless commanded the Commission to negotiate the contract. "How long," Morse asked, "will it be before the White House tells the Federal Power Commission how to decide the Hells Canyon [case] or another like it?" Recognizing the same parallel, Senator Magnuson, Chairman of the Senate Interstate and Foreign Commerce

Committee charged with handling FPC nominations, warned that he was "watching carefully" the activities of the Federal Power Commission in the Hells Canyon case. The Hells Canyon Association, of course, drew the same parallel. Because, indeed, the issues were so similar, the advocates of the federal dam received support from the Tennessee Valley congressional bloc. Kefauver in 1955 openly questioned Kuykendall's impartiality in both the Dixon-Yates and Hells Canyon decisions. 21

The Federal Power Commission's Examiner, William Costello, heard these conflicting arguments from July 1953 to July 1954, and the parties engaged in another year of protracted legal maneuvering before a final decision was reached. In December 1954, the FPC's staff "bought most of the Idaho Company's arguments." Their brief reported that while the three dams would not be any more economical than the single federal dam, there were advantages to the private operation that overrode considerations for the federal scheme. In fact, the staff brief came out so strongly for the Idaho Power Company that many Washington observers felt the FPC Examiner, whose duty it was to make a recommendation to the Commission itself, could not but agree with the brief. They were perfectly

21 Congressional Record, 83rd Cong., 2d Sess., v. 100, part 9 (July 21, 1954), 11170-72, 11180, and July 22, 1954, 11346-47; Kefauver to Morse, reprinted in the New York Herald Tribune, August 6, 1955, in Files of Joseph Dodge, Box 7, Eisenhower Library; House Subcommittee on Interior and Reclamation hearings (July 1955), 121-22. It should be pointed out that the Democrats (and one Independent, Wayne Morse) fully supported the Democrats from the Tennessee Valley in the Dixon-Yates controversy.
correct. On May 6, 1955, the Examiner recommended that the Commission grant the Idaho Power Company a license. Costello's reasons were curious, however. In short, he found that the high Hells Canyon dam would be superior to the private utility plan. "The three dam plan of the Applicant," Costello wrote, "would not serve the public purposes and promote the public interest in the same way as the High Dam Project might under governmental auspices, but this is not to say that the Applicant's plan would not serve public purposes and promote the public interest." The deciding factor in the case, however, was Congress' unwillingness to pass a bill authorizing the federal project: "...the likelihood of the authorization of and appropriation for an undertaking of the site involved in the High Dam Project is so remote as to make recommendation to the Congress...that such a dam be undertaken by the United States a completely useless action." When Costello made his recommendation to the Commission, a flurry of protests came forth. The supporters of the comprehensive plan demanded that Costello had, in effect, exceeded his authority. The Examiner's duty, they declared, was to weigh the evidence impartially on the relative merits of the two arguments, not to act as "a political weather bureau." The high dam congressmen thus vowed an all-out fight in Congress for their project.22

The worst suspicions of the federal dam advocates seemed confirmed when, on August 4, 1955, the Federal Power Commission, all Eisenhower appointees, concurred with Costello's reasoning. The Commission said that flood control facilities could be found elsewhere and the navigation and recreation aspects of the two cases were about equal. Also, they noted the benefit-cost ratio for the hydroelectric power between the two proposals was about one to one. Finally, the Commission laconically observed that, by law, "it is not in the public interest for the United States to undertake every water-power development..." Idaho Power lost little time and, in November, announced that it had signed a contract with the Morrison-Knudson Company, Inc., to build the Brownlee and Oxbow projects. Business Week accurately interpreted the FPC's decision as "a monumental victory for private power," and the American Farm Bureau Federation urged uncommitted Senators to defeat the federal Hells Canyon bill in Congress. The National Reclamation Association also approved the FPC's decision. The National Rural Electric Cooperative Association, on the other hand, thought the Commission's ruling "preposterous and presumptive," and asked for the resignation of McKay and two of his assistants. "This order," Senator Morse added, "shows how the FPC is responding to the signals of the Eisenhower Administration for propaganda purposes without actually requiring construction of the three dams." After the Commission denied the interveners' request for a rehearing, two avenues for redress still remained open. The
advocates of comprehensive planning appealed the FPC decision to the Federal Court of Appeals and sought congressional approval for a high dam. 23

The conservationists had faced an uphill struggle in Congress all along. Between 1952 and 1954 little progress had been expected from the Republican Congress. They had wisely decided to drag out the FPC proceedings until after the elections of 1954, when, hopefully, a receptive Democratic congress would be elected. In these elections Richard Neuberger, a nationally known conservationist, defeated Guy Gordon, a veteran Republican Senator from Oregon. Dixon-Yates and Hells Canyon had been the main issues. The wishes of the high dam adherents came true; the Democrats recaptured Congress. When, shortly after the elections six Democratic senators from the Pacific Northwest asked Eisenhower to "recommend early authorization of the High Hells Canyon Dam" in his State of the Union Message, they were told that while the matter was before the FPC, the Administration would take no position. Instead, the President's message reiterated the

main points outlining his partnership policy. The Bureau of
the Budget went so far as to ask the Senate Interior Commit-
tee to defer its action until the Commission had acted. In
April 1955, the Senate Interior Committee opened hearings in
the Pacific Northwest on the subject. That same month the
Senatorial sponsors of a high dam bill requested that the
Federal Power Commission "hold in abeyance any action on the
application of the Idaho Power Company... pending action by
Congress." The Commission refused, saying the matter was now
before its Examiner and must await his decision. Later, the
Senate Interior Committee and Senator Kefauver's Antimonopoly
Subcommittee of the Senate Judiciary Committee announced they
would conduct a "series of coordinated hearings on public and
private power programs." 24

A note of urgency was struck by the high dam advocates.
One of the sponsors of the House bill, Representative Don
Magnuson, for instance, told his colleagues that unless they

24 "Hellspx, " Life, v. 35, No. 19 (November 11, 1953),
27; December 30, 1954, Senators Murray, Mansfield, Morse, Neu-
berger, Magnuson and Jackson to Eisenhower, Central Files,
OF-155-E-1, Box 838, Eisenhower Library; Senate, Subcommittee
on Irrigation and Reclamation, 84th Cong., 1st Sess., A Bill
to Authorize the Construction, Operation, and Maintenance of
the Hells Canyon Dam on the Snake River Between Idaho and Ore-
gon, and for Related Purposes (1955), 390-91; July 6, 1955,
Clarence Davis to Bernard M. Shanley, Secretary to the Presi-
dent, Department of Interior, Office of the Secretary, Central
Files, no box number, Federal Records Center, Suitland, Mary-
land; Senate Report 2275, 34-35; Special Report of the Chairman
(September 1, 1955), 18, 19-20, 20-21, 21-22, 23-24. The
Senate Antimonopoly Subcommittee had been investigating the
Dixon-Yates contract and thus these coordinated hearings were
an outgrowth of both the Dixon-Yates and Hells Canyon contro-
versies. It was an effort to discredit the Administration's
entire power program.
acted that session it would "foreclose forever the possibility of full development of the hydroelectric potential" in Hells Canyon. On July 27, 1955, the same day the FPC reached its decision, the House Interior Subcommittee, along strict party lines, narrowly approved a bill authorizing construction of a government dam at Hells Canyon. The following year both the House and Senate Interior Committees favorably reported out bills calling for a federal dam. Significantly, the Senate Interior Committee maintained it had "continuing jurisdiction ... of the subject matter [Hells Canyon]... in spite of the issuance by the Federal Power Commission of a license for construction of the private project." But the Senate rejected the bill by a vote of 51 to 41. Afterwards Speaker Sam Rayburn decided there would be no attempt to present the bill to the House.25

The Hells Canyon issue provided fuel for the political fires in the Pacific Northwest's elections of 1956. As early as 1953 the Denver Post had warned the Administration "that the political consequences of a final decision on the Snake River which is not fully justified in terms of the public interest--present and future--will invite strong reaction at

25 House Subcommittee on Irrigation and Reclamation (July 1955), 9-10; Senate Report 2275, 10, House of Representatives, 84th Cong., 2d Sess., Report 2542 (July 29, 1956); Congressional Record, 84th Cong., 2d Sess., v. 102, Part 10 (July 19, 1956), 13498; New York Times, July 20, 1956, 1. The FPC had reached its decision on July 27 but delayed its decision until August 4, 1955. Also, seven Southern Democrats had voted against the Senate bill and only two Republicans voted for it. While this was a victory for partnership, it was also a victory for the Dixicrat-Republican coalition.
the polls." In the Senate races Magnuson defeated Langlie in Washington, Morse defeated former Secretary of the Interior McKay, and Frank Church, a young unknown lawyer, upset incumbent Herman Welker in Idaho. The Hells Canyon issue was also felt in races for the House. For example, a past president of the Hells Canyon Association, Albert Ullman, defeated one of partnership's staunchest defenders. 26

Despite these impressive political victories, bad news was in the offing. In October 1956, the Federal Court of Appeals upheld the Federal Power Commission's ruling. Typically, the New Republic chanted the familiar refrain that private interests were "buying one of America's great national assets" and the Administration was "selling it because it hates public power." Wayne Morse vowed the decision would be appealed to the Supreme Court. It was, but in April 1957, the high court decided overwhelmingly to refuse to review the Court of Appeal's ruling. The only remaining possibility for reversing the FPC decision was immediate congressional action. 27

26 Denver Post, May 17, 1953; Moley, "Hell's Canyon and 1956," Newsweek, 46 (August 29, 1955), 80; New York Times, September 5, 32; October 20, 1956, 13. Senator Magnuson clearly recognized the politics of the issue. He made this statement in 1953 during Kuykendall's nomination hearings: "I want to say to the committee, in all fairness to my friend Mr. Kuykendall, that this has not only become a dispute between the Idaho Power Co. and the people who propose Hells Canyon, but in some cases, unfortunately, it has become a part of our political life in Idaho, Washington and Oregon." Senate Commerce Committee, Kuykendall Nomination (1953), 8.

27 The decision can be found in: Senate, Committee on Interstate and Foreign Commerce, 84th Cong., 1st Sess., Nomination of Jerome K. Kuykendall, of Washington, to be a Member of the Federal Power Commission for the Term of 5 Years Expiring June 22, 1962 (Reappointment) (1957), 205-11; TRB, "The
It appeared highly unlikely Congress would act swiftly enough on the matter. Representative Clair Engle, Chairman of the House Interior Committee, envisioned a perplexing problem should federal dam legislation be enacted. If such a bill were approved, it would then be necessary, he noted, to condemn all the work already done by the Idaho Power Company. Another congressman told Sherman Adams that, after all, Idaho Power, acting "in good faith," had spent $57 million on construction thus far. "If this federal dam is approved," he contended, "this will be money down the river." By a strange twist of events, however, the Senate quickly passed the federal dam bill. On this occasion five southerners reversed their former stand and voted for the bill. Commenting on this sudden about face, Senator Charles Potter (R-Mich.) claimed the supporters of a federal dam had sold Eisenhower's civil rights bill "down the river." It was his belief that some Northern Democrats, "fellows supposed to be great advocates of civil rights," had struck a bargain with these Southern Senators whereby they would vote against putting the civil rights bill on the calendar in return for their votes on Hells Canyon. The Democrats, of course, denied the allegation. Whether it was true or not mattered little as chances of extracting the bill from the House Interior Committee proved slim. In July the Committee voted 16-14 against the measure. Two southern representatives voted along with a

solid Republican minority to kill the bill. With that vote, advocates of comprehensive planning had run out of rope; partnership had won an important victory. 28

CHAPTER VII

RECLAMATION OR WILDERNESS?

Although it is generally agreed that the multiple purpose dam is the best form of land and reclamation management, all potential policy-making problems are not automatically eliminated. A conflict arises, for example, when reclamationist and wilderness adherents desire incompatible objectives for the same site. In such cases both sides can claim, with justification, to be advocating "conservation;" politically, the Bureau of Reclamation and the National Park Service then draw support from their client groups outside the government. Quite often, however, the government's reclamation and park bureaus become the prisoners of their constituents, thus making compromise an all but futile effort. A case of this type developed during Eisenhower's administration over a proposed dam for Dinosaur National Monument.¹

A contest of wills between the National Park Service and the Bureau of Reclamation, both agencies within the interior department, arose over the need to develop the upper Colorado River. Wyoming, Utah, Colorado, and New Mexico, states comprising the upper Colorado basin, were sparsely populated

and had little industry outside the Denver-Pueblo and Ogden-Salt Lake-Provo urban centers. And it was obvious this area would remain "a colony," as one senator put it, until the upper Colorado River was developed. Most people in the upper basin made their living, to some degree, from tourism, agriculture, or mining. But the area's economic potential was severely limited by a shortage of water. Cheap power, for example, would have made possible the exploitation of the region's phosphate rock. Finally, it was also imperative that a method be found to eliminate the recurring menaces of flood and drought that plagued the area. The Bureau of Reclamation thus set out to remedy these problems.²

The Bureau of Reclamation had focused its attention on developing the Colorado River for some time. When the Bureau proposed building a reservoir on the Colorado River's lower basin, the people living in the upper region protested strenuously, feeling that if the reservoir were built the lower basin would then acquire prior right to all unapportioned water, thus hampering future development in the upper basin. To allay these fears Congress authorized the negotiation of an interstate compact between the upper and lower basins. In 1922, Utah, Colorado, Wyoming, New Mexico, Arizona, Nevada,

²Phillip Sirotkin and Owen Stratton, The Echo Park Controversy (Inter-University Case Program, Indianapolis, 1959), 1-2. The Colorado River rises in the Rocky Mountains of Colorado and western Wyoming, flows across southwestern Utah and northwestern Arizona, and from there enters the Gulf of California in New Mexico. This basin is about 250,000 square miles or about one-twelfth of the country.
and California signed the Colorado River Compact at Santa Fe, New Mexico. The compact's specified purpose was to establish order in the Colorado River region by insuring that each of the signatories would get a fair share of the River's water. Accordingly, each basin was apportioned a "beneficial consumptive use" of 7.5 million acre-feet of water per annum. Also, the upper basin states were obliged not to deplete the flow of water at Lee Ferry, the demarcation between the upper and lower basins, below 75 million acre-feet in any period of ten consecutive years. Development of the lower basin then proceeded. In 1928, the Boulder Canyon Project Act authorized construction of Hoover Dam and corollary facilities. The Bureau of Reclamation leased the dam's power to the City of Los Angeles, the Southern California Edison Company, and the Metropolitan Water District of Southern California.

When the upper basin states decided to push for development of their area the Department of Interior informed them that they would be required to negotiate a compact among themselves for the division of their water before the federal government could make any commitment. Utah, however, proved intractable. Thinking it would not obtain quality water once Wyoming received its share from the Green River, Utah balked at signing the compact. This impasse was not resolved until Colorado agreed to let Utah have an annual average of 500,000 acre-feet of Yampa River water. But there still remained one sticky point. Utah could not secure the Yampa water unless a dam was constructed at Echo Park or some site
nearby. To secure this compact, then, all the participants, including the Bureau of Reclamation, assured Utah that Echo Park Dam would be built. In short, Echo Park Dam became the heart of the entire Upper Colorado River Storage Project; without it, the whole project might well die and with it the upper basin's hope for economic progress. When, in 1950, the Bureau of Reclamation submitted its report to Secretary Chapman it called for construction of a billion-dollar Upper Colorado River Storage Project, a ten-dam plan for the development of the Colorado River and its tributaries. Echo Park Dam was the second largest dam in the Project.  

The National Park Service, which supervised Dinosaur National Monument, did not become actively involved until 1949, when it first discovered the Bureau of Reclamation's intentions. Because of its grandeur and fossil deposits, Echo Park held great interest for paleontologists and naturalists alike. Dinosaur National Monument was located on the Green and Yampa Rivers in western Colorado and eastern Utah. In 1915 President Wilson had proclaimed an 80-acre tract in Utah a monument and Franklin Roosevelt, in 1938, had expanded the monument to about 205,000 acres. The site became known

as Dinosaur National Monument. The National Park Service thus became alarmed when it learned the Bureau of Reclamation was conducting reconnaissance activities in Echo Park. A 1946 Park Service report on the recreational resources of the Colorado River Basin made its position plain. "Construction of dams at these sites [Echo Park and Split Mountain]," it warned, "would adversely alter the dominant geological and wilderness qualities and the relatively minor archeological and wildlife values of the Canyon Unit so that it would no longer possess national monument qualifications." In April 1949, the Park Service's Washington office informed its field offices that it intended to oppose construction of a dam at Echo Park. Meanwhile, the Bureau of Reclamation had continued surveying the monument. Echo Park's superintendent advised the Park Service to do something immediately to halt the Bureau's activities. By this time, however, the Bureau had defined its plans for Echo Park.  

