Honorable Herbert H. Lehman  
United States Senate  
Washington, D. C.

Dear Senator:

The Interior Department Appropriation Bill (H.R.3790), now before the Senate, contains three amendments which if finally approved will severely hamper the operation of rural electric cooperatives in the Southeast, Mid-West, Southwest, and the Far West. A number of Senators have met and discussed the effect of these provisions upon the REA groups and we would like to have you join with us in attempting to defeat them. These amendments are:

(1) The committee amendment beginning on page 3, line 24 of the bill which purports to relate to the Continuing Fund of the Southeastern Power Administration but which actually curtails the use of the Continuing Fund of the Southwestern Power Administration in such a way as to make it impossible for the Government to continue to participate in co-operative contracts which have been worked out with private utilities of the area in accordance with the directions of the Eighty-First Congress in order to save the Government the expense of erecting duplicate transmission lines. The amendment is non-germane and an effort will be made to replace it with one which gives the Southeastern Power Administration the same type of Continuing Fund as that now possessed by the Southwestern Power Administration. The Continuing Fund of the Southwestern Power Administration permitted the Government to sell the power created by its hydro-electric generators to the private companies at the hours of heaviest demand and to buy firm power, made by steam-electric generators for its customers on a 24-hour basis from the private companies. The Government's customers are the rural electric cooperatives, municipalities and Federal installations declared preference customers by Congress. The arrangement saves the companies money and permits the Government's customers to buy electricity at material savings. It likewise saves the necessity of dual transmission facilities of which we hear so much.

(2) The Short amendment, to be found on page 5, lines 8, 9 and 10 was voted by the House to kill the $1,560,600 appropriation for the Western Missouri Project, for which the last Congress provided $2,936,250, of which $2,225,000 has been obligated. While the Senate committee will move to strike the House amendment, it proposes on page 5, line 4 to cut out funds for the project. This project involves construction of a transmission line connecting two REA lines being built to the $85,000,000 Bull Shoals dam now nearing completion.

United States Senate  
COMMITTEE ON FINANCE  
July 6, 1951
and the $30,000,000 Norfork dam, and will provide electric service to the KAMO Electric Cooperative and to the city of Springfield, Mo. The project is necessary to integrate the REA cooperative systems in Missouri, and will aid in making available at half of its present cost an adequate supply of electricity for 150,000 southern Missouri farm families.

(3) The Keating amendment, which begins on page 18, line 24 of the bill nullifies the effectiveness of wheeling contracts between the private companies and the Bureau of Reclamation in 17 western states. Even as rewritten by the Senate committee, the amendment raises serious questions as to what transmission lines can or cannot be built regardless of action taken elsewhere in the bill or by previous sessions of the Congress. The qualifying language is such that it could make it impossible to carry out many projects for which the Senators have supported individual appropriations. The amendment would operate to let the private power companies, rather than the Congress, determine which Federal transmission lines will be built and which of the Government's customers will receive the benefits of low cost Federal power.

The members of the Senate who join with me in this letter in behalf of the REA people include Senators Sparkman, Monroney, Hennings and Hill.

With all good wishes, I am  

Sincerely yours,  

Rob't. S. Kerr