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1943

Profiteers
Senator Bunker, D. Cal.

104 G. 8

Defense Plant Probe Asked

Fraud Perpetrated On U. S., Senator Charges

WASHINGTON, April 9. (AP)—Senator Bunker (D-Nev.) charged in a senate address today that an agreement between the defense plant corporation and Basic Magnesium, Inc., of Cleveland, O., for construction of a \$63,000,000 magnesite refinery at Las Vegas, Nev., "is so sinister as to indicate that some officials of our government are guilty of malfeasance."

He demanded a thorough investigation of the defense plant corporation, a subsidiary of the reconstruction finance corporation, and added:

"If the agreement between the defense plant corporation and Basic Magnesium, Inc., represents a cross section of conduct on the part of the defense plant corporation, I can come to only one conclusion: We are tolerating the existence of an agency of the government that is so corrupt that it would make profiteering in the last war look like petty larceny by comparison."

BETRAYAL OF PEOPLE.
"The fraud that is being perpetrated by the defense plant corporation is a betrayal of the president and the American people."

Last week Bunker told the senate that Basic Magnesium, Inc., stood a chance of making a profit of 4280 per cent in one year on an admitted investment of less than \$50,000.

Previously, the special senate committee that is investigating national war projects reported that hearings it conducted at Las Vegas at Bunker's request indicated that Basic Magnesium, Inc., was guilty of "one of the most flagrant attempts at war profiteering."

Bunker, youngest member of the senate, declared today the ramifications of the transaction were so far reaching as to "project Basic Magnesium, Inc., into the picture of international intrigue, involving English and German interests."

GERMAN AGREEMENT.

Forty-five percent of the stock in Basic Magnesium, Inc., he said, was owned by Magnesium Elektron, Ltd., of England. The English company, he added, obtained that interest by agreeing to furnish a magnesium refining process it obtained under an agreement with I. G. Farbenindustrie of Germany.

Bunker said the other 55 percent of the stock was owned by Basic Refractories, Inc., of which Howard P. Eells Jr. of Cleveland, O., is president. Basic Refractories obtained its interest by transferring its rights in 36 public domain mining claims in Nye county, Nev., to Basic Magnesium, Inc., on which some development work had been done. Eells also is president of the subsidiary, Basic Magnesium, Inc., Bunker said.

"These claims, on which basic Refractories admittedly expended less than \$50,000, represented the sole assets of Basic Magnesium, Inc., the corporation which the defense plant corporation is giving \$63,000,000 to build a refinery at Las Vegas," Bunker said.

"Neither company, Basic Magnesium, Inc., nor the English company, Magnesium Elektron, Ltd., had sufficient assets or were sufficiently financially responsible to warrant such an extension of credit on a sound business basis."

Magnesium Case: Jones Calls Charges Against His Office Untrue and Irresponsible

WASHINGTON, April 9. (UP)—Secretary of Commerce Jesse Jones today sharply described as "untrue" and "irresponsible" charges made against the Defense Plant Corporation by Senator Berkeley L. Bunker (D., Nev.).

Bunker charged in the Senate that a DPC agreement with Basic Magnesium, Inc., is "so sinister" as to suggest that some officials are "guilty of malfeasance." DPC is a subsidiary of the Reconstruction Finance Corporation and one of the several lending agencies operated by Jones.

CHARGES REVIEWED

He reviewed what he described as the "interesting and almost unbelievable expenditures of the taxpayers' money" in connection with the agreement. He listed:

1—A "gift" of \$300,000 from the Defense Plant Corporation to Basic Magnesium for "supervising" construction of the project. The sum was granted in addition to grants for salaries, wages, actual construction costs and profits, Bunker said.

2—Payment of \$211,000 to Basic Refractories, Inc., the parent of Basic Magnesium. Bunker said the sum "no doubt" includes funds for trips to Washington and the hotel expenses of Howard P. Eells Jr., Cleveland, president of Basic Refractories.

3—Payment of \$28,000 by the Defense Plant Corporation to a firm of architects, for using plans for 800 demountable houses — plans which had previously been used on another Government project.

4—Payment of \$84,000 a year to distributors of a special type of British Columbia peat moss used in manufacture of magnesium, "which they no longer have to distribute."

5—He charged that DPC is paying the traveling expenses of 45

officials of Basic Magnesium now in England studying the production process. "At the same time, DPC is paying the salaries of English technicians who are in America promoting the interests of their company," he said.

In a formal statement, Jones said: "Senator Bunker's statements made in a speech on the floor of the Senate today, accusing RFC officials of wrong-doing, are unworthy of a United States Senator and cannot go unchallenged. The Senator must know these statements are untrue."

"The magnesium plant that is being built by the Government near Las Vegas, Nev., will cost approximately \$70,000,000 and have an estimated annual capacity of 112,000,000 pounds of metallic magnesium. "The separate contractors are participating in the construction. The fees to be paid these nine contracting and engineering firms, together with the fee to Basic Magnesium, Inc., for its engineering plans, supervision, and 'know-how,' will aggregate less than 2 per cent of the total cost of the plant."

GOVERNMENT PLANT

"The operating or management fee of the plant is to be one-half cent per pound of magnesium produced, which is approximately 2 per cent of the estimated cost."

"The royalty for the ores will not exceed one-quarter cent per pound of magnesium metal produced."

"No irregularities have been discovered in the construction of the plant that would warrant the irresponsible statements made by Senator Bunker. The plant is wholly owned by the Government and will be operated for its account. All expenditures in connection with the construction of the plant as well as its operation are carefully audited as the work progresses."

LAS VEGAS AGE

SOUTHERN NEVADA'S LEADING NEWSPAPER

Established in 1905

CHARLES P. SQUIRES Editor
DOROTHY D. BRIMACOMBE Business Manager
L. V. "Lou" AFRICA Advertising Manager
E. H. JOHNSON Plant Superintendent

A weekly newspaper published every Friday for general circulation in Las Vegas, Nevada at The Age Building, 411 Fremont Street, and entered in the Postoffice as second-class matter.

Subscription Rates — \$2.50 Per Year

MORE ABOUT BASIC MAGNESIUM

Since the beginning of attacks on Basic Magnesium, Inc., the atmosphere, at first a little hazy because of various and nebulous charges against "America's No. 1 Defense Project," has been gradually but surely clearing.

As an example of the conclusions arrived at by men capable of closely and impartially analyzing a complicated situation we call attention to an editorial in The Los Angeles Times of Saturday, April 11, headed "BASIC MAGNESIUM AND SENATOR BUNK."

"If the statements of Secretary of Commerce Jesse Jones, who heads the government lending agencies, are accurate—and few will doubt Jones' word—Senator Bunker of Nevada stands convicted of being an irresponsible blabbermouth who should have the last syllable of his name elided.

"Cloaked in Senatorial immunity, Senator Bunker made sensational charges on the floor of Congress about the Basic Magnesium, Inc., plant near Las Vegas and Boulder City, asserting that under the setup the company stood to make 4280 per cent profit on a \$50,000 investment. Bunker intimated that "high government officials" had been corrupt, though without naming them.

"Since Jones is the government official responsible, this part of the charge reflected on him.

"Jones declares in answer that the company's investment is not a mere \$50,000, but many millions; that the construction fees will aggregate less than 2 per cent of the cost of the plant; that royalty for ores will not exceed 1/4 cent per pound for the magnesium produced, and that the fee for operation will not exceed 1/2 cent per pound, or approximately 2 per cent.

"Bunker's charge that a British company, which he said is concerned in the patent rights, is in reality controlled by German interests, appears absurd on its face. The British government is distinctly not permitting anything of that sort; any German interest in British corporations has long since been taken over.

"The Constitution provides that for what members of Congress say upon the floor of either house they 'shall not be questioned in any other place.' This generally useful and salutary provision seems to have been gravely abused by Senator Bunker. The Senate can and should call him to account."

ARSON AND FALSIFICATION

In the first outburst of bitter criticism by Senator Bunker against Basic Magnesium, Inc., strong intimations were made that the fire which destroyed the administration building at the plant was "conveniently timed" by its officials for the purpose of covering falsifications of their records.

Later, following the so-called investigation by the Truman Committee, which was in no sense an investigation but a convenient means of making public unsubstantiated charges against the company and its officials, it was strongly intimated that Secretary of Commerce Jesse Jones and his assistants in the Defense Plant Corporation were guilty of frauds against the government of the United States.

Coming at this time when America is engaged in war and is struggling to prepare herself for that supreme "War for Survival" which looms like a thunder cloud ahead of us, all

Fraud Charged in Magnesium Plant

Nevada Senator Says F. R., People Betrayed

WASHINGTON, April 11 (UP)—Federal Loan Administrator Jesse H. Jones and Senator Berkeley L. Bunker (Dem., Nev.) yesterday were involved in dispute whether a magnesium plant contract perpetrated a "sinister fraud" constituting a "betrayal of the President and the American people."

DEVELOPMENTS LISTED

Developments, which started yesterday, were these:

1. Bunker charged on the Senate floor that an agreement between the Defense Plant Corporation, an RFC subsidiary, and Basic Magnesium, Inc., of Cleveland, produced the fraud and demanded a "complete investigation."

2. Jones angrily denied the accusations, saying they were "untrue and irresponsible" and that "the Government's interests are being fully protected."

3. Bunker returned today with the statement that he based his criticism on testimony at western hearings of the Senate Defense Investigating Committee, and will repeat them in the Senate next week, when he will give Jones "a free ride."

SPECIFIC CHARGES

Bunker's specific charges were that the DPC negotiated a contract with Basic Magnesium for a \$63,000,000 plant at Las Vegas, Nev., which will enable the company to make a 4280 per cent profit on an investment of \$50,000. He said "extortionate salaries" are being paid 42 Basic Magnesium executives, and that the agreement was "so sinister as to indicate that some officials of our government are guilty of malfeasance in the performance of their duties."

FURTHER CHARGE

He further charged that 45 per cent of Basic Magnesium's initial stock is held by a British concern, Magnesium Elektron, Ltd., which operates under a licensing agreement obtained from I. G. Farbenindustrie, giant German chemical trust.

Jones replied that the Nevada plant will cost \$70,000,000, and is being constructed by nine separate contractors, with all construction fees aggregating "less than 2 per cent of the total cost."

those charges assume an overwhelming importance. Yet the committee and Senator Bunker, in session here, studiously avoided any comment or investigation of the arson or falsification of records charge.

Now, after Jesse Jones has vigorously refuted the charges against him and his department, that angle of the "investigation" appears to have been dropped.

If the charges of arson and falsification of records, the most serious of all the charges against Basic Magnesium, Inc., are true, the perpetrators should be promptly placed behind prison bars and tried for their crimes.

If the charges against Jesse Jones are true, he should be promptly removed from the important positions in the federal government he has filled for nearly ten years past.

If the charges are untrue, but made for the purpose of inflaming the public mind and creating a political issue, that comes dangerously close to being an effort to sabotage America's No. 1 defense project.

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APR 11 1942

Plant Inquiry Demand Made

WASHINGTON, April 10 (INS)—Senator Berkeley L. Bunker, democrat, Nevada, Friday demanded an early and complete investigation of a \$70,000,000 magnesium plant being constructed in Nevada with government funds.

Bunker made his demand after RFC chairman Jesse Jones bitterly assailed the senator for alleging that "frauds" are being perpetrated by the defense plant corporation, an RFC agency, and the Basic Magnesium corporation, builders of the plant.

Stung by Bunker's continued charges against the defense plant corporation, Jones criticized the senator for making "false and misleading statements . . . unworthy of a United States senator."

Profiteering Charged

Refusing to back down, the Nevada senator, retorted that Jones "evidently doesn't know what is going on in his own organization."

Urging the Truman defense investigating committee to speed public hearings on the matter, Bunker said he would further answer Jones on the senate floor Monday.

The Nevadan charged that the contract with Basic Magnesium, an American-English owned firm which plans to extract magnesium from public land, is one of "the most scandalous stories of war profiteering that has ever come to the attention of the Truman committee."

The firm, he said, stands to make a profit of 4280 per cent by putting up only \$50,000 of the cost of the \$70,000,000 project.

Las Vegas Review Journal
April 10, 1942

Senator Bunker on Prospecting Trip

Shown Tungsten Ore by Fluorescent Light During Cold Night on Desert

(The Mining Record)

FALLON, Nev.—When U. S. Senator Berkeley L. Bunker was recently on a prospecting trip during one of the coldest nights in March to explore tungsten deposits in southern Churchill county, he spent hours facing the chill of mountain winds, admiring the glow of scheelite under fluorescent lights.

He had been persuaded by Cye Cox of Fallon, well known Nevada prospector, to see for himself the numerous deposits of tungsten ore now greatly needed for the war efforts. In company with another prospector, W. G. Jones, also of Fallon, Senator Bunker walked from claim to claim where the scheelite crops at the surface.

The object, Cox said this week, was to show what Nevada claim owners have to offer in strategic metals which cannot be marketed because there is no mill nearby to produce the concentrates. For \$5000, Cox told the senator, a small mill could be built to handle a substantial amount of this ore. But, he added, "if the government were to build a mill, it would cost \$50,000."

The prospector told the senator that there is a wide gap between the geological survey and the bureau of mines on the one hand, and small prospectors over the country who would and could produce if they had the outlet. Present financing stoppage and present methods of exploration do not encourage prospecting and development lags, Cox declared.

★ Peter Edson

WASHINGTON, April 10.—“One of the most flagrant attempts at war profiteering to come to its notice” is to be given a Washington airing some time soon when Sen. Harry S. Truman's special committee investigating national defense has a further look at the affairs of Basic Magnesium, Inc., Cleveland, Ohio, operating company now building a \$63,000,000 magnesium plant near Las Vegas, Nev., using the government's defense plant corporation money.

A subcommittee of senators under Mon C. Wallgren of Everett, Wash., had a preliminary look at Basic Magnesium's layout several weeks ago. What the senators found there was evidence that the company, on an original investment of \$50,000 to prove magnesite ore deposits claimed from the public domain, stands to make a possible \$280,000 per year royalties, plus a possible \$560,000 per year operating fee, for the next 30 years. Hence the committee's label of “flagrant war profiteering.”

The story behind Basic Magnesium is another of those romances of big business, rivaling in some respects the Truman committee's current disclosures on the I. G. Farbenindustrie, or German dye trust attempts to control synthetic rubber development in the United States. As a matter of fact there is even a chapter in the Basic Magnesium story that leads back to I. G. F. control of the process which B. M. I. proposes to use.

Up to the beginning of the defense emergency, the United States had only one magnesium plant in operation, a 9000 tons per year unit run by the Dow Chemical Co. of Midland, Mich., which extracted the metal from salt water. Additional United States consumption of this metal, lighter than aluminum and valuable as an alloy to give aluminum extra hardness, had been met by imports from Europe.

German metallurgists had really pioneered the development of the metal, but in 1936 a British operating company, British Elektron, Ltd., began extensive reduction of the ore in England, licensed to operate under patents controlled by I. G. Farbenindustrie. In the United States these patents are supposedly controlled but not developed by Magnesium Development Co., a holding company jointly owned by the Aluminum Company of America and I. G. F.

Other industrialists in America also saw the possibilities of magnesium development. Among them were the Hanna interests of Cleveland, for years operators of coal and iron properties in the Great Lakes area. The Hanna interests sent engineers to England to study British Elektron operations, with an eye to developing the magnesite ore deposits in Nevada.

The result was the formation of Basic Magnesium, 45 per cent owned by the British who were to furnish the “know how” of operation, 55 per cent owned by Basic Refractories, a Hanna holding company which in turn owned, as a subsidiary, Basic Ores, which acquired the Nevada magnesite deposits—if you can follow that corporate daisy chain.

Profiteers blasted as Bataan defenses fall

WASHINGTON, April 10.—(UP)—Sen. Berkeley L. Bunker, D., Nev., announced the fall of Bataan in the senate yesterday and attacked as “worthy of contempt” individuals who, he said, had taken “unconscionable profits and slowed up production.”

Bunker obtained the floor immediately after the senate met.

“A pall of sadness will fall over the American people when they realize that Bataan has fallen and two British warships have been sunk,” he said.

“Those individuals who have taken unconscionable profits out of the war effort and who have slowed up war production are worthy of contempt.”

Other members of congress praised the Bataan defenders and joined in pledging that every effort would be made to redeem and liberate the Philippines.

Chairman Tom Connally, D., Texas, of the senate foreign relations committee said “our forces on Bataan had been at a disadvantage” because “Japan has had inexhaustible manpower with which to reinforce its army.”

“Eventually all lost ground will be recaptured and the Philippines liberated,” he said.

Chairman Andrew J. May, D., Ky., of the house military affairs committee:

“It's tough to lose the Philippines, but damn them, we'll be back.”

Sen. Ed C. Johnson, D., Colo., a member of the senate military affairs committee:

“The overwhelming odds against General Wainwright made this news fully anticipated. It is bad news. This is additional evidence of the seriousness of the situation and calls for sacrifices necessary on the part of every American.”

Original plans of Basic Magnesium called for a plant with a modest 5000 tons a year capacity. Then came the war, and the demands for magnesium zoomed. After consulting the army and the defense plant corporation, the company multiplied these plans gradually by 11 plus, with the result that contracts were let for the \$63,000,000 plant with a capacity of 56,000 tons of ore a year, which was announced in mid-August, 1941. Basic Magnesium didn't have to put up a cent beyond its nominal costs for promotion and proving the ore, estimated at from \$25,000 to \$50,000.

Under the contract, the government retains title to the plant, but Basic Magnesium was given a cost plus fixed fee contract for operation and construction. Basic Magnesium is to receive a \$300,000 fee plus cost for construction and engineering although, according to Senator Wallgren's subcommittee, the company had little or no construction experience and though more than \$1,000,000 is to be paid in fees for construction, engineering and architectural services being performed by others.

Further, if the defense plant corporation should cancel the contract, the government would have to pay Basic Magnesium \$1,000,000 and double the royalties on the ore from \$1 to \$2 a ton, although the Basic Refractories is now leasing quarries near Las Vegas on payment of 25 cents per ton royalty.

All this is what the full Truman committee will investigate when it opens hearings in Washington.

Jesse Jones blazes back at senator

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He further charged that 45 per cent of Basic Magnesium's initial stock is held by a British concern, Magnesium Elektron, Ltd., which operates under a licensing agreement obtained from I. G. Farbenindustrie, giant German chemical trust.

Jones replied that the Nevada plant will cost \$70,000,000 and is being constructed by nine separate contractors with all construction fees aggregating “less than 2 per cent of the total cost.”

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Basic Magnesium and Senator Bunk

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but many millions; that the construction fees will aggregate less than 2 per cent of the cost of the plant; that royalty for ores will not exceed ¼ cent per pound for the magnesium produced, and that the fee for operation will not exceed ½ cent per pound, or approximately 2 per cent.

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The Constitution provides that for what members of Congress say upon the floor of either house they “shall not be questioned in any other place.” This generally useful and salutary provision seems to have been gravely abused by Senator Bunker. The Senate can and should call him to account.

As You Might Say---

By Ed Ainsworth

HOOVER DAM, April 10.—A lot has been said in this war about “the men behind the men behind the guns” . . . But not enough honor has been paid to “the women behind the men behind the men behind the guns.” In all this great desert area over here you see the new pioneer women of the West—the wives and mothers of the workers of the great Basic Magnesium plant between here and Las Vegas, and of the other war workers in this strategic area . . . They are living in trailers and in tents behind almost every sage-

brush clump . . . They don't have running water or bathrooms or electric ice boxes but their kids are clean and nicely dressed and there's a new shiny bicycle wherever there's a young son and tricycles for little girls . . . The women are friendly and seemingly content out under the desert skies . . . The thing they secretly long for most is a hot bath in a real bathtub . . . There is no complaining, no heroics . . . These women are living almost the same life as that of their grandmothers who came across the plains in '49 . . . They are real soldiers of 1942 . . .

APR. 11, 1942
FT. WORTH, TEX., MORN STAR

Senator Again Blasts Jones

Nevada Lawmaker Refers to 'Brawl' Between Editor and Commerce Secretary.

WASHINGTON, April 10 (P).—Commerce Secretary Jones, who gave a newspaper publisher a shaking up Thursday night as a result of a controversy over the rubber shortage, found himself attacked from another quarter Friday.

Senator Bunker of Nevada, who has been feuding with Jones for several days over a magnesite refining project at Las Vegas, Nev., issued a statement saying Jones was laboring under a “misapprehension as to what constitutes a public trust.”

Bunker has charged that the Defense Plant Corporation, which is under Jones' jurisdiction, entered into a “sinister” contract with a Cleveland magnesium firm and that private promoters of the project were making “unconscionable profits.” Jones replied that the charges were false, misleading and “unworthy of a United States Senator.”

Statement Quoted.

Bunker's statement Friday said: “Apparently Jesse Jones, who find time to make a fool of himself in public brawls, hasn't read the contract drawn up by some of his numerous attorneys whereby the Defense Plant Corporation is to build a \$63,000,000 magnesite refinery at Las Vegas, Nev., for the benefit of Basic Magnesium, Inc.”

The remark about “brawls” was a reference to an incident Friday night at a meeting of the Alfalfa Club, good-fellowship organization, attended by many Washington notables.

The Washington Star said that Jones, irked by an editorial in the Washington Post, seized its editor and publisher, Eugene Meyer, by the shoulders and shook him until his glasses fell off.

Hearing the tinkle of Meyer's glasses on the floor, friends stepped in and halted further hostilities. The Star said that the friends also led away former Representative John J. O'Connor of New York “who apparently wished to join up on one side or the other and came in swinging.”

Editorial Critical.

The Post editorial had stated that Jones, head of the RFC Rubber Reserve Company, “fell down rather badly on the job of acquiring and producing sufficient rubber to meet an emergency that we should have foreseen and prepared for with feverish haste.”

Jones has emphatically denied that the RFC overruled recommendations of the Defense Commission in 1940 for a 100,000-ton annual production of synthetic rubber. He asserted that the program has been carried out and that production would reach a rate of 700,000 tons annually by the end of 1943.

President Roosevelt, asked at a press conference whether he had “heard anything from Jones or Meyer since the battle,” remarked that he had no news on the subject. In response to further questions, he said he hoped he would not be made referee.

468 Heard in Washington

Jones' Probe To Widen Out



WASHINGTON, April 11.—Look for more headlines before the full story of Jesse Jones' war activities is told. Truman Committee isn't through investigating Basic Magnesium, Inc.; will summon more witnesses. Also it's been asked to investigate entire Defense Plant Corp.—in other words, Jones. May do so.

Jones' attack of litters has Washington gossiping. It's his first in 10 years. (He was a Hoover appointee, was entrenched before Roosevelt arrived.)

Jones used to laugh off criticism. Now he's touchy, sharp, talking personalities, has broken out in a rash of statements, denials. Physical attack on publisher Meyer was the climax.

Still unanswered by Jones: Senator Bunker's first speech on Basic Magnesium; Truman committee report which said, among other things, that Defense Plant Corp.'s contract with Basic Magnesium "seems to put a premium on mismanagement and incompetency" and is "one of the most flagrant attempts at war profiteering" to come to its notice.

Score on Jones' war powers since Pearl Harbor: four lost, another threatened, one gained.

Losses: Donald Nelson demanded last word on war financing when he took WPB job, and got it.

Loans to little business taken away.

Control over housing taken away.

Appointment of rubber co-ordinator curbs him.

Threatened: His control over buying stockpiles of critical materials. Board of Economic Warfare wants it.

Gain: Presidential executive order just issued says that Jones, as well as other contract-letting officials, may review own contracts for excessive profits, poor results. That includes Defense Plant Corp. contracts.

Gain is likely to be temporary. Congress, out to write curb on profits, is almost certain to nullify it.

Attack by Senator Bunker of Nevada on Basic Magnesium contract may mean hot re-election fight for him. BMI's president, Howard P. Eells, Jr., has been praising Representative James G. Scrugham as Senatorial timber. Scrugham's expected to file for Bunker's seat.

Oil transportation situation is black; worse than country realizes.

Oil men, aware of this, meet in New York Monday to try to frame a transportation program based on the most pessimistic premise yet advanced—that tankers are out for the duration; that all oil reaching East Coast must be shipped inland.

Program will call once more for new pipelines, increasing capacity of existing lines, linking existing lines. Will suggest use of both new and used pipe. This time oil men hope to get steel priorities where needed. Pipe line might have been functioning now if SPAB and WPB hadn't stopped it last year.

Look for a new drive urging conversion of oil furnaces to coal; for further economies in use where this is not possible.

First returns from Congressional pulse-taking project of past two weeks: In Ohio anyone who accuses the people of being complacent takes a chance with his life. People are itching to do something for war effort. They're humiliated by defeats in Far East are looking for somebody to sock. Just as they feared, Congressmen are likely to be "it."

Senate's in a dither over whether or not it dares appropriate \$163,000 for hiring itself additional clerks. It's afraid of another uproar like that over Congressional pensions—but Senators say work is piling up.

Despite delays, House will act soon (probably this month) on Allowance-and-Allotment bill, providing support for soldiers' dependents, and on amendment to Soldiers and Sailors Relief act, giving moratorium on time payments while a man is in service.

Look for revival of demands for legislation banning the closed shop, or freezing status quo, as result of Friday's War Labor Board decision. Board ruled that employees of Walker-Turner Co. who have dropped out of CIO Electrical Workers' Union since Nov. 27 must rejoin it. Employer members dissented vigorously, said issue was so vital Congress should decide it. Little Steel, Harvester and other important cases involving the same issue are pending.

Stimulating the new drive for across-the-board price ceilings is

recent Bureau of Labor statistics report showing retail food prices went up 20.5 per cent in a year.

President's recent thumbs-down on "incentive pay" didn't go well with either employers or workers in one representative metal-working industry: One-fifth of the men there now work on piece rates, earn slightly more than they would working by the hour. Employers fear they'll ask higher hourly rates if piecework is abolished; this would mean general pay increase.

Incidentally, presence of war tools piled up on shipping platforms is affecting plant morale, discouraging management-labor committees formed to increase production. Goods don't start moving to ports till cargo space is assured.

Government may try to find faster method of settling shop disputes, blamed for "slowdowns" when they drag on. Slowdowns worry both labor and management. President R. J. Thomas of United Auto Workers said at emergency meeting in Detroit this week that in some cases men take eight hours for work they should finish in two or three hours, blamed industry for not adopting Reuther Plan. Nevertheless reports show automobile conversion program on the whole ahead of schedule.

EDSON'S WASHINGTON COLUMN

From Rags to Riches the Magnesium Way Is Called "Most Flagrant War Profiteering"

468
BY PETER EDSON
NEA Service Washington Correspondent

WASHINGTON.—"One of the most flagrant attempts at war profiteering to come to its notice" is to be given a Washington airing some time soon when Senator Harry S. Truman's special committee investigating national defense has a further look at the affairs of Basic Magnesium, Inc., Cleveland, O., operating company now building a \$63 million magnesium plant near Las Vegas, Nev., using the government's Defense Plant Corporation money. A sub-committee of senators under Mon C. Wallgren of Everett, Wash., had a preliminary look at Basic Magnesium's layout several weeks ago. What the senators found there was evidence that the company, on an original investment of \$50,000 to prove magnesite ore deposits claimed from the public domain, stands to make a possible \$200,000 per year royalties, plus a possible \$500,000 per year operating fee, for the next 30 years. Hence the committee's label of "flagrant war profiteering."