The conflict was thus thrown into the lap of the Secretary of Interior. In April 1950, Secretary Chapman held hearings to determine which agency would prevail. The Department heard a wide range of testimony, including upper basin senators and congressmen, the two Interior bureaus, and various conservation leaders. The congressional delegation from the upper basin states was unanimous in its advocacy of the dam. Senator Elbert D. Thomas (D-Utah) succinctly expressed their

4John Ise, Our National Park Policy: A Critical Study (Baltimore, 1961), 477; Sirotkin and Stratton, Echo Park, 3-4, 28, 40.
interest: "From earliest pioneer times, the lack of abundance of water has controlled our destiny, and times have not changed." The Bureau of Reclamation, of course, agreed, noting that the Project constituted "the most efficient means of attaining comprehensive reservoir development in the Upper Colorado River Basin." The National Park Service and its constituency, on the other hand, was not timid in delivering its views. Newton Drury, Director of the Park Service, said: "We feel that this issue should be dealt with from a long-range and national standpoint and not from the standpoint of temporary and local interests." The lines were now clearly drawn.

After the hearings Chapman carefully reviewed the record. While he weighed the evidence each side besieged him to rule in its favor. Senator Arthur V. Watkins of Utah pressed Chapman to speed up his decision so Congress would have time to authorize the Project for 1951. Watkins, a Republican, was not adverse to making political capital out of Chapman's delay either. Democratic congressmen from the upper basin were equally mindful of the political significance of Echo Park Dam and the Upper Colorado River Storage Project for their own off-year elections; an adverse decision, they contended, could ruin their chances for reelection. Drury also continued to defend his bailiwick's position. With characteristic sarcasm, for example, he asked Chapman: "How about wasting a national monument?" In June Chapman finally ruled in favor of the reclamationists. He pointed out that the Bureau of
Reclamation's plan was the most economical one in a desert river basin and that construction of the dam would not, as the wilderness enthusiasts had argued, set a precedent for future invasions of other parks or monuments. "Much superb wilderness within the monument," he added, "will not be affected, excepting through increased accessibility."

Chapman's decision fully alerted the wilderness advocates that the fox was now at the gate. In a poignant article in the *Saturday Evening Post*, Bernard DeVoto, a nationally known wilderness enthusiast, sounded the call for opposition to Echo Park Dam. "The parks do not belong to any bureau, any group of planners or engineers, any state or section," he protested. "They belong to all of us. Do we want them? Will our grandchildren want them?" Until his juncture, the wilderness defenders had been ill-organized; henceforth they were not. The Bureau of Reclamation would indeed have to fight to preserve its position.\(^5\)

The forces marshalled against the dam sought to convince Chapman that he had erred. *Nature Magazine* frankly declared that it did not trust the intentions of the Bureau of Reclamation and the Federation of Western Outdoor Clubs also dissented. Within the government, the National Park Service

persisted in its opposition to the dam. While it was prohibited from publicly criticizing the decision and from distributing the DeVoto article, Drury told the Secretary of Interior that "the fundamental question" raised by the article "is still the number one problem of your National Park Service."

Drury's usefulness to the cause was doubtful, however, for the political objectives and personalities of Drury and Chapman clashed at every point. They had never gotten along anyway, but so long as the Park Service was headquartered in Chicago during the war the distance separating them ameliorated the tension. After 1947, when the Service returned to the nation's capitol, Chapman and Drury were in close proximity and their feud bubbled over with the Echo Park decision. When Chapman, bent on getting rid of the Park Service director, offered him a lesser post than his present one, Drury resigned. Nonetheless, the Park Service continued to oppose Chapman's decision. The wilderness crusaders were joined by other government agencies opposing the entire Upper Colorado River Storage Project. The Corps of Engineers questioned the economic feasibility of the Project; the staff of the Department of Agriculture likewise felt that the Project's irrigation provision would not stand up under careful scrutiny; and the Federal Power Commission was simply noncommittal.

In December 1952, these efforts were rewarded when Chapman revised his decision. In recommending that the Upper Colorado River Storage Project be submitted to Congress, Chapman advised that a dam be built at Echo Park or some
alternate site, depending on further studies of the problem by the Department of Interior. While this temporary reprieve gave the Park Service reason to breathe more easily, the Bureau of Reclamation was greatly disturbed. Michael Straus, Commissioner of the Bureau and not a man to mince words, charged that the opposition ("self-styled conservationists") had shown "a complete lack of vision." He asked: "Why don't we try again and get out from behind the 'iron curtain'?" The final decision on Echo Park's fate now rested in the hands of the new Secretary of Interior and Bureau of the Budget. 6

It was difficult to tell what the new Administration's position would be on Echo Park Dam, in particular, and the Upper Colorado River Storage Project, in general. There was no doubting the new partnership policy was hostile to public power and the Bureau of Reclamation. What the Republican campaign fulminations against the New Deal bureaucracy did not reveal, McKay's decision on Hells Canyon seemingly did.

In addition, the Bureau of Reclamation's budget was dramatic-

ally reduced from $364 million in fiscal 1950 to about $165 million in fiscal 1955, a reduction of more than fifty percent. Shortly after taking office McKay directed Undersecretary Ralph Tudor to personally review Echo Park and the Project. From the beginning McKay did not, as he told the governors of Wyoming, New Mexico, and Colorado, intend to withhold his approval of Echo Park Dam unless Tudor's investigation proved "conclusively" that there was a substantially better plan. In November 1953 Tudor recommended that Echo Park Dam be included in the Upper Colorado Project. Even though "the alteration [of the site] will be substantial" Tudor felt that "the beauty of the park will by no means be destroyed and it will remain an area of great attraction to many people." The important upshot: "None of the alternative sites which have been suggested can compare from the standpoint of evaporation." McKay then approved Tudor's recommendation and sent it to the Bureau of the Budget. The Secretary explained the apparent incongruity between his Hells Canyon and Echo Park decisions to the National Rivers and Harbors Congress. "The Department," he said, "will support the construction by the Federal Government of river basin projects, including hydroelectric developments, where such projects are needed and where they are beyond the means of local public or private enterprise." In short, the Idaho Power Company was in a position to build the dam in Hells Canyon whereas local interests did not possess sufficient financial resources to construct the Upper Colorado Project. In other words, the Federal Government was
not needed in Hells Canyon but was in the Upper Colorado Basin. 7

It appeared the main obstacle would be the Administration's Bureau of the Budget. Through Circular A-47, the Bureau of the Budget had seriously circumscribed the Bureau of Reclamation's activities. The Circular did not sit well with the Bureau of Reclamation's primary constituent, the National Reclamation Association. In 1954 the Association warned that it would not stand for an executive veto "over what new projects may be presented to Congress for consideration." Its finger suggested that Circular A-47 "should [be] so modified or administered as to require the Bureau of the Budget promptly to submit to the Congress those projects which have been approved by the Secretary of the Interior together with any appropriate comments." With record speed the Bureau of the Budget approved, with some qualifications, the Upper Colorado River Storage Project. The National Reclamation Association interpreted the Bureau's approval as a victory of sorts. 8


Opposition to the Upper Colorado River Storage Project was centered around an unstable coalition consisting of preservationist advocates, economic opponents, and Californians. The preservation crusaders were opposed solely to construction of Echo Park Dam, not to the rest of the Project. The National Park Service, of course, opposed the dam but exerted little influence after McKay made his decision. Conrad Wirth, Director of the Park Service, found himself in a touchy situation. He had been appointed to the post by Truman and, like Drury, had pressured Chapman to revise his opinion on Echo Park. When McKay, the new Secretary of Interior, dismissed Albert Day as Director of the Fish and Wildlife Service for his "independence," Wirth knew he had better tread softly. Besides, Wirth was even suspect within preservationist circles, for he championed recreational as much as wilderness values. Wirth did, however, publicly oppose Echo Park Dam before Tudor made his recommendation to McKay. But once the Secretary of Interior approved the Project, the Director of the National Park Service fell silent on the issue. The fight to save Dinosaur National Monument was carried on mainly by the friends of the Park Service residing outside the government.9

9Swain, Albright, 194, 291-92; Sirotkin and Stratton, Echo Park, 65-66; Nov. 2, 1953, Rep. Douglas Stringfellow to McKay; Memo, Nov. 16, 1953, Wirth to McKay; Dec. 17, 1953, McKay to Stringfellow; Memo, July 9, 1953, Wirth to Tudor;
The proponents of wilderness values were national in scope. Bernard DeVoto of Harper's and John B. Oakes of the New York Times wrote extensively against the dam, while the Wilderness Society, National Parks Association, Izaak Walton League and the Wildlife Management Institute applied pressure to congressmen. The Sierra Club, based mainly on the West Coast, also figured prominently in the fight. Influential individuals, like Alfred A. Knopf, the publisher, contributed to the cause as well. In order to better coordinate their efforts, the leaders of 32 opposition organizations created the Citizens Committee on Natural Resources to act as a registered lobbying agent. All in all, as one participant estimated, "somewhere between a million and two million conservationists, in one way or another," took part in the struggle. 

The preservationists argued that construction of the dam would set a dangerous precedent for the future. The rape of Hetch Hetchy was a constant reminder of what could happen if the Bureau of Reclamation won. Once the Bureau of Reclamation had invaded Echo Park, it would, they felt, then attack

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Glacier, Olympic and Yellowstone National Parks, among others. If Congress should follow the recommendation of the Secretary of Interior, DeVoto flatly predicted, "the national park system as we know it, as it was intended to be, will be open to destruction." In lieu of an expanding population, what was needed, they therefore emphasized, were more parks, not fewer. Besides, the majestic view of Dinosaur National Monument possessed an intangible value. Senator Paul Douglas noted that Echo Park Dam would flood an "awe-inspiring canyon" that "gives man a sense of his littleness in the face of the mighty forces of nature." (To make this point the wilderness proponents stressed that the President ought to visit the park to see for himself. To their disappointment, however, the President only flew over the area, rather than touring it from the ground.) Consequently, they felt that rather than destroying it, Echo Park ought to be raised to national park status. Finally, the wilderness advocates sought to use FDR's proclamation of 1938 as legal evidence to prevent the Bureau of Reclamation's encroachment. 11

While the wilderness forces opposed only Echo Park Dam,

there were opponents to the entire Upper Colorado River Storage Project. Strangely enough, Senator Paul Douglas, a New Dealer, Raymond Moley, generally an apologist for partnership, and Leslie Miller, former governor of Wyoming and presently head of the task force on power for the Second Hoover Commission, fell into bed together over this issue. They criticized the entire Project for its economic infeasibility. They argued, among other things, that the power costs of the project were too high to justify construction. The trio objected especially to the basin account method of financing the Project. Moreover, it made little sense, they observed, to irrigate land which would stimulate more agricultural production in the area when farm surplus was already a problem requiring governmental subsidy. Finally they noted that alternate power sources, coal, shale and oil, were available in the area. Douglas contended, in fact, "that on the Upper Colorado River power can be generated more cheaply from coal, in all probability, than it can by the use of water power..."12

12 Moley, "Stop, Look and Listen," Newsweek, 43 (May 10, 1954), 108; "Water, Land, and Bookkeeping," Newsweek, 43 (April 12, 1954), 112; "Pork Unlimited," Newsweek, 54 (May 9, 1955), 108; Leslie Miller to Eisenhower, June 11, 1954, Central Files, OF-155-A, Box 828, Eisenhower Library; Congressional Record, 84th Cong., 1st Sess., V. 101 (April 18, 1955), 4574-80. Several times opponents of the Project suggested that Congress defer action until the Second Hoover Commission could make its recommendations. The proponents of the Project did not take this suggestion seriously on the legitimate ground that Miller, already publicly opposed to the Project, was the head of the Commission's task force on power. For example, when Ben P. Griffith, President of the Board of Water and Power Commission of the City of Los Angeles, suggested that Congress wait for the report of the Second Hoover Commission, Senator Anderson shot back: "You want to leave it to the fellow you know will kill it?" Sen. Subc., Colorado River (1955), 506.
Opposition to the Upper Colorado Project was rounded out by the State of California. Basically California feared that its $695,000,000 investment in facilities for supplying water and power from the Colorado River would be seriously impaired. It took particular exception to the Bureau of Reclamation's argument that the upper basin states fulfilled their obligation so long as 75,000,000 acre-feet of water were allowed to California in each ten-year period. California instead emphasized that the Compact of 1922 provided that the upper basin states were not entitled to more than 7,500,000 acre-feet in a given year and, besides, they were obligated to allow 75,000,000 acre-feet to California in each ten-year period, even if it meant cutting their own share below the 7,500,000 acre-feet for a year or so. Representative Craig Hosmer of California contended that the problem was even crucial to the defense of the country. Southern California, he noted, was important to the nation's defense aircraft industry. "This and all other activities of the area," he concluded, "depend on full availability of the Colorado River water to which the region has rights." California remained intrinsically opposed to the Project throughout the controversy.13

The political coalition favoring authorization of the Project was composed of the Bureau of Reclamation, the federal, state, and local political officials, bureaucratic and quasi-

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bureaucratic officials, the Upper Colorado River Commission, and local business leaders. Basically the attitude of this coalition was, as Senator Barnett of Wyoming put it, the West ought to be allowed to develop the Upper Colorado as it, and not as the East, wished.

The Bureau of Reclamation and the National Park Service derived their strength from different clienteles. Support for the Park Service's position was national in scope while the Bureau of Reclamation's was confined to the region of the Upper Colorado. Hence, the Bureau worked closely with regional political officials. The Bureau's strength was based mainly in the Senate; the Park Service's advantage came in the House where populous non-reclamation states had heavy representation. Moreover, unlike the Hells Canyon episode, the Bureau now had the full support of the Administration.14

The opponents of the Project contended that construction of a dam at Echo Park would constitute an invasion of the national park system, thus setting a dangerous precedent for future invasions, and would be a flagrant legal violation of FDR's proclamation in 1939. The Bureaus of the Budget and Reclamation, the Upper Colorado River Commission, and Senator Arthur Watkins took exception to this reasoning. The Upper Colorado River Commission felt the fears of the wilderness advocates were unfounded. "Similar circumstances," the Commission suggested, "do not exist in connection with the

14Sirotkin and Stratton, Echo Park, 16-18, 21; House Subc. on Colorado Project (1954), 236-37.
creation of any other national park or monument, and, therefore, the authorization based upon the unique circumstances of this case would not constitute a precedent for others."