Edson

The story behind Basic Magnesium, Inc., is another of those romances of big business, rivaling in some respects the Truman committee's current disclosure on the I. G. Farbenindustrie, or German dye trust attempts to control synthetic rubber development in the United States. As a matter of fact there is even a chapter in the Basic Magnesium, Inc., story that leads back to I. G. F. control of the process which B. M. I. proposes to use.

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ORIGINAL plans of Basic Magnesium called for a plant with a modest 5000 tons a year capacity. Then came the war, and the demands for magnesium zoomed. After consulting the Army and the Defense Plant Corporation, the company multiplied these plans gradually by 11 plus, with the result that contracts were let for the \$63 million plant with a capacity of 50,000 tons of ore a year, which was announced in mid-August, 1941. Basic Magnesium didn't have to put up a cent, beyond its nominal costs for promotion and proving the ore, estimated at from \$25,000 to \$50,000.

R. 11, 1942
WASHINGTON THE STAR 417

TEXAN TAKES OFFENSE AT PAPER STORY

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"Brawls in Public"

Bunker's statement Friday said: "Apparently Jesse Jones, who finds time to make a fool of himself in public brawls, hasn't read the contract drawn up by some of his numerous attorneys whereby the Defense Plant Corporation is to build a \$63,000,000 magnesite refinery at Las Vegas, Nev., for the benefit of Basic Magnesium, Inc."

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The Situation in Washington

By Peter Edson

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Under the contract, the government retains title to the plant, but Basic Magnesium was given a cost-plus fixed-fee contract for operation and construction. Basic Magnesium is to receive a \$300,000 fee plus cost for construction and engineering although, according to Senator Wallgren's sub-committee, the company had little or no construction experience and though more than \$1,000,000 is to be paid in fees for construction, engineering and architectural services being performed by others. Further, if the Defense Plant Corporation should cancel the contract, the government would have to pay Basic Magnesium \$1,000,000 and double the royalties on the ore from \$1 to \$2 a ton, although the Basic Refractories company is now leasing quarries near Las Vegas on payment of 25 cents per ton royalty.

All this is what the full Truman committee will investigate when it opens hearings in Washington.

NEW YORK CITY - TIMES
APR 11 1942

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Senator Raps RFC Head for Shaking Editor, Charges "Sinister" Contract



JESSE H. JONES.



EUGENE MEYER.

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"The fraud that is being perpetrated by the Defense Plant corporation is a betrayal of the president and the American people."

Last week Bunker told the senate that Basic Magnesium, Inc., stood a chance of making a profit of 4280 per cent in one year on an admitted investment of less than \$50,000.

Previously, the special senate committee that is investigating national war projects reported that hearings it conducted at Las Vegas at Bunker's request indicated that Basic Magnesium, Inc., was guilty of "one of the most flagrant attempts at war profiteering."

Bunker, youngest member of the senate, declared today that the ramifications of the transaction were so far reaching as to "project Basic Magnesium, Inc., into the picture of international intrigue, involving English and German interests."

APR 11 1942

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Jones Assailed On Plant Deal

Senate Told Magnesium Company Will Make 4280 Per Cent Profit in Year

PM's Bureau

WASHINGTON, Apr. 10—Criticism of Commerce Secretary Jones is mounting in Congress.

Sen. Berkeley L. Bunker (D., Nev.), yesterday demanded an investigation of Jones's Defense Plant Corp. (DPC), asserting the contract it had signed for a \$63,000,000 magnesium plant at Las Vegas, Nev., was "so sinister as to indicate that some officials of our Government are guilty of malfeasance."

Jones promptly called the charge "untrue and irresponsible."

Directing his attack at the agency, rather than at Jones personally, Bunker told the Senate:

"If the agreement between the DPC and Basic Magnesium, Inc. represents a cross section of conduct on the part of the DPC, I can come to only one conclusion: we are tolerating the existence of an agency of the Government that is so corrupt that it would make profiteering in the last war look like petit larceny by comparison.

Called 'Betrayal'

"The fraud that is being perpetrated by the DPC is a betrayal of the President and the American people."

Bunker's strong language was based on a contract under which he said Basic Magnesium, Inc. would realize a 4280 per cent profit in a single year on an investment of less than \$50,000.

He said the DPC had agreed to pay the company \$300,000 for supervising construction of the plant, \$280,000 a year royalty on ore taken from public-domain claims, and an estimated \$560,000 for management and operation of the plant annually. Furthermore, if the plant is turned over to another operator, the DPC will have to pay the company \$1,000,000 and royalties on the ore will be increased to \$560,000 annually.

Despite Jones's defense of his handling of the rubber situation before the Senate Truman Committee this week, the Committee is expected to submit a report soon that will not add to the Secretary's prestige.

Many members of the Committee still are convinced that Jones delayed the synthetic-rubber program for months. There is considerable criticism of him within the Committee, also, for the kind of contracts he has finally made with the rubber and oil companies.

With this reaction in Congress, President Roosevelt may soon agree further to curtail Jones's powers. Some of them may be transferred to the Board of Economic Warfare.

SENATOR HITS JONES ON MAGNESITE WORK

Suggests He Read 'Sinister' Contract On Huge Profits

WASHINGTON, April 10 (A. P.).—Secretary of Commerce Jesse Jones, who gave a newspaper publisher a shaking last night as a result of a controversy over the rubber shortage, found himself attacked from another quarter today.

Senator Berkeley L. Bunker (D., Nev.), who has been feuding with Jones for several days over a magnesite refining project at Las Vegas, Nev., issued a statement saying Jones was laboring under a "misapprehension as to what constitutes a public trust."

'SINISTER' CONTRACT

Bunker has charged that the Defense Plant Corp., which is under Jones' jurisdiction, entered into a "sinister" contract with a Cleveland magnesium firm and that private promoters of the project were making "unconscionable profits." Jones replied that the charges were false, misleading and "unworthy of a United States Senator."

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IRKED BY EDITORIAL

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APR 11 1942

DEFENSE PACT SINISTER SAYS NEVADA SOLON

WASHINGTON, April 10 (AP)—Senator Bunker (D., Nev.) charged in a senate address Thursday that an agreement between the Defense Plant corporation and Basic Magnesium, Inc., of Cleveland, O., for construction of a \$63,000,000 magnesite refinery at Las Vegas, Nev., "is so sinister as to indicate that some officials of our government are guilty of malfeasance."

He demanded a thorough investigation of the Defense Plant corporation, a subsidiary of the Reconstruction Finance corporation, and added:

"If the agreement between

SENATOR CHARGES FEDERAL AGENCY WITH CORRUPTION

'Profiteering' Attack in
Magnesium Deal Re-
sented by Jones

WASHINGTON, April 9 (AP)—A charge that the Defense Plant corporation had entered into a "sinister" war profiteering contract with a Cleveland magnesium firm was made in the senate today by Senator Bunker (D. Nev.) and promptly was denounced by Jesse Jones as "false" and "unworthy of a United States senator."

The Defense Plant corporation is a subsidiary of the Reconstruction Finance corporation which, in turn, operates under the commerce department headed by Jones.

Bunker declared the Defense Plant corporation had agreed to lease a \$63,000,000 magnesite refinery at Las Vegas, Nev., to Basic Magnesium, Inc., on terms "so sinister as to indicate that some officials in our government are guilty of malfeasance."

If the agreement, he added, represented "a cross section of conduct on the part of the Defense Plant corporation, I can come to only one conclusion: We are tolerating the existence of an agency of the government that is so corrupt as to make profiteering in the last war look like petty larceny by comparison."

Bunker said Basic Magnesium, Inc., was a child of the "fertile promotional brain" of Howard P. Eells, Jr., of Cleveland, president of Basic Refractories, Inc.

Basic Refractories transferred to the subsidiary magnesium firm development rights on 36 mining claims on the public domain in Nye county, Nevada, Bunker said, adding:

ASSETS OF \$50,000

"These claims, on which Basic Refractories admittedly expended less than \$50,000, represented the sole asset of Basic Magnesium, Inc., the corporation to which Defense Plant corporation is giving \$63,000,000 to build a refinery at Las Vegas."

"Prior to the formation of Basic Magnesium, Inc., and prior to the signing of the contract, Basic Refractories claimed to have expended in the promotion of this enterprise and the negotiation of the contract, the sum of \$211,000. This no doubt includes Eells' numerous trips to Washington and entertainment at the Mayflower hotel. This sum is now being repaid by the Defense Plant corporation to Basic Refractories."

"In other words, the government paid the corporation for promoting its officials out of \$63,000,000."

MARGIN OF PROFIT

"And finally, remember this! The product of the plant is not to be furnished the government at cost. The contract provides that the product shall be sold at a reasonable price designed to yield a fair margin of profit."

When word of Bunker's assertions reached Jones, the latter issued a statement saying the speech contained "false and misleading statements" which Bunker "must know are untrue" and which took "no courage to make under his cloak of immunity."

The plant, Jones declared, would cost about \$70,000,000, would have an estimated annual capacity of 112,000,000 pounds of metallic magnesium, was contracted for at the request of the Office of Production Management and the war department, and "the government's interest is fully protected."

Nine separate contractors are

participating in the construction," Jones said. "The fees to be paid these nine contracting and engineering firms, together with the fee of Basic Magnesium, Inc., for its engineering plans, supervision and 'know how' will aggregate less than 2 per cent of the total cost of the plant."

NO IRREGULARITIES

"The operating or management fees of the plant is to be one-half cent per pound of magnesium produced which is approximately 2 per cent of the estimated cost. The royalty for the ores will not exceed one-quarter cent per pound of magnesium metal produced."

"No irregularities have been discovered in the construction of the plant that would warrant the irresponsible statements made by Senator Bunker. The plant is wholly owned by the government and will be operated for its account. All expenditures in connection with the construction of the plant as well as its operation are carefully audited as the work progresses."

Bunker, discussing what he termed the "international angle" of Basic Magnesium, said 45 per cent of the stock in the firm was given to Magnesium Elektron, Ltd., of England, which furnished a refining process obtained under a licensing agreement from the I. G. Farben Industrie of Germany.

The remaining 55 per cent of stock, he said, was held by Basic Refractories.

Last week Bunker read into the senate record a list of what he called "extortionate" salaries paid to 42 officials of Basic Magnesium, and said the firm stood to make a \$250 per cent profit on an "admitted investment of less than \$50,000."

JESSE JONES WINS REBUKE FOR BRAWL

Bunker Intimates Secretary
Might Curb Profiteering
Instead of Quarreling

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SENATOR RENEWS ATTACK ON JONES AFTER CLUB BRAWL

Bunker Defends Editor
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NEVADA SOLON ASSAILS JONES

Bunker Declares Commerce
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in Magnesite Deal

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WITH TEXAN AFTER JONES
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SLAPS AT SEC. JONES OVER GREAT PROFITS ON DEFENSE CONCERN

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From
DEMOCRAT-CHRONICLE
Rochester, N. Y.

APR 11 1942

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From
INQUIRER
Philadelphia, Pa.
APR 11 1942

SENATOR HITS JONES ON MAGNESITE WORK

Suggests He Read 'Sinister' Contract On Huge Profits

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Copies Christ

Jesse Jones and Authors Of 'Merry-Go-Round' in Row

Robert S. Allen and Drew Pearson, authors of The Daily Bulletin's widely-discussed column, the Washington Merry-Go-Round, have locked horns with Jesse Jones, secretary of commerce.

The dispute concerns certain statements made in the column published April 1. In a letter to The Bulletin yesterday, Jones said:

"There is no truth in the Merry-Go-Round story of April 1 about me. The subject never was mentioned between the President and me, and I am informed by Sidney Weinberg that he never at any time made any such statement to

anyone as that accredited to him. Effectively all references to me and my work by those commentators over the years have been made for the purpose of injuring me, and where there has been any basis for reference to me, the facts are maliciously distorted through innuendo. This article is typical of their column."

In reply to Jones' statement, Allen wrote the following reply:

"Mr. Jones' statement that the President did not inform him he would have to relinquish his control over loans to small business is patently disproved by the fact that President Roosevelt last week issued the order stripping Jones of this authority. The announcement was publicly made at the White House. Regarding the exchange of words between Jones and Sidney Weinberg, this information came from an official who participated in the conference. My informant holds an important position in the war agencies and I know him from long experience to be a man of complete reliability and integrity with no axe to grind. The Merry-Go-Round has at no time made any statement with the purpose of injuring Mr. Jones. We are interested solely in reporting the facts. It is not our fault if the facts in handling the rubber situation reflect upon Mr. Jones' good judgment. Everything we printed exclusively about his handling of this situation has been confirmed by officials and Congressional committees. As recently as May 1941 Mr. Jones publicly reported that 'We have rubber enough to run us at least one and one-half years if we were cut off tomorrow from a supply of natural rubber.' This is no innuendo. It is a plain statement of fact typical of the column."

"In a formal report today, April 2, the Senate Committee Investigating the War Program described an agreement between Jesse Jones's Defense Plant Corporation and Basic Magnesium, Inc., a private firm, as 'one of the most flagrant attempts at war profiteering' to come to its notice. The company, the committee said, is asking a royalty of \$1 a ton on ore, which would mean an annual return of \$280,000 on a total investment of 'not over \$50,000.'

JESSE JONES AGAIN ATTACKED

Shakes Newspaper Publisher Then Faces Senator's Blast

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Bunker Nips At Jesse Jones' Deals

Follows Official's Brush
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This Is Washington Calling

A Weekly Size-up by the Washington Staff of the Scripps-Howard Newspapers

WASHINGTON, April 11—Look for more headlines before the full story of Jesse Jones' war activities is told.

Truman Committee isn't through investigating Basic Magnesium, Inc. will summon more witnesses. Also it's been asked to investigate entire Defense Plant Corp.—in other words, Jones, May do so.

Jones' attack o' jitters has Washington gossiping. It's his first in ten years. (He was a Hoover appointee, was entrenched before Roosevelt arrived.)

Jones used to laugh off criticism. Now he's a touchy, sharp, talking personalities, has broken out in a rash of statements, denials. Physical attack on Publisher Meyer was the climax.

Still unanswered by Jones: Sen. Bunker's first speech on Basic Magnesium, Truman Committee report which said, among other things, that Defense Plant Corp.'s contract with Basic Magnesium "seems to put a premium on mismanagement and incompetency" and "is one of the most flagrant attempts at war profiteering" to come to its notice.

Score on Jones' war powers since Pearl Harbor: Four lost, another threatened, one gained.

Losses: Donald Nelson demanded last word on war financing when he took WPB job, and got it.

Loans to little business taken away.

Control over housing taken away.

Appointment of rubber coordinator curbs him.

Threatened: His control over buying stockpiles of critical materials. Board of Economic Warfare wants it.

Gain: Presidential executive order just issued says that Jones, as well as other contract-letting officials, may review own contracts for excessive profits, poor results. That includes Defense Plant Corp. contracts.

Gain is likely to be temporary. Congress, out to write curb on profits, is almost certain to nullify it.

Attack by Sen. Bunker of Nevada on Basic Magnesium contract may mean hot re-election fight for him. BMI's president, Howard P. Eels Jr., has been praising Rep. James G. Schugham as senatorial timber. Schugham's expected to file for Bunker's seat.

Oil transportation situation is black: worse than country realizes.

Oil men, aware of this, meet in New York Monday to try to frame a transportation program based on the most pessimistic premise yet advanced—that tankers are out for the duration; that all oil reaching east coast must be shipped inland.

Program will call once more for new pipe lines, increasing capacity of existing lines, linking existing lines. Will suggest use of both new and used pipe. This time oil men hope to get steel priorities where needed. Pipe

line might have been functioning now if SPAB and WPB hadn't stopped it last year.

Look for a new drive urging conversion of oil furnaces to coal; for further economies in use where this is not possible.

First returns from congressional pulse feeling project of past two weeks: In Ohio anyone who accuses the people of being complacent takes a chance with his life. People are itching to do something for war effort. They're humiliated by defeats in Far East, are looking for somebody to sock. Just as they feared, congressmen are likely to be "it."

Senate's in a dither over whether or not it dares appropriate \$168,000 for hiring itself additional clerks. It's afraid of another uproar like that over congressional pensions—but senators say work is piling up.

Proposal would give New York senators three new \$1500 a year clerks apiece; Pennsylvania, Ohio, California, Illinois, Michigan and Texas senators two each; others one each.

Timid members are looking for a way to get the money without a roll call.

Despite delays, House will act soon (probably this month) on allowance and allotment bill.

viding support for soldiers' dependents, and on amendment to soldiers and sailors relief act, giving moratorium on time payments while a man is in service.

Look for revival of demands for legislation banning the closed shop, or freezing status quo, as result of Friday's War Labor Board decision. Board ruled that employes of Walker-Turner Co., who have dropped out of CIO electrical workers' union since Nov. 27, must rejoin it. Employer members dissented vigorously, said issue was so vital Congress should decide it. Little Steel, Harvester, and other important cases involving the same issue are pending.

FBI is investigating reported revival in Indiana of Ku Klux Klan, with Nazi overtones; is concerned because of heavy concentration there of war industries.

Stimulating the new drive for across the board price ceilings is recent Bureau of Labor statistics report showing retail food prices went up 20.5 per cent in a year.

President's recent thumbs down on "incentive pay" didn't go well with either employers or workers in one representative metal working industry. One-fifth of the men there now work on piece rates, earn slightly more than they would working by the hour. Employers fear they'll ask higher hourly rates if piece work is abolished; this would mean general pay increase.

Building industry in defense areas isn't worried by new curtailment order; thinks Government projects will keep it busy.

Warehouse space shortage is getting more acute. Shipping difficulties started it; conversion and rationing orders double the load. Cars and tires must be stored, also refrigerators, other goods that won't be manufactured much longer.

Incidentally, presence of war tools piled up on shipping platforms is affecting plant morale, discouraging management-labor committees formed to increase production. Goods don't start moving to ports till cargo space is assured.

State unemployment-insurance systems may find their Federal contributions for administrative expense curtailed. Social Security board asked \$14,115,000 to meet a 1942 deficit; budget trimmed it; Congress trimmed it again, to \$10,000,000. Involved is congressional disapproval of plans for federalizing the insurance systems.

Government may try to find faster method of settling shop disputes, blamed for "slowdowns" when they drag on. Slowdowns worry both labor and management. President R. J. Thomas of United Auto Workers said at emergency meeting in Detroit this week that in some cases men take eight hours for work they should finish in two or three hours, blamed industry for not adopting Reuther plan. Nevertheless, reports show automobile conversion program on the whole ahead of schedule.

NEW ATTACK MADE ON JESSE JONES

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JONES IS ATTACKED FROM NEW SOURCE

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 Fight in Club

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NEW JONES RAP ON MAGNESIUM

Washington Newspaper
 Hits at Financier for
 Bungling Job

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From
TIMES-DISPATCH
Richmond, Va.

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From
OBSERVER
Charlotte, N. C.
APR 11 1942

RUBBER BRAWL STIRS CAPITAL

Jesse Jones Grabs Washington Publisher at Club and Gives Him Shaking.

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From
PIONEER PRESS
St. Paul, Minn.
APR 11 1942

NO FISTICUFFS THIS TIME—

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From
UNION-STAR
Schenectady, N. Y.
APR 11 1942

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From
REPUBLICAN
Waterbury, Conn.
APR 11 1942

Jones Again Under Fire By Bunker

Idea Of Public Trust Wrong, Senator Says

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From
NEWS & COURIER
Charleston, S. C.
APR 11 1942

SENATOR RENEWS ATTACK ON JONES

Bunker Says Secretary Has Not Read Contract for Magnesite Plant

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From
TRIBUNE
Tampa, Fla.
APR 11 1942

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In the Offing...

A Weekly Size-Up by Members of the Washington Staff of the Scripps-Howard Newspapers

JONES DUE FOR NEW GRILLING

Look for more headlines before the full story of Jesse Jones' war activities is told.

Truman Committee isn't thru investigating Basic Magnesium, Inc.; will summon more witnesses. Also it's been asked to investigate entire Defense Plant Corporation—in other words, Jones, May do so.

Victim of Jitters

Jones' attack of jitters has Washington gossiping. It's his first in 10 years. (He was a Hoover appointee; was entrenched before Roosevelt arrived.)

Jones used to laugh off criticism. Now he's touchy, sharp, talking personalities, has broken out in a rash of statements, denials. Physical attack on Publisher Meyer was the climax.

Still unanswered by Jones: Sen. Bunker's first speech on Basic Magnesium; Truman Committee report which said, among other things, that Defense Plant Corporation's contract with Basic Magnesium "seems to put a premium on mismanagement and incompetency" and is "one of the most flagrant attempts at war profiteering" to come to its notice.

Box Score on Jesse

Score on Jones' war powers since Pearl Harbor: Four lost, another threatened, one gained.

Losses: Donald Nelson demanded last word on war financing when he took WPB job, and got it.

Loans to little business taken away. Control over housing taken away.

Appointment of rubber co-ordinator curbs him.

Threatened: His control over buying stockpiles of critical materials. Board of Economic Warfare wants it.

Gain: Presidential executive order just issued says that Jones, as well as other contract-letting officials, may review own contracts for excessive profits, poor results. That includes Defense Plant Corporation contracts.

Gain is likely to be temporary. Congress, out to write curb on profits, is almost certain to nullify it.

May Cost Him Election

Attack by Sen. Bunker of Nevada on Basic Magnesium contract may mean hot re-election fight for him. BMI's president, Howard P. Eells Jr., has been praising Rep. James G. Scrugham as senatorial timber. Scrugham's expected to file for Bunker's seat.

(CONTINUED FROM PAGE ONE)

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APR. 11, 1942
LAMPASAS, TEX., LEADER

JONES DENIES "FRAUD" CHARGES

Washington, April 10 — Senator Bunker of Nevada Friday demanded an early and complete investigation of a \$70,000,000 magnesium plant being constructed in Nevada with government funds.

Bunker made his demand after RFC Chairman Jesse Jones bitterly assailed the Senator for alleging that "frauds" are being perpetrated by the Defense Plant Corporation, an RFC agency, and the Basic Magnesium Corporation, builders of the plant.

Stung by Punker's continued charges against the Defense Plant Corporation, Jones criticized the Senator for making "false and misleading statements . . . unworthy of a United States Senator."

Refusing to back down, the Nevada Senator, who is serving the unexpired term of the late Senator Pittman, reported that Jones "evidently doesn't know what is going on in his own organization."

Urging the Truman Defense Investigating committee to speed public hearings on the matter, Bunker said he would further answer Jones on the Senate floor Monday.

The Nevada charged that the contract with Basic Magnesium, an American-English owned firm which plans to extract magnesium from public land, is one of "the utmost scandalous stories of war profiteering in that has ever come to the attention of the Truman committee."

The firm, he said, stands to make a profit of 4,280 per cent, by putting up only \$50,000 of the cost of the \$70,000,000 project.

Jones was "lured by Bunker's declaration that 'We are tolerating an agency of the government (Defense Plant Corporation) that is so corrupt that it would make profiteering in the last war look like petty larceny by comparison.'"

"The Senator must know that these statements are untrue," said Jones, adding that they were made under cloak of Congressional immunity.

RECORD

Hackensack, N. J.

APR 11 1942

Who's News Today

By LEMUEL F. PARTON

Senator Berkeley L. Bunker of Nevada, who charges unconscionable profits and sinister agreements in defense magnesium deals, is a bishop of the Nevada Mormon Church and a part-time preacher. He runs a filling station and tire business at Las Vegas, Nev.

Senator Bunker was appointed in December, 1940, to succeed the late Senator Key Pittman. He was then just one-half Senator Pittman's age, the youngest Senator from Nevada in history, and is now 36. He had opposed Administration policies in general, and supposedly was chosen as a conservative Democrat who would fight the New Deal within the party ranks. Issues of foreign policy appear to have diverted him from his course.

One Saturday night when the rush was over at the filling station he went to a movie. Just when it appeared that Gary Cooper didn't have a dead man's chance Mr. Bunker was touched on the shoulder by an usher. He had been tapped for a United States Senatorship, and was summoned immediately to the office of the Governor. Later information was that Gary Cooper broke through the lines, and Mr. Bunker went to Washington.

He is short and stocky in build, with heavy eyebrows which give him an appearance of great belligerency and a contrasting hairline mustache. While he took a few swings at the Administration's so-called antibusiness policies, he is in the vernacular a natural in the championship of small business, and it is perhaps this attitude which has aligned him against big business in the war production effort.

In the present instance his strictures are directed against Basic Magnesium Corporation Inc., the Defense Plant Corporation, and the R. F. C. Jesse Jones replies vigorously and in kind, and it is an encounter comparable in interest to that which led Mr. Jones to shake Eugene Meyer, the latter enjoying no Congressional immunity.

Mr. Bunker was graduated from Las Vegas High School in 1926, and did not go to college. He was in the Nevada Assembly from 1936 to 1938. Bunkerville, Nev., was named after his clan, a pioneering Mormon family which broke ground there soon after the Civil War. He served his required 18 months as a traveling Mormon missionary before starting his filling station. Reed Smoot, also a Mormon, was his only predecessor as a bishop in the United States Senate.

From Record
Wilkes-Barre Pa.
APR 11 1942

Jones Target Of New Attack

Senator Bunker Is Critical of Commerce Chief's Magnesite Deal

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Bunker's statement today said: "Apparently Jesse Jones, who finds time to make a fool of himself in public brawls, hasn't read the contract drawn up by some of his numerous attorneys whereby the defense plant corporation is to build a \$63,000,000 magnesite refinery at Las Vegas, Nev. for the benefit of Basic Magnesium, Incorporated."

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APR. 11, 1942
ENID, OK. DAILY NEWS

"UNTRUE AND IRRESPONSIBLE?"

Jesse Jones, secretary of commerce, chief government lending agent, and famous for the fine, adequate rubber stock pile he DID NOT build up before the war even though he had the money, the authority and had been advised to do so, came forward yesterday to brand as "untrue and irresponsible" the charges of Senator Berkeley I. Bunker, Nevada democrat, that a "sinister fraud" had been perpetrated on the government by Basic Magnesium, Inc.

That's what Jones says. He is the man who, through the defense plant corporation, a government RFC subsidiary of which he is head, has put up between \$63,000,000 and \$70,000,000 with which to build a magnesite plant, to be operated by Basic Magnesium, which is a corporation with an investment said by Senator Truman's investigating committee to be only \$50,000. Such an investment, by the terms of various contracts the company already has with the government, will make it a return of 4,280 per cent in the first year, Bunker charges, and this charge is backed by the findings of the Truman committee.

Here we have, it is obvious, a question of veracity, but the facts are vouched for by the Truman committee, and Bunker. And inasmuch as the plant involved is located at Las Vegas, in the senator's own state, it scarcely seems likely he would go about publishing unfavorable facts if they were not true and too sordid to stomach.

The Bunker charges include the allegation that this Cleveland company with a mere \$50,000 investment has upwards of 40 executives, drawing salaries out of government funds, of \$3,900 to \$36,000 annually; that it now has 45 of its top men in England studying British magnesium producing methods, these with personal expenses paid by the United States government; that the company received a "gift" from the government defense plant corporation of \$300,000 for "supervising" the Las Vegas plant construction; that the company was to receive \$1,000,000 outright if the DFC decided to sell the government-built Nevada plant to any other concern . . . and may other unsavory allegations.

So questionable is the whole deal, in the Nevada senator's opinion, that he asserts it is "so sinister as to indicate that some officials of our government are guilty of malfeasance in the performance of their duties," and that "the fraud that is being perpetrated by the defense plant corporation and Basic Magnesium, is a betrayal of the president and the American people."