While the area was to be definitely administered by the Park Service, the proponents of the dam further pointed out that Roosevelt's proclamation clearly did not intend to use the area exclusively for park purposes to the exclusion of needed power projects. Quite the contrary, power and water conservation, they said, had "prior right" to use of the park. Watkins, in fact, did not think the area was then or ever had been "under the exclusive possession and justification of the National Park administration; rather than being an invasion by the Bureau of Reclamation, he interpreted it as just the reverse, an invasion of reclamation areas by the National Park Service. The Federal Power Commission substantiated Watkins' contention.15

The proponents also noted that electric power was essential if the region was to develop industrially and economically. Industry, they argued, would be enticed to the region only if there were sufficient power potentials. The revenues produced from this power development would then pay for the irrigation costs. Irrigation, in turn, would encourage agricultural development of the area. In other words, without maximum generation of power, the entire plan would fall

through. According to Tudor, Echo Park Dam was essential to the entire concept. "...the elimination of Echo Park and the substitution of any alternative," he said, "decreases the total amount of power that can be generated and, by the same token, reduces the revenues that are available." The National Rural Electric Co-operative Association, in putting its stamp of approval on the Project, further noted that the preference clause provision would aid rural electric cooperatives. The Federal Power Commission, Corps of Engineers, and Department of Agriculture, all of whom in varying degrees had formerly opposed or had been noncommittal to the Upper Colorado Project, now approved it.16

The Administration did not ignore the specific charges of Moley, Douglas, and Miller. First off, it was conceded there was no disputing the trio's facts. But the matter, as the Administration viewed it, was a question of choosing between a financial consideration and economic feasibility. Thus: "If the administration feels that in the broad sense it [the Upper Colorado River Project] adds to the economic strength of the nation to populate these arid areas by attractive irrigation inducement, that is an economic benefit which transcends figures." In short, this was a subsidy "for a worthy purpose..." Döheheimer, Commissioner of the Bureau of Reclamation, especially took out after Miller and Moley. He pointed

out that "most of the products of western irrigated farms" were already under price support or acreage control and thus were not surplus. Besides, he said, seventy-five percent of the irrigated land would go toward livestock—not agricultural—production. 17

The problem of evaporation at the Echo Park site was crucial to the reclamationists' argument. The Bureau of Reclamation reports purported that Echo Park was the best available site because water evaporation would be lowest there. The wilderness forces, under the leadership of General U.S. Grant III, a former member of the Corps of Engineers now representing the American Planning and Civic Association, challenged the Bureau's data. Through an extensive statistical analysis Grant sought to demonstrate that the Bureau's figures were in error and that, in fact, Echo Park was not the best site. The preservationists contended that Glen Canyon, for example, would be preferable to Echo Park. When J. R. Riter, chief hydrologist of the Project Development Branch of the Bureau of Reclamation, scrutinized the plan the Bureau's evaporation figures declined from 300,000 to between 100,000 to 200,000. Upon taking the reins of the Interior Department, McKay instructed Tudor, a former engineer, to conduct a personal examination. Tudor's findings agreed with Riter's. Using simple arithmetic, David Brower of the Sierra

Club laid even these revised figures to waste before the House Subcommittee on Irrigation and Reclamation. If Congress approves the Project, Dinosaur Monument, DeVoto lamented, "will have been ruined and the national park system undermined on the basis of errors in arithmetic too gross to be permitted a schoolboy." Nevertheless, the Bureau of Reclamation refused to concede the point; quite the contrary, the Bureau attempted to demonstrate that its figures were indeed the correct ones. But in the end, Tudor admitted that the Bureau's evaporation figures for Echo Park and Glen Canyon had been mistaken. Nevertheless he did not conclude that Glen Canyon would be a justifiable substitute for Echo Park. Significantly, though, the preservationists had cast doubt on the accuracy of the Bureau of Reclamation's arguments. With this crack in the dike water now began to seep through. 18

In 1954, the Echo Park Dam champions met strong resistance in Congress and had to cancel their plans until the next session. A couple of days after the Senate Interior Committee favorably reported out the bill, a coalition of eastern, southern, and California representatives combined to defeat the Fryingpan-Arkansas Project for Colorado in the House. Since the issues were essentially the same, this was generally interpreted as a test vote for the Echo Park reclamationists.

Actually, the Department of Interior and Bureau of the Budget regretted ever having approved the Fryingpan Project in the first place and now wanted it to die in the House. Charles Willis correctly foresaw that "the long-range political problems of sponsoring such a piece of legislation might be much more severe" than allowing it to be defeated. Sherman Adams agreed. Nevertheless, the defeat of the Fryingpan-Arkansas bill sent tremors up the spines of the supporters of the Upper Colorado Project. The Denver Post, for instance, accused the Republican leadership of allowing the Fryingpan-Arkansas Project to die and inferred that the leadership had also destroyed any chance that the Upper Colorado Project would be passed. Senator Wallace F. Bennett complained to Eisenhower that the Post editorial "indicates the extent to which our opponents are prepared to go to turn it against us even though in this case the [Fryingpan-Arkansas] bill was actually killed by the Democrats in the House." When he requested a "top-level statement" reaffirming the Administration's support of the Upper Colorado Project, Eisenhower complied. In a letter to Bennett, the President announced his continued support of the Upper Colorado Project. At the urging of Senator Watkins, who had recently overseen the senatorial censure of McCarthy for the President, the Upper Colorado Project was included in the Budget message. The Project was also endorsed in his State of the Union message.19

Indeed, the Upper Colorado Project ran a gauntlet well prepared by the opposition coalition. The Western-dominated Subcommittees on Irrigation and Reclamation of the Senate and House held hearings on the Upper Colorado Project. Echo Park Dam was included in both of their favorable reports. Led by Representative John Saylor (R-Pa.) the preservationists made the full committee vote in the House so close (13 to 12) that the pro-dam advocates were more determined than ever to get as good a vote as possible in the Senate. The Senate Interior Committee voted overwhelmingly to approve the Project. Nevertheless, not long before the test vote on the Fryingpan-Arkansas Project, Sherman Adams conceded to the governor of Wyoming that "at the present time prospects for enactment of this legislation [Upper Colorado Project] do not appear bright."

After the test vote on the Fryingpan-Arkansas Project, the Upper Colorado bill was dropped until the next session of Congress. 20

After the Democrats recaptured Congress in the 1954 elections, the Administration continued to support inclusion of Echo Park Dam in the Upper Colorado Project. "Our power policy


has not changed," McKay announced shortly after the elections. "We still look with favor on legislation proposing partner­ship projects that we believe fall within the scope of our policy." The Secretary then reiterated his support of the Upper Colorado Project. Western Republican and Democratic senators banded together in an effort to push the Upper Colorado Project through the next session of Congress. For their part, the preservationists evinced a disposition to withdraw their opposition to the Project, providing Echo Park Dam was dropped from the bill. Richard Neuberger, the first Demo­cratic senator in the history of Oregon, found himself torn between these two positions. In his campaign to unseat vet­eran Republican Senator Guy Cordon in 1954, Neuberger, a nationally known conservationist, had largely campaigned on the public power issue. He excoriated the Administration for its offshore oil, Dixon-Yates, and Hells Canyon decisions. Yet, as an outdoorsman and member of the Wilderness Society, he also held preservationist sympathies. In the end, however, he voted in committee for the Project, while seeking an amend­ment to delete Echo Park Dam. 21

In the next session of Congress, the bill sailed through the Senate Interior Committee with comparative ease. After its hearings, the committee rejected an amendment by Neuberger to exclude Echo Park from the Project. Senators Clinton Ander­son, a disciple of Aldo Leopold, one of the fathers of modern

ecology, and Thomas Kuchel of California joined Neuberger. The bill then passed out of committee and was approved by the Senate. Once again, however, the fate of the Project was determined in the House, where the wilderness crusaders had most of their support. After the House subcommittee accepted an amendment by Saylor to exclude Echo Park Dam from the bill, the bill then passed out of the committee. The pro-Echo Park Dam reclamationists recognized, as Representative William A. Dawson of Utah said, that their plan faced "certain defeat," unless Echo Park were deleted. In view of this impasse, in August 1955, Watkins, McKay and Dexheimer huddled for a strategy session in Denver. On November 1, the upper basin governors and congressmen agreed to strike Echo Park Dam from the Upper Colorado River Storage Project. Not long afterwards, McKay ratified their wishes.22

Even with the passing of this storm, the Project faced an uncertain course in Congress. There were two remaining obstacles. First, the revised bill provided certain technical provisions to which the Bureau of the Budget and John S. Bragdon, Special Assistant to the President for Public Works Planning, had serious objections. The bill increased the pay-out period for power from the normal fifty years to one hundred

years and another provision stipulated that while the payment of excess revenues would go to the states of the upper basin it limited their use to prepayment of costs of the projects. The Administration was now put in the embarrassing position of publicly supporting a bill which, if passed, would require the Administration to revise its entire water policy statement. "It might be difficult," Bragdon warned Fred Seaton, the new Secretary of Interior, "to veto a bill authorizing a development which has been supported by the Administration, even though financing arrangements may be objectionable, and yet its approval could not but result in a complete reorientation of the rate structures for the existing projects and in a breakdown in the requirements for a demonstration of financial feasibility for future projects." Moreover, the Administration objected to new units being added to the House and Senate bills. Also, the House bill omitted the provision that the participating projects should be subject to a reexamination by the Secretary of Interior with the cooperation of the Secretary of Agriculture. After the bill passed the House and Senate, the conferees acceded to the wishes of the Administration. 23

The second obstacle laid in actually securing passage of the bill. There was some apprehension over whether Eisenhower

23 Memo, Feb. 24, 1956, Bragdon to Seaton; Feb. 28, 1956, Memo for the Record; and March 29, 1956, Memo for the Record, Floyd D. Peterson, in John S. Bragdon Staff Files, Box 11, Eisenhower Library; Memo, March 1, 1956, Rowland Hughes to Bryce Harlow, and Memo, March 2, 1956, Homer Gruenther to Harlow, in Bryce Harlow Papers, Box 23, Eisenhower Library.
would seek another term. The problem was simple: if he chose not to seek reelection, many congressmen might vote against the Project; otherwise, these congressmen might well cast their lot with the President's wishes for obvious political reasons. Simply, by the Administration's own estimates, there were not enough votes to obtain passage of the bill.

Part of the difficulty was put at the doorstep of the Saint Lawrence Seaway states. The states of the upper basin felt betrayed because, according to their analysis, they had been "mainly responsible" for passage of the Saint Lawrence Seaway legislation. But now the Saint Lawrence states were balking in cooperating on the Upper Colorado Project. Thus, Senator Denis Chavez (D-N.M.), chairman of the Public Works Committee, assured the Administration that he would delay all requests for public works projects, including approval of $125 million for channel development in the Great Lakes as part of the Saint Lawrence Seaway project. Arthur Watkins argued that a state like Ohio was "a tremendous beneficiary of an extensive water development program" stimulated by the federal government, and, therefore, Ohio now ought to assist the Upper Colorado states escape their "crown-colony" status. This was not a partisan cause, for some Republicans strongly opposed the Project. In the end, however, these obstacles were overcome, Congress passed the Project, and Eisenhower signed the bill.  

24 Memo, Jan. 26, 1956, Gruenther to Harlow; Memo, Jan. 27, 1956, Gruenther to Harlow; Watkins, letter to the editor, Cincinnati Times-Star, Jan. 31, 1956; and Feb. 20, 1956,
The Echo Park controversy had aroused intense feelings and at least one casualty was left in its wake. Richard H. Pough, chairman of the Department of Conservation and General Ecology of the American Museum of Natural History, had opposed construction of Echo Park Dam. In one article, for example, he had sharply defined the issue: "Shall we preserve our National Parks and Monuments as originally intended for the benefit of all, or shall we hand them over one by one to powerful special interests?" During the dispute, the Museum fired Pough. Opponents of the dam charged that the dismissal was a result of Pough's outspoken objections to the dam. Horace M. Albright, for example, believed the Museum's action was a reaction to Pough's stand on Echo Park. Dr. Albert Parr, Director of the Museum, called such allegations "complete nonsense."25

While Echo Park Dam received most of the national publicity, it was not the only wilderness controversy of the decade. The preservationists were quite correct, indeed, in contending that plans were being formulated to attack other recreational and wilderness areas. As part of its "308" Report, the Corps of Engineers put a keen eye on Glacier View in Glacier National Park. The Department of Interior opposed such a dam; instead it recommended a dam at Paradise or Clark Fork sites. Thus, while the Corps and Interior Department were

able to reach an accord on development of the Columbia River, they left development of Glacier National Park to the future.26

When McKay took office he was confronted with making a decision on what to do with Glacier National Park: turn it over to the Bureau of Reclamation for a tunnel development with Canada or leave it as it was? Conrad Wirth of the Park Service opposed even allowing the Bureau of Reclamation to conduct reconnaissance surveys and studies in the Park. Finally, the Department sided with Wirth. With the Echo Park controversy so much in the headlines, apparently the decision makers at Interior were sensitive to the accusations of the preservationists. One Interior official expressed it thus: "While it might seem harmless to allow a reconnaissance-type survey for the purpose of gathering data, such an action could and probably would be interpreted as implying Departmental interest in the possibilities of the tunnel project. I do not wish that anyone should gain such an impression."

In a similar vein, Olympic National Park, which had figured prominently during Franklin Roosevelt's administration, re-emerged as an issue in the fifties. When Governor Langlie of Washington set up the Olympic National Park Review Committee, the wilderness advocates interpreted this as the beginning of an attack on that park. No alterations were made here either. The opposition to alterations in Echo Park, Glacier View, and Olympic National Parks had been effective.27

26 McKinley, Uncle Sam, 636-37, 639-40, 641-42.

27 July 22, 1954, Memo, Wirth to Lewis, and Nov. 3, 1954, Clarence Davies to J. Hugo Aronson, Gov. of Montana, in Office
The preservationists were not only defenders, however. With the cooperation of the Department of Interior, Jackson Hole Preserve, located in Wyoming, was made part of the national park system. In 1929 the National Park Service had secured the Grand Tetons but Jackson Hole remained beyond its grasp. The acquisition of Jackson Hole thus became one of Horace Albright's lifelong projects. Like the Echo Park dispute, this controversy involved the weighing of national and local interests. The local hunters, ranchers, foresters, and developers were arrayed against the National Park Service. A deciding factor was John D. Rockefeller, Jr., who had purchased the land but was prohibited by local interests from donating it to the Federal Government. Nevertheless, in 1943, Jackson Hole became a national monument. Fearing loss of their grazing rights, the cattle interests had vigorously opposed even this. Under the leadership of Wyoming Senators Joseph O'Mahoney and Hunt, a reconciliation of views was reached. In 1950 all but nine thousand acres of the monument were transferred to Grand Teton, National Elk Refuge, and the Teton National Forest. When Rockefeller asked the Eisenhower administration to supply matching funds for acquisition of privately owned lands in Jackson Hole Preserve, he received its full cooperation. "...it is our belief," the Bureau of

the Budget significantly told Sherman Adams, "that funds for the acquisition of lands by the National Park Service, either on a matching basis, or at full cost to the Government, would be used for genuinely worthwhile purposes." The Administration subsequently asked Congress for a supplemental appropriation for such purposes.28

While the preservationists' political clout was impressive, they were not able to obtain passage of a bill establishing a National Wilderness System during Eisenhower's administration. Representative Saylor and Senators Humphrey, Douglas, and Neuberger submitted such bills but they were not successful until, in 1964, the Wilderness Act was passed.

While the preservationists were winning major victories, the recreationists were likewise successful in a war of their own. Simply, the volume of visitors to the national parks had outrun the National Park Service's capacity. An Administration study in 1954 showed convincingly it was now time that progress be stimulated in the area of recreational activity. "As our economy grows," the study noted, "our parks provide an increasing opportunity for rest, relaxation, and inspiration, and the maintenance of human productiveness and morale." For example, as the study indicated, paid vacations had tripled in the past twenty-five years. And it was also

28 Ise, Park Policy, 491-502; Swain, Albright, 282-84; March 31, 1954, Kenneth Chorley to Wirth; Memo, April 15, 1954, Adams to Dodge; Memo, April 26, 1954, Rowland Hughes to Adams, in Central Files, OF-4-Q-3, Box 122, Eisenhower Library; 82nd Cong., 2d Sess., House Document 428 (1954); 85th Cong., 2d Sess., HR 3013 (June 18, 1958) and 85th Cong., 2d Sess., S. 4028 (June 18, 1958).
true, as John Bragdon showed, that the number of visitors to the national parks continued to increase dramatically; in 1952, 42,300,000 people had visited the parks and, in 1954, 47,834,000 had come. The ratio of visitors to the population had also increased "at a striking rate," from 1 in 300 in 1916 to 1 in 3 in 1954. 29

The idea of increased appropriations for the National Park Service received impetus, once again, from John D. Rockefeller, Jr., who wrote Eisenhower in late 1953 expressing his concern over the future of the national parks. The President then asked McKay to look into the matter. The National Recreation Association suggested that the President convene a conference to deal with the nation's recreational problems. The Administration decided against holding such a conference, however. Of course, the preservationists who had opposed Echo Park Dam took the opportunity to note that what was needed was not less but more recreational facilities, along the line of Echo Park. While all of these lines of communication undoubtedly exerted some influence on the Administration's thinking, the political aspect to the equation certainly loomed large. There was concern that the Democrats would use the inadequacy of national park facilities as an issue in the elections of 1956. Michael Kirwin, a member of the House Democratic Election Committee, had frankly conveyed his party's intentions to Representative John Heselton (R-Mass.).

29 Sept. 9, 1954, John G. Marr to Bragdon, and June 27, 1955, Bragdon to Joseph S. Davies, in Bragdon Papers, Box 87, Eisenhower Library.
In turn, Adams suggested to McKay that this certainly was "a vulnerable point" for the Administration. It seems, therefore, that the Administration would be receptive to the idea of increased funding for the Park Service.30

The Park Service struck while the iron remained hot. In its study, the National Park Service reviewed the evolution of the concept of the national park, the creation of the Park Service and its subsequent history. It bleakly reported: "Developed and staffed to meet the needs of perhaps 25,000,000 visitors, the [national park] System is now called upon to take care of twice that many." It anticipated that the number of visitors would be about 80 million by 1966. The Park Service then recommended "Mission 66"—a plan calling for sufficiently updating the national park system by the decade ending in 1966. The National Park Service estimated the total cost for "Mission 66" at $124,165,600.31

Subsequently the Administration recommended Mission 66


31Department of Interior, National Park Service, Mission 66: To Provide Adequate Protection and Development of the National Park System for Human Use (Jan. 1956), in OF-4-2-3, Central Files, Box 122, Eisenhower Library. Floyd Peterson estimated the cost of the Mission 66 program to be $786,545,000 for the entire ten-year period. The major portion of the increase in park appropriations would go for maintenance and operating costs. Memo, Feb. 16, 1956, Peterson to Bragdon, Bragdon Papers, Box 60, Eisenhower Library.
and Congress passed it. The plan's significance was that the National Park Service had now officially emerged from the governmental doldrums to which it had been cast during the war years. In 1942, as part of the wartime pinch, the Park Service's budget had been slashed about fifty percent and its permanent staff substantially reduced. Furthermore, the Park Service had been ostracized to Chicago. Politically the Park Service was thus in no position to protect its own interests. After the war, however, it returned to Washington and, once again, began to defend its protectorate from encroachment by the Bureau of Reclamation, Corps of Engineers, and private interests. With Mission 66 the Park Service's budget skyrocketed. Finally, the National Outdoor Recreation Resources Review Commission was established in 1958 to study the role of the Federal Government in outdoor recreation. Among the political members of the Commission were Senators Anderson, Neuberger, Barrett and Watkins and Representatives Saylor, Pfost, Al Ullman, and John Rhodes.32

While they had not immediately secured all they had wanted, by 1960 the preservationists could at least point to significant successes in having defended the integrity of the national park system. Also, the National Park Service amply demonstrated that it was again a political power to be

reckoned with in terms of defending its domain and, when possible, in increasing its appropriations.
CHAPTER VIII

BENSON AND PARTNERSHIP

Although the main struggle confronting it was parity, the Department of Agriculture (USDA) also became critically involved in partnership politics—so involved, in fact, that the futures of two New Deal-created agencies, the Soil Conservation Service and the Rural Electrification Administration were seriously jeopardized. Grazing and timber rights—always hot items out West—invited controversy for the Department as well. The personality and beliefs of the new Secretary of Agriculture, Ezra Taft Benson, thus set the tempo for the department.

Benson became Secretary of Agriculture at the President's personal insistence. Like Eisenhower, he was deeply religious and steadfastly opposed to the concept of government aid; the two men, in fact, equated religion and democracy with an individualistic economy. Benson had earned a masters degree in agriculture at Utah State Agricultural College. Politically he paid his dues to the Taft wing of the Party. In 1952, Benson had lent his name to a Citizens for Taft Committee. In short, for many, Benson's appointment symbolized a refreshing trend toward restoring free enterprise and dismantling the New Deal. Allan B. Kline, President of the American Farm Bureau Federation, for example, thought the appointment was
"top-notch." When the rumor spread that he might retire from the Cabinet because of some severe criticism, Representative Harris Ellsworth of Oregon exemplified the attitude of the Secretary's admirers. "It is our obligation to fight the 20-year trend toward paternalism, statism and socialism," he reminded Benson. "It is not necessarily our obligation to win political victories. But if we turn and run after our first contact with the enemy we shall have denied our primary obligation and deserve political failure." Benson, of course, did not resign, and, instead, accepted a central role in the drama unfolding over partnership.¹

Right from the start Benson found himself in a skirmish. Shortly after taking office he announced a major departmental overhaul, although, he emphasized, it would not entail massive dismissals. Benson was indirectly critical of his New Deal predecessors for allowing the department to swell "into a huge bureaucracy of twenty agencies and bureaus..." According to his reorganization plan, the department's agencies were regrouped into five new categories. Ostensibly the purposes of this reorganization were "to simplify and make effective the operation of the Department of Agriculture, to plan

the administration of farm programs close to the State and local levels, and to adapt the administration of the programs of the Department to regional, State, and local conditions." Politically, as Benson freely admitted, the reorganization constituted an attempt to blunt the Democratic Party's influence with the farmer. The Agricultural Conservation Program, for example, was pulled out of the Production and Marketing Administration (PMA) because it had, in Benson's estimation, "become...almost bigger than the Department itself." He felt PMA, with its system of county committeemen, had become grafted onto the Democratic Party. In short, PMA, under Benson's reorganization, was eliminated. Some critics, likewise interpreted the proposed reorganization as nothing more than a subtle attempt to emasculate the Soil Conservation Service and the Rural Electrification Administration.

The Soil Conservation Service (SCS) had been created in 1935 as an agency designed to help teach farmers the proper methods for tilling their soil. Among the enemies it had accumulated over the years were the Farm Bureau, Extension Service, and agricultural colleges. SCS, a line and "action

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2Public Papers of the Presidents, 1953, 122-26; Congressional Record, 83rd Cong., 1st Sess. (1953), part 4, v. 99, 5652; New York Times, Jan. 23, 1953, l; Benson, Cross Fire: The Eight Years with Eisenhower (New York, 1962), 52. Benson's original plan called for organizing the Department of Agriculture into these five agencies: (1) Commodity Marketing and Adjustment; (2) Research, Extension and Land Use; (3) Departmental Administration; (4) Agricultural Credit; and (5) Office of the Solicitor. Benson also added fuel to the flames by submitting to Congress a revised version of Truman's budget. Benson's budget called for approximately 10% less than HST's had. The heaviest cuts were in conservation and land use categories.
agency," rubbed raw nerves in by-passing state and local agencies in its operations. Instead it operated through its own network of Soil Conservation Districts. The Service was distinguished from its chief rival, the Extension Service, a highly decentralized agency acting primarily as a research and education program in cooperation with the agricultural colleges. In its political struggles SCS had always successfully resisted efforts to combine it with other national programs and agencies. And this was not a partisan issue either. In 1950, the Service aided in defeating President Truman's reorganization plan for the Department of Agriculture. While the following year the Service felt compelled to bow to renewed pressure for reorganization, it still retained considerable control over its affairs.3

In the early years of the Eisenhower Administration, however, the Soil Conservation Service's back was forced to the wall. Under Benson's plan SCS would have been transferred to the newly created Research, Extension, and Land Use category—together with the Extension and Forest Services. When he attempted to eliminate seven SCS regional offices and to transfer their functions to state agencies he provoked a fury of protest. The Izaak Walton League and the National Association of Soil Conservation Districts charged Benson with

3For background on SCS, cf. Charles Harden, The Politics of Agriculture (1952), Ch. IV; David Cushman Coyle, Conservation: An American Story of Conflict and Accomplishment (New Jersey, 1957), 118-35; Barrow Lyons, Tomorrow's Birthright: A Political and Economic Interpretation of Our Natural Resources (New York, 1955), Ch. IV.
attempting to take soil conservation out of the hands of the farmer and instead giving it over to the Farm Bureau Federation and its ally, the Extension Service. Nevertheless, Eisenhower and the Farm Bureau Federation continued to support the plan.4

The Soil Conservation Service was saved from apparent emasculation through passage of the Watershed and Flood Prevention Act of 1954. The Watershed Act had first been introduced in 1951 and was reintroduced in the following Congress. It gradually gained support and was passed. The Act provided for strong local initiative and the SCS quickly accommodated its watershed program to this dictate. It was clear, as the Second Hoover Commission correctly noted, that the Service envisioned "a prodigious construction program." In 1955, the SCS' appropriation was $7,250,000 and by 1959 it had more than tripled. Dam construction thus became the Service's central activity, so much so that today it now has a project orientation similar to the Corps of Engineers.5

The department's reorganization plan also attacked another prominent New Deal bailiwick, the Rural Electrification Administration (REA). The REA, created in 1935 as an independent agency to revolutionize rural life, was authorized to

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borrow funds from the Secretary of the Treasury which, in turn, were to be loaned to local farmers. The emergence of rural electric co-operatives grew apace. By 1953, REA provided funding both for rural electrification and telephone programs. And the rural electrification program was an obvious success; in 1935 nine out of ten American farms had no electricity but by 1950 the ratio had been narrowed to one in ten. During the decade of the fifties electrical consumption per farm served almost doubled. But REA was not without its enemies, for the agency was widely viewed as a powerful political instrument of the New Deal. For instance, Congressman John V. Beamer (R-Ind.) complained to Sherman Adams in 1953 that REA had labored against his recent re-election. "However, under the influence of the men working under Mr. Wickard [the REA Administrator]," he further protested, "it is evident that their organization now wants to promote Federal ownership of public utilities." The Administration devised its own plan to curb REA's influence.6

As part of Benson's reorganization plan the REA, previously an independent agency, was incorporated into the Department of Agriculture's newly formed Agricultural Credit Services division. This proposal was not entirely new, however. The aborted reorganization plan of 1939 and the First Hoover

Commission had made a similar recommendation. In 1953, the plan for REA caused barely a ripple of criticism as it easily sailed through Congress.  

But Benson opened the flood gates when he decided to replace the present REA Administrator, Claude R. Wickard, with his own appointee. When Benson approached him about resigning his post, though, Wickard at first balked, informing the Secretary that two years remained in his tenure. After some persuasion, however, Wickard, a former Secretary of Agriculture, relented. "He did resign" Benson later said, "and I'm glad of it and I think we can improve the administration." Ancher Nelson, recently elected lieutenant governor of Minnesota and long active in the Farm Bureau affairs, was appointed to take Wickard's place. Naturally Nelson was in accord with the Administration's partnership goals.

The firing of Wickard aroused the National Rural Electric Cooperative Association. The Association looked upon Wickard's resignation as a portentous sign of the Administration's true intentions. Even some Republicans, though supporting Benson's decision, thought its "timing" had been poor and

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7 Benson, Cross Fire, 450; Eisenhower, Mandate, 392; Commission on the Organization of the Executive Branch of the Government, Department of Agriculture, A Report to the Congress (Feb. 1949); 86th Cong., 1st Sess., House Report 235 (1959)

that it might prove "costly to the friends of the Administration who are also strong R.E.A. supporters." But the deed was done and the fight had begun.\(^9\)

The Administration revealed its intention by directly attacking REA's loan structure and cutting back the funds for administering the agency. As early as 1954 the National Rural Electric Cooperative Association protested that reductions in funding for administering the REA program were creating a backlog in service. The Administration was reluctant to increase these funds because, as the President's Council of Economic Advisors noted, "90% of U.S. farms have already been electrified so that REA's prime purpose would appear to be about accomplished." Consistent with the Administration's thinking on REA, the Second Hoover Commission recommended that REA be reorganized on a "self-supporting basis." Specifically the Commission felt REA should be abolished and replaced by a new financial corporation which would use private capital rather than government funding.\(^10\)

In keeping with these general recommendations the Administration stirred the ire of REA advocates by refusing to approve a $60-million loan for a group of Indiana cooperatives.

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\(^9\) Clyde T. Ellis, A Giant Step (New York, 1966), 106-07; undated memo, Homer Gruenther to Wilton Persons, Central Files, OF-J-2, Box 10, Eisenhower Library.

planning to supply power to a local aluminum company. Instead, the Bureau of the Budget and Department of Agriculture drafted legislation which would "ultimately" permit the Federal Government to withdraw from financing REA. In his Annual Budget Message for fiscal 1959, Eisenhower proposed that the interest rate at which REA loaned money be increased. The Administration maintained that the present rate of 2% did not cover the current costs of the program. Besides, the President pointed out, "approximately one-half of REA electric power now goes to rural industrial and nonfarm consumers, and in the future these nonfarmer users will account for a larger share of the increasing demands." 11

REA's friends, however, did not rest idly by. In 1959, Senator Hubert Humphrey and Representative Melvin Price introduced bills transferring REA out of the Department of Agriculture. The measure was sparked by the general disgruntlement of public power advocates with the Administration's partnership policy. The "resignation" of Wickard had been only the beginning, in the eyes of the supporters of the bill. Although Nelson tenaciously denied it, Clyde Ellis of NRECA charged that in 1957 Benson "moved in to usurp the authority of the REA Administrator and [to] take over personal control of the agency...." Moreover, Joseph Campbell, the Comptroller

11Memo, Jan. 8, 1958, Maurice Stans to Jack Anderson; memo, Feb. 10, 1958, Stans to Sec. of the Treasury; and memo, Feb. 11, 1958, Anderson to Adams, in Central Files, OF-1-J-2, Box 10, Eisenhower Library; Eisenhower Public Papers, 1958, 66-67; Eisenhower, Mandate, 393.
General, was accused of attempting to revise the REA law so that all rural electrification growth would cease. Ellis, not one to miss an analogy, wryly pointed out that formerly Campbell had been a commissioner "on the AEC long enough to help launch the ill-fated Dixon-Yates scandal." One congressman subsequently called for the Comptroller's resignation. Finally, Price summed up the reason prompting his bill: "It has since become obvious that the lack of independence on the part of the [REA] Administrator in certain areas and particularly in the loan area, could eventually destroy REA, should it become subservient to any administration which had not created it and might be lacking in enthusiasm for it." 12

The Price-Humphrey bill passed Congress and was sent to Eisenhower's desk. Among others, the American Farm Bureau Federation urged the President to veto the bill. Contending that the REA had been "working well and progressing efficiently under the existing administrative arrangements," Eisenhower did just that. The Senate overrode the veto but the House sustained it by only four votes. Hence, the Department of Agriculture retained control of REA but that agency's interest rates remained unchanged.13


The Department of Agriculture also found itself in the middle of a heated controversy over grazing on Forest Service lands. The Forest Service managed 168,000,000 acres of land, much of it leased for grazing. In the 1952 election the Democratic and Republican parties had adopted differing views of how these lands could be best managed. Stevenson told a group in Phoenix, Arizona that he was "unalterably opposed to turning over control of these lands to private interests." In other words, he favored strict management and regulation of the lands. The Republican platform, on the other hand, pledged itself to the elimination of arbitrary bureaucratic practices on these lands. Specifically the GOP favored "legislation to define the rights and privileges of grazers and other cooperators and users, to provide protection of independent judicial review against administrative invasions of these rights and privileges, and to protect the public against corrupt or monopolistic and bureaucratic favoritism." As the Administration soon discovered, it was no easy task fulfilling its platform pledge. 14

In early 1953, Representative Wesley D'Ewart (R-Mont.) and Senator Frank Barrett (R-Wyo.) introduced a grazing bill admittedly drawn up by the western stockmen. The net effect of the bill would have been to grant the present grazing permittees increased legal property rights on government owned

Document 25; April 21, 1959, Charles B. Sherman to Eisenhower, Central Files, GF-18-0, Box 332, Eisenhower Library.

land while decreasing the government's administrative authority. In a speech before the Mid-Century Conference on Resources for the Future, D'Ewart justified his bill's objectives by arguing that "whenever possible, private responsibility for protection of land is best for this country." The private individual, he thought, ought to be permitted ownership of the land. "The people of the fourteen western states, where half of the surface is federally controlled," D'Ewart explained, "think that they have grown up, that there are those among their citizens who are to be trusted to wisely operate in the management of these areas in the best public interest..." Western wool growers and the Farm Bureau Federation sang from the same hymnal.15

The Forest Service and all the conservation organizations vehemently objected to the stockmen's bill. They claimed the bill would give the present permittees preferred status, would encourage a concentration of permits in the hands of a

15 Resources for the Future, Mid-Century Conference (Washington, D.C., 1953), Sec. 4, 3-5; Wesley A. D'Ewart, "Eisenhower Administration Project," transcript of a tape recorded interview conducted by Ed Edwin (Columbia University, for Dwight D. Eisenhower Oral History Project, Dwight D. Eisenhower Library, Abilene, Kansas, 1967), 79-81; June 24, 1953, Frank Barrett to Aiken, Central Files, OF-125-B, Box 643, Eisenhower Library; Aug. 3, 1953, James Hooper to John Davis, no box number, Dept. of Agriculture, Forest Service Files, Suitland, Maryland. The D'Ewart-Barrett bill would have given the present grazing permittees the "privileged right" to range resources. The permittees, moreover, would have been allowed to transfer their grazing privileges to their successors. The permittees would have been required to follow the regulations established by the Department of Agriculture, based on the advice and recommendations of the local advisory boards. Finally, public ranges were to be closed to all but the present permit holders, except for the purchase of the existing "base property" rights.
relatively few operators, and would tie the hands of the government in regulating the land. The bill provided that appeals would be subject to formal hearings and that the decisions of the Secretary of Agriculture would be subject to court review. The Forest Service, on the other hand, felt that the administration of public lands required technical decisions based on professional knowledge and, therefore, these decisions would be better left to the discretion of the Department of Agriculture than to the courts. The Izaak Walton League flatly characterized the D'Ewart bill "a further endeavor by the favored few who are blessed with grazing privileges on our national forests to obtain legal status and convert their privileges to rights." 16

The uproar over the bill was sufficient to persuade its original sponsors that compromise would be necessary to get passage of a grazing bill. In June 1953, Senator Barrett and Congressman D'Ewart met with Senator George Aiken, Chairman of the Senate Agricultural and Forestry Committee, Forest Service officials, and Earl Coke, Assistant Secretary of Agriculture, to revise the bill. A new grazing bill was drawn up. Coke agreed to submit a favorable report to the Department of Agriculture on the Hope-Aiken bill and it was assumed the Bureau of the Budget also would support this

compromise measure.