Certainly the situation is such as to demand complete investigation and prosecution of the guilty parties if evidence will support Senator Bunker's charges. The public will not be satisfied merely with Secretary Jones effort to airily dismiss the charges as "untrue and irresponsible."

LONG BEACH, CALIF. INDEPENDENT
CIR. 11,000 APRIL 5, 1942

SLOW BURNS

By Lou Huston

A NEVADA senator accuses a magnesium plant of making 4280 per cent profit on the war, and the typical comment of the outraged public is a mild "Hm." To get the public up in arms the senator will have to discover an example of profiteering in the same proportion but on a scale small enough to be visualized. He would have to expose a \$40-a-week defense worker drawing a 40-hour week pay check for just one hour's work.

A PROFIT of 4280 per cent is so exorbitant that even if Shylock dreamed it was happening on his own cash register, he would wake up and demand a recount.

YOU will find no mention of such a margin of profit in any economics textbook they gave us in school, unless there is one written by Baron Munchausen. President of the magnesium company probably is the street car conductor who turned over to the transit company all the nickels that stuck to the ceiling. Such a profit is better than winning a long shot at Hialeah. It is equivalent to being allowed to bet on the rabbit at a whippet race.

TO RAISE money for the war effort, the cigaret tax will be boosted. This means you can aid your country by acquiring a bad case of smoker's cough.

INCREASE of cigaret taxes in the past has not decreased tobacco sales, and are not expected to do so this time. Americans are willing to die of nicotine poisoning for their country.

THE new taxes ought to bring about a new slant to the cigaret ads: "If you don't inhale the Yanks might fall!" Or, "Smoke Hackles! Every cigaret you smoke is bad for some Jap's health!"

SOME of the bars are advertising a "MacArthur Special" made out of Australian whiskey, as nice an example of phoney patriotism as you will find anywhere. When America needs every able bodied man and woman she can get, it's a mockery to use the name of one of our greatest heroes to sell a concoction that MacArthur or his men would not be allowed to buy.

IF WE are going to attach his name to drinks, let's pick a beverage like milk or orange juice—something that would make the drinker of a little more use to MacArthur. We, naturally, have no right to throw the first stone at the man who takes a drink. But let's call our poison by its right name. John Barleycorn never will be big enough or worthy enough to wear the uniform of an officer of the United States Army.

Fraud Charged in Magnesium Project

Magnesium Agreement Denounced

Senator Charges Fraud in Assailing Pact as 'Sinister'

WASHINGTON, April 9. (U.P.)—Senator Bunker (D.) Nev., charged in the Senate today that a government agreement with Basic Magnesium, Inc., is "so sinister" as to indicate that some officials are "guilty of malfeasance."

Bunker denounced an agreement between the Defense Plants Corp., a subsidiary of the Reconstruction Finance Corp., and Basic Magnesium, Inc., a private concern with headquarters at Cleveland.

He charged that under the company's agreement of a \$63,000,000 magnesite refinery at Las Vegas, Nev., it stands to make a profit of 4280 per cent in one year.

SALARIES ASSAILED

He also charged that "extortionate salaries" are being paid to 42 officials of Basic Magnesium.

"The fraud that is being perpetrated by the Defense Plant Corp. and Basic Magnesium, Inc. is a betrayal of the President and the American people," he said.

Bunker said that in organization of Basic Magnesium, 45 per cent of stock went to Magnesium Elektron, Ltd., of England, which furnished knowledge of a refining process. He said the British company operated under a licensing agreement from I. G. Farbenindustrie, German chemical trust.

MATTER OF PATENTS

"There is a serious question as to the contribution of Magnesium Elektron, Ltd., of the process, since they do not own, nor do they have the license to operate this process in the United States," said Bunker.

"The American patents controlling the process are held by an American corporation, one-half of the stock of which directly or indirectly belongs to the German interests."

NEVADAN'S COMMENT

Bunker said that "if the agreement between the Defense Plant Corp. and Basic Magnesium, Inc. represents a cross-section of conduct on the part of the Defense Plant Corp., I can come to only one conclusion: We are tolerating the existence of an agency of the government that is so corrupt that it would make profiteering in the last war look like petty larceny by comparison."

When Bunker concluded Senator Thomas (D.) Ida., congratulated him.

"Those fellows shouldn't be investigated," he said. "They should be prosecuted. They should be jailed. Those are the things that are undermining the confidence of the country in the whole defense setup."

"We must prosecute the fellows who are looting the treasury."

OUTLAYS REVIEWED

Bunker reviewed what he described as the "interesting and almost unbelievable expenditures of the taxpayers' money" in connection with the agreement. He listed:

1.—A "gift" of \$300,000 from the Defense Plant Corp. to Basic Magnesium for "supervising" construction of the project. The sum was granted in addition to grants for salaries, wages, actual construction costs and profits, Bunker said.

2.—Payment of \$211,000 to Basic Refractories, Inc., the parent of Basic Magnesium.

OTHER PAYMENTS

3.—Payment of \$28,000 by the Defense Plant Corporation to a firm of architects, for using plans for 800 demountable houses—

Turn to Page 8, Column 3

plans which had previously been used on another government project.

4.—Payment of \$84,000 a year to distributors of a special type of British Columbia peat moss used in manufacture of Magnesium, "which they no longer have to distribute."

5.—He charged that D.P.C. is paying the traveling expenses of 45 officials of Basic Magnesium now in England studying the production process. "At the same time, D.P.C. is paying the salaries of English technicians who are in America promoting the interests of their company," he said.

LAS VEGAS REVIEW-JOURNAL
April 16, 1942

THE DAILY WASHINGTON MERRY-GO-ROUND

By DREW PEARSON and ROBERT S. ALLEN

Sleuths Probe Leaks of Information from Government Agencies; Certain Dollar-a-Year Men Under Suspicion of Tipping Brokers; Isolationist Generalissimos Continue Secret Strategy Parleys; Main May Serve as Guinea Pig to Try Out Gasoline Rationing.

WASHINGTON—Government sleuths are probing a series of mysterious leaks of important market information from key war agencies.

On several occasions recently certain Wall Street traders have obtained advance tips on important moves to be made by the war production board, the office of price administration and the agriculture department.

In one instance cotton brokers got wind of an agriculture parity price announcement 45 minutes before it was made public. This announcement was supposed to be absolutely secret until publication. The market operators not only learned about it, but used the information for private profit.

The WPB order banning all non-essential building construction also was tipped off in advance to certain members of the building trades. So, too, was the OPA's action imposing a price ceiling on fats and oils, and allowing an increase in wool prices. Word regarding this move leaked out two days before the order was issued.

Under suspicion for these leaks are certain dollar-a-year men, who, while not directly connected with these matters, were in a position to learn about them and to tip off business friends.

Isolationist Pow-Wow

On the day that General Douglas MacArthur was appointed supreme commander of the embattled southwest Pacific, two very interesting secret meetings took place in Chicago.

The first was held in the private office of Colonel Robert McCormick, publisher of the rabidly isolationist Chicago Tribune. Present in addition to McCormick were his cousin, Captain Joseph Medill Patterson, publisher of the New York Daily News, and Colonel Charles Lindbergh.

The three men were closeted together for several hours. They then went to the Chicago Club, where they were joined by General Robert Wood, former head of the America First committee, now a high officer in the Chicago office of U. S. army ordnance.

The four men discussed the war situation, plans relating to this year's crucial congressional elections, Wendell Wilkie, and Lindbergh's future plans. Several weeks later he got a job with Henry Ford.

Note: While keeping out of the limelight in the last few months, Washington's isolationist generalissimos meet frequently for strategy pow-wows. Their last get-together was at the Massachusetts avenue mansion of Mrs. Alice Longworth.

Guinea Pig Gas Ration

It hasn't been announced yet, but the state of Maine probably will be used as a guinea pig to test the rationing of gasoline.

Frank Bane of the office of price administration recently conferred with the Maine congressional delegation, and subsequently sent a proposal to Augusta for approval of the governor and executive council.

The proposal would set up gas rationing in Maine on May 1, one month earlier than in other eastern states, to iron the wrinkles out of the system.

Maine was chosen as the guinea pig because of its isolated position. It is the only state which has only one other state contiguous to it—New Hampshire. Thus the problem of bootlegging across state boundaries can be more easily handled—especially since most of the traffic between New Hampshire and Maine follows a single highway, U. S. Route 1, which crosses the line at Portsmouth, New Hampshire, to Kittery, Maine.

Petroleum Coordinator Ickes said last week that card rationing might be avoided by cutting down deliveries to service stations. But the price administration is proceeding with preparations for rationing.

Note: Maine hopes to prevent collapse of its tremendous tourist business by getting an allowance of 100 gallons for each tourist coming into the state. But the problem of tires remains unsolved.

Nevada's Bunker

One blustery winter night 30 years ago, a small boy stood with his parents and nine brothers and sisters in a farmyard near Las Vegas, Nevada, heartbroken, watching their home go up in flames.

Berkeley Bunker was five years old then but the tragic scene is as vivid to him as if it had happened yesterday. All the family had to its name after the last smoldering embers expired was a piano—somehow saved from the fire—and a five-dollar bill in Mrs. Bunker's pocketbook.

It took courage to pull through an experience like that, but in Nevada the Bunkers are noted for their courage. That was why Nevada neighbors weren't sur-

Mail Bag

J. H. L. Asbury Park, New Jersey—Reports from several sources appear to confirm the inefficient use of army trucks. A five-ton army truck frequently is used to carry a package that the driver could put on the seat beside him. Five and ten ton trucks sometimes are used for a couple of sacks of mail which could be carried in a motorcycle sidecar.

G. L. Los Angeles, California—Admiral Kimmel is still on the payroll drawing retired pay according to his rank. The charges brought against him have not affected his status in this respect.

11, 1942
K. C., MO., TIMES

417

Give Us the Truth.

Sensational charges of exorbitant profits by a war plant in Nevada are met promptly and vigorously by official denial. This confuses the public. It does not know what to believe. Only a thorough and impartial investigation will bring out the truth. That kind of investigation is demanded in the public interest.

Note that this is not an ordinary case of alleged profiteering. Instead it is a charge that a government agency itself, the Defense Plant Corporation under the supervision of Secretary Jesse Jones of the Commerce department and the RFC, is in collusion with the Nevada concern—Basic Magnesium, Inc.—and actually is sanctioning excess profits that could run as high as 4,280 per cent.

Such charges are serious business. They are made by the youthful senator from Nevada, Berkeley L. Bunker, serving by appointment to fill the vacancy created by the death of Senator Key Pittman. Senator Bunker is not only young but comparatively inexperienced. On the Senate floor he speaks with immunity. He cannot be held accountable legally for what he says. Perhaps he does not realize the gravity of his charges if they cannot be supported by the facts.

Secretary Jones, officially responsible for the loan made to the Nevada concern and for the contract, denounces the Bunker charges as "false" and "unworthy of a United States senator." He says "the government's interest is fully protected," that the Nevada plant "is wholly owned by the government and will be operated for its account," that all fees to contracting and engineering firms, including Basic Magnesium itself, "will aggregate less than 2 per cent of the total cost of the plant."

Get the difference between that alleged profit of as much as 4,280 per cent and the official contention of less than 2 per cent. Who's right and who's wrong? Is anybody playing politics with alarming charges? Is this another example of gross irresponsibility under the cloak of Senate immunity? Or is there official mismanagement and incompetence or even fraud, as the charges state?

The public has a right to know and must know the facts. It cannot form opinions and nothing can be done to protect its interest until those facts are brought out. Let's have them and see who's telling the truth and who in effect is trying to deceive the public.

BUNKER UNLEASHES NEW ATTACK UPON OFFICIALS OF BMI

Washington.—Senator Berkeley Bunker, Democrat, Nevada, charged in the Senate recently that Basic Magnesium, Inc., of Cleveland, is a "racketeering industrial corporation which stands to make a profit of 4,280 per cent" for operation of a government-built magnesium plant at Las Vegas, Nevada.

The corporation, which has an "admitted investment" of \$50,000, he said, will make a profit of \$2-140,000 in one year in performing certain services in construction of the plant and in operating it later.

Bunker released a list showing the salaries that some of the officials of the corporation receive for their work on the project. The project manager was listed as receiving \$36,000 a year.

Quotes From Record

Bunker quoted from a report issued by the Senate committee investigating the war program which characterized the Basic Magnesium lease as "one of the most flagrant attempts at war profiteering to come to its (the committee's) notice."

Commenting on the list of salaries of officials, Bunker said it is "official" but does not take into account any pay raises which may have been effected recently.

"In view of the figures submitted it leaves little reason to wonder that labor is insisting on reasonable hours and good salaries in war industries," he said.

"I hesitate to make this very interesting and unusual list public for fear of the reaction it will have from the men who are training, fighting and dying for their country at \$21 per month; for fear also of the reaction of the men, women and children who are putting their dollars, dimes and pennies into war bonds and stamps," he said.

Departments Hit

"But in keeping with my statement previously made on the floor, I believe the Senate and the public are entitled to know how the taxpayers' money is being spent by Washington departmental officials."

"It will be noted that 14 of these officials are receiving more pay than the base pay of General Douglas MacArthur, who has literally offered his life for his country."

A partial list of the officials and their salaries follows:

H. C. Mann, project manager, \$36,000; D. W. Stewart, assistant project manager, \$20,000; V. F. Way, project manager, construction, \$17,500; G. B. Kaufman, manager engineering, \$17,000; W. W. Patnoe, chief engineer, \$13,800; Harley C. Lee, technical adviser, \$12,000; W. R. Batley, director electric design, \$10,400; W. B. Dyer, chief engineer, \$10,104; R. C. Kelley, director of purchases, \$10,000; C. A. Warne, controller, \$10,000.

Senator Raps Jones Over Magnesium

Secretary Reported In Attack on Editor

WASHINGTON, April 10.—(AP)—Commerce Secretary Jesse Jones, who gave a newspaper publisher a shaking up last night as a result of a controversy over the rubber shortage, found himself attacked from another quarter today.

Senator Bunker, Democrat, Nevada, who has been feuding with Jones for several days over a magnesite refining project at Las Vegas, Nev., issued a statement saying Jones was laboring under a "misapprehension as to what constitutes a public trust."

JONES HITS CHARGES

Bunker has charged that the Defense Plant Corporation, which is under Jones' jurisdiction, entered into a "sinister" contract with a Cleveland magnesium firm and that private promoters of the project were making "unconscionable profits." Jones replied that the charges were false, misleading and "unworthy of a United States senator."

Bunker's statement today said: "Apparently Jesse Jones, who finds time to make a fool of himself in public brawls, hasn't read the contract drawn up by some of his numerous attorneys whereby the Defense Plant Corporation is to build a sixty-three million-dollar magnesite refinery at Las Vegas, Nev., for the benefit of Basic Magnesium, Inc."

DISPUTE REPORTED

The remark about "brawls" was a reference to an incident last night at a meeting of the Alfalfa Club, good-fellowship organization, attended by many Washington notables.

The Washington Star said that Jones, irked by an editorial in the Washington Post, seized its editor and publisher, Eugene Meyer, by the shoulders and shook him until his glasses fell off.

Hearing the tinkle of Meyer's glasses on the floor, friends stepped in and halted further hostilities. The Star said that the friends also led away former Representative John J. O'Connor of New York, "who apparently wished to join up on one side or the other and came in swinging."

The Post editorial had stated that Jones, head of the reserve company, "fell down rather badly on the job of acquiring and producing sufficient rubber to meet an emergency that we should have foreseen and prepared for with feverish haste."

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OLIS, MINN.

ARSHAW TOWN (IA) TIMES REP
MONDAY, APRIL 13, 1942

so far in world war, we are gal both Japan and Germany.

Getting Money Too Easy

Out of all the charges and counter charges in connection with Basic Magnesium, Inc., Las Vegas, Nevada, emerges the fact that money has been spent with a lavish hand. The policy of appropriating vast sums of money so long before the money can be spent must stand as a temptation for ultra-liberality in war expenditures.

In this particular case the charge is made by Senator Bunker of Nevada and substantiated by a senate investigating sub-committee that "this is one of the most flagrant attempts at war profiteering to come to our notice."

Basic Magnesium Inc. is one of those war babies entirely financed by the government. It is not a case where the corporation had investments in property equipment and personnel. The original job of the incorporators was to get the United States treasury to put up the capital for the enterprise. And this is just what the government eventually agreed to do. What Senator Bunker charges is that the government was also called upon to dip into the treasury to finance the promotion of nearly \$70,000,000 from the government itself.

Altho, according to Senator Bunker, the promoting officials had little experience in construction they were paid \$300,000 for supervision, and that was on top of a further dip into the public treasury for \$1,000,000 to pay all the bills including salaries of engineers, construction workers and profits.

This causes Senator Bunker to charge that the \$300,000 fee was simply an unwarranted gift to the promoters. The chief point which Senator Bunker makes is that it is bad enough for the government to pay big profits for production, but as he puts it, it is "unconscionable" to also pay for promoting a fat government contract. Secretary of Commerce Jesse Jones insists the operating contract is fair. Admitting that it is, and few but the experts will know, it is going pretty far to tap the public till for big sums to pay men whose main job is to secure government contracts. It is comparable to the buyer putting up expense money and salaries and paying commissions in advance to a sales organization perfecting plans to sell him a bill of goods. This government in our present emergency will not be criticised too severely for expenditures to produce. But to pay for promotion is going too far.

BUNKER HURLS CHALLENGE AT JESSE JONES

Controversy Rages On Contract With BMI

WASHINGTON, April 10, (AP)—Sen. Berkeley L. Bunker, D. Nev., said today that Secretary of Commerce Jesse H. Jones' explanation of the status of Basic Magnesium, Inc., Cleveland, Ohio, "does not settle the case."

"We are only started," he said in a formal statement replying to one Jones issued yesterday and taking note of reports that Jones engaged in an altercation with Eugene Meyer, publisher of the Washington Post, at a club banquet last night.

"Apparently," Bunker said, "Jesse Jones, who finds time to make a fool of himself in public brawls, has not read the contract drawn up by some of his numerous attorneys whereby the defense plant corp., is to build a \$63,000,000 magnesite refinery at Las Vegas, Nev., for the benefit of Basic Magnesium, Inc."

"Jones is the same big-time banker who told folks in substance a few months ago that a good risk was one thing for his bank and another thing when the taxpayers' money was involved."

"His remarks about my statements to the senate yesterday and in the findings of the senate committee that investigated the Las Vegas project further testified to his misapprehension as to what constitutes a public trust."

"Jones would do well to look at his hole card. His statement does not settle the case of the people of the United States versus Defense Plant Corp. We are only started."

THE POLITICAL PARADE

By GEORGE
ROTHWELL BROWN

(Special to the Los Angeles Examiner)

WASHINGTON, April 14.

THE ruction at last week's parlor social of the Alfalfa Club, when Jesse Jones, the well-known big butter and egg man of the New Deal, nearly shook the teeth out of Eugene Meyer, publisher of the Washington Post—and almost, but not quite, got a right hook to the jaw in return—is of deeper significance than usually attaches to a pleasant slugging fest between a couple of highly esteemed gents.

Mr. Meyer had published in his journal the day before an editorial entitled "Mr. Jones' Excuses," in which he charged that the Secretary of Commerce, and head of RFC, had excused himself for the rubber shortage by shielding himself behind President Roosevelt and the British-Dutch cartel.

IT WAS a mild enough call down, but earlier on the day of the alfalfa shindig Mr. Jones in a public statement, had taken violent umbrage at some charges which Senator Bunker, of Nevada, had made in the course of Senate debate, that the Defense Plant Corporation had entered into a "sinister war profiteering" contract for the construction of a magnesium plant near Las Vegas.

The Defense Plant Corporation is a subsidiary of the Reconstruction Finance Corporation, of which Mr. Jones is administrator, and of which Mr. Meyer was formerly a board member.

Mr. Jones went so far as to declare that the Senator's charges were "false."

It seems clear that he was pretty well steamed up when he arrived at the alfalfa dinner in full soup and fish, and that the sight of Publisher Meyer enjoying the terrapin à la Maryland did not serve to cool him off.

BUT the thing is deeper than that. The truth is that Washington today is suffering from frayed nerves and frayed tempers.

The New Deal has been subjected to a terrific barrage of criticism, and the New Dealer, simply haven't been able to take it.

The Truman committee, and other investigating committees of Senate and House, have been laying bare recently an appalling record of inefficiency, mismanagement, carelessness, politics, waste and extravagance in the Administration's war effort.

Criticism by newspapers, and by individuals, as reflected in protests from the people pouring into Congress, and influencing congressional opinion, has been increasing.

The smart boys of the New Deal left wing retaliated by inventing the technique of charging that criticism is Nazi propaganda, and that Hitler would pay well for it.

Jesse Jones is above any such contemptible method of meeting criticism. But his flare-up with Eugene Meyer, whom he grabbed by the lapels of his spike-tail coat, shows that the Secretary of Commerce is deeply sensitive to the criticism which has been laid at his door, especially with regard to the rubber shortage.

BETTER things were to have been expected of Jones than we have come to expect from the crackpot "lunatic" fringe of the New Deal.

These New Dealers have been soft-soaped, lollygagged and honey-fugled for so long by the sycophants in Congress, by their own inner-circle pets, and by the beneficiaries of magnificent spending, that they have come to regard themselves as superior mortals not to be subjected to criticism by anybody.

They have been wounded and goaded by the criticism in every part of the country, and the growing resentment of the people, as a result of four months of a losing and disastrous war.

Mr. Meyer's Washington Post recently has published a good deal of criticism of the war management that has been cold-blooded and factual. It is about time the New Deal admitted the value of criticism and sought to profit by it rather than to be affronted, indignant and revengeful about it.

The administrative capacity of the New Deal has been notoriously deplorable for the past nine years. There would be no surer way to lose this war than for all criticism to be stifled, leaving the vast New Deal bureaucracy to flounder along blindly in its folly.

JESSE JONES BIT PEEVED; SHAKES SPECS OFF EDITOR

WASHINGTON, April 10.—(AP)—The Evening Star said today that Secretary of Commerce Jesse Jones last night shook Eugene Meyer, editor and publisher of the Washington Post, so that Meyer's glasses fell to the floor and were shattered after Jones earlier had expressed displeasure at a Post editorial aimed at him.

The action took place at a meeting of the Alfalfa Club, one of Washington's oldest and most prominent good-fellowship organizations, which was held at the New Willard Hotel.

The Star said Jones was leaving the gathering to keep a dinner engagement and as he walked toward an exit he met Meyer.

SHAKES MEYER

"Mr. Jones," the paper said, addressing some words that come from deep in the heart of Texas, to Mr. Meyer, then took him by both shoulders and shook him. Mr. Meyer's glasses fell to the floor and shattered.

"Several observers, thinking at first that Mr. Jones and Mr. Meyer were merely over-enthusiastic in their greetings, smiled happily at the good-fellowship thus displayed—for they are old friends. But with the tinkle of Mr. Meyer's glasses on the floor, others sensed that action was needed. It came in a rush of friends to separate the gentlemen and lead them to widely separated seats.

ANTHEM SAVES DAY

"That was all except that former Representative John J. O'Connor of New York, who was at first mistaken for a peacemaker, was also led away by friends. Mr. O'Connor, according to observers, apparently wished to join up on one side or the other and came in swinging. He touched no one, however, and explained later that he was defending Mr. Jones.

"The incident lasted about 15 seconds and quick-witted George Wilson, sprinting to the piano, played 'The Star Spangled Banner' with feeling, while everyone came to attention."

The star said neither Jones nor Meyer would comment on the affair this morning, but that both were "good-natured about it later in the evening" last night.

At the White House President

Roosevelt smilingly remarked to reporters that he had no news on the subject when they inquired at his press conference whether he had heard "anything from Jones or Meyer since the battle."

"Are you in a neutral corner?" he was asked. He said he hoped he would not be made referee or umpire, and laughed aside a question whether he was counting time.

An editorial in the Post yesterday said that Jones, as head of, among other Government agencies, the RFC Rubber Reserve Company, "fell down rather badly on the job of acquiring and producing sufficient rubber to meet an emergency that we should have foreseen and prepared for with feverish haste. The chief reason for his failure is a boundless ambition for power that has led to his taking on more jobs than he can successfully manage. The proof of an official's worth to his country lies in his ability to meet and conquer the kind of obstacles of which Mr. Jones complains. Blaming the other fellow is a confession of defeat—not a mark of merit."

BLAMED BRITISH, DUTCH

In testimony before the Senate defense investigating committee this week, Jones estimated that synthetic rubber production will attain a rate of 700,000 tons annually by the end of the 1943.

He denied that the RFC had overruled recommendations of the defense commission to the President in 1940 for a 100,000-ton annual production program, asserting that the program had been "adopted in principle" at the time and had since been carried out.

The Secretary attributed part of the present rubber shortage to a "business as usual" attitude in 1939 and 1940 on the part of British and Dutch producers who he said were anxious to prevent surpluses and depressed prices in the post-war market. The British and Dutch, he said, did not believe the supply would be cut off, and when Singapore fell, Great Britain had only about 100,000 tons, or less, on hand.

SENATOR CAUSTIC

Meantime, Senator Bunker (Democrat), Nevada, who has been feuding with Jones for several days over a magnesite re-

fining project at Las Vegas, Nev., issued a statement which said: "Apparently Jesse Jones, who finds time to make a fool of himself in public brawls, hasn't read the contract drawn up by some of his numerous attorneys whereby the defense plant corporation is to build a \$63,000,000 magnesite refinery at Las Vegas, Nev., for the benefit of Basic Magnesium, Inc."

Basic Magnesium Plant Construction Probe Demanded by Senator Bunker

Opposition to Plan for Company Town At Plant at Cost of Sixteen Millions Brings Threat of Defeat for Senate

LAS VEGAS, March 11—(UP)—United States Senator Berkeley L. Bunker today charged that "profits and politics, incompetency and inefficiency" are hampering construction of Basic Magnesium's plant, and he demanded a senatorial investigation of the situation.

In a paid advertisement printed in the Review-Journal, Senator Bunker charged that "political ramifications of this project are without precedent in the state of Nevada."

Senator Bunker said that recent developments, including the fire that destroyed the basic Magnesium's administration building, call for "a complete and thorough investigation of the entire operation," by the special committee on investigation of the national defense program, headed by Senator Truman.

Bunker said he had been "threatened with being run out of the United States senate because he has opposed the plan to establish a company town at the plant site, which 'would have been operated by the company and concessions sold at fancy prices.'"

The cost of the proposed company town would have been \$16,000,000.

Senator Bunker said he fought this plan and insisted that additional homes be built in Las Vegas and Boulder City, at a cost of \$6,000,000 to the federal government.

Senator Berkeley Bunker's blast at Basic Magnesium, somewhat slow in starting, and for a time believed somewhat dormant, took a new spurt last week and brought more nationwide publicity to the youthful Nevada solon than was ever expected. So sharp were the barbs he cast that even Jesse Jones, secretary of Commerce, head of the RFC and also the defense plant corporation, wined and sent back a stinging retort in which he charged that Bunker made the charges behind his cloak of immunity. Not dismayed at the commerce secretary's challenge, Bunker said he would repeat the charges, and the battle which started with Howard Eells and BMI in Las Vegas will this week probably become even more prominent in news dispatches from the United States senate as Bunker and Jones gear for the struggle. Political followers say Bunker has some strong "senate" support, not yet evident, providing him with some of the fireworks for his blasts at the "spending of defense appropriations."