The new bill provided that the Secretary of Agriculture should encourage range improvements. To do this the Secretary would be authorized to compensate a permittee for whatever improvements he made on the land he leased from the Forest Service when the permittee lost that land through "subsequent governmental action...not caused by unlawful acts..." No permit was to be issued which would entitle a new permittee until that prior permittee was compensated by either the Federal Government or the new permittee. Also, the Secretary of Agriculture was authorized to conduct "a comprehensive economic study" to determine a method of charging grazing fees. Finally, the bill provided for a complicated system of appeals in the event a permittee disagreed with a decision of the Chief of the Forest Service. The permittee, according to the bill, could petition to have the Chief's decision reviewed by a three-man advisory board. One of the members of the board was to be an employee of the Department of Agriculture, but not of the Forest Service; the second would be chosen by the permittee; and the third was to be selected by the first two. After the hearing, the board would make a recommendation to the Secretary of Agriculture. If the board's recommendation was not to his liking the permittee could petition the Secretary to review the entire case de novo. Should this decision still not sit well, the permittee was entitled to take his case to the United
States Court of Appeals. 17

Hearings were not held on the Hope-Aiken bill until the following year, even though the Bureau of the Budget and the Department of Agriculture lent it support. Senator Aiken and the Bureau of the Budget thought it would be better first to hold hearings in the West on the general problem of grazing. For the most part the stockmen approved of Hope-Aiken, although with some qualifications. The attitude of the Utah State Wool Growers Association was typical. The Association did not feel the bill offered "sufficient protection to the stockmen's rights and privileges," but did consider it a "step in the right direction." Its main objection was that the bill did not provide enough stability for the livestock operators. 18

Although the Department of Agriculture officially approved the Hope-Aiken bill, the Forest Service harbored some reservations. The Service wanted the bill extended to include all national forests administered by the agriculture department, not just those in the fourteen Western states. Also, the Service suggested that the Appeals Board be broadened to include timber and recreation interests, as well as stockmen. Furthermore, the Forest Service pressed for the establishment

17Hearings, U.S. Senate, Committee on Agriculture and Forestry, 83rd Cong., 2d Sess., Administration of the National Forests (Jan. 21-22, 1954), 2-4.

of multiple-use advisory councils, the members of which should have their travel and subsistence expenses paid by the government. Finally, the Forest Service felt that if a permittee incurred a loss occasioned "by action of an agency other than the Department of Agriculture," that agency, not the Forest Service, ought to provide the compensation to the stockmen. In this way, the Forest Service was attempting to protect itself from the Department of Defense, the Atomic Energy Commission, the Bureau of Reclamation and the Corps of Engineers. As one Service official succinctly put it: "It would be unfortunate if the Forest Service had to provide the funds from its meager allotments for compensation in such cases." The bill introduced by Aiken in January 1954 incorporated all these changes.19

The revised Hope-Aiken bill received the tacit support of the Forest Service and the stockmen. The cattlemen favored the bill, despite some concern that it did not go far enough, because it offered them more security of tenure. Now, they surmised, it would be easier for them to obtain loans for range improvements. Moreover, it was felt that the stockmen would be more amenable to obligating themselves for long range capital improvements on the range. In the past stockmen had been reluctant to make such improvements, lest they lose their

19 Memo, Nov. 13, 1953, H. E. Marshall to Earl Loveridge; memo, Nov. 24, 1953, Behre, for the record; memo, Crafts to McArdle; memo, Dec. 28, 1953, Crafts, for the record, in Department of Agriculture, Forest Service Files, no box number, Suitland, Maryland; Senate, Administration (1954), 1, 42-54, 6-9.
investments through an arbitrary bureaucratic decision. The Hope-Aiken bill, they maintained, now would give them the necessary financial security for making these investments. "If this bill is written into law," one analyst argued, "it will then be possible for the banks, FHA [Farmers Home Administration], and other leaders to make loans for the purpose of range improvements." They did object, however, to the provision for a fee study. It was their belief that such a study would constitute a threat of increased range fees and, therefore, would act as a deterrent to stockmen to make investments in range improvements. The American Farm Bureau Federation, National Grange, American National Cattlemen's Association, and National Wool Grower's Association exerted their support on behalf of the bill.20

Despite its numerous revisions the conservationists remained adamantly opposed to the bill. Only the National Wildlife Federation supported the Forest Service after the last revisions were made on Hope-Aiken. The conservationists simply could not see a need for any legislation at all. In fact, they contended that the very reason the stockmen wanted a law in the first place was precisely because the Forest Service performed its duties too well. They, therefore, declared that the regulations and administration of the range should be left in the palms of the Forest Service. In their estim-

ation the core of the grazing problem was not administrative; rather, it was, as the Director of the Wilderness Society put it, "the condition of the range. The biological law of forage growth and maintenance cannot be altered by legisla-
tion." Moreover, the Conservation Society feared that despite its new amendments, the bill would "be a move in the direction of establishing vested rights" on the range. The conservationists particularly objected to the provision allowing for judicial review of the Secretary of Agriculture's decision. How, they asked, can a judge be expected to render a more competent or just judgment than an expert in the area of range management, such as the Secretary of Agriculture? 21

The Hope-Aiken bill was reported out of the Senate Agricultural and Forestry Committee. The Senate then passed it but the bill met a snag in the House Interior Committee. Consequently, when the House was considering the agricultural bill for 1954, Clinton Anderson presented the Hope-Aiken measure again, this time as an amendment to the Senate's version of the agricultural bill. The amendment narrowly slid out of the Senate but did not escape the House. While the

House-Senate conferences were deliberating the fate of Anderson's amendment, Eisenhower publicly urged the conferees to retain the amendment in the final version of the agricultural bill. The President's overture came to naught, however, as they dropped Anderson's grazing amendment from the agricultural bill. 22

There were varying interpretations of the significance of the failure to achieve passage of the Hope-Aiken bill. "The recent scrimmage over [Hope-Aiken]," C. R. Gutermuth of the Wildlife Management Institute commented, "represents only another encounter in the long 'range feud,' and they will be back again in the next Congress." The Forest Service still favored legislation along the lines of Hope-Aiken. "The Grazing Bill was a good bill," the Executive Secretary of the American Cattlemen's Association contended. "It should have been passed and we resent the fact that we were made the victims of a very obvious political coup." One thing had to be admitted by all the parties to the controversy: the conservationists' opposition to this bill, as in the Echo Park dispute, proved formidable. 23

While the stockmen may have been unsuccessful in securing


23 C. R. Gutermuth, "Why the Furor Over the National Forest Grazing Bill?" (Mimeographed, Aug. 1954); Nov. 18, 1954, McArdle to Woodward; and F. E. Mollin to Clifford Hope, in Department of Agriculture, Office of the Secretary, Central Files, no box number, National Archives.
passage of the Hope-Aiken bill, they did obtain new grazing advantages on land regulated by the Bureau of Land Management (BLM). The Bureau, by its own estimation, administered 142,403,429 acres of grazing land. In 1953, Orme Lewis, Assistant Secretary of Interior, established a survey team, under the direction of Floyd Hart, President of Timbers Structures Corporation, to study the organization and operations of the Bureau of Land Management. Hart's report concluded there was too great a concentration of operations in the Washington and regional offices. Thus: "The number of supervisory and operating personnel should be reduced....Operations should be decentralized to the field." The report was approved by McKay who instructed the Director of the Bureau of Land Management to institute its reorganization proposals. The end result of this decentralization, however, was to put more power and decision-making influence into the willing hands of the large local stockmen. Also, the Bureau's range fee system, although reformed under the new Director, Edward Wozzley, still remained lower than the Forest Service's and those fees charged by private owners of range land. Finally, the Bureau and its political sponsors successfully resisted a proposal to incorporate the BLM with the Forest Service. The conservationists interpreted all of these policies of the Bureau as another example of the Administration giving away the nation's natural resources. The Administration, on the other hand, contended that these policies only represented an
attempt to return power to the local communities. 24

But grazing was not the only land interest the Forest Service and Bureau of Land Management shared in common. They also regulated timber lands. Early in the Administration Congressman Harris Ellsworth sponsored what came to be known as the timber transfer bill. The intent of Ellsworth's bill was to protect the operations of private owners of timber lands displaced by federal projects, such as dam construction. The bill permitted private owners whose lands were taken by the Federal Government to obtain Federal forest lands as compensation for the loss of their private lands. Ordinarily the Federal Government pays cash for the acquisition of such private property. According to this bill, however, the transfer of federal forest land to private lumber operations would be sanctioned. In this process the Forest Service and the Bureau of Land Management would lose control over the selection of the lands to be exchanged. 25

The Department of Interior was divided on the Ellsworth

24 Memo, Dec. 18, 1953, Survey Team (Floyd Hart, Chairman) to Sec. Lewis, Dept. of Interior, Special Office Files, no box number, National Archives; U.S. Dept. of Interior, Bureau of Land Management, Delegation Order 541, April 21, 1954, in Federal Register (April 28, 1954), 2473-77; Philip O. Foss, Politics and Grass: The Administration of Grazing on the Public Domain (New York, 1960), 192-93, 91-92, 95-98; memo, March 12, 1953, Persons, for the record, in Gerald Morgan Papers, Box 9, Eisenhower Library; March 18, 1953, McCarran to Eisenhower, Central Files, Office of the Solicitor, OF-4-A, Box 117, Eisenhower Library; March 11, 1953, Goldwater to Adams, Central Files, OF-1, Box 1, Eisenhower Library; McConnell, Private Power, 206-07; Oct. 7, 1955, Morse to Chardoff, Dept. of Agriculture, Office of the Secretary, Correspondence, 1955, Box 2720, National Archives.

bill. BLM approved it, provided some amendments were made. The Bureau wanted a proviso stipulating that the displacing agency or project would "pay for the cost involved in losses both to federal and private sustained-yield forestry operations." In this sense the Bureau was attempting to protect its own budget. Elmer F. Bennett, the Department's legislative counsel, Otis Beasley, and Administrative Assistant, and the Bureau of the Budget argued that BLM's amendment should not be included in the bill. "Governmentally-owned forest lands," Bennett explained, "are not the property of the administering bureaus, but, rather, they are the property of the United States." Consequently, when lands are transferred from forest purposes to reclamation it involves a policy decision as to which of the two purposes serves "the greater public interest." Thus, the whole question of reimbursement, Bennett concluded, became a totally irrelevant matter.26

The conservationists, the National Park Service and the Forest Service became exercised over the bill. The original draft of the bill exempted national parks, national monuments, wilderness areas and wildlife refuges from the bill. In a revised draft of the bill, however, this stipulation was notably absent. When the Emergency Committee on Natural Resources heard of this development it began to lobby against the bill. The Park Service, of course, demanded the reinsertion

26 Memo, Nov. 30, 1953, Woozley to Lewis; memo, Dec. 1, 1953, Bennett to Lewis; and memo, Dec. 11, 1953, Beasley to Lewis, in Dept. of Interior, Office of the Secretary, Central Files, no box number, National Archives.
of the clause. The Department of Interior recommended that the bill be enacted provided that clause were reinstated. These efforts were unsuccessful, as the bill reported out of the House Interior and Insular Affairs Committee did not exempt Park Service timber. 27

The Forest Service, for its own reasons, opposed enactment of the bill. The Service predicted that the bill would result in timber land being removed from multiple-purpose and permanent sustained-yield management and that the "economy of communities dependent on national-forest timber would be disrupted and dependent operators would be discriminated against." Finally, the Forest Service objected to the fact that public timber would be removed from competitive sale to the highest bidder; instead, the timber "would be transferred through mandatory exchange to a single individual." Officially the Department of Agriculture and the Forest Service took a noncommittal position, although the Service expressed a willingness to work with Ellsworth and the House Interior Committee in developing a solution the Department could support. 28

The bill was supported by the National Lumber Manufacturers Association which took particular exception to the Forest Service's arguments. The Association pointed out the

27 Memo, June 15, 1953, Lanigan to Solicitor; memo, July 23, 1953, Tolson to Solicitor; and Jan. 22, 1954, Lewis to Miller, Dept. of Interior, Central Files, no box number, National Archives.

28 Memo, Aug. 27, 1953, Crafts to Hendre; memo, Dec. 28, 1953, Crafts, for the record, in Dept. of Agriculture, Forest Service Files, no box number, Suitland, Maryland.
federal government was not alone in practicing sustained-yield. "Watershed, wildlife, recreational and other tangible and intangible values arising out of good land management," it said, "are as everpresent on private lands as on federal lands."

The Association also contended that the economies of only a few communities would be affected by this legislation, contrary to what the Forest Service seemed to imply. Finally, the lumberers thought the Forest Service's argument concerning competitive bidding put the shoe on the wrong foot. Rather: "In the first instance, it is the privately-owned timber that is removed from competitive sale by the acquisition or condemnation activities of the federal government." 29

Ellsworth's bill was passed out of committee and came to the floor, where it gained ardent support from Representatives Sam Coon of Oregon and Wesley D'Ewart, both staunch defenders of partnership. Representatives John Saylor and Lee Metcalf (D-Mont.), both leading opponents of Echo Park Dam, led the fight against the bill. The Emergency Committee on Natural Resources and the Forest Service won a victory as the House, on a motion by Metcalf, recommitted the bill to committee. 30

The Forest Service's image also was enhanced by a major timber land controversy in Oregon. Originally the area in

29 "Personal and Confidential," July 16, 1953, Leo Bodine to Coke, Dept. of Agriculture, Office of the Secretary, Central Files, no box number, National Archives. Cf. also, "Personal and Confidential," July 28, 1953, E. L. Kurth to Benson, same source.

question had been staked out as a gold claim but not enough gold was found to justify large development. Thus, in 1924, a physician from Birmingham, Alabama, Herbert McDonald, became interested in these unexploited claims and organized Al Sarena, Inc., which obtained the twenty-one old claims and filed on two others as well. The twenty-three claims encompassed a total area of four hundred acres. But very little was done with the claims until, in October 1948, Al Sarena applied for patents (clear title) on its claims. If the patents were granted the company would have been permitted to sell all the products of the land, including the timber. The law concerning the granting of such patents specified that a miner must prove a valid discovery of minerals and must spend $500 developing each of the claims. The company paid its fees and, in 1949, the twenty-three claims were put on the tax rolls of Jackson County, Oregon. Subsequently, some of the taxes were paid. Until this point the case was routine but thereafter it became confused in a web of partisan and bureaucratic politics.31

The Al Sarena case assumed significant importance for the Forest Service and the Bureau of Land Management because of the increased demand for timber after World War II. For example, between 1946 and 1952 the price of timber sold from the Oregon and California land jumped from $4 to $25 per 1,000 board feet. After three investigations the agencies concluded

that the company had not sufficiently demonstrated a discovery on fifteen of the claims to warrant granting the patents. Moreover, the two agencies contended the company had not done enough work on the claims. Consequently the regional offices of the Bureau of Land Management and the Forest Service contested 15 of the 23 Al Sarena claims. The fifteen claims were located within the Rogue River National Forest.32

In 1950 a hearing was conducted before the manager of BLM's Portland office to decide the validity of Al Sarena's request. When the hearing manager, Pierce Rice, denied a company motion for demurer, Al Sarena's counsel left the hearing, charging that the manager had violated an oral agreement the company had negotiated with the Solicitor of the Department of Interior. Nevertheless, Rice heard the Forest Service's evidence, prepared the case, and transmitted it to the Director of the Bureau of Land Management. He asked the Director to render the original decision in the case since he had been accused of being "prejudiced and highhanded." The Director, however, returned the record to Pierce with instructions for him to make the decision anyway. Pierce then decided in favor of the Forest Service. The company appealed this decision but, on April 27, 1951, the assistant

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32Joint Hearings, Special Subcommittee on the Legislative Oversight Function, 84th Cong., 1st and 2d Sessions, The Al Sarena Case (1956), 26-35, 3, 5, 104-05; Marion Clawson, The Bureau of Land Management (New York, 1971), 20, 22, 47, 49. Since the Forest Service administers the surface resources of the national forests and the Bureau of Land Management administers the mining laws both departments had an interest in these mining claims.
director of BLM sustained Pierce's decision. The claimants next took their case to the Secretary of Interior, where it rested until the new administration took over.33

When Clarence Davis joined the Department of Interior there were 278 cases pending, one of which was the Al Sarena claim. In March 1953, a meeting arranged by Congressman Ellsworth, between Davis, Herbert, McDonald, and his brother, took place. The claimants asked Davis for a speedy decision because five years had elapsed from when they had originally filed for the patents. In that time taxes had accumulated on the property and now they were threatened with foreclosure. Further, they insisted that the Bureau of Land Management had acted in collusion with the Forest Service, thus prejudicing the case against them. Congressman Ellsworth concurred in their reasoning. After reviewing the record Davis, agreeing with the claimants' charges, ordered an independent assay of the claims. The new mineral investigation was overseen by Richard Appling, a mining engineer for the U.S. Bureau of Mines. Appling and D. Ford McCormick, a representative for Al Sarena, took samples from the disputed lands. At McCormick's suggestion, these samples were then sent to the A. W. Williams Inspection Company in Alabama. A. W. Williams' analysis found Al Sarena's claims to be valid. Eyebrows were raised when Appling divulged that he had not rechecked the reserve samples that had been retained after sending the primary

33Joint Hearings, Al Sarena (1956), 143-67, 3, 5, 9, 11, 15-17.
ones to Alabama. Indeed, since he had destroyed the reserve samples there was now no way to double check the report of A. W. Williams Company. Subsequently, without giving the Forest Service prior notice, Davis issued a patent to Al Sarena for all 23 claims.34

The Al Sarena case was used by the opponents of the Administration to illustrate their more general charge that the Department of Interior was giving away the federal government's property. Richard Neuberger was a consistent critic of the Administration on this score. While an Oregon state senator he relentlessly chided Douglas McKay for generally following the wishes of the large timber interests. And after his election to the U.S. Senate in 1954, Neuberger employed the Al Sarena case to prove this contention. He pointedly charged that the "culprit in this [Al Sarena] case is the Department of the Interior." He questioned, for example, the Department's use of a private assay made in "far-off Mobile, Alabama, to cancel out assays undertaken by the Forest Service, by the Bureau of Land Management, and by the Bureau of Mines Laboratory in Albany, Oregon." Neuberger emphasized that since Davis' decision there had been no mining of minerals on the twenty-three claims "but over 2 million board feet of lumber had been cut commercially." While Neuberger found fault with the Interior Department he had nothing but high praise for the Forest Service and Secretary Benson as

representing "the public interest and welfare" in the Al Sarena case.35

Clarence Davis and Congressman Ellsworth, of course, had their side of the story. The Al Sarena case, they argued, was not a matter "of discretion or of political action;" rather, it was a legal question. They noted it was for this reason, in fact, that the case had been brought directly to the Solicitor of the Department of Interior, whose decision was final unless the Secretary specifically requested to intervene personally. Davis thus made it clear that, contrary to the accusations of Neuberger and other critics, McKay had absolutely no part in deciding the case. At any rate, Davis and Ellsworth noted that Al Sarena, Inc., had complied with the letter of the law by spending the requisite amount of money on development of the claims and had proven a valid discovery of minerals. Therefore, they surmised, the company deserved the patents. Finally, the Solicitor pointed out there was "no reference to timber in the minerals law; whether there is much, little, or no timber makes no difference whatever as a matter of law."36

While to Ellsworth and Davis the case may have been simply a legal matter, it certainly provided fuel for the 1954 off-year elections in Oregon. The nationally syndicated


columnist Drew Pearson accused the Administration of hanky-panky in the case and the Eugene Register Guard ran an extensive five-part series of articles on the matter exonerating Ellsworth, Davis, and McKay from any wrongdoing. During the campaign Ellsworth even accused the Forest Service of actively working for his defeat. The Service denied the charge, however. The case was also instrumental in Senator Wayne Morse's defeat of Douglas McKay in the 1956 senatorial race in Oregon. 37

Whatever its electoral ramifications, the Al Sarena case had the effect of causing the enactment of a new subsurface mining law. The American Forestry Association was in the forefront proposing such a revision of the law. At its fourth Annual Forest Congress in 1953, the Association approved a general framework for a national forestry policy. Likewise, shortly after the elections of 1954, Secretary McKay, addressing the Western Forestry Conference, encouraged conservationists and western foresters to support legislation safeguarding against abuses of the mining laws. Consequently, in February 1955, the American Forestry Association hosted a meeting of representatives of the Departments of Agriculture and Interior and the mining industry to design a revision of the old subsurface mining law. Out of this meeting came a bill, sponsored by Ellsworth and others, which sought to revise the

37 Joint Hearings, Al Sarena (1956), 55-78; March 6, 1954, Ellsworth to Adams, and March 16, 1954, McArdle to Willis, in Central Files, OF-134-E, Box 678, Eisenhower Library.
mining laws in such a way as to correct abuses arising from the filing of mining claims when a claimant's actual intention is to gain control of the timber, grazing land, and water on the land. In short, the bill's intention was to encourage legitimate multiple use of subsurface mining claims.38

The major contestants in the Al Sarena case approved of the bill. Both the Forest Service and Bureau of Land Management urged its enactment and, although he noticed "one glaring defect," Senator Neuberger also supported the bill. The mining interests likewise lined up behind it. Congress passed the bill and Eisenhower signed it into law.39

While they gave the Department of Agriculture high marks for its part in the Al Sarena case, conservationists condemned Benson's attitude toward REA, SCS, and grazing. As with the Federal Power Commission and the Department of Interior, the department was viewed as a tool of big business interests. This interpretation of the Administration's oil, natural gas, public power, grazing and timber policies spilled over into the electoral arena, where the citizenry expressed its confirmation or rejection of partnership.


CHAPTER IX

CONGRESS AND ELECTORAL PARTNERSHIP

The litmus test of popular acceptability for partnership was taken in the 1954 and 1956 elections. The Pacific Northwest, as correctly recorded by contemporary commentators, was the area in which the two sides most clearly stood at sword's length. Moreover, while the impress of Presidential power is always deeply felt in congressional elections, the power of the opposition party should never be underestimated, particularly when it controls Congress. All of these political factors were freely vented in these elections.

In 1954, four senate races, in particular, drew attention to the partnership controversy. In Oregon, Richard Neuberger, a state senator, author, and nationally known conservationist, challenged the incumbent, Guy Cordon, an Eisenhower favorite and chairman of the crucial Senate Committee on Interior and Insular Affairs. Cordon's importance was shown by the powerful support he received during the campaign. In his Newsweek column, Raymond Moley endorsed him as one of "the half dozen most intelligent, useful, and constructive members" of the Senate; Under Secretary Davis stressed Cordon's seniority; McKay praised the Senator's efforts to secure passage of the McNary and Dales dams; and, indeed, President Eisenhower, in dedicating McNary Dam, claimed that responsibility for the
dam was due to the tireless labor of "my good friend, Senator Guy Cordon."

Cordon and Neuberger disagreed specifically on the Tidelands Oil, Dixon-Yates, and Hells Canyon issues, in addition to the Hope-Aiken grazing and Ellsworth timber bills. Cordon had been a strong supporter of the Administration on all of these questions. Al Ullman, past president of the Hells Canyon Association and now a candidate for Congress, put the issue squarely; Cordon, he claimed, had "played power politics with Hells Canyon dam and must take responsibility for lack of congressional authorization." Neuberger relentlessly pursued this and other conservation arguments. He denoted Cordon's partnership as a "giveaway" of natural resources to big business—a policy, he contended, that would be the cause of major unemployment for the Pacific Northwest unless it were stopped immediately. To be sure, the AF of L agreed and endorsed Neuberger and his fellow Democrats. Cordon, of course, answered such charges. Rather than contributing to an employment crisis, the Senator countered that actually partnership would increase employment by stimulating the mechanism of free enterprise. The Oregonian accurately described the contest as "bitter."


2 Cf. The Oregonian for Sept.-Oct., 1954. The race received daily coverage.
In Wyoming New Dealer Joseph O'Mahoney, whose re-election effort had been buried by the Eisenhower landslide of 1952, staged a successful comeback against Congressman William Henry Harrison. An especially heated campaign was waged in Montana between Representative Wesley D'Ewart, author of the original stockmen's grazing bill, and Senator James E. Murray. D'Ewart tried to paint Murray's New Dealism with McCarthyite brushes. In Idaho, Len Jordan, the state's former Republican governor, ran for the Senate against Glen Taylor, the Vice Presidential candidate on Henry Wallace's ticket in 1948.

Except for Jordan, these exponents of partnership went down to defeat. In fact Neuberger became the first Democrat ever to win a Senate seat in Oregon. Additionally, the Pennsylvania conservationists, led by Representative John Saylor, a Republican, achieved victory. Some pundits even attributed the defeat of Senator John Sherman Cooper of Kentucky to the unpopularity of the Administration's position on Dixon-Yates. Also, Senator Clinton Anderson was re-elected. In short, Congress now fell under the dominance of the Democrats, though they gained a majority in the Senate only when Wayne Morse, a maverick who had campaigned actively for Neuberger, allied with them for organizational purposes. Bernard DeVoto could hardly contain his jubilation and Business Week conceded that indeed the election results were a setback for the administration's partnership policy. Moley, however, threw cold water on any speculation that the Democratic victory automatically decreed partnership dead. Noting that the "conservative wing
of the Democratic Party will be stronger than ever," he forecast that the President still would have a working ideological majority. While Moley's point was basically correct it overlooked that the chairmanships of the powerful Senate Commerce and Interior committees would now fall into the hands of two New Dealers, Warren Magnuson and James Murray, respectively. Entrenched in these two influential positions the opponents of partnership possessed a solid base from which to launch their attacks on the Administration during the succeeding years.3

If the Administration had faced stiff opposition in the 1954 elections it was even more so in the races two years later. Clearly the Administration had its work cut out. "The power program of the Administration," Cordon observed in the middle of 1955, "has not been accepted by the general public because there has been no effective, coordinated effort on the part of the Administration to inform the public of its programs..." The defeated Senator suggested that the Administration "immediately undertake a real 'selling' program." The elections of 1956 were to prove how well his advice had been heeded.4

The platforms of the two parties widely diverged on the


4Memo, May 26, 1955, Hughes to Adams, Howard Pyle Papers, Box 38, Eisenhower Library.
issue of natural resources. The Democrats, calling for a return to New Deal solutions, characterized the Eisenhower partnership policy as a "faithless performance." Conversely, the Republicans called attention to their achievements, such as Mission 66, the Upper Colorado Storage Project, and developments in atomic energy. The pronouncements of the two presidential candidates, Adlai Stevenson and Dwight Eisenhower, simply mirrored these rivaling contentions. Several conservationists, such as Rachel Carson, John Ise, Lyle Watts, and Hugh Bennett, banded together to support Stevenson. As Eisenhower's record on natural resources was widely criticized by conservationists, Sherman Adams and Gabriel Hauge asked Horace M. Albright to publicly endorse the President. Now that Echo Park dam was defeated and Mission 66 secured, Albright, late in the campaign, commended Eisenhower on his first term, stating that the public land, national park system, wildlife refuges and national forests were "better protected than ever before." While the presidential contest stimulated some concern over the partnership policy, other world and national issues pervaded the race making it difficult to measure what influence—if indeed any—the issue of conservation had on the election's outcome. In the congressional and senatorial races in the Pacific Northwest, however, there was no doubt.⁵

the opponents of partnership now mounted a concerted campaign against the Administration in preparation for the 1956 races in Oregon, Idaho, and Washington. Murray's interior committee, in conjunction with the Senate Committee on Public Works, for example, passed a resolution condemning the Bureau of the Budget's Circular A-47. The crux of the resolution: "The purpose of this Senate resolution is to correct a situation in which the executive agencies of the Government are progressively arrogating to themselves land and water resources development policymaking functions which properly reside with the Congress." Ironically the resolution resembled the same anti-bureaucratic arguments the Republicans had used in 1952, only this time the cast of characters was reversed.6

The spotlight especially was focused on the Oregon senatorial race, for here all the political facets of the partnership issue came to a climax. For one thing a script writer could not have asked for two more dramatic characters than Wayne Morse and Douglas McKay. Morse, the incumbent, was anathema to the White House on personal and ideological grounds. As a Republican he had bitterly chastised Eisenhower during the 1952 campaign, then he turned Independent, and after helping elect Neuberger in 1954, he provided the majority vote so the Democrats could organize the Senate. Before the 1956 race Morse officially became a Democrat.

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6Congressional Record, 84th Cong., 2d Sess., v. 102, pt. 8 (June 13, 1956), 1015-55; Senate Report 2686 (1956), 1; Memo, June 15, 1956, Colonel Meek to Bragdon, in Bragdon Papers, Box 69, Eisenhower Library.
Thus, when the governor of Oregon, who had been scheduled to run against Morse, suddenly died, Sherman Adams and Leonard Hall, Chairman of the Republican National Committee, prevailed upon McKay to pick up the cudgel. McKay reluctantly agreed. Both men shared one characteristic in common—a penchant for blunt outspokenness. But they could not have been any different in their views.7

In 1955, the Democratic-controlled Interior and Public Works committees prepared the way for Morse's re-election campaign by holding public hearings in Oregon. The ostensible purpose of these hearings was to investigate the Administration's timber policy, in general, and the Al Sarena case, in particular. The committees' majority report condemned the Administration's timber policy as part of the "giveaway" philosophy. The Republicans charged, probably correctly, that the hearings and report were politically inspired and directed specifically toward helping re-elect Morse and defeating Congressmen Harris Ellsworth and Sam Coon.8

7Adams, Firsthand, 235-36; Eisenhower, Mandate, 550; Davis Oral History, 54-55. Not everyone felt McKay should make the race. Benson, for example, feared that McKay would lose viability in the Oregon primary. Benson, Cross-Fire, 330. There was a primary but Benson's fears were for naught. Cf. Memo, July 6, 1956, Pyle to Adams, Pyle Papers, Box 28, Eisenhower Library. The campaign had personal overtones. Early in 1953 Morse wrote a letter to a friend expressing his misgivings about Eisenhower. "I have," he said, "absolutely no confidence in him and I am satisfied that he is lacking in all political morality. In my judgment, he is the most dangerous man who will ever have been in the White House." The White House never forgave him for this remark after the letter was published.