LOS ANGELES CALIF EXAMINER
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APRIL 12, 1942

SEN. BUNKER RAPS LAS VEGAS AWARD

Says Jones 'Didn't Read' Cleveland Firm's Contract

WASHINGTON, April 11.—Charges that Commerce Secretary Jesse Jones "hasn't read the contract drawn up by some of his numerous attorneys whereby the Defense Plant Corporation is to build a \$63,000,000 magnesite refinery at Las Vegas, Nev., for the benefit of Basic Magnesium, Inc.," were made today by Senator Bunker (Democrat), Nevada.

Bunker charged that the Defense Plant Corporation, which is under Jones' jurisdiction, entered into a "sinister" contract with the Cleveland magnesium firm and that private promoters of the project were making "unconscionable profits."

"UNWORTHY OF SENATOR"

Jones had replied that the charges were false, misleading and "unworthy of a United States Senator."

Meanwhile, President Roosevelt commented on an alleged physical encounter, as reported by a Washington newspaper, involving Jones and Eugene Meyer, editor and publisher of a Washington newspaper.

The President when asked if he had heard anything from

Jones or Meyer "since the battle," remarked he had no news of the subject, and said he hoped he "would not be made referee."

IRKED BY COMMENT

The newspaper, in its account of the encounter, said that Jones, irked by an editorial in Meyer's newspaper, seized the editor and publisher by the shoulders and shook him until his glass fell off. Friends prevented further hostilities.

The editorial had stated that Jones, head of the RFC Rubber Reserve Corporation, "fell down rather badly on the job of acquiring and producing sufficient rubber to meet an emergency that we should have foreseen and prepared for with feverish haste."

The Situation in Washington

By Peter Edson

WASHINGTON — "One of the most flagrant attempts at war profiteering to come to its notice" is to be given a Washington airing some time soon when Senator Harry S. Truman's special committee investigating national defense has a further look at the affairs of Basic Magnesium, Inc., Cleveland, O., operating company now building a \$63,000,000 magnesite plant near Las Vegas, Nev., using the government's Defense Plant Corporation money. A sub-committee of senators under Mon C. Wallgren of Everett, Wash., had a preliminary look at Basic Magnesium's layout several weeks ago. What the senators found there was evidence that the company, on an original investment of \$50,000 to prove magnesite ore deposits claimed from the public domain, stands to make a possible \$280,000 per year royalties, plus a possible \$560,000 per year operating fee, for the next 30 years. Hence the committee's label of "flagrant war profiteering."

The story behind Basic Magnesium, Inc., is another of those romances of big business, rivaling in some respects the Truman committee's current disclosures on the I. G. Farbenindustrie, or German dye trust attempts to control synthetic rubber development in the United States. As a matter of fact there is even a chapter in the Basic Magnesium, Inc., story that leads back to I. G. F. control of the process which BMI proposes to use.

Up to the beginning of the defense emergency, the United States had only one magnesite plant in operation, a 9000 tons per year unit run by the Dow Chemical company of Midland, Mich., which extracted the metal from salt water. Additional U.S. consumption of this metal, lighter than aluminum and valuable as an alloy to give aluminum extra hardness, had been met by imports from Europe. German metallurgists had really pioneered the development of the metal, but in 1936 a British operating company, British Elektron, Ltd., began extensive reduction of the ore in England, licensed to operate under patents controlled by I. G. Farbenindustrie. In the United States these patents are supposedly controlled but not developed by Magnesium Development company, a holding company jointly owned by the

Aluminum Company of America and IGF.

Other industrialists in America also saw the possibilities of magnesite development. Among them were the Hanna interests of Cleveland, for years operators of coal and iron properties in the Great Lakes area. The Hanna interests sent engineers to England to study British Elektron operations, with an eye to developing the magnesite ore deposits in Nevada. The result was the formation of Basic Magnesium, Inc., 45 per cent owned by the British who were to furnish the "know-how" of operation, 55 per cent owned by Basic Refractories, a Hanna holding company which in turn owned as a subsidiary, Basic Ores, which acquired the Nevada magnesite deposits—if you can follow that corporate daisy chain.

Original plans of Basis Magnesium called for a plant with a modest 5000 tons a year capacity. Then came the war, and the demands for magnesium zoomed. After consulting the Army and the Defense Plant Corporation, the company multiplied these plans gradually by 11 plus, with the result that contracts were let for the \$63,000,000 plant with a capacity of 56,000 tons of ore a year, which was announced in mid-August, 1941. Basic Magnesium didn't have to put up a cent, beyond its nominal costs for promotion and proving the ore, at from \$25,000 to \$50,000.

Under the contract, the government retains title to the plant, but Basic Magnesium was given a cost-plus fixed-fee contract for operation and construction. Basic Magnesium is to receive a \$300,000 fee plus cost for construction and engineering although, according to Senator Wallgren's sub-committee, the company had little or no construction experience and though more than \$1,000,000 is to be paid in fees for construction, engineering and architectural services being performed by others. Further, if the Defense Plant Corporation should cancel the contract, the government would have to pay Basic Magnesium \$1,000,000 and double the royalties on the ore from \$1 to \$2 a ton, although the Basic Refractories company is now leasing quarries near Las Vegas on payment of 25 cents per ton royalty.

All this is what the full Truman committee will investigate when it opens hearings in Washington.

MOORHEAD (MINN.) NEWS
COURTESY OF THE MOORHEAD NEWS
APRIL 12, 1942

tensive which will go through. As Captain Roabe wrote Americans are better soldiers than the Japs, better than the Germans too, if they are given a fair chance.

Magnesium Plant Dispute Flares

"Sinister Fraud" Said Perpetrated

Washington, April 13 (UP)—Federal Loan Administrator Jesse H. Jones and Senator Berkeley L. Bunker, democrat, Nevada, today were involved in dispute whether a magnesium plant contract perpetrated a "sinister fraud" constituting a "betrayal of the president and the American people."

Developments, which started yesterday, were these:

1. Bunker charged on the senate floor that an agreement be-

tween the defense plant corporation, an RFC subsidiary, and Basic Magnesium, incorporated, of Cleveland, produced the fraud and demanded a "complete investigation."

2. Jones angrily denied the accusations, saying they were "untrue and irresponsible" and that "the government's interests are being fully protected."

3. Bunker returned today with the statement that he based his criticism on testimony at western hearings of the senate defense investigating committee, and will repeat them in the senate next week when he will give Jones "a free ride."

Bunker's specific charges were that the DPC negotiated a contract with Basic Magnesium for a \$63,000,000 plant at Las Vegas, Nev., which will enable the company to make a 4,280 per cent profit on an investment of \$50,000.

Little (Wash) Star
April 13, 1942

People.. In the News

BY UNITED PRESS

The fabulous Fifth avenue palace of the multi-millionaire New York WHITNEY clan will be torn down, to be replaced by an apartment house after the war.

Lieut. Gen. JONATHAN M. WAINWRIGHT wrote his son, Jonathan V., a month before Pearl Harbor, that "I have been shot at a lot before now, but that is simple compared with the awful responsibility of preventing a hostile landing in force. But I'll do my best and I hope I will not fail," the son revealed.

Master Sergt. PETER S. CARLSON of Worcester, Mass., home on furlough, announced he had passed an examination for promotion. Carlson's stepmother died of a heart attack. An hour later Carlson was found dead of a heart attack.

Movie Actor ALAN HALE got a black eye when a cork flew out of a movie champagne bottle.

Senator BERKELEY L. BUNKER, D., Nev., said he would give Federal Loan Administrator Jesse Jones a "free ride" in the senate next week for "sinister fraud" in allotting a contract to Basic Magnesium, Inc., of Cleveland.

APR 12 1942

Magnesium Scandal?

Conflict between the public interest and individual or group interests is not exclusively a wartime problem but it is one which is sharpened in wartime. So get set for more of the series of "exposes" purporting to reveal that this industrialist or that capitalist, these workers or those farmers, proceeding along their peacetime path of self-interest, are taking gross advantage of the national emergency, probably with the connivance of someone within government.

It won't pay in most such cases to jump to conclusions, either way. Most people are selfish; and most people are patriotic.

Senator Bunker's charges involving Basic Magnesium, Inc., and the Defense Plant Corporation are serious. If he has it straight, the firm's assets consist of some magnesium deposits on the public domain in Nevada, obtained by doing some "development work" which cost over \$50,000. It is alleged to have received a contract calling for royalties on the magnesium somewhat higher than are to be paid for other supplies in the same vicinity, plus the privilege of operating a plant which the Defense Plant Corporation will finance—and Senator Bunker asserts that the company will realize a profit of more than two million dollars in a year, or 4280 per cent on its investment.

It's pretty raw if it's all true. But let's wait until we hear both sides. And let's hope they are more enlightening than the "evidence" presented by both sides as to the status of Standard Oil (New Jersey).

NEW YORK, N. Y., TIMES
CIV. 474,277

APRIL 12, 1942

Vital Magnesium

Magnesium is one of the lightest—and in alloy form—strongest of metals. It is a third lighter than aluminum, as strong as steel. In airplanes and engines it saves weight, gives bombers greater range. Magnesium burns with a fierce white light; it is used in tracer

bullets, flares, incendiary bombs. The element has such an affinity for other elements that it is never found in pure form. In its combinations it is one of the commonest metals, constituting more than 2 per cent of the earth's surface. First isolated in 1808, magnesium was not produced in the United States until 1915. Its vast importance to war production is due to fairly recent metallurgical advances.

Critical Material

A year ago the United States Government put the metal on the priorities list of critical materials. The sole American producer had been the Dow Chemical Company, which recovered magnesium as a by-product from Michigan brine wells. Spurred by sudden war demands, the Dow Company built a plant in Texas to recover magnesium from sea water. The Reconstruction Finance Corporation, through its subsidiary the Defense Plant Corporation, advanced millions to other organizations for new plants. Its announced goal was to quintuple the 16,500 tons of magnesium produced in 1941. One of its investments was the loan of \$63,000,000 to Basic Magnesium, Inc., for a huge recovery plant near Las Vegas, Nev.—convenient to deposits of magnesite and to Boulder Dam power.

Last week the Las Vegas project was the cause of controversy in Congress. Senator Berkeley Bunker of Nevada attacked the DPC, charged the contract involved "unconscionable profits" for Basic Magnesium, Inc. He labeled the deal "sinister," "a betrayal of the President and the American people." Senator John Thomas of Idaho joined his colleague, demanded prosecution of those responsible. Secretary Jesse Jones, head of the RFC, challenged Senator Bunker's statements as "untrue" and "misleading." He declared the Nevada legislator's speech con-

tained charges "which it takes no courage to make under his cloak of immunity" (Senatorial).

Senator Bunker of Nevada and Secretary of Commerce Jesse Jones have engaged in a dispute which can be fairly described as vituperative on both sides. It concerns the facts about a series of contracts for the construction and operation of a magnesium plant near Las Vegas, Nevada, to be owned and paid for by the Defense Plant Corporation, a government agency subsidiary to the Reconstruction Finance Corporation.

Senator Bunker on the floor of the Senate asserted that the contracts allowed the contractors "unconscionable profits." He offered data which, he said, "warranted the conclusion

that the Defense Plant Corporation has entered into an agreement that is so sinister as to indicate that some officials of our government are guilty of malfeasance in the performance of their duties." He added a remark about "individuals . . . who have slowed down our war production."

Secretary Jones, replying, has said that the Senator's speech "contains many false and misleading statements, which it takes no courage to make under his cloak of immunity." For good measure, he adds, "The Senator must know these statements are untrue."

In plain English, Senator Bunker says unnamed officers of the Defense Plant Corporation are corrupt and Secretary Jones says the Senator lies.

Whatever the truth of the matter, this is an intolerable state of affairs. It must already have created in millions of minds a deeply disturbing suspicion of the conduct of the country's war effort. A Senate subcommittee investigating the conduct of the war effort has briefly reported its opinion of the arrangement between the Defense Plant Corporation and Basic Magnesium, Inc., as "one of the most flagrant attempts at war profiteering to come to our attention." But no one will suppose that Jesse Jones has knowingly permitted anyone to gouge the government. Yet if Senator Bunker believes that someone has, it is his right and duty to demand the fullest inquiry.

What is intolerable about the thing as it has happened is that intemperate charges and countercharges, affecting the competence of high government officials, if not their integrity, are made while the facts upon which the charges may or may not be solidly based reach the public eye in utter confusion. The result is to engender suspicions which may be unjust, but which no amount of later committee investigation and report will quite remove from people's minds.

This newspaper would feel greatly relieved if Secretary Jones asked the President to appoint a single investigator—such a man as Charles Evans Hughes, for example—to examine the contracts immediately and report in a matter of days on the moral and ethical aspects of the case. The country cannot at this time risk the evil consequences of allowing an executive department of the government, a central agency of its war effort, to rest under this cloud of accusation a single day longer than is required to reveal the truth.

The Senate subcommittee will of course pursue its inquiry. But committees of Congress move too slowly in too political an atmosphere to meet the necessities of this case. If Mr. Jones does not see fit to act as is here suggested, we hope the President will so act on his own motion, as he did so promptly and appropriately after Pearl Harbor.

APR. 13, 1942
EL PASO TEX. HERALD POST
THINKING OUT LOUD**Magnesium And Greedy Corporations**

By Eloise Tudor

Magnesium is described as the "magic metal" for increasing efficiency in airplane production. It is one-third lighter than aluminum. Its employment in dive bombers, incendiary bombs and flares is only a beginning for constantly expanding usefulness. West coast aircraft manufacturers say they will use as much magnesium as they can possibly obtain, in an effort to match Germany's full use of this metal.

This being true, can the American people tolerate the conditions of monopoly, graft and incredible wastefulness of the public money under which magnesium is now being dribbled out?

Senator Bunker of Nevada has called attention to the circumstances under which Jesse Jones' Defense Plant Corporation is constructing a plant for Basic Magnesium, Inc. at Las Vegas, Nev. The Government is putting out \$63,000,000, while the company is contributing not over \$50,000, consisting of 36 mining claims situated on the public domain and a small amount of development work. The company stands to make a profit of 4280 per cent in one year.

Representative Anderson of New Mexico revealed that magnesium can be produced for 5 or 6 cents a pound from New Mexico brines, but that Dollar-a-year man Arthur Bunker of the WPB has systematically blocked such production, while paying the Dow Chemical Co. 16 and 17 cents a pound and encouraging the development of a still more expensive ferroalloy process which would make the cost of magnesium 20 to 30 cents a pound.

Furthermore, Mr. Anderson called attention to information developed by Thurman Arnold, showing that production of magnesium has been hampered by patent agreements between the Aluminum Co. of America and I. G. Farbenindustrie, German chemical trust.

While American boys are dying for their country on Bataan, American corporations serve Germany and their own immoderate greed. Is there no means to draft them into the service of America?
Las Cruces.

OIL, PAINT & DRUG REPO

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New York City

APR 13 1942

**Basic Magnesium, Inc.
Profit Charges Denied**OPD Washington Bureau
April 9, 1942

Charges were made on the Senate floor by Senator Berkeley L. Bunker, of Nevada, that Basic Magnesium, Inc., of Cleveland, stands to make a profit of 4,280 percent in one year on an investment of less than \$50,000, and called for an investigation of an agreement between the corporation and the Defense Plants Corporation for construction of a \$63,000,000 magnesite refinery at Las Vegas, Nev.

Senator Bunker's charges brought a prompt denial from Secretary of Commerce Jesse Jones, who said that the government's interest in the new plant is fully protected. Mr. Jones added:—
The magnesium plant that is being built by the government near Las Vegas, Nev., will cost approximately \$70,000,000, and have an estimated annual capacity of 112,000,000 pounds of metallic magnesium.

Nine separate contractors are participating in the construction. The fees to be paid the nine contracting and engineering firms, together with the fee to Basic Magnesium, Inc., for its engineering plans, supervision, and "know-how," will aggregate less than 2 percent of the total cost of the plant. The operating or management fee of the plant is to be 15c. per pound for magnesium produced, which is approximately 2 percent of the estimated cost.

The royalty for the ores will not exceed 1/4c. per pound of magnesium metal produced. No irregularities have been discovered in the construction of the plant that would warrant the irresponsible statements made by Senator Bunker. The plant is wholly owned by the government and will be operated for its account. All expenditures in connection with the construction of the plant as well as its operation are carefully audited as the work progresses.

Defense Plant Corporation contracted with Basic Magnesium, Inc., for the construction of this plant at the request of OPM and the War Department, and the government's interest is fully protected.

**HUGE PROFITS
IN MAGNESIUM
DEAL SHOWN UP**Senator Raps RFC Subsidiary;
Ohio Is "Rooked" On
Fairgrounds Rental

By JIM BLISSELL

City Editor, The Lima News

The New Deal's trust-buster, Mr. Thurman Arnold, stands to have a red hot potato tossed in his lap, if reports from Washington last week are a criterion. An assistant U. S. attorney, Arnold has been lashing out right and left against corporations. Now, it appears, the skirts of the administration itself are none too clean in a \$63,000,000 deal involving manufacture of magnesium.

Sen. Berkeley L. Bunker of Nevada, a Democrat, charged in the senate that a government agreement with Basic Magnesium, Inc., is "so sinister" as to indicate that some officials are "guilty of malfeasance."

Sen. Bunker denounced an agreement between the Defense Plant Corp., a subsidiary of Jesse Jones' Reconstruction Finance Corp., and Basic Magnesium, Inc., a private concern with headquarters in Cleveland.

He charged that under the company's agreement for construction of a \$63,000,000 magnesium refinery at Las Vegas, Nev., it stands to make a profit of 4,280 per cent. in one year.

LIMA OHIO NEWS
APR 12 1942

Sen. Bunker said that "if agreement represents a cross section of conduct on the part of the Defense Plant Corp., I can come to only one conclusion: We are tolerating the existence of an agency of the government that is so corrupt that it would make profiteering in the last war look like petty larceny by comparison." From where we sit it looks as tho Mr. Arnold might well turn the spotlight on this deal for the full information of all of the taxpayers who are footing the bill. OHIO "ROOKED" IN FAIRGROUNDS DEAL.

"Something new has been added," is a well known current advertising slogan. Something new, too, has been added to the New Deal's game of politics in connection with the war effort. It was disclosed last week. The quartermaster corps, reports from Michigan said, has decided to lease the Michigan State Fairgrounds for an annual rental of \$35,000 and that it intends to spend \$80,000 on rehabilitation and alteration of buildings.

Residents of Ohio have no trouble recalling the recent action of the federal government in leasing from the State of Ohio the Columbus Fairgrounds for an annual rental of \$1.

The difference, however, is that Ohio has a Republican governor and a surplus in the state treasury; Michigan has a New Deal governor and an alarming deficit.

One can just hear the howls of "lack of cooperation" and "unpatriotic" had the Buckeye state asked for a \$3,000 a month rental for its grounds or even demurred when the subject of using the site was broached.

Persons familiar with the Michigan and Ohio grounds are well aware of the superiority of the quality of the Ohio grounds and the buildings thereon as compared with Michigan. But then, Gov. Murray Van Waggoner no doubt has the "ear" of the administration whereas Gov. John W. Bricker is "not right" politically because he is a Republican.

APR 13 1942

The Magnesium Plant Affair

Senator Bunker of Nevada and Secretary of Commerce Jesse Jones have engaged in a dispute which can be fairly described as vituperative on both sides. It concerns the facts about a series of contracts for the construction and operation of a magnesium plant near Las Vegas, Nevada, to be owned and paid for by the Defense Plant Corporation, a government agency subsidiary to the Reconstruction Finance Corporation.

Senator Bunker on the floor of the Senate asserted that the contracts allowed the contractors "unconscionable profits." He offered data which, he said, "warranted the conclusion

that the Defense Plant Corporation has entered into an agreement that is so sinister as to indicate that some officials of our government are guilty of malfeasance in the performance of their duties." He added a remark about "individuals . . . who have slowed down our war production."

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In plain English, Senator Bunker says unnamed officers of the Defense Plant Corporation are corrupt and Secretary Jones says the Senator lies.

Whatever the truth of the matter, this is an intolerable state of affairs. It must already have created in millions of minds a deeply disturbing suspicion of the conduct of the country's war effort. A Senate sub-committee investigating the conduct of the war effort has briefly reported its opinion of the arrangement between the Defense Plant Corporation and Basic Magnesium, Inc., as "one of the most flagrant attempts at war profiteering to come to our attention." But no one will suppose that Jesse Jones has knowingly permitted anyone to gouge the government. Yet if Senator Bunker believes that someone has, it is his right and duty to demand the fullest inquiry.

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This newspaper would feel greatly relieved if Secretary Jones asked the President to appoint a single investigator—such a man as Charles Evans Hughes, for example—to examine the contracts immediately and report in a matter of days on the moral and ethical aspects of the case. The country cannot at this time risk the evil consequences of allowing an executive department of the government, a central agency of its war effort, to rest under this cloud of accusation a single day longer than is required to reveal the truth.

WASHINGTON CALLING

by Scripps Howard Newspaper Alliance

WASHINGTON, April 12.—Look for more headlines before the full story of Jesse Jones' war activities is told. Truman committee isn't through investigating Basic Magnesium Inc., will summon more witnesses. Also, it's been asked to investigate entire Defense Plant Corporation—in other words, Jones.



Jones

Jones' attack of jitters has Washington gossiping. He used to laugh off criticism. Now he's touchy, sharp, talking personalities. Physical attack on Publisher Meyer was the climax.

Still unanswered by Jones: Senator Bunker's first speech on Basic Magnesium; Truman committee report which said, among other things, that Defense Plant Corporation's contract with Basic Magnesium "seems to put a premium on mismanagement and incompetency" and is "one of the most flagrant attempts at war profiteering" to come to its notice.

Oil transportation situation is black: Worse than country realizes.

Oil men, aware of this, meet in New York tomorrow to try to frame a transportation program based on the most pessimistic premise yet advanced—that tankers are out for the duration; that all oil reaching east coast must be shipped inland.

Program will call once more for new pipelines, increasing capacity of existing lines, linking existing lines. Will suggest use of both new and used pipe. This time oil men hope to get steel priorities where needed. Pipe line might have been functioning now if SPAB and WPB hadn't stopped it last year.

And—

Look for a new drive urging conversion of oil furnaces to coal.

First returns from congressional pulse-taking project of past two weeks: In Ohio anyone who accuses the people of being complacent takes a chance with his life. People are itching to do something for war effort. They're humiliated by defeats in Far East, are looking for somebody to sock. Congressmen are likely to be "it."

Senate's in a dither over whether or not it dares appropriate \$168,000 for hiring itself additional clerks. It's afraid of another uproar like that over congressional pensions—but senators say work is piling up.

Proposal would give New York senators three new \$1,500-a-year clerks apiece; Pennsylvania, Ohio, California, Illinois, Michigan and Texas senators two each; others one each.

Timid members are looking for a way to get the money without a roll call.

Despite delays, House will act soon (probably this month) on allowance-and-allowment bill, providing support for soldiers' dependents, and on amendment to soldiers and sailors relief act, giving moratorium on time payments while a man is in service.

FBI is investigating reported revival in Indiana of Ku Klux Klan, with Nazi overtones; is concerned because of heavy concentration there of war industries.

Stimulating the new drive for across-the-board price ceilings is recent Bureau of Labor statistics report showing retail food prices went up 20.5 percent in a year.

Warehouse space shortage is getting more acute. Shipping difficulties started it; conversion and rationing orders double the load, cars and tires must be stored, also refrigerators, other goods that won't be manufactured much longer. Incidentally, presence of war tools piled up on shipping platforms is affecting plant morale, discouraging management-labor committees formed to increase production. Goods don't start moving to ports till cargo space is assured.

Government may try to find faster method of settling shop disputes, blamed for "slowdowns" when they drag on. Slowdowns worry both labor and management. President R. J. Thomas of United Auto Workers said at emergency meeting in Detroit this week that in some cases men take eight hours for work they should finish in two or three hours, blamed industry for not adopting Reuther plan. Nevertheless reports show automobile conversion program on the whole ahead of schedule.

The Senate sub-committee will of course pursue its inquiry. But committees of Congress move too slowly in too political an atmosphere to meet the necessities of this case. If Mr. Jones does not see fit to act as is here suggested, we hope the President will so act on his own motion, as he did so promptly and appropriately after Pearl Harbor.

WHO'S NEWS TODAY



Lem Parton.

Sen. Berkeley L. Bunker of Nevada, who charges "unconscionable profits" and "sinister" agreements in defense magnesium deals, is a bishop of the Nevada Mormon Church, and a part-time preacher. He runs a filling station and tire business at Las Vegas, Nev.

Senator Bunker was appointed in December, 1940, to succeed the late Sen. Key Pittman. He was then just one-half Senator Pittman's age, the youngest Senator from Nevada in history, and is now 36. He had opposed the Administration policies, in general, and supposedly was chosen as a "conservative" Democrat who would fight the new deal within the party ranks. Issues of foreign policy appear to have diverted him from his course. His first speech in the Senate was a vigorous demand for strong defense measures and his later activities have been mainly in this field.

Tapped for Senator.

One Saturday night, when the rush was over at the filling station, he went to a movie. Just when it appeared that Gary Cooper didn't have a dead man's chance, Mr. Bunker was touched on the shoulder by an usher. He had been tapped for a United States senatorship and was summoned immediately to the office of the governor. Later information was that Gary Cooper broke through the lines, and Mr. Bunker went to Washington.

He is short and stocky in build, with heavy eyebrows, which give him an appearance of great belligerency, and a contrasting hairline moustache. While he took a few swings at the Administration's "anti-business" policies, he is, in the vernacular, a "natural" in the championship of small business,

and it is perhaps this attitude which has aligned him against big business in the war production effort.

He Misses College.

In the present instance, his strictures are directed against Basic Magnesium Corporation, Inc., the Defense Plant Corporation and the RFC. Jesse Jones replies vigorously and in kind and it is an encounter comparable in interest to that which led Mr. Jones to shake Eugene Meyer, the latter enjoying no congressional immunity.

Mr. Bunker was graduated from Las Vegas High School in 1926 and did not go to college. He was in Nevada Assembly from 1936 to 1938. Bunkerville, Nev., was named after his clan, a pioneering Mormon family, which broke ground there soon after the Civil War. He served his required 18 months as a traveling Mormon missionary before starting his filling station. Reed Smoot, also a Mormon, was his only predecessor as a bishop in the United States Senate.

The motion picture industry issues a brochure beginning "Business as Usual" is a counsel of complacency which everyone today rightly repudiates. Nobody is re-

By Lemuel F. Parton

calling these days the Congressional inquiry which put the industry on the carpet for "war-mongering." The brochure is an up-and-at-em document which shoves ahead from today, with no backward look.

Meet Mr. Skouros.

Teamed with this is the news that Spyros P. Skouros, the shepherd boy from Greece, becomes president of the Twentieth Century-Fox Film Corporation, with Wendell L. Willkie as chairman of the board of directors. Mr. Skouros was out in front in the ranks of national defenders, quite a while before Pearl Harbor. Herding sheep on the shores of the Ionian Sea, he and his brothers Charley and George saved money enough to send Charlie, the oldest, to America. As soon as Charlie had saved the price of steamship tickets he sent for his brothers. They also served their bus boy apprenticeship. Then they bought a tumble-down theater, did well, borrowed \$150,000 to meet stiff competition, met it nicely and gradually gained a big string of theaters.

Spyros Skouros, tall and handsome and built like a discus thrower, studied theology while his brother was bringing through the steamship ticket.