8Joint Hearings, Senate, Special Subcommittee on the Legislative Oversight Function of the Committee on Interior
When McKay resigned from the interior post to announce his candidacy, Eisenhower was left in the politically sensitive position of having to appoint a successor. Clarence Davis, the acting secretary, had the support of the Republican senators and governors from the West, as well as from two influential private organizations, the National Cattlemen's Association and the National Reclamation Association. Howard Pyle, a White House election aide, warned that the Oregon race would be "tough...at best" and agreed that Davis should receive the appointment "at least until the present term expires," lest it appear the President was repudiating his former Secretary of Interior, McKay. Instead, Eisenhower chose Fred Seaton, a former Assistant Secretary of Defense and presently a member of the White House staff. It seems likely that Davis did not get the appointment because the forthcoming Al Sarena report condemned his involvement in the case.

The two issues that predominated in the campaign were, in fact, Al Sarena and public power. McKay proudly defended his tenure as Secretary of Interior. For example, regarding


9 The recommendations can be found in Central Files, GF-17-A, Box 308, Eisenhower Library; and Memo, May 22, 1956, Pyle to Adams, same source.

Al Sarena, McKay stated flatly: "They were legitimate mining claims by mining people." Morse's tactic was to continually attack his opponent's record. He effectively used Hells Canyon and Al Sarena as examples of the Administration's "give-away" policy and contended that Mission 66 saw the light of day only because 1956 was an election year.\footnote{Speech, May 8, 1956, McKay, in Pyle Papers, Box 16, Eisenhower Library; The Oregonian, Sept. 6, 14, and 16, 1956.}

Oregon's congressional races were also injected with the partnership debate. While Harris Ellsworth had won re-election by a comfortable margin in 1954 his percentage had declined drastically from 66.3% in 1952 to 55.9%. Ellsworth was, as one White House insider noted, "marked for destruction in 1956..." Representative Sam Coon found himself in a similar predicament. Two years previous he had won with 52.6%, a decline of approximately 6% from his 1952 performance. It was felt, nevertheless, that he was not in any serious trouble. Howard Pyle, sent by the President to size up the political prospects in the Pacific Northwest, reported in March 1955 that the Administration must do a better job of selling itself, a message Cordon also conveyed. Toward that end Coon and Neuberger publicly debated the merits and criticisms of partnership ten times during October and September, 1955.\footnote{Memo, March 19, 1956, Pyle, "The Situation in Oregon," Pyle Papers, Box 38, Eisenhower Library; Congressman Sam Coon vs. Senator Richard Neuberger (Oregon, 1955), in Elmer F. Bennett Papers, Box 12, Eisenhower Library.}
In Washington an equally important senatorial race loomed large on the partnership horizon. Senator Warren Magnuson, Chairman of the Commerce Committee, was challenged by popular three-term governor, Arthur Langlie. Langlie was reluctant to make the race but it was felt he was the only Republican with a chance of winning the seat. Magnuson, like Morse, had consistently opposed partnership and had the full backing of organized labor. Langlie had been especially outspoken in his defense of the Administration's decisions on Hells Canyon, Tidelands Oil and natural gas.

In Idaho the senatorial situation was somewhat different. Here thirty-two year old Democrat Frank Church challenged a Republican incumbent, Herman Welker. The Republicans also decided to take aim on Representative Gracie Pfost. And Hells Canyon was predicted to be one of the poignant issues. In fact Howard Pyle recommended that the Federal Power Commission should be urged to release its decision on Hells Canyon "as soon as possible." He reasoned that delay only aggravated the political situation but that if the decision favored the Idaho Power Company "the work on the dams could be well underway previous to the 1956 election."

The Montana senatorial race, once again, revolved around the partnership issue. This time Wesley D'Ewart squared off

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against Mike Mansfield. After his unsuccessful bid in 1954, D'Ewart ran into still another roadblock. When Orme Lewis resigned as Assistant Secretary of Interior, Eisenhower nominated D'Ewart to become the replacement. The nomination never got past the Senate Interior Committee, however. Senator James Murray, chairman of that committee, made it clear he still harbored a personal grudge over D'Ewart's smear tactics in the recent race. Consequently he stepped aside and let Senator Anderson chair the hearing. Nevertheless the cards were stacked against the nominee; Neuberger, O'Mahoney, Henry Jackson and Anderson vigorously cross-examined D'Ewart about his political philosophy and campaign techniques. The Citizens Committee on Natural Resources joined this chorus of criticism. Subsequently the committee turned thumbs down on D'Ewart's nomination. Sherman Adams then convinced him to run against Mansfield and Charles Willis, a White House aide, pledged he would receive "all the support" the Administration could give him. 15

The results of the congressional races indicated an overwhelming rejection of partnership, even though Eisenhower swept the presidential election. In Oregon the rejection was most obvious. Representatives Coon and Ellsworth were defeated

and Morse narrowly beat McKay. In the election postmortems it was variously conceded that McKay's downfall could be attributed to the negativism of his campaign and, by contrast, to the professionalism of Morse's campaign. Also, part of the blame was given to the vagueness of the partnership policy itself. One anonymous Administration source put it succinctly: "The partnership policy has never been adequately explained nor properly implemented since its inception in 1952." In other important races Church won in Idaho, Magnuson in Washington, and Mansfield in Montana. Gracie "Hells Belle" Pfoist retained her seat in the House. The Democrats won the gubernatorial seats in Washington, Oregon and Idaho as well. All in all these victories strengthened the hand of the opponents of partnership in congress, especially in the Senate where the Jerome Kuykendall and Lewis Strauss nominations required advice and consent.16

Early in the new session of Congress Eisenhower nominated Jerome Kuykendall for another term as FPC Chairman. The Commission's activities became a target of investigation for congressional opponents of partnership. In an inquiry into the operation of the regulatory agencies, the House Sub-

committee on Small Business, for example, scrutinized Kuykendall's past political associations in the State of Washington and his involvement in the Hells Canyon and Dixon-Yates controversies. In its scathing report, the subcommittee concluded that the FPC, among other regulatory agencies, was no longer an independent body; rather, it surmised, the Commission was subjected to so much outside influence that it was now nothing more than an adjunct of the Executive Branch, particularly the Bureau of the Budget.\(^{17}\)

The nomination was routed to the Senate Commerce Committee, where Kuykendall could expect a tough time. For one thing, Magnuson, the chairman of the committee, had just defeated Kuykendall's political mentor, Arthur Langlie. Also, several Democratic senators from the Pacific Northwest were irked by Eisenhower's recent refusal to meet with them to discuss the Hells Canyon case. Thus Kuykendall received the blunt edge of their criticism for his participation in the Hells Canyon, natural gas and Dixon-Yates decisions. Senator Neuberger, for instance, castigated Kuykendall for permitting "the FPC to be used as the tool of a political decision" which had "wholly destroyed a painstaking, detailed, integrated, comprehensive plan for the Nation's second largest river basin [the Snake River], proposed by thorough and objective

engineering studies of the United States Army Corps of Engineers and the United States Bureau of Reclamation." Furthermore, Neuberger pointed out that McKay had been "retired from public life" and that other public power advocates had defeated partnership senators in the Pacific Northwest. These victories, he concluded, signified that the citizenry wanted the Federal Government to develop the Hells Canyon site. Newly elected Congressman Ullman and the National Hells Canyon Association also opposed Kuykendall's nomination—just as they originally had in 1953. The Washington Public Utility District Association, the National Farmers Union, and, of course, the National Rural Electric Cooperative Association expressed dissatisfaction with Kuykendall's handling of FPC affairs.18

Kuykendall's propriety in executing the Administration's desires on natural gas legislation was also put under a critical magnifying glass. After Eisenhower vetoed the Harris-Fulbright bill, the FPC Chairman had been instructed by Gerald Morgan, a presidential legal advisor, to begin drafting a new bill. In pursuing this objective Kuykendall met secretly with representatives of southern gas producers and northern gas distributors in an attempt to reach a compromise between them. When nationally syndicated columnist Drew Pearson made

this disclosure public Kuykendall was called on the carpet by his congressional enemies. Congressman Torbert Macdonald (D-Mass.), a member of the House Interstate and Foreign Commerce Committee which was then considering revised natural gas legislation, led the charge. Macdonald accused Kuykendall of betraying his oath of office because consumer interests had not been represented at the secret meeting. In short, the Chairman's opponents questioned how he could claim to be impartial when he consulted only industry leaders to the exclusion of consumer representatives.19

In a lengthy statement to the Commerce Committee Kuykendall defended his conduct in Hells Canyon, Dixon-Yates and formulation of natural gas legislation. He denied the decision favoring the Idaho Power Company had been the result of his own predisposition or pressure from the White House. His former association with Langlie, Kuykendall said, was not a factor in that decision. The Chairman's critics had pointed out that the FPC had ignored the adverse report of the Commission's Bureau of Law when it recommended approval of the Dixon-Yates contract. To put it mildly, was this not a rather significant oversight, they asked? Kuykendall explained that the AEC had asked the FPC only for its recommendations on the

19Senate Committee on Interstate and Foreign Commerce, Nomination of Kuykendall (1957), 41-42, 52ff., 88-104. Senator Morse put the matter squarely: "The issue is the propriety of the head of a regulatory agency to sit down, in secret, with the representatives of an industry subject to his agency's jurisdiction and work out proposed legislation without making the fact known when the result is formulated into a legislative recommendation and without notice and opportunity for other groups with a vital interest to confer on the same terms." Ibid., 36-37.
contract's power provisions—not for legal advice. The AEC, he added, "had the assistance of the Attorney General and their own lawyers." Finally, Kuykendall defended his meeting with representatives of the gas industry. His participation, he lamely explained, "was to endeavor to frame a bill which met the requirements of the President's veto message..." It should be recalled, he noted, that the President had objected to "arrogant lobbyists," not to the bill itself. Also, since consumer interests would countenance no change in the law there was no reason, in his estimation, to consult them. Although Magnuson succeeded in holding up confirmation for about five months, Kuykendall finally received senatorial approval. Even though that trout had gotten away the public power senators caught a much larger fish later.20

In one of the most bitterly fought confirmation proceedings, the Senate rejected the nomination of Lewis Strauss for Secretary of Commerce. In October 1958, Sinclair Weeks resigned as Secretary of Commerce. Senator Clinton Anderson had made it clear that Strauss probably would not be confirmed by the Senate if he were renominated to the AEC. Instead, then, the President appointed Strauss to fill the commerce vacancy. The following year the Senate took up the nomination.21


21 Oct. 28, 1958, Weeks to Eisenhower, Central Files, OF-2, Box 14, Eisenhower Library; Benson, Cross-Fire, 457-58;
There certainly was no doubting that Strauss was walking headlong into a lion's den, for his nomination was sent to Magnuson's Commerce Committee. Strauss' brusk demeanor had personally piqued many senators and his participation in the Oppenheimer case had earned him the antipathy of a good number of prominent scientists. But the Dixon-Yates controversy provided the political catalyst; in fact, his enemies cited Strauss' role here as documentary evidence of his utter contempt for Congress itself. Strauss, it was alleged, had failed to keep the Joint Congressional Committee on Atomic Energy "fully and currently informed," as Section 202 of the Atomic Energy Act of 1954 had demanded. This point was stressed at great length by Strauss' longtime nemesis, Clinton Anderson, whom the committee allowed the senatorial courtesy of participating in the hearings as an interrogator. The attack on Strauss was not entirely partisan, for Senator William Langer, a New Deal Republican, described the secretary designate as "one of the chief conspirators" in a scheme to wreck TVA and REA. Perhaps the case against Strauss was best articulated by Senator Eugene McCarthy (D-Minn.). Basically McCarthy argued that cabinet officers had become "much more than advisors to the President, and much more than simple administrators of clearly stated laws of limited application." Since these public officials were delegated "discretionary authority" by both the Congress and the President, they exercise executive and legislative powers. In sum: "It is... vitally important that the men in charge of these high offices
be responsive to the will of the Congress as well as to the will and interest of the President, as they interpret and apply the law..." McCarthy predicted, therefore, that a vote for Strauss "could be fairly interpreted" as an approval of "unwarranted extension of executive secrecy and the independence of the Executive Branch in determination of policy and the administration of laws passed by Congress." Both Fortune and the New Republic commented that, correctly or incorrectly, Strauss was being boiled in this political water because Congress felt the encroachment of the Executive Branch on its prerogatives had gone too far. Hence, Strauss had become a symbol of excessive presidential authority.22

In his own behalf Strauss argued that he had always complied with the law. The JCAE, he contended, had been kept informed and no information necessary for its proper functioning had ever been kept from it. Three members of the Joint Committee on Atomic Energy, Democrat Pastore and Republicans Bricker and Hickenlooper, confirmed Strauss' defense. Citing the importance of maintaining the President's prestige in the world, Albert Gore, one of the nominee's more consistent...

critics, announced his intention to vote for confirmation. Describing his old friend as "un-political," Herbert Hoover expressed support for Strauss. And from the scientific community Dr. Edward Teller added an influential voice to Strauss' case. 23

As a harbinger of future trouble, the Commerce Committee passed the nomination by only a single vote. Three Democrats had voted with the committee's six Republicans to make the majority. Eisenhower publicly pledged to use all the influence at his disposal to get full Senate approval. Nevertheless, by a vote of 49 to 46 the Senate dramatically rejected Strauss. Indeed, Senator Anderson and the other opponents of partnership had won a very large victory. 24

The Administration was not completely routed, however, for one of its prime objectives, limiting the influence of TVA, was accomplished. Since the Authority had received no appropriations from Congress, a new plan to finance TVA had to be devised. One thing was certain: the Administration wanted to get the Federal Government out of TVA's business. In April 1957, Walter von Tresckow suggested that TVA undertake its own financing through the sale of revenue bonds.

23 Senate, Committee on Interstate and Foreign Commerce, Nomination of Strauss (1959), 636-37, 711, 775, 576-83, 584-629; New York Times, May 24, 33; and May 16, 1959, 28; May 9, 1959, Hoover to Magnuson, Central Files, OF-2, Box 14, Eisenhower Library.

Although this idea was not entirely new, it held a certain appeal for Percival Brundage, Director of the Bureau of the Budget. If TVA financed itself through the issuance of revenue bonds, Brundage thought it would allow the Federal Government to reduce its own investment in the Authority to a more manageable size. But when Senator Robert Kerr introduced legislation partially designed to accomplish this purpose, the Administration raised some objections. Fundamentally the Bureau of the Budget feared that Kerr's bill would give TVA "a blank check" in the issuance of revenue bonds and in the use of power revenues for plant expansion—the very aims that were absolutely contrary to the dictates of partnership. Among other terms, the Administration proposed that the TVA power service area be "specifically and precisely" limited and that the use of power revenues for expansion of power facilities be made subject to the approval of Congress in connection with the President's budget recommendations. In other words, the Administration desired to retain control over TVA's budget while the Federal Government no longer financed it. 25

In 1959, the Administration succeeded in getting its plan approved, though not without some difficulty. The Kerr bill was resurrected, once again, and amassed sufficient strength to pass Congress. While this bill provided for

containment of TVA expansion, the Bureau of the Budget and some members of Congress still objected. "When they [TVA] get this bondraising authority, they will be ready to expand TVA all over the South," Congressman Scherer of Ohio warned. "The illusory fence placed around TVA's service area in this bill will fold like a stack of cards." The President, for his part, felt that enactment of the bill would constitute an erosion of Presidential power. Consequently, Eisenhower balked at signing the bill until Congress agreed to an amendment providing for Executive review of TVA's construction program. To do otherwise, the President pointed out, "could result in budgetary chaos." After the TVA Board--the members of which had been appointed by Eisenhower--and the congressional leadership assured the President they had no objections to such an amendment, Eisenhower signed the bill. The partnership policy toward TVA had not been entirely successful but with passage of the TVA Revenue Bond Act the Authority was now financially independent but still accountable to Congress and the President. Thus, the Administration accomplished one important objective: the Authority was limited in the area to which it could expand. 26

its enemies stood each other off concerning the future of REA. The Humphrey-Price bill (1959), taking REA out of the Department of Agriculture, passed Congress and was vetoed. The Senate overrode the veto but the House barely did not. The TVA Revenue Bond Act and, to a lesser extent, the failure to override the REA veto simply confirmed, as Moley had predicted earlier, that the Dixicrat-Republican alliance provided the President with a working ideological majority.
CHAPTER X

CONCLUSIONS AND SOME PERSPECTIVES

While the implementation of the policy of partnership was only partially successful, the debate it engendered gave the guise of grappling with the fundamental issues of modern industrial America. And, indeed, in some respects it did; in many other ways, though, both the conservationists and partnership exponents were confronting much older issues. The politics of partnership thus must be set in a wider perspective.