In the News Today—By Lemuel F. Parton

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Spyros Skouros, tall and handsome and built like a discus thrower, studied theology while his brother was bringing through the steamship ticket. All the brothers are versed in the classics and are never tagged with any of the solecisms of movie moguls.

Nevada Senator Charges Lively Profiteering

Washington. (AP)—Senator Bunker of Nevada charged in a Senate address that an agreement between the Defense Plant Corporation and Basic Magnesium Inc., of Cleveland, Ohio, for construction of a \$63,000,000 magnesite refinery at Las Vegas, Nev., "is so sinister as to indicate that some officials of our government are guilty of malfeasance."

He demanded a thorough investigation of the Defense Plant Corporation, a subsidiary of the Reconstruction Finance Corporation, and added:

"If the agreement between the Defense Plant Corporation and Basic Magnesium, Inc., represents a cross section of conduct on the part of the Defense Plant Corporation, I can come to only one conclusion: We are tolerating the existence of an agency of government that is so corrupt that it would make profiteering in the last war look like petit larceny by comparison."

"International Intrigue"

"The fraud that is being perpetrated by the Defense Plant Corporation is a betrayal of the President and the American people."

Last week Bunker told the Senate Basic Magnesium, Inc., stood a chance of making a profit of 4,280 per cent in one year on an admitted investment of less than \$50,000.

Previously, the special Senate committee that is investigating national war projects reported that hearings it conducted at Las Vegas at Bunker's request indicated that Basic Magnesium, Inc., was guilty of "one of the most flagrant attempts at war profiteering."

Bunker, youngest member of the Senate, declared that the ramifications of the transactions were so far reaching as to "project Basic Magnesium, Inc., into the picture of international intrigue, involving English and German interest."

Bunker Hurls Charges; Jones Answers

NEVADAN HITS CONTRACT FOR L. V. PROJECT

Assertions Declared False by Jones

WASHINGTON—The senate heard charges—promptly branded as "untrue and irresponsible" by Secretary of Commerce Jesse Jones—that a "sinister fraud" had been perpetuated on the public and President Roosevelt by Basic Magnesium, Inc., Cleveland, and the government defense plant corporation.

The charges were voiced by Senator Berkeley L. Bunker, D., Nevada, who bitterly denounced an agreement between the corporation, and RFC subsidiary, and Basic Magnesium for a government "grant" of \$63,000,000 for construction of a magnesite refinery at Las Vegas, Nevada.

Charging the firm stands to make 4280 per cent profit within a year on an investment of only \$50,000 and that "extortionate salaries" are being paid to 42 of its executives, Bunker demanded a "complete investigation" and that the refinery contracts be rewritten immediately.

Makes Challenge

In his formal statement, Jones said:

"Senator Bunker's statements made in a speech on the floor of the senate, accusing RFC officials of wrong-doing, are unworthy of a United States senator and cannot go unchallenged. The senator must know these statements are untrue.

DURAND (WIR) COURIER-WEED
THURSDAY, APRIL 16, 1942

"The magnesium plant that is being built by the government near Las Vegas, Nevada will cost approximately \$70,000,000 and have an estimated capacity of 112,000,000 pounds of metallic magnesium.

"Nine separate contractors are participating in the construction. The fees to be paid these nine contracting and engineering firms, together with the fee to Basic Magnesium, Inc., for its engineering plans, supervision and know-how, will aggregate less than two per cent of the total cost of the plant.

"The operating or management fee of the plant is to be one-half cent per pound of magnesium produced, which is approximately two per cent of the estimated cost.

"The royalty for the ores will not exceed one-quarter cent per pound of magnesium metal produced.

"No irregularities have been discovered in the construction of the plant that would warrant the irresponsible statements made by Senator Bunker. The plant is wholly owned by the government and will be operated for its account. All expenditures in connection with the construction of the plant as well as its operation are carefully audited as the work progresses.

"Defense Plant Corp. contracted for the construction of this plant at the request of OPM and the war department, and the government's interest is fully protected.

"Senator Bunker's speech contains false and misleading statements which it takes no courage to make under his cloak of immunity."

Senator Says War Firm Is Profiteering

Senator Bunker, Democrat of Nevada, charged in a Senate address that an agreement between the Defense Plant Corporation and the Basic Magnesium, Inc., of Cleveland, Ohio, for construction of a \$63,000,000 magnesite refinery at Las Vegas, Nev., "is so sinister as to indicate that some officials of our government are guilty of malfeasance."

He demanded a thorough investigation of the Defense Plant Corporation, a subsidiary of the Reconstruction Finance Corporation, and added:

"If the agreement between the Defense Plant Corporation and Basic Magnesium Inc., represents a cross-section of conduct on the part of the Defense Plant Corporation, I can come to only one conclusion: We are tolerating the existence of an agency of the government that is so corrupt that it would make profiteering in the last war look like petit larceny by comparison."

"The fraud that is being perpetrated by the Defense Plant Corporation is a betrayal of the President and the American people."

Last week Bunker told the Senate that Basic Magnesium Inc., stood a chance of making a profit of 4,280 per cent in one year on an admitted investment of less than \$50,000.

The Washington Merry-Go-Round

By Drew Pearson and Robert S. Allen

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The WPB order banning all non-essential building construction also was tipped off in advance to certain members of the building trade. So, too, was the OPA's action imposing a price ceiling on fats and oils, and allowing an increase in wool prices. Word regarding this move leaked out two days before the order was issued.

Under suspicion for these leaks are certain dollar-a-year men, who, while not directly connected with these matters, were in a position to learn about them and to tip off business friends.

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The first was held in the private office of Col. Robert McCormick, publisher of the rabidly isolationist Chicago Tribune. Present in addition to McCormick were his cousin, Capt. Joseph Medill Patterson, publisher of the New York Daily News, and Col. Charles Lindbergh.

The three men were closeted together for several hours. They then went to the Chicago club, where they were joined by Gen. Robert Wood, former head of the America First Committee, now a high officer in the Chicago office of U. S. army ordnance.

The four men discussed the war situation, plans relating to this year's crucial congressional elections, Wendell Willkie, and Lindbergh's future plans. Several weeks later he got a job with Henry Ford.

Note: While keeping out of the limelight in the last few months Washington's isolationist generalissimos meet frequently for strategy pow-wows. Their last get-together was at the Massachusetts avenue mansion of Mrs. Alice Longworth.

Guinea Pig Gas Ration

It hasn't been announced yet, but the state of Maine probably will be used as a guinea pig to test the rationing of gasoline.

Frank Bane of the office of price administration recently conferred with the Maine congressional delegation, and subsequently sent a proposal to Augusta for approval of the governor and executive council.

The proposal would set up gas rationing in Maine on May 1, one month earlier than in other western states, to iron the wrinkles out of the system.

Maine was chosen as the guinea pig because of its isolated position. It is the only state which has only one other state contiguous to it—New Hampshire. Thus the problem of bootlegging across state boundaries can be more easily handled—especially since most of the traffic between New Hampshire and Maine follows a single highway, U. S. route 1, which crosses the line at Portsmouth, N. H., to Kittery, Me.

Petroleum Coordinator Ickes said last week that card rationing might be avoided by cutting down deliveries to service stations. But the price administration is proceeding with preparations for rationing.

Note: Maine hopes to prevent collapse of its tremendous tourist business by getting an allowance of 100 gallons for each tourist coming into the state. But the problem of tires remains unsolved.

Washington Merry-Go-Round

PROBING

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Note: Deeply religious, Bunker was a Mormon bishop while serving three terms in the Nevada legislature.

Mall Bag

J. H. L. Asbury Park, New Jersey—Reports from several sources appear to confirm the inefficient use of army trucks. A five-ton army truck frequently is used to carry a package that the driver could put on the seat beside him. Five and ten ton trucks sometimes are used for a couple of sacks of mail which could be carried in a motorcycle sidecar. . . . G. L., Los Angeles, Cal.—Admiral Kimmell is still on the payroll drawing retired pay according to his rank. The charges brought against him have not affected his status in this respect.

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HUNTINGTON PARK, CALIF.—
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APRIL 17, 1942

Washington Merry-Go-Round

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APRIL 16, 1942



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SILVERNE, NEB. REFLECTOR



WASHINGTON, April 16—
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SENO NEV JOURNAL
Cir. 7,503
APRIL 16, 1942

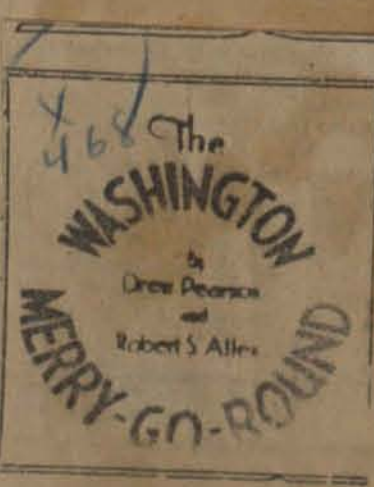
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Blackfoot (Ida.) Bulletin
April 16, 1942



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APR. 16, 1942
MORNING REPORTER

ISOLATIONIST CONTINUING

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Washington Merry-Go-Round

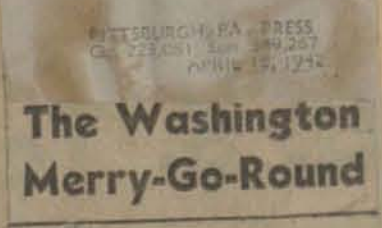
EDITOR'S NOTE: Opinions expressed by Drew Pearson and Robert S. Allen are entirely their own and do not necessarily reflect the policies of The Capital News.

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INDIANAPOLIS, IND. STAR
Cir. 13,007 Sun. 179,766
APRIL 15, 1942

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HANFORD CALIF. SENTINEL
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APRIL 17, 1942

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APR. 16, 1942
GARDNER NEWS

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CERTAIN DOLLAR-A-YEAR MEN UNDER SUSPICION OF TIPPING BROKERS;

ISOLATIONIST GENERALISSIMOS CONTINUE SECRET STRATEGY PARLEYS;

MAINE MAY SERVE AS GUINEA PIG TO TRY OUT GASOLINE RATIONING.

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APR. 16, 1942
KILGORE, TEXAS, NEWS HERALD

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APR. 16, 1942
SEABIRD TEX TIMES

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AUSTIN, TEX. TRIBUNE

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APR. 16, 1942
SEDALIA, MO. DEMOCRAT

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APR. 16, 1942
CORPUS CHRISTI, TEX. TIMES

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APR. 16, 1942
GRAND JUNCTION, COLO. SENT.

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ATCHISON, KS. GLOBE

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APR. 16, 1942
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APR. 16, 1942
DUBUQUE, IA. TELE-HERALD

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APR. 17, 1942
CHICKASHA OK. EXPRESS

News Behind The News

Editor's Note: Conclusion and opinions of "News Behind the News" writers are their own and are not necessarily concurred in by The Chickasha Daily Express.

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APR. 16, 1942
NORTH PLATTE NEB BULLETIN

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MUSKOGEE, OK. TIMES-DEMOCRAT



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WICHITA, KS. EVE. EAGLE

Washington Merry-Go-Round

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APR. 16, 1942 427
NEW ORLEANS, LA. STATES



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APR. 16, 1942 425
ARKANSAS, KS. TRAVELER



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APR. 16, 1942
GREAT BEND, KS. TRIBUNE

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THE WASHINGTON MERRY-GO-ROUND

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APR. 16, 1942
SALINA, KS. JOURNAL



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WASHINGTON MERRY-GO-ROUND

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APR. 16, 1942 429
LINCOLN NEBR STAR

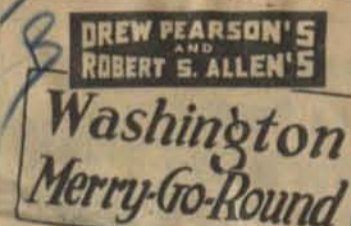


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SPRINGFIELD, MO. NEWS



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From UNION-STAR
Schenectady, N. Y.
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The Washington Merry-Go-Round

(Trademark)

WASHINGTON, April 16.—Government sleuths are probing a series of mysterious leaks of important market information from key war agencies.

Dollar-a-Year Men Expected of Lead Brought Profits Street — Lindbergh: Other Isolationist Secret Pow-V Maine May Guinea Pig to Try Out New Gasoline Rationing

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CONCORDIA, KS. BLADE-EMPIRE



CERTAIN DOLLAR-A-YEAR MEN UNDER SUSPICION AS THE RESULT OF "LEAKS"

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From FREE PRESS
Detroit, Mich.

APR 16 1942

Merry-Go-Round

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IR. ISLAND, NEB. INDEPENDENT



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KEARNEY, NEBR. HUB



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APR. 17, 1942 425
RUSWELL, N. M. DISPATCH

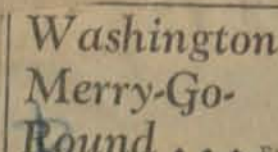


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BURLINGTON, IA. HAWK-EYE



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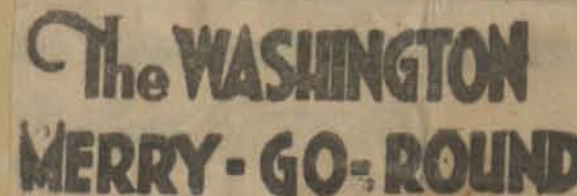
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APR. 16, 1942 429
NORFOLK, NEB. NEWS

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Government Sleuths Seek Information on Who Tipped Off Parity Price Announcement in Advance—Maine May Serve as Guinea Pig for Gas Rationing

APR. 16, 1942 439
ARDEN CITY KS TELEGRAM



Sleuths probe leaks of information from government agencies; certain dollar-a-year men under suspicion of tipping brokers; isolationist generalissimos continue secret strategy parleys; Maine may serve as guinea pig to try out gasoline rationing.

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by DREW PEARSON
AND
ROBERT S. ALLEN

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Washington
Merry-Go-
Round

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Wall Street Trader

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RICH VIA GOVERNMENT

(Milwaukee Journal)

People, mere people who read ads on how to help their country or listen to the radio or, without increase of wages or salary, are asked to allow deductions from their wages for the purchase of bonds—such people are doing so cheerfully because of their stake in America.

But it burns them up to hear of a secretary who worked for "the most wonderful man in the world" for 22 years, got up to \$4,000 a year, and then, in the year following, received \$39,000. So that is what becomes of the money they lend the government!

It burns them up to hear of executives of companies with huge war contracts who are so valuable to their fellow men that their compensation, wages and bonuses, suddenly increases as much as 700 per cent. For, of course, that, too, comes out of the money exacted by increased taxation, or borrowed on very small interest and to be repaid by their children.

It burns them up to hear the charge of Senator Bunker of Nevada that Basic Magnesium, Inc., stands to make a profit of \$2,000,000 in one year on an admitted investment of only \$50,000.

These are some of the highlights on the need of the nation for defense and victory. The need for which we are constantly told "sacrifices must be made."

These profits are not all. Union

treasuries are fattening, as Uncle Sam moves workers around to new jobs. As the Journal's story Sunday revealed, men who go to work at the new Badger Ordnance plant in Sauk county must pay, in instances, as much as \$60 down to the union and \$5 a month for the duration of the job.

There is no accounting to the public of union funds, as there must be of the funds of corporations. Unions may dump a half million into a political campaign fund, as Lewis unions did. Perhaps more than that after their wartime prosperity, which also comes from increased taxes and the buying of bonds for which their children must pay.

Sidney Hillman, labor director of the war production board, outlined a program the other day. Directives should be sent, he said, to all war contractors that all skilled craftsmen must be employed at jobs utilizing their best skills. Authority should be obtained for transferring workers among employers in accordance with the needs of war production. Legislation should be obtained authorizing the war production board to mobilize skilled occupations as are deemed necessary for prosecution of the war effort.

All this sounded like pretty good sense. It means moving men about as Americans are not used to being moved about. It would not be accepted by labor except as war emergency. But Mr. Hillman, a representative of labor, believes it is the thing to do.

And then, when these men go to new jobs, at home or far from home, ready to do what their government says is their part of the war effort—they must join new unions, pay on the line what it is supposed the traffic will bear and pay thereafter.

It was gratifying to read that, through voluntary rebates or negotiation, two firms alone were reducing the bill of the government by \$50,000,000. But there are enormous profits going to ownership and management and to labor officials which will not be returned voluntarily. Haste may have dictated these arrangements. But there is time now to think them over.

Every cent of wartime prosperity is laid on the shoulder of those whose share is to receive no more and to pay higher costs for living.

ASSAILS FRAUD IN WAR PLANT

Washington, April 9. — Senator Bunker (Democrat of Nev.), charged in a senate address today that an agreement between the Defense Plant Corporation and Basic Magnesium of Cleveland, O., for construction of a \$63,000,000 magnesite refinery at Las Vegas, Nevada, "is so sinister as to indicate that some officials of our government are guilty of malfeasance."

He demanded a thorough investigation of the Defense Plant Corporation, a subsidiary of the Reconstruction Finance Corporation, and added:

"If the agreement between the Defense Plant Corporation and Basic Magnesium, Inc., represents a cross section of conduct on the part of the Defense Plant Corporation, I can come to only one conclusion: we are tolerating the existence of an agency of the government that is so corrupt that it would make profiteering in the last war look like petit larceny by comparison. The fraud that is being perpetrated by the Defense Plant Corporation is a betrayal of the president and the American people."

Last week Bunker told the senate that Basic Magnesium, Inc., stood a chance of making a profit of 4,280 percent in one year on an admitted investment of less than \$50,000. In other words a clear profit of over \$2,100,000 in one year.

Previously, the special senate committee that is investigating national war projects reported that hearings it conducted at Las Vegas at Bunker's request indicated that Basic Magnesium, Inc., was guilty of "one of the most flagrant attempts at war profiteering."

Bunker, youngest member of the senate, declared today that the ramifications of the transaction were so far reaching as to "project Basic Magnesium, Inc., into the picture of international intrigue, involving English and German interest."

War Contract Assailed On The Senate Floor

One of the Most Gigantic Conspiracies Ever Known Is Charged—Congress Must Act Quickly

WASHINGTON, April 9.—Senator Bunker of Nevada charged in a Senate address Thursday that an agreement between the Defense Plant Corporation and Basic Magnesium, Inc., of Cleveland, Ohio, for construction of a \$63,000,000 magnesite refinery at Las Vegas, Nev., "is so sinister as to indicate that some officials of our government are guilty of malfeasance."

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"International Intrigue"

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Forty-five per cent of the stock in Basic Magnesium, Inc., he said, was owned by Magnesium Elektron, Ltd., of England. The English company, he added, obtained that interest by agreeing to furnish a magnesium refining process it obtained from under an agreement with I. G. Farbenindustrie of Germany.

Agreement Terms Aired

Bunker said the other 55 per cent of the stock was owned by Basic Refractories, Inc., of which Howard P.

Claims, Bunker asserted. For one taken from the public domain \$250,000, instead of \$280,000 annually would be required to pay a royalty of then for 10 years the Government other than Basic Magnesium, Inc. In case of a sale of the plant to L. Y. The total was \$2,100,000. and operating of the plant ANNUAL estimated \$50,000 for management PUBLIC DOMAIN CLAIMS, and an year royalty on ore taken from the superintending construction; \$250,000 for Basic Magnesium, Inc.; \$300,000 for sold to some company other than any \$1,000,000 in case the plant was Plant Corporation would pay the com- Inc., agreement provided that Defense Plant Corporation-Basic Magnesium Bunker said terms of the Defense Magnesium, Inc., Bunker said. president of the subsidiary, Basic work had been done. Bells also is Inc., on which some development public domain mining claims in Nye County, Nev., to Basic Magnesium, Basic Refractories obtained its interest by transferring its rights in 38 Bells, Jr., of Cleveland, is president

BASIC MAGNESIUM HEAD REFUTES BUNKER'S MISMANAGEMENT CHARGE

Two brief sessions of a hearing held last week at Las Vegas by members of the Truman Tnsenate committee, lately investigating war production activities in the west, were said to have brought out no testimony to support serious charges, voiced repeatedly in the press against the management of the Basic Magnesium Inc., by Nevada's junior U. S. senator, Berkeley L. Bunker, at whose instance the hearing was called.

According to a report in the Las Vegas Review-Journal, recess was called as the committee heard Senator Bunker charge that Howard P. Eells, Jr., president of Basic Magnesium, Inc., was "inefficient and incapable" of managing the big \$63,000,000 plant being erected near Las Vegas.

The committee announced that it planned to return to Washington and indicated that the continuation of

(Continued on Page 8)

the hearing will take place in the nation's capital.

The Truman committee started delving into the contractual setup of the Las Vegas plant with Eells as the first witness.

Senator Mon C. Wallgren of Washington was the presiding officer with Senator Joseph H. Ball of Minnesota, Senator Harley M. Kilgore of West Virginia and Senator Bunker of Nevada occupying the bench. Hugh A. Fulton, chief counsel for the committee, conducted the inquiry with occasional questions from the senators.

During the course of Eells' testimony it was brought out that:

The stock in the corporation is divided 55 per cent to Basic Refractories, Inc., of Cleveland, Ohio, which Eells heads, and 45 per cent to Magnesium Electronics Co. of England.

Basic Refractories contributed magnesite deposits at Luning and management for their share of the stock and Magnesium Electronics contributed the "know how"—the process developed for producing magnesium in England and which was in use in two plants there.

Basic Magnesium, Inc., receives as compensation for various phases of the project.

1. Construction of the plant, one-half of one per cent of the cost, up to, but not exceeding the sum of \$300,000.

2. Operation, two per cent of sales, but not less than one-half cent a pound of metal produced, which on the basis of 112,000,000 pounds would amount to \$560,000 a year.

3. Furnish the ore, one-fourth cent a pound for each pound of magnesium produced, if Basic Magnesium operates the plant, or one-half cent a pound if someone else is in charge of operation—a total of \$280,000 for the ore if B. M. I. operates.

4. A flat fee of \$1,000,000 if operation of the plant is transferred to another firm.

Fulton delved deeply into Eells' past experience and his companies and discovered that the B. M. I. president had been connected with the operation of Basic Refractories, Inc., in Cleveland for 20 years; that he is also head of Atchison and Eastern Bridge Co.

Basic Refractories, Eells testified, represents an investment of "between three and four million dollars."

He traced the acquisition of the properties in northern Nye county from 1936 to the present time and said leases on the brucite claims were taken to provide raw materials for Basic Refractories, and the discovery of the vast deposit of magnesite came in connection with the brucite development.

Fulton dwelt at length on the amount invested in the Nye county property, finally arriving at a figure of approximately \$25,000 for the magnesite claims turned over to the government.

Eells declared there was 13,000,000 tons of ore blocked out in Nye county, basing his statement on drilling done so far and from reports.

Fulton brought out that many Basic Refractories executives brought to Las Vegas received substantial increases in salaries, and Eells explained this by stating they had more responsible positions.

Eells testified that during 1941 he had been paid \$18,000 for a half year's services as president of Basic Refractories and that he received \$25,000 for services rendered as head of Basic Magnesium during the second half of the year.

GARDNERVILLE, NEV. POST-COURIER
APRIL 17, 1942

Observations

Here is a little story that was picked up on a flying field a few days ago: The training plane had just landed and taxied to the far end of the field. The instructor and his student climbed out and as the motor idled, two more were ready to take over. One was a student with less than two hours flying to his credit, the other on his first trip up. They climbed in and taxied for the takeoff. The two-hour lad, at the request of his companion, took over the control, pulled the stick back and soared away, believing that his companion was an instructor. Completing the half hour in the air, he headed the plane back to the field and getting no response from his instructor, dipped for a landing that was a bit rough but well within the range of perfection. Climbing out, the two-hour lad asked his companion how it was that he let him have complete control of the ship. "Hell," said the companion, "I'm not an instructor; that was my first trip up, I'm a new student here." The other lad felt cold beads of perspiration on his forehead, then came the sound of a vacuum sweeper and an ambulance took him off the field. Revived, he vowed that he would hereafter be certain that the other guy in the plane was an instructor, not a student on his first trip up.

Senator Berkeley Bunker may not be altogether right in his charges of gross mismanagement of the Las Vegas magnesium plant, but when those responsible retort by calling Bunker a liar, it would seem that the answer needs a lot of explaining. Bunker charged that Basic Magnesium, Inc., stood a chance of making \$2,140,000 profits in one year or 4,280 per cent. The Truman committee reported the company was involved in a "flagrant attempt at war profiteering and said it would continue its investigations. It must be realized that all Americans have not yet learned what war really means. Profits to some seem to be paramount and the war effort just a side issue to make millionaires.

Although there is a pedestrian walk between Minden and Gardnerville, there are those rugged individuals that continue to risk their lives walking on the highway. A night or two ago, according to a motorist, one of those daring souls nearly lost his rugged individualism when lights from an approaching car momentarily blinded the motorist and only alert action prevented what might have been a serious accident. Granting that the pedestrian is always right whether walking on the footpath or highway, chance of sustaining broken bones or being crippled strongly suggests safety of the footpath.

Sen. Bunker Wins National Approval

His Exposure of Profit- eering Possible in Mag- nesium Deal Applauded

The whole country became aware of Nevada's junior senator, Berkeley L. Bunker, when on April 9th, for the second time he addressed the United States senate on the subject of the contract with Basic Magnesium, Inc., under which Defense Plant Corporation, a government agency, is paying out \$63,000,000 of the people's money for the construction of a magnesium plant near Las Vegas, Nevada.

Senator Bunker's fearless but carefully restrained utterances received the closest attention from the members of the senate, were highlighted in the night's radio reports from Washington and in the press of the entire nation the next day.

The country became aware that a new and courageous voice was demanding that the limelight be turned on the improvidence and wastefulness of organizations spending the public funds for war purposes and a restraining hand be laid on all present or future possibilities of profiteering. Commendation of the effort of Nevada's junior senator resounded from one end of the country to the other.

Senator Bunker's attack upon this contract, which the Truman committee of the senate which is investigating it has already termed "a flagrant attempt at war profiteering," was the stronger because it was almost entirely factual, giving facts and figures of the extravagances which have already taken place and are now going on and the enormous profits which are within the reach of Basic Magnesium in the future under its contract with the Defense Plant Corporation.

Jesse Jones, secretary of commerce, under which the Defense Plant Corporation operates, rushed to the defense of his child. The statement containing his defense consisted for the most part in attacks upon Sen. Bunker. He did not, however, deny any of the specific facts alleged by the Nevada senator, but confined himself to statements of percentages payable under the contract, the usual recourse of those who are faced by specific figures. Percentages are most illusory. Two per cent is a negligible figure if applied to \$1,000, but two per cent on \$70,000,000, which Jones says the plant will cost, amounts to nearly one and a half million dollars and Jones admits this percentage in fees will be payable to various people, including Basic Magnesium, Inc., in connection with the construction of the Las Vegas plant.

Much more will be heard of this matter which Senator Bunker has had the courage to bring to the notice of the senate and the country. In the meantime the country is glad to learn that it has another resolute congressional watchdog over the people's money. We need still more of them.

DAYTON, O. NEWSWEEK
CH. 317,000 APRIL 20, 1942

Magnesium

The other object of Jones' wrath was Sen. Berkeley L. Bunker, a Nevada Democrat serving his first term. In the Senate Bunker claimed that an agreement between the Defense Plant Corp., which Jones chairs, and Basic Magnesium, Inc. of Cleveland, for the construction and operation of a magnesium factory in Nevada was "so sinister as to indicate that some officials in our government are guilty of malfeasance." Bunker asserted that the agreement permitted Basic Magnesium to make a 4,280 per cent profit on a \$50,000 investment and that 42 executives of the company were getting "extortinate salaries."

Hinting at a libel suit should the charges be repeated outside the Senate, Jones retorted that Bunker's statements took "no courage to make under his cloak of immunity." He contended that the government's interests were fully protected by the contract and said that the magnesium firm would receive only 2 per cent of the plant's \$70,000,000 cost for engineering plans, supervision, and the "know how."

Bunker at once replied that "we are only started" on the case, which is already being investigated by the Truman committee.

LOS ANGELES CALIF. INDEPENDENT
APRIL 17, 1942

Washington Merry-Go-Round

By Drew Pearson and Robert S. Allen

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Apr 17 1942
Seattle Post Int

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IS NEVADA MAGNESIUM INDUSTRY IN DANGER?

THAT THERE may be something a lot bigger than appears on the surface back of the uproar about Basic Magnesium is hinted in recent rumors to the effect that the Nevada skirmish is part of a titanic struggle for control of the light metals industry.

According to these rumors, the aluminum trust has its eyes on Grand Coulee where power is generated almost on top of the magnesium deposits, and where development of magnesium metal would be inexpensive by comparison to the cost of producing the mineral at Gabbs Valley and transporting it to Las Vegas for processing.

From persons in Washington close enough to the top to know something about the situation, have come the prediction that the Nevada producing quarries and the great processing plant at Las Vegas may be lost to the state if the aluminum trust has its way.

Accusations against Basic Magnesium by Senator Bunker of Nevada, have focused attention on that corporation which, if the senator is upheld in his contentions, has a lush thing in its contracts with the government—which Jessie Jones of the R. F. C. hotly denies.

While the senate committee is investigating the Bunker charges, perhaps it had better go a step further and look into the whole light metal setup, far enough to determine who is to dominate magnesium production and processing in this period of national peril.

The public is clamoring for a cleanup of any rotteness that may exist in war industries, and if Senator Bunker has uncovered some dirt, that's to his credit, whether it helps him get himself elected to the post he now holds by appointment or not. If there's a bigger game than Basic Magnesium, Inc., in the offing, however, Thurman Arnold and the Truman committee had better go gunning for it and not waste all their ammunition on the smaller fry.

On the other hand, there may not be anything radically amiss anywhere as far as magnesium is concerned, and if that is the case the public mind will be eased considerably if the truth is dug out quickly and given to the people, who are uneasy enough about war production as it is, without having this, too, to worry about.

TRI CITY LABOR REVIEW
ROCK IS. IOWA
4/17/42

HINTS SCANDAL OVER CONTRACT DEFENSE ORDER

Nevada Senator Says Racketeering Concern Making Millions on Shoestring

Congress has reached the conclusion that specific legislation is needed to redeem President Roosevelt's pledge "that a new crop of millionaires will not be spawned by the war effort."

The house has already tacked on a "rider" to a defense appropriation bill limiting profits on war contracts to 6 per cent.

The Senate Appropriations Committee didn't like the house plan and reported an amendment limiting profits on contracts of \$50,000,000 or more to 2 per cent and ranging up to 10 per cent on contracts of less than \$10,000.

Amendment Rejected

When the amendment reached the senate this week it was declared by administration leaders to be unworkable and was rejected. The question now goes to conferees, who may report anything they please—or nothing.

While solons are not quite clear about methods, the prevailing sentiment is that something must be done.

That profiteering has been scandalous and widespread has been reported by several congressional committees which have looked into the matter. Every day adds new details to the sordid chapter.

The case of a company which stands to make \$2,140,000 in one year on an investment of \$50,000 or less was brought to the attention of the senate by Senator Berkeley L. Bunker (Dem., Nev.).

Government Builds Plant

per cent profit is Basic Magnesium, Inc. of Cleveland, for which a \$65,000,000 plant at Las Vegas, Nev., is being financed by the Defense Plant Corporation, headed by Jesse H. Jones.

Senator Bunker read the names of 40 officials of the corporation who have their hands in Uncle

Sam's pockets for salaries ranging up to \$36,000.

Although the company is not even sufficiently responsible in a money way to warrant the leasing of the plant to it, it will be paid a fee for operating the property of \$560,000 a year for 30 years, Bunker said.

It also gets a \$300,000 fee for plant construction and another of \$1,000,000 for architectural and engineering service, although, according to Bunker, "it has had little or no construction experience."

Promises Further Scandal

Bunker promised to "tie the ends of this amazing scandal of war profiteering together" and lay additional facts before the senate.

The deal is so sinister, he said, that it "indicates some officials of our government are guilty of malfeasance." He demanded an investigation of the Defense Plants Corporation, a subsidiary of the Reconstruction Finance Corporation, which he accused of "betraying the President and the American people."

"In the light of the extraordinary profits and salaries paid out of the taxpayers' money to a racketeering corporation," the Senator added, "I fear the reaction of the men, women and children who are putting their dollars, dimes and pennies into war bonds and stamps."

That congressional exposures have "thrown a scare" into war contracting agencies and profiteers is clearly indicated by a number of recent developments.

War Department officials have called on more than 100 compa-

Editorial Opinion

Of Others

Basic Magnesium and Sen. Bunker

Los Angeles Times

If the statements of Secretary of Commerce Jesse Jones, who heads the government lending agencies, are accurate—and few will doubt Jones' word—Senator Bunker of Nevada stands convicted of being an irresponsible blabbermouth who should have the last syllable of his name elided.

Cloaked in senatorial immunity, Senator Bunker made sensational charges on the floor of Congress about the Basic Magnesium, Inc., plant near Las Vegas and Boulder City, asserting that under the setup the company stood to make 4280 per cent profit on a \$50,000 investment. Bunker intimated that "high government officials" had been corrupt, though without naming them.

Since Jones is the government official responsible, this part of the charge reflected on him.

Jones declares in answer that the company's investment is not a mere \$50,000, but many millions; that the construction fees will aggregate less than 2 per cent of the cost of the plant; that royalty for ores will not exceed 1/4 cent per pound for the magnesium produced, and that the fee for operation will not exceed 1/2 cent per pound, or approximately 2 per cent.

Bunker's charge that a British company, which he said is concerned in the patent rights, is in reality controlled by German interests, appears absurd on its face. The British government is distinctly not permitting anything of that sort; any German interest in British corporations has long since been taken over.

The Constitution provides that for what members of Congress say upon the floor of either house they "shall not be questioned in any other place." This generally useful and salutary provision seems to have been gravely abused by Senator Bunker. The Senate can and should call him to account.

nies whose profits have been "unconscionable" to make voluntary restitution. There is no legal power to make them do so, the mere threat to take them before a congressional committee is said to have had its effect in some cases.

Big Refund Made

Last week the Continental Motors "voluntarily" agreed to refund \$40,000,000. The company's entire board of directors came to Washington and was brought to terms in less than three hours.

Other refunds on the way will make that of the Continental "look like chicken feed," War Department officials said.

They recalled that the Continental refund represented excess profits on total contracts of \$190,000. Its contracts contained substantially the same terms as the billion-dollar contract of General Motors, duPont, Boeing and other great companies.

Some time ago Under-Secretary of War Robert P. Patterson set up a bureau to study contracts and placed it in charge of Albert J. Browning, a Chicago manufacturer, who was director of the old O. P. M.'s purchasing division.

Browning, it is said, has already "interviewed" scores of industrial chieftains and mildly suggested that it might be better for them to send the government a check than to face the prospect of being rolled over by a congressional committee.

LITTLE LUTHER

"I see by the papers, father," said Little Luther, "that Sen. Bunker of Nevada says the Basic Magnesium Co. with the assistance of Jesse Jones' Defense Plant Corp. is making a 4,280 percent profit on its contract for a war plant at Las Vegas."

"Such remarks," replied Mr. Dilworth, "are unworthy of a United States senator and patriotic little boys should not go around repeating these smears on American business."

"But, daddy, if Mr. Mackerel, the grocer, was overcharging us, you would want me to tell you about it, wouldn't — — —"

"Has that fellow rigged our bill again? Why, I'll — — —"

"No, no, daddy, but I think the people ought to know when some company gets its fingers struck in the national pocketbook."

"But, my boy," shouted Mr. Dilworth, grabbing the paper from Luther, "Jesse Jones says the plant is wholly owned by the government and will be operated for its account."

"If the government owns the plant, then why did it pay the company \$300,000 for supervising construction after the government pays all bills, including the wages, salaries and materials as well as construction, engineers' and contractors' a fair return on its investment?"

"Yes, father," said Little Luther meekly, "but the only money the Basic Magnesium outfit invested was \$63,000,000 that the government lent it. Why couldn't the government have taken the 63 million and built the plant itself and it wouldn't have had to — — —"

"That," screamed father, "would be state socialism and nothing is more destructive of the very foundations of our democracy."

"In other words, father, the government had to 'bribe' somebody to the tune of \$63,000,000 to get a plant built so that this country could have enough magnesium for the war."

"That is not bribery, my boy. It is because of such private enterprise that we have the finest industrial system in the world."

"Then why haven't we got enough magnesium?"

"Probably because of restrictive regulations by some damned union — — —"

"Yes, indeed, father, a union of the Aluminum Corp. of America and the Nazi chemical trust. Under one of those cartel agreements, the ALCOA agreed with the Germans before the war to limit U. S. production of magnesium to 4,000 tons a year while the Nazis could produce as much as they wanted as long as they did not compete with ALCOA's aluminum trust."

"Luther, my boy, I'm going to have to speak to your mother about that catalog I received from the school for incorrigible boys."

APR 17 1942

Industrial Treason At Home

[From The Progressive]

IT WAS THE WEEK of America's most humiliating military defeat—the fall of Bataan and the killing or capture of 36,000 American and Filipino boys. It was the week in which large segments of organized labor voluntarily agreed to have their pay cut by abandoning major overtime privileges. It was the week in which government officials announced new and drastic plans to slash the already shrunken American standard of living and thus bring the war closer home than ever to the average citizen.

But in this week of sacrifice on the battle line and assembly line, profiteering continued unabated. More sensationally, this was the week of staggering revelations regarding "industrial treason at home"—revelations which showed that some of America's most powerful corporations were seriously hampering the war effort not for "profits as usual" but for "more profits than ever."

There were stunning charges by responsible offi-



Arnold

O'Mahoney

Bunker

cialists that many of the materials vitally needed for the production of warplanes were lacking (1) because American corporations were tied down by agreements with a Nazi trust, and (2) because patent holders were unwilling to make their processes available for the prosecution of the war.

Some of the most startling accusations of all came in hearings before the Senate Patent Committee. The Committee is this week taking testimony on a highly important bill introduced by Sens. Robert M. La Follette, Jr., Wisconsin Progressive; Homer T. Bone, Washington Democrat, and Joseph C. O'Mahoney, Wyoming Democrat. The bill authorizes the government to take over any patent for the duration of the war.

Draft Materials, Money, Machines

In his opening statement to the Committee Sen. O'Mahoney declared that the time had come to draft materials, money, and machines in an all-out war effort. He charged that the war effort was being impeded by the refusal of patent holders to make available a new process for manufacturing plastic glass for warplanes, in addition to new developments in the processing of iron ore and zinc.

"We stripped ourselves of scrap iron and shipped it to Japan," he said, "but there are millions of tons of iron ore available. The production of this iron ore is being held back by the reluctance to utilize the latest processes available. If we can use these processes, now tied up by patents, we can produce more iron ore and we can have the steel we need."

Sen. Bone contended that cartel and contractual agreements have made available "to our actual and potential enemies secrets vital to our defense. These events will present a strange picture to the historian of the future, and it is vital that we know to what extent the rights and privileges we have granted to individuals under our patent law have been abused and have brought aid and comfort to those who assail us in this hour of trial."

People Will Not Be Gentle

Sen. La Follette warned the government that "the people are not in a frame of mind to be gentle with industrial treason at home while American boys die on battlefields scattered over the globe."

"These hearings will show how willingly and frequently some groups in our country have allied themselves with Nazi corporate empires; how little they have been guided by the democratic ideals and traditions of America; how readily they have resorted to an authoritarian 'business type' of sovereignty."

"Evidence will be presented to show that their alliances with Nazi firms under an authoritarian 'in-

dustrial' sovereignty were to them much more important than the fate of the United States. Evidence is available that they fully expect to return to those Nazi alliances after the war."

"One almost gets the impression that they regard this war as an annoying interruption to their fascist economic alliances."

Victory For Standard Oil

Discussing the consent decree between Standard Oil of New Jersey and the Department of Justice, as a result of which patents on artificial rubber were supposed to have been made available on a royalty-free basis to American manufacturers, Sen. La Follette called for a searching inquiry into the arrangement.

"It seems to me," he said, "that the Standard Oil consent decree is a real victory for Standard Oil. The record shows that I. G. Farben (the great German trust which was Standard's Nazi partner) selected Standard Oil to handle the patents in case of war."

"All the consent decree does is to guarantee that Standard Oil will hold these patents, with an immunity against interference granted by the decree, until the day when Standard Oil can render an accounting to I. G. Farben, and return the patents. The situation should not be tolerated for one minute, much less for the duration of the war."

"If this result was due to action in the executive branch of government, let us find out who it is that forced acceptance. If the result was due to a lack of statutory means, it affords one more compelling reason for action on this bill."

"The hearings on this bill will show that the efforts of the United States and other anti-Axis countries to prepare for war were impaired if not hamstrung by giant cartel agreements which crossed national boundaries and thwarted announced government policies."

The Shortage Of Magnesium

Meanwhile, Asst. Atty. Gen. Thurman Arnold was hinting at the astonishing dealings between the Aluminum Company of America and Nazi corporate interests which have now resulted in a desperate shortage of materials needed for American warplanes.

In the field of magnesium, for instance, Alcoa and the Nazis bottled up American production. Magnesium is vitally needed in the making of planes. According to evidence before the Justice Department, both the German chemical trust and Alcoa held patents on magnesium alloys. The latter wanted to limit production because it feared magnesium might be a dangerous competitor to aluminum.

As a result, the Nazi and American trusts worked out an agreement which limited American production to 4,000 tons a year. Shipments to England were held to 300 tons. The Nazis enjoyed the agreement. American production never exceeded 2,500 tons until 1940 while the Nazis were producing 12,000 tons a year. In 1940 production in the United States managed to reach the 6,000-ton mark, but German production had increased to between 25,000 and 50,000 tons.

Now, with the lack of magnesium and aluminum

seriously crippling plane production, the government is making a desperate effort to make up for lost time. Thus far its efforts have produced one of the greatest scandals of the war.

Sen. B. L. Bunker, Nevada Democrat, charged in the Senate last week that an agreement between the Defense Plant Corporation, dominated by the ubiquitous Jesse Jones, and Basic Magnesium, Inc., of Cleveland, O., for construction of a \$63,000,000 magnesite refinery at Las Vegas, Nev., "is so sinister as to indicate that some officials of our government are guilty of malfeasance."

If the agreement represents a cross-section of conduct by the DPC, Sen. Bunker said, "I can come to only one conclusion: We are tolerating the existence of an agency of the government that is so corrupt that it would make profiteering in the last war look like petty larceny by comparison."

Sen. Bunker contended that Basic Magnesium, Inc., stood a chance of making a profit of 4,280 per



Jones

Meyer

Bone

cent in one year on an admitted investment of less than \$50,000.

Jones Makes A Strange Reply

Jesse Jones, harassed on every side by mounting disclosures of incompetence, sloppy planning, expensive penny-pinching, and total lack of vision, struck back at Bunker, denying the charges by resorting to his familiar explanation that the "government's interest is fully protected."

In defending himself from the accusation that he and President Roosevelt had blocked construction of synthetic rubber plants two years ago, Jones made the astonishing reply that British and Dutch monopolists contributed to the rubber shortage by restricting shipments to the United States in 1940 and 1941 because "they didn't want us to build up a stockpile that would depress the price after the war." Apparently Jones and the Administration did nothing to break down the selfish refusal of British and Dutch planters to permit the "arsenal of democracy" to prepare for a possible rubber shortage.

Multi-Millionaires Slug It Out

In a week in which his name was in the headlines almost every day in connection with vital shortages Banker Jones made news as a result of his fistie activities as well.

Attending a dinner at Washington's exclusive Alfalfa Club, Jones spotted Eugene Meyer, editor and publisher of the Washington Post and former head of the RFC. Meyer's paper has been blistering Jones for his role in the rubber shortage. Jones grabbed Meyer by the coat and began to shake him. Meyer wrenched free. His glasses fell to the floor and were smashed. He took a swing at Jones, but friends separated the two multi-millionaires before further damage could be done.

Next day, Sen. Bunker, who had been challenged by Jones to throw off his cloak of Senatorial immunity in accusing him (Jones) of official failures, did precisely that. Waiving immunity, Bunker accused Jones of "making a fool of himself in a public brawl." He also reaffirmed his charge that Jones' Defense Plant Corporation awarded a corrupt and fraudulent contract for the construction of the magnesite plant.

Yes, it was the same week that Bataan fell with its 36,000 American and Filipino boys. It was the same week that large segments of labor offered to surrender part of their pay to help win the war. It was the same week that the average citizen learned that his standard of living was to be shot in pieces.

U. S. AT WAR

PRODUCTION

Jesse Gets Ruffled

The week was enough to try a saint's patience, let alone the patience of Jesse Jones.

First he was called by the Senate's bustling Truman Committee, all set to pin the rubber shortage on somebody. Jones dodged the pin point. Backed up by five of his experts and lawyers, the Secretary of Commerce belligerently cocked his good right ear at the committee, stubbornly parried its jabs.

The committee wanted to know about a recommendation the old National Defense Advisory Commission sent to Jones in October 1940: that the U.S. should start immediately on 100,000 tons of synthetic-rubber capacity. Jones did not sign any contracts until seven months later; then aimed at only 40,000 tons. How come?

How come! said Jesse Jones. Well, there were the problems of negotiating contracts, by-passing patent disputes, figuring which synthetics were best. Senator Tom Connally, always eager to help a Texas chum, chimed in: "Along with the baby they [NDAC] left all these other side issues and problems to be determined. . . ."

"Yes," said grateful Jesse Jones. "The baby that was left on our doorstep had not been cleaned or washed. . . ."

The Committee also wanted to know about the U.S. stockpile of natural rubber, which Jones had almost two years to build up. How come the stockpile was not bigger?

How come! said Jesse. The U.S.-owned stockpile was now some 340,000 tons, and Jones thought that was pretty good. It would have been even better, but the British-Dutch rubber cartel had turned the spigot on only a little way at first. The cartel did not want a "large stockpile that might . . . destroy the market."

Fighting Words. Congress has always been loath to tangle too closely with The Old Man of RFC, and the Truman Committee was no exception. Not so the *Post*, Washington's most potent newspaper, which burst out with a red-hot editorial, pointing out that Mr. Jones was hiding behind a screen of blame on the NDAC, the British, the Portuguese, the Dutch, and the President:

"The chief aim of Mr. Jones's testimony was to create an impression that he had done his utmost—that any failure of accomplishment ought to be chalked up against somebody else. . . ."

"The plain truth is that Mr. Jones fell down rather badly on the job. . . . The proof of an official's worth to his country lies in his ability to meet and conquer the kind of obstacles of which Mr. Jones complains."

Jesse Jones, who had gotten by for more years with less criticism than any other Administration official, read these words with narrowing blue-grey eyes.

Fighting Speech. Worse was to come. That afternoon up rose Nevada's hand-



JONES-BAITER MEYER
His editorial cost him a pince-nez.

some, young (35) Senator Berkeley L. Bunker, to deliver the most blazing speech made yet in Congress against Emperor Jones's bureaucratic empire.

Bunker was angry about a plant put up in his native State (Nevada) by Basic Magnesium, Inc., under contract with Jones's Defense Plants Corp. From a Truman subcommittee report, Bunker figured that the company had furnished only \$50,000, but stood to make a profit of \$2,140,000 (4,280%) in a single year. Cried he: "If the agreement . . . represents a cross section of conduct on the part of the Defense Plant Corporation . . . we are tolerating the existence of an agency of the Government that is so corrupt as to make profiteering in the last war look like petty larceny by comparison."

Senator Bunker is a serious Young Democrat, a Mormon Bishop who was appointed to the Senate in 1940, who had heretofore held his peace while learning the ropes. But to Emperor Jones, he was just an annoying young squirt. Jones dashed off a hot reply:

"Statements . . . unworthy of a U.S. Senator. . . . The Senator must know these statements are untrue. . . . False and misleading statements which it takes no courage to make under his cloak of immunity."

Fight. That evening Jesse Jones went to a gala party of Washington's hail-fellow Alfalfa Club, but his heart was not in the fun. His Texas temper, tender from years of being left alone, still twitched and writhed. He bumped smack into the *Washington Post's* publisher, trim, high-domed Eugene Meyer.

Hulking Jesse Jones, 63 1/2 ft., 230 lb., grabbed Meyer's coat lapels, shook him like an angry bear. Meyer's pince-nez

shattered on the floor. Then Meyer, 66, 5 ft. 10, 186 1/2 lb., who took boxing lessons for two years from Heavyweight Champion James J. Corbett, came up with a haymaker aimed straight at the Jones jaw. It missed—and other guests pulled the two heavyweights apart.

For the Secretary of Commerce, it was the end of an unlamented day.

Las Vegas Review Journal
April 20, 1942

Senator Berkeley L. Bunker's roadside at Secretary of Commerce Jesse Jones has elicited comment the country-over, with the Nevadan getting the break in most articles. The Washington Merry-Go-Round, written by Drew Pearson and Robert Allen, stated that Bunker was "the first man in the number who dared openly tangle

with Jesse Jones, who, next to the president, is the most powerful man in Washington." The column, which has bitterly assailed Jones in recent months, termed Bunker "one of the hardest working men in Washington," and concluded by saying Nevada "has a big voice on Capitol Hill in scrappy Berkeley Bunker."

Not so kind to Bunker was the Los Angeles Times, which commented editorially as follows: "If the statements of Secretary of Commerce Jesse Jones, who heads the government lending agencies, are accurate—and few will doubt Jones' word—Senator Bunker of Nevada stands convicted of being an irresponsible blabber-mouth who should have the last syllable of his name elided."

NEWS WEEK
New York, N. Y.

Shapiro

Magnesium

The other object of Jones' wrath was Sen. Berkeley L. Bunker, a Nevada Democrat serving his first term. In the Senate Bunker claimed that an agreement between the Defense Plant Corp., which Jones chairs, and Basic Magnesium, Inc. of Cleveland, for the construction and operation of a magnesium factory in Nevada was "so sinister as to indicate that some officials in our government are guilty of malfeasance." Bunker asserted that the agreement permitted Basic Magnesium to make a 4,280 per cent profit on a \$50,000 investment and that 42 executives of the company were getting "exorbitant salaries."

Hinting at a libel suit should the charges be repeated outside the Senate, Jones retorted that Bunker's statements took "no courage to make under his cloak of immunity." He contended that the government's interests were fully protected by the contract and said that the magnesium firm would receive only 2 per cent of the plant's \$70,000,000 cost for engineering plans, supervision, and the "know how."

Bunker at once replied that "we are only started" on the case, which is already being investigated by the Truman committee.

Views of the Na

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Cloaked in senatorial immunity, Senator Bunker made sensational charges on the floor of congress about the Basic Magnesium, Inc. plant near Las Vegas and Boulder City, asserting that under the set-up the company stood to make 4280 per cent profit on a \$50,000 investment. Bunker intimated that "high government officials" had been corrupt, though without naming them.

Since Jones is the government official responsible, this part of the charge reflected on him.

Jones declares in answer that the company's investment is not a mere \$50,000, but many millions; that the construction fees will aggregate less than 2 per cent of the cost of the plant; that royalty for ores will not exceed 1/2 cent per pound for the magnesium produced, and that the fee for operation will not exceed 1/2 cent per pound, or approximately 2 per cent.

The constitution provides that for what members of congress say upon the floor of either house they "shall not be questioned in any other place." This generally useful and salutary provision seems to have been gravely abused by Senator Bunker. The senate can and should call him to account.—Los Angeles Times.

Jones Hits Magnesium Plant Critics

RFC Head Denies Profiteering in Deal with Basic Magnesium Co. for Nevada Project

By the Associated Press
WASHINGTON, April 23—Commerce Secretary Jesse Jones declared today that Senate Defense Subcommittee criticism of a contract between Defense Plant Corporation and Basic Magnesium, Inc. for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC" on the floor of the Senate by Senator Berkeley Bunker, Nevada Democrat, was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator."

A Low Fee
Replying to the subcommittee's charges that the Defense Plant Corporation was paying "tremendous fees for 'know-how,'" Jones said fees paid to the 10 contracting and engineering firms aggregate less than 2 per cent of the total cost of the plant, \$73,000,000.

He termed "a low fee" the \$60,000 a year which the subcommittee charged the Defense Plant Corporation agreed to pay Basic Magnesium, Inc., for operation of a plant.

Thurmar Arnold, director of anti-trust prosecution for the Justice Department, testified today that patents were used to create in the United States an "absolute monopoly" on production of magnesium, a "light metal with many war uses."

Refers to Consent Decree
The assistant attorney general made this charge before the Senate Patents Committee as he referred to the recent consent decree obtained by anti-trust prosecutions involving Alcoa (Aluminum Company of America), the Dow Chemical Co., and I. G. Farbenindustrie, A. G., of Germany.

"This (magnesium) monopoly control began in 1927 and complete control was exercised by patents until 1941," Arnold said. He explained that patents of the American and German industries were fitted together to obtain control.

As the hearing opened, Chairman Homer T. Bone, Washington Democrat, called attention to a number of full-page advertisements in metropolitan dailies by Carbonyl, Inc., and General Electric Co., dealing with issues raised at the Senate inquiry.

Bone said he wondered "how much of this dough" was charged to national defense or the public. The Western Senator said it had been his experience that "so-called institutional advertising in newspapers by utilities" actually were paid for by the consuming public.

LET US HAVE ALL THE FACTS

THE facts in connection with the alleged profiteering by Basic Magnesium Company, Las Vegas, should be forthwith determined and made public. These facts should include every phase of activity that enters into the construction and operation of the plant. Grave charges have been made against the management of the Magnesium company by Senator Berkeley Bunker, and also, by inference at least, against Jesse Jones, who is head of Reconstruction Finance Corporation, one of whose sub-agencies affected the contract with Basic Magnesium. The Truman Senate Investigating Committee in a partial report accused the company of incompetency and mismanagement.

For more than a month past the Washington Merry-Go-Round has been taking Jesse Jones for a ride, accusing him of hampering the defense program by delaying the lending of money to corporations engaged in the manufacture of vital war materials. As an instance of these accusations the Merry-Go-Round cited the Marine Electric Company. Now comes Jesse Jones' emphatic denial of these charges and in support of his denial submits a photostatic copy of a letter from the very company that was supposed to be the victim of his alleged dilatory and discriminatory methods. After refuting the accusation made by the Merry-Go-Round the letter winds up with this paragraph:

"Knowing something of the background of this story—I think it should be dismissed as another example of factual reporting from a table in a cocktail lounge in a well known Washington hotel. This biased story must have been set up very late in the afternoon—and the reporter, really on a merry-go-round."