Simply put, the philosophy of partnership attempted to shrink the role of the Federal Government and, accordingly, to restore free enterprise to its once preeminent place in American life. As one high Administration official capitalized: "I shall like to remind you that this [New Deal-Fair Deal] philosophy is not new, that it is bottomed upon the Government control of all natural resources, water, land, and energy, and that that program is the heart of the program of State Socialism."¹ Politically, it consisted of a coalition of Republicans and Dixicrats; as long as the Southern Democrats stuck with Eisenhower, as in the offshore oil, Hells Canyon, TVA Revenue Bond, and natural gas legislation,

¹Speech, April 25, 1955, Clarence Davis before Idaho State Reclamation Association, Idaho Falls, Idaho, Department of Interior, Special Office Files, no box number, National Archives.
partnership was victorious. But partnership was only a brick in a much larger Administration edifice. While there might have been disagreements on certain specifics, by 1952, both political parties had arrived at a basic consensus on a foreign policy of rigid anti-communism. Actually the widest political differences arose over domestic policy. Partnership was, in effect, the reverse side of the Republican Party's foreign policy. For according to this weltanschauung, the New Deal had given birth to an invidious creed—direct governmental intervention in the economy. TVA, REA, and SCS, for example, were equated with an evil vaguely described as "creeping socialism." Thus being associated with the New Deal was tantamount, in the eyes of the apostles of partnership, to leaning toward accepting communism on both domestic and foreign levels. Yalta and TVA were only opposite sides of the same coin.

Eisenhower was only partially successful in implementing his policy. Offshore oil, Hells Canyon and the Atomic Energy Act of 1954 were unequivocal successes while deregulation of natural gas certainly would have been except for the Case affair and subsequently the questionable involvement of the Chairman of the Federal Power Commission in a secret meeting with industry leaders. The Administration also met certain failure on the Echo Park, Dixon-Yates and grazing issues. Moreover, other than reorganizing the REA, the bureaucracy successfully resisted administrative change, just as it always had in the past; the Corps of Engineers, Forest Service,
and Bureau of Land Management all remained exactly where they had been at Eisenhower's first inauguration. One thing was certain, however; without question, the Eisenhower Administration took a more active interest in the development of natural resources than past histories of the decade have indicated.

The politics of partnership highlighted one of the fundamental dilemmas of the twentieth century--the growing interrelationship between the Federal Government and the business community. Federal regulation and management of natural resources was of utmost concern to the business community. The Federal Power Commission, Atomic Energy Commission, and the TVA Board were all staffed with advocates of partnership. In the Hells Canyon, natural gas, and Dixon-Yates questions the Federal Power Commission unswervingly hewed to the White House line; the activities of the AEC in Dixon-Yates and the TVA Board in the Revenue Bond Act of 1959 were likewise pro-Administration. The direct tie between the White House and the commissions clearly unveiled the shortcomings of the regulatory system instituted by the progressives and New Dealers. To wit: to what extent, one may legitimately ask, is it conceivable for regulatory commissions to perform their duties truly independent of pressure from the executive branch of

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2 Of course the regulatory commissions were not the only agencies involved. In the Al Sarena case, for example, the Secretary of Interior acted against one of his own agencies, the Bureau of Land Management, in favor of the interests of a business concern.
the government? Naming Jerome Kuykendall and Lewis Strauss chairmen of the Federal Power Commission and Atomic Energy Commission, respectively, was akin to putting a rabbit in charge of the lettuce patch. Surely, Kuykendall's role in helping formulate natural gas legislation after President Eisenhower vetoed the Fulbright-Harris bill raises a serious question of propriety. Furthermore, that the commissions were heavily weighted in favor of business is clearly evident from the lack of consumer representation on the FPC and AEC. As a corollary, it should be observed that the men appointed to these commissions formerly came from the very businesses they were now supposed to regulate. This interlocking directorate makes one wonder if, indeed, the regulatory commissions themselves were not actually being regulated by the industry, rather than vice versa, as the law directed. In other words, did the tail of business not wag the governmental dog? Finally, the growth of the power of this bureaucracy meant a further diminution of the power of Congress and an increase in presidential power.

The effect of the close relationship between business and government becomes even clearer in the case of the coal and oil resources. Conceptually the energy market operates on the idea of competing alternate forms of energy. In the 1950s the moribund coal interests opposed legislation favorable to atomic energy, oil and natural gas. This was as it should have been. By the middle of the 1960s, however, the coal industry had recovered from its depressed state. But
ownership of coal had substantially changed hands. The oil industry, seeing a resurgence of coal, had bought a controlling interest in its competitor. By 1971, the oil industry's efforts paid rich dividends. It accounted for 84% of the nation's refining capacity, 72% of the natural gas production and reserve ownership, 30% of the domestic coal reserve, and 20% of the domestic coal production capacity. The oil industry also bought into the source of another competitor, the slowly developing atomic energy industry. Presently, the oil industry's investment accounts for over 50% of the uranium reserves and 25% of the uranium milling capacity. In short, the oil industry bought a predominant interest in two of its competitors. One is led to the inescapable conclusion that the anti-trust laws were soft-pedalled because of the inordinate influence of the big oil interests in the Federal Government.

The position of the conservationists, on the other hand, became apparent enough by the end of Eisenhower's first year in office. In warning the White House of the dangers ahead, Palmer Hoyte, editor and publisher of the influential Denver Post, accurately summed up the conservationists' perception of partnership:

It would seem to me that it would be a very bad thing for the Eisenhower administration if Idaho Power

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Company was able, for example, to destroy the Hell's Canyon site by building one dam... It would be unfortunate if the people of the United States got the idea that the Eisenhower administration was more interested in the 'interests' than in the interests of the people....

Certainly that issue was somewhat clouded in the Tidelands Oil case. It could be even more clouded in the Hell's Canyon case. Let us hope that the stockmen of the west will not make any substantial around end at the expense of the taxpayers.  

The Administration's openly skeptical attitude toward the Mid-Century Conference on Resources for the Future simply confirmed these suspicions. From then on the nation's conservation leaders painted the Administration with old New Deal colors. Accordingly, partnership was variously depicted as a "giveaway" to big business, that is, to "the special interests." Actually, their arguments contained little originality; even their phraseology was borrowed from a past era. Indeed, for the most part, the conservationists were only defending the integrity of such New Deal agencies as the REA, SCS, and TVA. They made little—if any—contribution toward new perspectives on the environment.

The apostles and opponents of partnership thus showed great purblindness in their level of insight. Essentially both sides continued to think in the same utilitarian terms originally defined at the turn of the century and continuing through the New Deal. While the role of the Federal Government in the development of natural resources was examined, other equally crucial questions went virtually untouched.

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4 May 25, 1953, Hoyt to Adams, Central Files, OF-155-E-1, Box 838, Eisenhower Library.
Aside from certain limited aspects of the Echo Park imbroglio, neither side gave much serious thought to the more serious problem of ecology.

The modern trend in American conservation has shown a strong utilitarian bent. According to this view nature is inherently at odds with man, thereby requiring man to subdue and conquer her if he is to survive. The theory of Social Darwinism and the frontier experience served to confirm this attitude. Reclamation, for example, was seen as man taming an essentially hostile force in nature, in this particular case, water. Electricity, one of the modern marvels turned necessity, was, of course, placed in the same category. To utilitarians the primary question, then, was whether government or private enterprise ought to direct the American fight to conquer nature. There was no doubt that man was compelled to fight nature if he—the fittest—was to survive.

Bureau of the Budget Director Joseph Dodge was not far off the mark when, in 1953, he advised President Eisenhower that the conservation movement was stagnant and "has not had a new thought for fifty years."

It was not until 1962 that "the new conservation movement" was officially born. In that year Rachel Carson published Silent Spring, a book attacking the use of the pesticide DDT while contending that man was part of nature, not an entity hostile to it. Although the least representative of her ecological thinking, Silent Spring harkened to a tradition whose warnings largely had been silenced by the
twentieth century's fixation with utilitarianism. Among Carson's intellectual ancestors were the New England transcendentalists Emerson and Thoreau, George Perkins Marsh, and John Muir. But it was Aldo Leopold who really breathed life into the new conservation movement. Leopold, who had joined the U.S. Forest Service in 1909 and was one of the founders of the Wilderness Society in 1935, vigorously argued preservationists' sympathies. His two books, *A Sand County Almanac* (1949) and *Round River* (1953), were, as one observer commented, the Tablets of the Law for the new conservation movement. The main leaders of the movement, Rachel Carson and David Brower, executive director of the Sierra Club from 1952 to 1969, acknowledged their debt to Leopold.

While the utilitarians stressed chemistry and physics, the ecologists accented the study of bacteriology, zoology, botany, and geology. Rachel Carson obtained a Masters degree in zoology and afterwards worked for the U.S. Bureau of Fisheries and later the Fish and Wildlife Service. And John Muir, who successfully fought to make Yosemite a national park, was a geologist and biologist. In short, these thinkers pointed less to man's relation to man than to "the relation of all life" and, therefore, of life to its physical environment.\(^5\)

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\(^5\)The main characteristic of the ecologists of the 1960s and 1970s was their bent toward the biological sciences. Among others, Paul Ehrlich is a professor of biology at Stanford University; Barry Commoner's academic career centered around plant physiology; René Dubós studied soil bacteriology; and before becoming professor of human ecology, Garrett Hardin taught biology at the University of California (Santa
At the turn of the century the ecological and utilitarian views contended with one another until finally the utilitarian won out. The ecologists, led by John Muir and his Sierra Club, favored preserving nature as it was. They urged the establishment of inviolate national parks. The utilitarians, led by Gifford Pinchot and his Forest Service, believed in regulating the exploitation of nature. Accordingly, resources on federal properties should be prudently used—but used nevertheless. The crowning battle between these two opposing camps took place over the future of Hetchy-Hetchy Valley, located in Yosemite National Park. The cutting edge was whether a dam ought to be constructed in the Valley or left undisturbed. Muir opposed the dam and Pinchot supported its construction. In 1914, Pinchot won and the utilitarians gained the upper hand in the conservation movement. The ecologists won a victory of sorts when, in 1917, the National Park Service was created within the Department of Interior. The Forest Service (Department of Agriculture) and National Park Service (Department of Interior) have been at odds ever since.

The Eisenhower Administration's basic attitude toward

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nature was expressly the rugged utilitarianism of the businessman in free enterprise and the frontier. It favored Echo Park dam much the same as its utilitarian predecessors had Hetch-Hetchy dam. The Administration's appointments also betrayed a discrimination against biologists. Businessmen, mathematicians, engineers, chemists, and physicists were all appointed to the commissions; but it was not until 1973 that a biologist joined the AEC. And, the conservationists did not raise the issue either. To the contrary, the Eisenhower Administration replaced Albert Day, a career biologist, with a businessman as Director of the Fish and Wildlife Service. To their credit, the conservationists unsuccessfully protested this move. Further, water pollution received little real attention. The Water Pollution Control Act of 1956 did little to advance the cause of clean water. Instead of creating a new agency to deal specifically with the problem, the responsibility was turned over to the Public Health Service, an agency that could be counted upon not to rock the cradle. Moreover, the Administration—as well as many of its critics—ignored the attendant problems of technology, population, growth, and water and air pollution.

From the study of partnership politics there also emerges a glimpse of the Eisenhower personality. Far from being a bumbling, naive President, Eisenhower was, in fact, a highly sophisticated and determined politician. His military-

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background had well prepared him for the Presidency. Both as President and Allied Commander during World War II Eisenhower believed in establishing a clear chain of command; as Chief Executive he outlined policy and the Cabinet was charged with its execution. He had a particularly good grasp of foreign policy. Contrary to popular opinion Eisenhower ran foreign policy and was far less dependent on his Secretary of State, John Foster Dulles, than has been realized. One could hardly imagine even Dulles making a move without first consulting with the President for permission. Both as Supreme Allied Commander and later as commander of the NATO forces, Eisenhower became well versed in the nuances and dictates of diplomacy. Moreover, he came away from his long sojourns in Europe with definite ideas as to what policies the United States should pursue.

Domestic issues, however, were not as important to this essentially military-minded man. Yet there is no doubting Eisenhower's innate conservatism. Throughout his life he remained faithful to the puritan ethic in all of its economic, political, and religious implications. He had learned it as a youth in Abilene, Kansas, and as he steadily climbed the military and political ladder Eisenhower took this ethical baggage along. Because domestic affairs did not interest him, he delegated much authority in this area to aides who shared his philosophical outlook. Sherman Adams, his political alter ego, could always be relied upon. Ezra Taft Benson, a Taftite, was personally recruited by the President,
for their views on domestic issues coincided perfectly. The appointment of Governor Douglas McKay to the interior department came upon the recommendation of Senator Cordon after Governor Arthur Langlie had turned down the post.

Furthermore, contrary to many misconceptions, Eisenhower was shrewd in manipulating men and his public image. He certainly was aware that his untarnished image bequeathed him a singular advantage over his political opponents. Once again, his military experience helped. There was no more egotistical and obstreperous an individual than General George Patton, yet Eisenhower was one of the few men who could handle him. Likewise, there is little reason to believe that he abandoned this forte upon becoming President. Quite the contrary, while giving the public impression of not participating in political infighting, Eisenhower conveniently let willing surrogates do his bidding. In rather scathing terms Vice President Richard Nixon and Secretary Dulles attacked the President's foreign policy critics while McKay was let loose on the Administration's domestic policy critics. And discreetly Eisenhower gave Senator Joseph McCarthy enough rope to hang himself.

McKay's senatorial bid in 1956 was part of this pattern. The Secretary of Interior was given credit for helping fashion the partnership policy and had been one of the Administration's most vocal defenders. If the New Deal had not been exactly socialism, according to this view, it came dangerously close. By 1956 McKay's outspokenness perhaps had become
a political liability. Thus Adams and Leonard Hall of the Republican National Committee encouraged McKay to seek Wayne Morse's seat in the Senate. The Administration, it seems, had everything to gain and very little to lose. If Morse lost, the Administration would have one more sure vote in the Senate; in any case, should McKay be defeated, a distinct possibility, a political liability would be eliminated. By contrast, McKay's successor, Fred Seaton, was remarkably low key, less abrasive, and more tactful. Nixon also came close to meeting the same fate, as there were serious signs of Eisenhower bowing to liberal pressure to dump his vice president in 1956. Evidently Eisenhower tolerated McCarthy until he too had become an embarrassment. In other words, once McKay and McCarthy had outlived their political usefulness, they became expendable.

The picture of Eisenhower that can now be sketched reveals a man well on top of the situation. So long as Nixon, Dulles, McKay and McCarthy operated in the forefront as a political shield the Democrats could hardly lay a glove on Eisenhower; his image was as unblemished in 1960 as it had been when he first took office. Had the Constitution not prevented it, there is little doubt he easily would have won a third term. But when one of these men became an embarrassment he was expended.
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The dissertation submitted by George Van Dusen has been read and approved by members of the Department of History.

The final copies have been examined by the director of the dissertation and the signature which appears below verifies the fact that any necessary changes have been incorporated and that the dissertation is now given final approval with reference to content and form.

The dissertation is therefore accepted in partial fulfillment of the requirements for the degree of Doctor of Philosophy.

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