In last week's Merry-Go-Round, published Saturday, Bunker is commended for his attack on Jesse Jones, who has been the target for this well read and informative syndicated column for some months. While the political caldron boils, the influential Los Angeles Times, in its issue of April 11th, publishes a scathing editorial denouncing Senator Bunker and defending Jesse Jones, in connection with the senator's charges against Basic Magnesium and by inference against Jesse Jones, which is reprinted in part herewith:

"Cloaked in Senatorial immunity, Senator Bunker made sensational charges on the floor of Congress about the Basic Magnesium, Inc., plant near Las Vegas and Boulder City, asserting that under the setup the company stood to make 4280 per cent profit on a \$50,000 investment. Bunker intimated that "high government officials" had been corrupt, though without naming them.

"Since Jones is the government official responsible, this part of the charge reflected on him.

"Jones declares in answer that the company's investment is not a mere \$50,000, but many millions; that the construction fees will aggregate less than 2 per cent of the cost of the plant; that royalty for ores will not exceed 1/4 cent per pound for the magnesium produced, and that the fee for operation will not exceed 1/2 cent per pound, or approximately 2 per cent.

"Bunker's charge that a British company, which he said is concerned in the patent rights, is in reality controlled by German interests, appears absurd on its face. The British government is distinctly not permitting anything of that sort; any German interest in British corporations has long since been taken over.

"The Constitution provides that for what members of Congress say upon the floor of either house they shall not be questioned in any other place. This generally useful and salutary provision seems to have been gravely abused by Senator Bunker. The Senate can and should call him to account."

government can stop any sharp practices, profiteering or inefficiency in the event any exists.

Turn the light of truth upon the whole situation and let the chips fall where they may! No decent, fairminded citizen wants to see the character and honor of any person unjustifiably attacked, nor does he want to see those who are guilty go unpunished. Let the cold uncolored facts be disclosed—not in piecemeals but in one complete report.

While Jones has been regraded as a man of high repute and outstanding ability the public is not yet convinced by the figures published in the Los Angeles Times that Basic Magnesium is absolved from any guilt of incompetency or mismanagement.

While these profit figures are modest and tend to support the position of Mr. Jones, they may apply to only certain aspects of the magnesium development and not cover it in its entirety.

There are many ramifications to the Basic set up and the only way the matter can be cleared up is for all the facts—in connection with every phase of the activity—to be made public by an unbiased, competent government agency—one that is composed of men who know how to get at the facts. If the Truman committee meets this requirement, well and good. If not, appoint one that does.

The reputation of many persons is at stake. The public is entitled to know the truth in order that responsibility may be placed where it belongs; and also so that the

Jones Defends Nevada Defense Plant Contracts

WASHINGTON, April 23.—(AP)—Commerce Secretary Jesse Jones declared today that defense subcommittee criticism of a contract between Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement "the very serious charge of malfeasance against officials of DPC" on the floor of the senate by Senator Bunker, Democrat, Nevada, was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States senator."

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence."

Jones' reply to the subcommittee and Bunker was filed for the defense committee record by Chairman Truman, Democrat, Missouri. "I, of course, agree," Jones said, "with that part of the subcommittee's report which states that government plants should be built as economically as possible. This is a government plant, and is being built as economically as possible."

Replying to the subcommittee's charges that the Defense Plant Corporation was paying "tremendous fees for 'know-how,'" Jones said fees paid to the ten contracting and engineering firms "aggregate less than 2 per cent of the total cost of the plant," \$73,500,000.

He termed "a low fee" the \$560,000 a year which the subcommittee charged the Defense Plant Corporation agreed to pay Basic Magnesium, Inc., for operation of the plant.

Replying to the allegation "miserable progress" is being made on construction, he said that Lieutenant General William S. Knudsen personally inspected the plant April 12th and reported the preparation plants 60 per cent finished, the settling basin 60 per cent complete and the first reduction unit 40 per cent complete.

He said 6800 men are employed in construction.

Nevada Plant Criticism Said Without Basis

(By Associated Press)
WASHINGTON, April 23.—Commerce Secretary Jesse Jones declared today that senate defense subcommittee criticism of a contract between defense plant corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

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Jones Defends Magnesium Plant Contract by DPC

WASHINGTON, April 23 (UP)—Secretary of Commerce Jesse Jones said today that criticism of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation."

Jones received permission to insert into the record of the senate committee investigating the war program his answer to the criticism. A subcommittee of the group, in a special report, has charged that the magnesium plant was not being built economically.

The formal statement prepared by Jones also was intended to answer attacks made by Sen. Berkeley Bunker, D. Nev., on construction of the plant. Jones said Bunker's charges were "false and misleading, and are... unworthy of a United States senator."

Charges and Jones' Replies
Specifically, Jones, who was not at the committee hearing when his statement was placed in the record, replied to the following subcommittee charges:

1. The subcommittee charged that DPC is paying "tremendous fees for 'know-how.'" Jones replied the fees being paid for contracting and engineering services—including \$390,000 to BMI—amount

Jones Denies Charges Against Plant Corporation

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Basic Magnesium Deal OK--Jones

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to less than 2 per cent of the estimated \$73,500,000 cost of the plant. 2. The subcommittee charged that BMI is to receive an operating fee that will eventually yield \$560,000 a year over a possible 30 years. Jones replied that the actual fee to be paid is one-half of 1 cent a pound of magnesium actually produced and the operating contract is for 10 years only.

Admits War Dept. Stepped In
3. The subcommittee charged that "miserable progress" has been made in construction and that the metal producing units were only 9 per cent complete a few weeks ago. Jones replied that construction is proceeding so that operation can begin at the earliest possible moment. In January, he conceded, the DPC was not satisfied with progress and the war department corrected the situation by placing one of its best engineers on the job.

4. The subcommittee asserted that construction should not have begun until an agreement had been reached on license terms for operation and procurement of ore. Jones replied it was "imperative that no time should be lost in getting under way."

5. The subcommittee charged that the BMI was requesting "exorbitant royalty terms" for magnetite ore deposits. Jones said this was "just another use of superlatives."

Answers Bunker Also
In reply to Bunker, Jones stated: 1. It is incorrect that DPC is paying Basic Refractories \$211,000 "expended in promotion of this enterprise and the negotiation of the contract."

2. Bunker charged that DPC is paying Canadian and American distributors \$84,000 annually as a bonus for releasing available stocks of peat moss to BMI. Jones said the government is paying only \$25,000 for releasing the 1941-42 crop and that no future payments will be made.

3. Bunker charged that DPC is paying traveling expenses for BWI men studying in England. Jones replied that England was the only place where they could receive training in the new process.

Number of Houses Not Stated
4. Bunker charged that a firm of architects is to receive \$28,000 to permit use of its plans for demountable housing in connection with the plant. Jones replied that the fee will be \$25 a house only in addition to an \$8000 engineering fee.

5. Bunker charged that the product of the plant is not to be sold to the government at cost. Jones replied that all profits will accrue to the government.

6. Bunker charged that BMI stands to make a one-year profit of \$2,140,000. Jones replied that Bunker obtained this figure by adding "unrelated items" and that it is not valid.

7. Jones denied Bunker's charge that BMI has "carrie blanche" in determining plant policy.

8. Bunker charged that BMI will not have to repay DPC for money expended. Jones replied that "DPC owns the plant and will, of course, own all its products."

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Jesse Jones Hits Back at Critics of Magnesium Project

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He said 6800 men were employed in construction.

The subcommittee's charge that the defense plant corporation was guilty of "most flagrant attempts at war profiteering" brought from Jones the statement that "this is just another use of superlatives," and he added:

"The charge cannot be substantiated."

"Contrary to the statement of the subcommittee that DPC is to pay \$1 for every ton of ore used, the royalties are to be paid only in terms of metallic magnesium produced from the ore at the rate of one-fourth cent a pound of magnesium. Defense plant corporation may cancel the ore contract if ore does not prove satisfactory in either quantity or quality. Not only is this low royalty, but we are advised that it is one of the lowest royalties ever paid for comparable mineral ore in the state of Nevada."

Jones said that subcommittee charge "was not accurate" that DPC would have to pay Basic Magnesium, Inc., \$1,000,000 and royalty payment would have to be doubled if DPC canceled its contract with BMI because of poor performance or for any other reason.

"If the contract is canceled through fault of BMI, no payment at all is to be made to it," he said.

"The contract may be canceled after three years even without fault of BMI. In such event and the sale of the plant within ten years after the beginning of operations, DPC has agreed to pay BMI \$1,000,000 as reimbursement for its technical designs and knowledge utilized both in construction and operation."

"Subsequent to cancellation, the plant can be operated by or for the account of the government, or leased to others, without paying BMI any part of the \$1,000,000."

Referring to Senator Bunker's charge that the BMI stood to make a profit of \$2,140,000 in one year, Jones said:

"While entirely incorrect, he (Bunker) apparently obtains this amazing figure by lumping together such unrelated items . . . as the \$300,000 'know-how' and the supervisory fee to BMI for design and construction of the plant, the \$1,000,000 that would be paid BMI in the remote contingency of the sale of the plant to private interests (other than BMI) within ten years after it begins operations, \$560,000 representing the maximum annual operating fee, and \$280,000 representing the maximum annual ore royalties."

"These payments could not possibly all accrue in any one year. It is extremely unlikely that all these payments will ever be made. "In no event would these payments be all profit."

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Jones Gives Answers To Solon Charge

Brands Bunker's State-ments "False, Misleading," Asks to Have Answers Inserted in Record

WASHINGTON, April 23.—(UP)—Secretary of Commerce Jesse Jones today said that criticism of the contract between the Defense Plant Corporation and Basic Magnesium for construction of the Las Vegas plant is without foundation and he requested and received permission to insert in the record of the senate committee investigating the war program, his answer to Senator Bunker's criticism as well as that of the committee.

Jones said Bunker's charges are "false and misleading and unworthy of a United States senator." He said: "We do not object to honest and fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence."

Denies Charges
He said the fees being paid for contracting and engineers services are less than two per cent of the cost of the plant, and that BMI is to be paid only one-half cent a pound on magnesium actually produced; that the operating contract is for ten years only. Construction is

proceeding so that it can begin at the earliest possible moment, he said, and admitting that progress was "low at first," he said the war department put an engineer on the job and he speeded up operations.

Jones denied that BMI got exorbitant royalties and specifically denied Senator Bunker's charges on payments to Basic Refractories, that American and Canadian companies are given a bonus for releasing stocks of peat and moss and that architects fees are high, that the government is paying the expenses of the men who go to England and that BMI will get twenty-five million dollars a year profit. He said the Defense Plant Corporation owns the plant and all of its products and that all profits will go to the government when the plant is in operation.

Jones denied that BMI got exorbitant royalties and specifically denied Senator Bunker's charges on payments to Basic Refractories, that American and Canadian companies are given a bonus for releasing stocks of peat and moss and that architects fees are high, that the government is paying the expenses of the men who go to England and that BMI will get twenty-five million dollars a year profit. He said the Defense Plant Corporation owns the plant and all of its products and that all profits will go to the government when the plant is in operation.

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Is Nevada Magnesium Industry in Danger?

That there may be something a lot bigger than appears on the surface back of the uproar about Basic Magnesium is hinted in recent rumors to the effect that the Nevada skirmish is part of a titanic struggle for control of the light metals industry.

According to these rumors, the aluminum trust has its eyes on Grand Coulee where power is generated almost on top of the magnesium deposits, and where development of magnesium metal would be inexpensive by comparison to the cost of producing the mineral at Gabbs Valley and transporting it to Las Vegas for processing.

From persons in Washington close enough to the top to know something about the situation, have come the predictions that the Nevada producing quarries and the great processing plant at Las Vegas may be lost to the state if the aluminum trust has its way.

Accusations against Basic Magnesium by Senator Bunker of Nevada, have focused attention on that corporation which, if the senator is upheld in his contentions, has a lush thing in its contracts with the government — which Jessie Jones of the R. F. C. hotly denies.

While the senate committee is investigating the Bunker charges, perhaps it had better go a step further and look into the whole light metal setup, far enough to determine who is to dominate magnesium production and processing in this period of national peril.

The public is clamoring for a cleanup of any rottenness that may exist in war industries, and if Senator Bunker has uncovered some dirt, that's to his credit, whether it helps him get himself elected to the post he now holds by appointment or not. If there's bigger game than Basic Magnesium, Inc., in the offing, however, Thurman Arnold and the Truman committee had better go gunning for it and not waste all their ammunition on the smaller fry.

On the other hand, there may not be anything radically amiss anywhere as far as magnesium is concerned, and if that is the case, the public mind will be eased considerably if the truth is dug out quickly and given to the people, who are uneasy enough about war production as it is, without having this, too, to worry about.

— The Fallon Eagle

APR. 23, 1942
DALLAS, TEX. HERALD

Washington, April 23 (AP)—Secretary of Commerce Jesse Jones said today that criticism of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation." Jones requested and received permission to insert into the record of the senate committee investigating the war program his answer to the criticism. A subcommittee of the group, in a special report, has charged that the magnesium plant was not being built economically.

From
WORLD TELEGRAM
New York City

APR 23 1942

Jones Defends DPC Magnesium Deal

Holds Bunker Charges
Without Foundation

By the United Press.

WASHINGTON, April 23.—Secretary of Commerce Jesse Jones said today that criticism of a contract between the Defense Plant Corp. and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation."

He requested and received permission to insert into the Record of the Senate committee investigating the war program his answer to the criticism.

A subcommittee of the group, in a special report, has charged that the magnesium plant was not being built economically.

The formal statement prepared by Mr. Jones was intended to answer attacks made by Senator Berkeley Bunker (D., Nev.), whose charges, Mr. Jones said, were "false and misleading and are unworthy of a United States Senator."

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence," Mr. Jones said.

ST. LOUIS, FREE PRESS
APRIL 23, 1942

Jones Terms BMI Criticism As Unfounded

WASHINGTON, April 23, (UP)—Jesse Jones, secretary of commerce, today termed the criticism of Basic Magnesium, Inc., of Las Vegas, Nevada, as unfounded.

Jones inserted his answers to the charges of excessive profits and wages made by Senator Bunker of Nevada and a senate investigating sub-committee, in the record of the senate committee investigating the war program.

The charges, and Jones' answers were as follows.

Charge: Officials received tremendous fees for "know how". Answer: Fees are less than 2 per cent of the plant cost.

Charge: Basic Magnesium would get \$500,000 a year for possibly 30 years. Answer: BMI would get 1/2 cent a pound for the magnesium produced for 10 years only.

Charge: "Miserable construction progress." Answer: Construction is proceeding so the plant can operate at the earliest possible time.

Charge: "Exorbitant realty terms." Answer: "Just another use of superlatives."

Charge: Defense Plants Corporation is paying Basic Refractories \$311,000 to promote the Basic Magnesium project" Answer: Incorrect.

Charge: BMI stands to make \$2,140,000 in one year. Answer: Senator Bunker obtained his figures by adding unrelated items. Invalid.

STAR

Washington, D. C.
APR 23 1942

Jones Calls Criticism Of Magnesium Pact 'Without Foundation'

Says Facts Refute
Malfeasance Charge
Against D. P. C. Aides

By the Associated Press.

Secretary of Commerce Jones declared today that Senate Defense Subcommittee criticism of a contract between Defense Plant Corp. and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time, Mr. Jones asserted in a statement that "the very serious charge of malfeasance against officials of D. P. C." on the floor of the Senate by Senator Bunker, Democrat of Nevada was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator."

"We do not object to honest or fair criticism," Mr. Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence."

Charge: \$500,000 a Low Fee.

Mr. Jones' reply to the subcommittee and Senator Bunker was filed for the Defense Committee record by Chairman Truman.

"I, of course, agree," Mr. Jones said, "with that part of the subcommittee's report which states that Government plants should be built as economically as possible. This is a Government plant, and is being built as economically as possible."

Replying to the subcommittee's charges that the D. P. C. was paying "tremendous fees for 'know-how,'" Mr. Jones said fees paid to the 10 contracting and engineering firms "aggregate less than 2 per cent of the total cost of the plant," \$73,500,000.

He termed "a low fee" the \$500,000 a year which the subcommittee charged the D. P. C. agreed to pay Basic Magnesium, Inc., for operation of the plant.

Just "Superlatives."
Replying to the allegation that "miserable progress" was being made on construction, he said that Lt. Gen. William S. Knudsen personally inspected the plant April 12 and reported the preparation plants 60 per cent finished, the settling basin 60 per cent complete and the first reduction unit 40 per cent complete.

He said 6,800 men were employed in construction.

The subcommittee's charge that the D. P. C. was guilty of "most flagrant attempts at war profiteering" brought from Mr. Jones the statement that "this is just another use of superlatives," and he added: "The charge cannot be substantiated."

"Contrary to the statement of the subcommittee that D. P. C. is to pay \$1 for every ton of ore used, the royalties are to be paid only in terms of metallic magnesium produced from the ore at the rate of 1/4 cent a pound of magnesium. Defense Plant Corp. may cancel the ore contract if ore does not prove satisfactory in either quantity or quality. Not only is this low royalty but we are advised that it is one

(See JONES, Page 2-X.)

of the lowest royalties ever paid for comparable mineral ore in the State of Nevada."

Charge "Not Accurate."
Mr. Jones said the subcommittee charge "was not accurate," that D. P. C. would have to pay Basic Magnesium, Inc., \$1,000,000 and royalty payment would have to be doubled if D. P. C. cancelled its contract with B. M. I. because of poor performance or for any other reason.

"If the contract is cancelled through fault of B. M. I., no payment at all is to be made to it," he said.

"The contract may be cancelled after three years even without fault of B. M. I. In such event and the sale of the plant within 10 years after the beginning of operations, D. P. C. has agreed to pay B. M. I. \$1,000,000 as reimbursement for its technical designs and knowledge utilized both in construction and operation.

"Subsequent to cancellation, the plant can be operated by or for the account of the Government, or leased to others, without paying B. M. I. any part of the \$1,000,000."

APR. 23, 1942
FAYETTEVILLE, ARK. TIMES

Jones Says Criticism of DPC is Unfounded

Washington, April 23.—(AP)—Commerce Secretary Jesse Jones declared today that senate defense subcommittee criticism of a contract between defense plant corporation and Basic Magnesium Plant at Las Vegas, Nev., was "without foundation."

Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC" on the floor of the senate by Senator Bunker (D-Nev) was "completely refuted by the facts and was 'false and misleading' as well as 'unworthy of a United States senator'."

Jones' reply to the subcommittee and Bunker was filed for the defense committee record by Chairman Truman (D-Mo).

From
JOURNAL
Milwaukee, Wis.

APR 23 1942

Magnesium Plant Contract Backed

Washington, D. C. - (AP) - Secretary of Commerce Jones declared Thursday that senate defense subcommittee criticism of a contract between Defense Plant Corp. and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted that "the very serious charge of malfeasance against officials of DPC" on the floor of the senate by Senator Bunker (Dem., Nev.) was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States senator."

"We do not object to honest or fair criticism," Jones said, "but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence."

JONES ANSWERS BUNKER CHARGES AGAINST DPC

Says Solon Wrong In Estimates of "Huge Profits"

WASHINGTON, April 23 (UP)—Secretary of Commerce Jesse Jones said today that criticism of a contract between the defense plant corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nevada, is "without foundation."

Jones received permission to insert into the record of the senate committee investigating the war program his answer to the criticism. A subcommittee of the group, in a special report, has charged that the magnesium plant was not being built economically.

Answers Bunker

The formal statement prepared by Jones also was intended to answer attacks made by Senator Berkeley Bunker, democrat, Nevada, on construction of the plant. Jones said Bunker's charges were "false and misleading, and are unworthy of a United States senator."

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence," Jones said.

Specifically, Jones, who was not at the committee hearing when his statement was placed in the record, replied to the following subcommittee charges:

1. The subcommittee charged that DPC is paying "tremendous fees for know-how." Jones replied the fees being paid for contracting and engineering services—including \$300,000 to BMI—amount to less than 2 per cent of the estimated \$73,500,000 cost of the plant.

2. The subcommittee charged that BMI is to receive an operating fee that will eventually yield \$360,000 a year over a possible 30 years. Jones replied that the actual fee to be paid is one-half of 1 cent a pound of magnesium actually produced and the operating contract is for 10 years only.

3. The subcommittee charged that "miserable progress" has been made in construction and that the metal producing units were only 9 per cent complete a few weeks ago. Jones replied that construction is proceeding so that operation can begin at the earliest possible moment. In January, he conceded, the DPC was not satisfied with progress and the war department corrected the situation by placing

one of its best engineers on the job.

4. The subcommittee asserted that construction should not have begun until an agreement had been reached on license terms for operation and procurement of ore. Jones replied it was "imperative that no time should be lost in getting under way."

5. The subcommittee charged that the BMI was requesting "exorbitant royalty terms" for magnesite ore deposits. Jones said this was "just another use of superlatives."

In reply to Bunker, Jones stated:

1. It is incorrect that DPC is

paying Basic Refractories \$211,000, "expended in promotion of this enterprise and the negotiation of the contract."

2. Bunker charged that DPC is paying Canadian and American distributors \$84,000 annually as a bonus for releasing available stocks of peat moss to BMI. Jones said the government is paying only \$25,000 for releasing the 1941-42 crop and that no future payments will be made.

Explains Travel

3. Bunker charged that DPC is paying traveling expenses for BMI men studying in England. Jones replied that England was the only place where they could receive training in the new process.

4. Bunker charged that a firm of architects are to receive \$28,000 to permit use of their plans for demountable housing in connection with the plant. Jones replied that the fee will

be \$25 a house only in addition to an \$8,000 engineering fee.

5. Bunker charged that the product of the plant is not to be sold to the government at cost. Jones replied that all profits will accrue to the government.

6. Bunker charged that BMI stands to make a one-year profit of \$2,140,000. Jones replied that Bunker obtained this figure by adding "unrelated items" and that it is not valid.

7. Jones denied Bunker's charge that BMI has "carte blanche" in determining plant policy.

8. Bunker charged that BMI will not have to repay DPC for money expended. Jones replied that "DPC owns the plant and will, of course, own all its products."

Jones Scores Critic of Magnesium Plant Deal

WASHINGTON, April 23.—(AP)—Secretary of Commerce Jesse Jones issued a statement today declaring there was no foundation for the recent criticism by a Senate Defense Subcommittee of a contract between the Defense Plant Corporation (DPC) and Basic Magnesium, Inc., for building a magnesium plant at Las Vegas, Nev.

He also asserted that a "charge of malfeasance against officials of

Las Vegas Defense Plant Defended

WASHINGTON, April 23.—(AP)—Secretary of Commerce Jones issued a statement today declaring there was no foundation for the recent criticism by a Senate defense subcommittee of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for building a magnesium plant at Las Vegas, Nev. He also asserted that a "charge of malfeasance against officials of DPC" made in the Senate by Senator Bunker (Democrat), Nevada, was "false and misleading," was "unworthy of a United States Senator" and was "completely refuted by the facts."

APR 24 1942

Criticism of Contract Held Without Foundation

(D. J. of C.—Apr. 23, 1942)
Washington, April 23 (UP)—Secretary of Commerce Jesse Jones said today that criticism of a contract between the Defense Plant Corporation and Basic Magnesium Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation."

Jones requested and received permission to insert into the record of the senate committee investigating the war program his answer to the criticism. A subcommittee of the group, in a special report, has charged that the magnesium plant was not being built economically.

'PARTLY FACTUAL'

One of our most esteemed contemporaries, discussing the charges made by Senator Bunker and the Truman committee against Basic Magnesium, Inc., declared in defense of the committee, such charges to be "partly factual."

It is fair to assume that if charges are "partly factual," they are partly based upon things which are not facts. It would be interesting to have some discerning mind point out which part of those charges are factual and which are false. However, we cannot avoid the conclusion that when charges are admittedly partly false, discredit is cast on all.

If we may believe Secretary of Commerce Jesse Jones, admittedly one of the biggest, brainiest and most dependable of all the administration officials at Washington, the "partly factual" portion of the Truman committee charges has dwindled to microscopic proportions.

S. F. CAL. COMMERCIAL NEWS
Cir. 1,200
APRIL 24, 1942

Presidio of San Francisco

WASHINGTON—Secretary of Commerce Jesse Jones said that criticism of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation."

S. F. CAL. CHRONICLE
Cir. DAILY 107,300; SUN. 196,704
APRIL 24, 1942

Magnesium Senate Charges

WASHINGTON, April 23 (AP)—Commerce Secretary Jesse Jones declared today that Senate Defense Subcommittee criticism of a contract between Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC" on the floor of the Senate by Senator Bunker (D., Nev.) was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator."

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence."

APR. 24, 1942
L. PASO TEX HERALD POST

Jesse Jones Defends Magnesium Contract

WASHINGTON, April 24.—Secretary of Commerce Jesse Jones said that criticism of a contract between the Defense Plant Corp. and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation."

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Jones Replies to Magnesium Deal Attack

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Jones received permission to insert into the record of the Senate committee investigating the war program his answer to the criticism. A subcommittee of the group, in a special report, charged that the magnesium plant was not being built economically.

The formal statement prepared by Jones also was intended to answer attacks made by Senator Berkeley Bunker (D.) Nev., on construction of the plant. Jones said Bunker's charges were "false and misleading, and are unworthy of a United States Senator."

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence," Jones said.

Milwaukee Journal
Milwaukee, Wis.

APR 23 1942

Magnesium Plant Contract Backed

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"We do not object to honest or fair criticism," Jones said, "but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence."

This article was clipped from
WALL STREET JOURNAL

New York City
APR 24 1942

Jones Calls Basic Magnesium Contract Criticism 'Unfounded'

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At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of D.P.C." on the floor of the Senate by Senator Bunker (Dem., Nev.) was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator."

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence."

Jones' reply to the subcommittee and Bunker was filed for the defense committee record by Chairman Truman (Dem., Mo.).

APR. 24, 1942
LUBBOCK TEX AVALANCHE

Jones Says Charges 'Without Foundation'

WASHINGTON, April 23. (UP)—Secretary of Commerce Jesse Jones said today that criticism of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation."

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War Factory Deal Upheld

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Jones requested and received permission to insert into the record of the senate committee investigating the war program his answer to the criticism. A subcommittee of the group, in a special report, has charged that the magnesium plant was not being built economically.

The formal statement prepared by Jones also was intended to answer attacks made by Senator Berkeley Bunker (Dem.), Nevada, on construction of the plant. Jones said Bunker's charges were "false and misleading, and are . . . unworthy of a United States senator."

"Destroy Confidence."

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence," Jones said.

Specifically, Jones, who was not at the committee hearing when his statement was placed in the record, replied to the following subcommittee charges:

1. The subcommittee charged that DPC is paying "tremendous fees for 'know-how.'" Jones replied the fees being paid for contracting and engineering services—including \$300,000 to B. M. I.—amount to less than 2 per cent of the estimated \$73,500,000 cost of the plant.

2. The subcommittee charged that B. M. I. is to receive an operating fee that will eventually yield \$560,000 a year over a possible 30 years. Jones replied that the actual fee to be paid is one-half of 1 cent a pound of magnesium actually produced and the operating contract is for ten years only.

At Earliest Possible Moment.

3. The subcommittee charged that "miserable progress" has been made in construction and that the metal producing units were only 9 per cent complete a few weeks ago. Jones replied that construction is proceeding so that operation can begin at the earliest possible moment. In January, he conceded, the DPC was not satisfied with progress and the war department corrected the situation by placing one of its best engineers on the job.

4. The subcommittee asserted that construction should not have begun until an agreement had been reached on license terms for operation and procurement of one. Jones replied it was "imperative that no time should be lost in getting under way."

5. The subcommittee charged that the B. M. I. was requesting "exorbitant royalty terms" for magnesite ore deposits. Jones said

Jones Defends DPC's Magnesium Contract

WASHINGTON, April 23 (AP)—Secretary of Commerce Jones issued a statement today declaring there was no foundation for the recent criticism by a senate defense subcommittee of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for building a magnesium plant at Las Vegas, Nev.

He also asserted that a charge of malfeasance against officials of DPC made in the senate by Senator Bunker (D. Nev.) was "false and misleading" and "unworthy of a United States senator" and was completely refuted by the facts.

Jones Defends DPC Magnesium Deal

468
Holds Bunker Charges Without Foundation

By the United Press.

WASHINGTON, April 23.—Secretary of Commerce Jesse Jones said today that criticism of a contract between the Defense Plant Corp. and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation."

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The formal statement prepared by Mr. Jones was intended to answer attacks made by Senator Berkeley Bunker (D. Nev.), whose charges, Mr. Jones said, were "false and misleading and are . . . unworthy of a United States senator."

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence," Mr. Jones said.

Charges False, Jones Asserts

Criticism of Magnesium Contract With DPC Is Called 'Without Foundation.'

WASHINGTON, April 23 (AP)—Commerce Secretary Jones declared Thursday that Senate Defense Subcommittee criticism of a contract between Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC on the floor of the Senate by Senator Bunker of Nevada was 'completely refuted by the facts' and was 'false and misleading' as well as 'unworthy of a United States senator.'"

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence."

Jones' reply to the subcommittee and Bunker was filed for the defense committee record by Chairman Truman of Missouri.

"I, of course, agree," Jones said, "with that part of the subcommittee's report which states that government plants should be built as economically as possible. This is a government plant, and is being built as economically as possible."

Replying to the subcommittee's charges that the Defense Plant Corporation was paying "tremendous fees for 'know-how,'" Jones said fees paid to the 10 contracting and engineering firms "aggregate less than 2 per cent of the total cost of the plant," \$73,500,000.

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Replying to the allegation that "miserable progress" was being made on construction, he said that Lieutenant General Knudsen personally inspected the plant April 12 and reported that the preparation plant was 60 per cent finished, the settling basin 80 per cent complete and the first reduction unit 40 per cent complete.

THE PIONEER PRESS.

Jones Denies Magnesium Profiteering

WASHINGTON—(AP)—Jesse Jones, commerce secretary, declared Thursday that Senate defense subcommittee criticism of a contract between Defense Plant Corp. and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC on the floor of the Senate by Senator Bunker (D. Nev.) was 'completely refuted by the facts' and was 'false and misleading' as well as 'unworthy of a United States senator.'"

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence."

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Replying to the allegation that "miserable progress" is being made on construction, he said that Lieutenant General William S. Knudsen personally inspected the plant April 12 and reported the preparation plants 60 per cent finished, the settling basin 80 per cent complete and the first reduction unit 40 per cent complete.

He said 6,000 men are employed in construction. The subcommittee's charge that the Defense Plant Corp. was guilty of "most flagrant attempts at war profiteering" brought from Jones the statement that "this is just another use of superlatives," and he added:

"The charge cannot be substantiated. Contrary to the statement of the subcommittee that DPC is to pay \$1 for every ton of ore used, the royalties are to be paid only in terms of metallic magnesium produced from the ore at the rate of 1/4 cent a pound of magnesium. Not only is this low royalty, but we are advised it is one of the lowest royalties ever paid for comparable mineral ore in the state of Nevada."

Jones said the subcommittee charge "was not accurate" that DPC would have to pay Basic Magnesium, Inc., a million dollars and royalty payment would have to be doubled if DPC canceled its contract with BMI because of poor performance or for any other reason.

"If the contract is canceled through fault of BMI, no payment at all is to be made to it," he said.

Referring to Senator Bunker's charge that the BMI stands to make a profit of \$2,140,000 in one year, Jones said:

"While entirely incorrect, he (Bunker) apparently obtains this amazing figure by lumping together such unrelated items . . . as the \$300,000 'know-how' and supervisory fee to BMI for design and construction of the plant, the million dollars that would be paid BMI in the remote contingency of the sale of the plant to private interests (other than BMI) within ten years after it begins operations, \$560,000 representing the maximum annual operating fee, and \$280,000 representing the maximum annual ore royalties.

"These payments could not possibly all accrue in any one year. It is extremely unlikely that all these payments will ever be made. In no event would these payments be all profit."

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Jesse Jones Denies Potential Profits For Magnesium Firm

WASHINGTON (INS)—Secretary of Commerce Jesse Jones Thursday submitted a statement to the senate defense committee emphatically denying that promoters may make more than 4,000 percent profit on a magnesium plant at Las Vegas, Nev.

He both attacked a report of a Truman subcommittee and charges by Sen. Bunker (D-Nev.), that American and English promoters are profiteering on a project undertaken by the defense plants corporation.

"This is a government plant and is being built as economically as possible," said Jones. "The criticism of the subcommittee is without foundation."

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence."

The company, Basic Magnesium, Inc., was formed by American and British interests. The plant, he said, is designed to produce magnesium on a scale never before attempted. He predicted that production will begin by next August.

TO BAT FOR DPC

Jesse Jones Says Criticism of Contract With Basic Magnesium Is 'Without Foundation.'

CALLS FIRM'S FEES FAIR Charges Made by Senate Defense Subcommittee Not Based on Facts, He Declares.

(By the Associated Press.)

Washington, April 23.—Jesse Jones, secretary of commerce, declared today that Senate defense subcommittee criticism of a contract between the defense plant corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC on the floor of the Senate by Senator Bunker of Nevada, Democrat, was 'completely refuted by the facts' and was 'false and misleading' as well as 'unworthy of a United States senator.'"

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence."

Jones' reply to the subcommittee and Bunker was filed for the defense committee record by Chairman Truman, of Missouri, Democrat.

Economy an Aim.

"I, of course, agree," Jones said, "with that part of the subcommittee's report which states that government plants should be built as economically as possible. This is a government plant, and is being built as economically as possible."

Replying to the subcommittee's charges that the defense plant corporation was paying "tremendous fees for 'know-how,'" Jones said fees paid to the ten contracting and engineering firms "aggregate less than 2 per cent of the total cost of the plant," \$73,500,000.

He termed "a low fee" the \$560,000 a year which the subcommittee charged the Defense Plant corporation agreed to pay Basic Magnesium, Inc., for operation of the plant.

Replying to the allegation that "miserable progress" was being made on construction, he said that Lieut. Gen. William S. Knudsen personally inspected the plant April 12 and reported the preparation plants 60 per cent finished, the settling basin 80 per cent complete and the first reduction unit 40 per cent complete.

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"The charge cannot be substantiated. Contrary to the statement of the subcommittee that DPC is to pay \$1 for every ton of ore used, the royalties are to be paid only in terms of metallic magnesium produced from the ore at the rate of 1/4 cent a pound of magnesium. Defense Plant corporation may cancel the ore contract if ore does not prove satisfactory in either quantity or quality. Not only is this low royalty, but we are advised that it is one of the lowest royalties ever paid for comparable mineral ore in the state of Nevada."

Jones said that the subcommittee charge "was not accurate" that DPC would have to pay Basic Magnesium, Inc., 1 million dollars and royalty payments would have to be doubled if DPC canceled its contract with B. M. I. because of poor performance or for any other reason.

"If the contract is canceled through fault of B. M. I., no payment at all is to be made to it," he said.

Jones Denies Plant Unit 'Malfeasance'

Charges by Truman Subcommittee And Sen. Bunker Are Called False

Secretary of Commerce Jesse Jones yesterday turned on Congressional critics of the conduct of his Defense Plant Corporation in a contract for construction and operation of a magnesium plant at Las Vegas, Nev., and in a seven-page statement characterized as "without foundation" charges made on the floor of the Senate and by a Senate investigating subcommittee.

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence," Jones asserted.

The statement was filed for the record of the Senate War Investigating Committee by its chairman, Senator Truman (Democrat), Missouri. The charges to which the statement replied were made by a subcommittee of the Truman committee and by Senator Bunker (Democrat) of Nevada.

"False and Misleading"

Jones recalled that on April 9, Mr. Bunker, in a Senate speech, "made the very serious charge of malfeasance against officials of DPC."

"These charges are completely refuted by the facts, are false and misleading and are, as I have publicly stated, unworthy of a United States Senator," Jones declared.

Built Economically

Jones stated that, "of course," he agreed with "that part of the subcommittee's report which states that Government plants should be built as economically as possible."

"This is a Government plant, and is being built as economically as possible," the Secretary said. "The criticism of the subcommittee is without foundation."

Jones declared that the War Department and the OEM recom-

mended "the plant, its process, its capacity, its location, its builder, and its operator." He quoted a War Department report praising the "outstanding" speed with which plans for the projected plant were set up by Basic Refractories, Inc., parent concern of Basic Magnesium, Inc., the company which holds the Defense Plant Corporation contract.

Jones considered in order and made replies to six charges made by the subcommittee and eight charges leveled by Bunker.

To the charge that DPC is paying "tremendous fees for 'know how,'" Jones asserted that fees to be paid to 10 contracting and engineering firms engaged on the project aggregate less than 2 per cent of the \$73,500,000 cost of the plant.

Operating Fees Called Low

The Secretary also calculated at 2 per cent of the estimated cost of the plant, operating fees to be paid to Basic Magnesium, Inc., which the subcommittee said would equal \$560,000 a year, at capacity production of 112 million pounds of magnesium annually. He described this fee as "low," and declared that the contract is to run for 10 years, rather than 30 years as stated by the subcommittee.

Observing that the plant was scheduled to start magnesium production this June and predicting that this operation will start in August, Jones cited a personal inspection of the factory last Sunday by Lieut. Gen. William S. Knudsen in refutation of a subcommittee charge that "miserable progress" has been made in construction. Knudsen, Jones declared, found portions of the plant from 60 to 40 per cent complete.

Jones cited the need for speed in responding to the contention that DPC should have delayed construction until the terms of the operating license were settled. He characterized as "just another use of superlatives," the charge that the magnesite ore deposits it proposes to lease to the Government.

British Experts Defended

Senator Bunker's charge that DPC is paying Basic Refractories \$211,000 for "promotion" of the enterprise met with a categorical denial from Jones. The secretary also defended payment of salaries of English technicians in this country in connection with the operation on the ground that the technical knowledge of the men is "indispensable."

Countering the contention of Mr. Bunker that the Government is paying twice for plans for housing at the Las Vegas plant, Jones contrasted the \$38,000 to be paid the housing contractor with \$175,000, or 5 per cent of total cost, which would be the customary fee on a \$3,500,000 undertaking.

Any profit from sale of magnesium produced at the plant, said Jones, will go to the Government, rather than to the contractor, as charged by the Senator. Jones called "amazing" and "entirely incorrect" Mr. Bunker's charge that the magnesite ore concern stands to make \$2,140,000 in one year.

The firm's commitments and disbursements are subject to prior approval of DPC auditors and engineers, Jones asserted in reply to Mr. Bunker's charge that the firm was given a "carte blanche" agreement to act in behalf of DPC. As for Mr. Bunker's assertion that the magnesite corporation has no obligation to make repayments to DPC, Jones declared that "anyone even remotely interested" in the truth would be able to ascertain "that the situation is not one involving a loan."

reuses so long enjoyed as necessary recreation.

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• When Barkley Bunker, youthful U. S. Senator from Nevada, jumped onto the Basic Magnesium outfit for alleged mismanagement and extravagant waste of money, he jumped into the middle of a right smart fight. Thus far the fight is about evenly divided if one may judge from newspaper clippings being sent to publishers by both sides. Time Magazine, in a recent issue, gave Bunker credit for his effort to throw light onto a manufacturing muddle. At the same time the Las Vegas Age, one of Bunker's home town newspapers, comes out quite strongly for the company and suggests that a mistake has been made. Some of the big steel companies have also made mistakes by diverting material to dealers not engaged in defense work. They stoutly maintain innocence but in due time Uncle Sam will dig deep into the mess and come up with the right answer.

Silence on Senatorial Front: Carville Apparently Gaining Strength Phillips May Enter Commissioner Race

A very deep silence has been heard in the Senatorial front in the last week or ten days. Following the eruption of Senator Bunker and his attack on Revenue Collector Douglas, and his outburst against Howard Eels and the Basic Magnesium company, there has been a definite quietness.

True, there is an old saying that a lull always precedes the storm. But as the lawyers say: "Time is the essence of the contract," and time is fastly running against the Junior Senator. There is only four months' time until the primary election, and there are three things upon which the Junior Senator has apparently staked his political future:

1. The ousting of Frank Middleton as U. S. Marshal and the appointment of Senator Koefed of Pershing county. This is still generally conceded.
2. The ousting of R. L. Douglas as Internal Revenue Collector, and the appointment of his own nominee, F. M. Young of Reno.
3. Proving of charges and ousting of Howard Eels from the management of Basic Magnesium.

None of these things have been accomplished yet, whether they will be is a question for the future. The first two are more or less a matter of politics, but the last charge goes deeper, and its ramifications are such that Bunker must make good his charges, or suffer the results at the election.

There are many angles that escape the casual reader. One is the resentment of the miners at the effort to place mining properties on a six per cent basis. The magnesium deposits at Gabbs were taken up by the Basic Magnesium in the usual way that mining locations are taken up. The same way that practically all mining claims are taken up. Under the laws of the State and nation the claims are located on public domain. If a man "hits" a vein or finds a good deposit he is entitled to all he can get. But many a mine that appears prom-

ising may "peter out" after the surface has been scratched. Miners, and most people in Nevada are "mine minded," just can't see the way that the Senator figures his fourteen hundred or fourteen thousands per cent that he claims the BMI is making on an investment of \$50,000.

Another angle in this case is the fact that Senator Wallgren of Washington conducted the BMI hearings in Las Vegas, and according to reports the Senator from Washington is endeavoring to get Congress to spend some fifty millions in his state to develop manganese, and naturally would not be interested in any successful competitor.

There is persistent report from Washington that all of the so called evidence that has been presented against the BMI has been known for some time, and was not considered as significant by the committee until very recently.

But while the state waits the next step on the part of the Junior Senator, voters are still wondering what kind of a game J. G. Scroggum, the present Congressman, is playing. According to some newspapers the Congressman has definitely decided to run for the Senate, but the formal announcement has not yet been made and lack of definiteness in this connection is NOT adding to the strength of Scroggum.

It is only three months until the last day of filing a candidacy and it takes that long to prepare a major campaign. Men who are interested in entering politics felt that Scroggum should have long since clarified his political position.

It is recalled that Scroggum lost the election in 1926 after his election had been practically conceded. Will the same thing happen again?

There are many in the state that are apparently waiting of that decision, to announce themselves for Congress. Archibald Grant of Clark county, will be a candidate for Congress, according

ing to a story carried by one of the Elko papers, and Judge Eather of Eureka is seriously considering leaving the bench and running for the nomination. The decision is said to follow the report that Howard Brown will run for District Judge in Eureka and Lander counties.

Others have been mentioned as possibilities. It has been variously rumored that Maurice Sullivan, present Lieutenant Governor, will again enter the lists as a Congressional aspirant. The

office seeking record of Lt. Gov. Sullivan is interesting and would seem to indicate that the people take him seriously only when he runs for Lieut. Governor. Eight times he has faced the voters of Nevada, and registered four wins for Lieut. Governor, and three losses for Congress, and one loss for the nomination for Governor. This may or may not indicate something.

The strength of Gov. Carville seems to be increasing and there is not much talk about opposition for him in the primaries, and there is not so much confidence in Republican circles that he can be unseated. The little

things that threatened to sap the Governor's strength seem to have been more or less covered over and if they are kept covered everything may be fine and dandy for a second term.

Every week or so there is another candidate trotted out against Henry Schmidt for the office of State Controller, and the intentness with which a candidate is being sought is one indication of the strength of Schmidt. One political writer, with more or less astuteness, said that Henry Schmidt was considered a "push over" at the annual Schmidt defeated Andy

votes four years ago, and Stirson will be long remembered as one of the best vote getters in the Republican party. Those building on the assumption that Clark county is against Schmidt might find another story when they check up the votes. The people in that county realize that Schmidt had nothing to do or say regarding any disposition of the Boulder Dam money, but simply wanted his books straight.

CALLED 'LOW FEE'

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Replying to the allegation that "miserable progress" was being made on construction, he said that Lieutenant General William S. Knudsen

personally inspected the plant April 12 and reported the preparation plants 60 percent finished, the settling basin 60 percent complete and the first reduction unit 40 percent complete.

committee record by Chairman Harry S. Truman (D., Mo.).

"I, of course, agree," Jones said, "with that part of the sub-committee's report which states that Government plants should be built as economically as possible. This is a Government plant, and is being built as economically as possible."

Replying to the sub-committee's charges that the Defense Plant Corp. was paying "tremendous fees for 'know how,'" Jones said fees paid to the 10 contracting and engineering firms "aggregate less than 2 percent of the total cost of the plant," \$73,500,000.

Jones Denies Charges In Magnesium Deal, Denounces Senator

WASHINGTON, April 23 (A. P.).—Secretary of Commerce Jesse H. Jones declared today that Senate Defense sub-committee criticism of a contract between Defense Plant Corp. and Basic Magnesium, Inc. for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC" on the floor of the Senate by Senator Berkeley L. Bunker (D., Nev.) was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator."

'DISCREDIT OFFICIALS'

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence." Jones' reply to the sub-committee and Bunker was filed for the defense

Getting down to county politics finds little excitement. Those that are in want a quiet election with no opposition. Those that want to get in want a sip-snoort election. The cards are apparently being laid for a contest for the position of long term commissioner in the Reno district. Fred Phillips, Democratic Assemblyman, is canvassing the voters in his bailiwick with the idea of making the race against J. C. Peckham, Republican incumbent. Phillips is said to be digging up facts and figures, and to be conferring with many and sundry and when he gets ready to announce will have a real program to present to the voters of that district. One of the ideas that Phillips may stress to a greater or less extent is that the county commissioners are "county" officers and not merely city officers.

There is a growing comment regarding the high salaried men that are being placed in defense positions, presumably at the head of some project or undertaking where the work is being done by volunteers. Every person wants to help out in some way or other in the war emergency, but they do rather object to working for nothing alongside some one that is getting a top-notch salary.

Milwaukee Journal
Milwaukee, Wis.

APR 24 1942

Jones Defends Plant Contract

Criticism of Magnesium Plan 'Without Founda- tion,' He Tells Senators

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"We do not object to honest or fair criticism," Jones said, "but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence."

Replying to charges that the DPC was paying "tremendous fees for 'know how,'" Jones said fees paid to the 10 contracting and engineering firms "aggregate less than 2 percent of the total cost of the plant," \$73,500,000.

He termed "a low fee" the \$560,000 a year which the sub-committee charged the Defense Plant Corp. agreed to pay Basic Magnesium, Inc., for operation of the plant.

Replying to the allegation that "miserable progress" was being made on construction, he said that Lieut. Gen. William S. Knudsen personally inspected the plant Apr. 12 and reported that the preparation plants 60 percent finished, the settling basin 60 percent complete and the first reduction unit 40 percent complete.

JESSE JONES HURLS DENIAL OF CHARGES

Defense Corporation Action Defended. By Official

WASHINGTON, April 23. (A. P.)—

Secretary of Commerce Jesse Jones said today that criticism of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., is "without foundation." Jones requested and received permission to insert into the record of the senate committee investigating the war program his answer to the criticism. A sub-committee of the group, in a special report, has charged that a magnesium plant was not being built economically.

The formal statement prepared by Jones also was intended to answer attacks made by Sen. Berkeley Bunker, D., Nev., on construction of the plant. Jones said Bunker's charges were "false and misleading, and are . . . unworthy of a United States senator."

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence," Jones said.

Answers Charges

Specifically, Jones, who was not at the committee hearing when his statement was placed in the record, replied to the following subcommittee charges:

1. The subcommittee charged that DPC is paying "tremendous fees for 'know-how.'" Jones replied the fees being paid for contracting and engineering services—including \$300,000 to BMI—amount to less than 2 per cent of the estimated \$73,500,000 cost of the plant.

2. The subcommittee charged that BMI is to receive an operating fee that will eventually yield \$560,000 a year over a possible 30 years. Jones replied that the actual fee to be paid is one-half of 1 cent a pound of magnesium actually produced and the operating contract is for 10 years only.

3. The subcommittee charged that "miserable progress" has been made in construction and that the metal producing units were only 9 per cent complete a few weeks ago. Jones replied that construction is proceeding so that operation can begin at the earliest possible moment. In January, he conceded, the DPC was not satisfied with progress and the war department corrected the situation by placing one of its best engineers on the job.

4. The subcommittee asserted that construction should not have begun until an agreement had been reached on license terms for operation and procurement of ore. Jones replied it was "imperative that no time should be lost in getting under way."

5. The subcommittee charged that the BMI was requesting "exorbitant royalty terms" for magnetite ore deposits. Jones said this was "just another use of superlatives."

Introduces Data

In reply to Bunker, Jones stated: "It is incorrect that DPC is paying Basic Refractories \$211,000 expended in promotion of this enterprise and the negotiation of the contract."

2. Bunker charged that DPC is paying Canadian and American distributors \$84,000 annually as a bonus for releasing available stocks of pent moss to BMI. Jones said the government is paying only \$25,000 for releasing the 1941-42 crop and that no future payments will be made.

3. Bunker charged that DPC is paying traveling expenses for BMI men studying in England. Jones replied that England was the only place where they could

Magnesium Charges Baseless, Jones Says

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Jones inserted into the record of the Senate committee investigating the war program his answer to the criticism. A sub-committee of the group has charged that the magnesium plant was being built at great financial waste.

Jones' formal statement also was intended to answer attacks made by Sen. Berkeley Bunker (D., Nev.). Bunker's charges were "false and misleading, and . . . unworthy of a United States Senator," Jones said.

Milwaukee Sentinel
Milwaukee, Wis.

APR 24 1942

Jones Blasts Charge At Defense Contract

WASHINGTON, April 23.—(A. P.)—Commerce Sec. Jesse Jones declared today senate defense sub-committee criticism of a contract between Defense Plant corp. and Basic Magnesium, Inc. for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement "the very serious charge of malfeasance against officials of DPC" that on the floor of the senate by Sen. Bunker (D.) of Nevada was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a U. S. senator."

Jones' reply to the sub-committee and Bunker was filed for the defense committee record by Chairman Truman (D.) of Missouri.

Referring to Sen. Bunker's charge the BMI stood to make a profit of \$2,140,000 in one year, Jones said:

"While entirely incorrect, he (Bunker) apparently obtains this amazing figure by lumping together such unrelated items . . . as the \$300,000 'know-how' and supervisory fee to BMI for design and construction of the plant, the \$1,000,000 that would be paid BMI in the remote contingency of the sale of the plant to private interests (other than

BMI) within 10 years after it begins operations, \$360,000 representing the maximum annual operating fee, and \$280,000 representing the maximum annual ore royalties.

"These payments could not possibly all accrue in any one year. It is extremely unlikely all these payments will ever be made. In no event would these payments be all profit."

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Replying to the allegation "miserable progress" was being made on construction, he said Lt. Gen. William S. Knudsen personally inspected the plant April 12 and reported the preparation plants 60 per cent finished, the settling basin 60 per cent complete and the first reduction unit 40 per cent complete.

He said 6,800 men were employed in construction.

Sen. Bunker's Charges False, Jones Tells Senate Hearing

Criticism of Magnesium Plant Termed 'Misleading,' 'Unworthy'

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Jones had inserted into the record of the Senate committee investigating the war program his answer to the criticism. A subcommittee of the group, in a special report, has charged that the magnesium plant was not being built economically.

Answers Bunker Attack

The formal statement prepared by Jones also was intended to answer attacks made by Senator Berkeley Bunker (D.) of Nevada on construction of the plant. Jones said Bunker's charges were "false and misleading, and * * * unworthy of a United States Senator."

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence," Jones said.

"Tremendous Fees" Denied

Specifically, Jones replied to the following subcommittee charges:

1. The subcommittee charged that DPC is paying "tremendous fees for 'know-how.'" Jones replied the fees being paid for contracting and engineering services, including \$300,000 to BMI, amount to less than 2 per cent of the estimated \$73,500,000 cost of the plant.

2. The subcommittee charged BMI is to receive an operating fee that eventually will yield \$560,000 a year over a possible 30 years. Jones said the actual fee to be paid is 1/2 of 1 per cent a pound of magnesium actually produced and the operating contract is for 10 years only.

3. The subcommittee charged "miserable progress" has been made in construction, and that the metal-producing units were only

9 per cent complete a few weeks ago. Jones said construction is proceeding so that operations can begin at the earliest possible moment.

4. The subcommittee charged construction should not have begun until an agreement had been reached on license terms for operation and procurement of ore. Jones replied it was "imperative that no time should be lost in getting under way."

"Exorbitant Royalty Terms"

5. The subcommittee charged that the BMI was requesting "exorbitant royalty terms" for magnesite ore deposits. Jones said this was "just another use of superlatives."

In reply to Bunker, Jones stated: 1. It is incorrect that DPC is paying basic refractories \$211,000 expended in promotion of this enterprise and the negotiation of the contract.

2. Bunker said DPC is paying Canadian and American distributors \$84,000 annually as a bonus for releasing available stocks of peat moss to BMI. Jones said the Government is paying only \$25,000 for releasing the 1941-42 crop and that no future payments will be made.

3. Bunker said a firm of architects is to receive \$28,000 to permit use of their plans for demountable housing in connection with the plant. Jones replied that the fee will be \$25 a house only, in addition to an \$8,000 engineering fee.

4. Bunker said the product of the plant is not to be sold to the Government at cost. Jones replied that all profits will accrue to the Government.

IS NEVADA MAGNESIUM INDUSTRY IN DANGER?

(Fallon Eagle)

That there may be something a lot bigger than appears on the surface back of the uproar about Basic Magnesium is hinted in recent rumors to the effect that the Nevada skirmish is part of a titanic struggle for control of the light metals industry.

According to these rumors, the aluminum trust has its eyes on Grand Coulee where power is generated almost on top of the magnesium deposits, and where development of magnesium metal would be inexpensive by comparison to the cost of producing the mineral at Gabbs Valley and transporting it to Las Vegas for processing.

From persons in Washington close enough to the top to know something about the situation, have come the prediction that the Nevada producing quarries and the great processing plant at Las Vegas may be lost to the state if aluminum trust has its way.

Accusations against Basic Magnesium by Senator Bunker of Nevada, have focused attention on that corporation which, if the senator is upheld in his contentions, has a lush thing in its contracts with the government—which Jesse Jones of the R. F. C. hotly denies.

While the senate committee is investigating the Bunker charges, perhaps it had better go a step further and look into the whole light metal setup, far enough to determine who is to dominate magnesium production and processing in this period of national peril.

The public is clamoring for a cleanup of any rottenness that may exist in war industries, and if Senator Bunker has uncovered some dirt, that's to his credit, whether it helps him get himself elected to the post he now holds by appointment or not. If there's bigger game than Basic Magnesium, Inc., in the offing, however, Thurman Arnold and the Truman committee had better go gunning for it and not waste all their ammunition on the smaller fry.

On the other hand, there may not be anything radically amiss anywhere as far as magnesium is concerned, and if that is the case the public mind will be eased considerably if the truth is dug out quickly and given to the people, who are uneasy enough about war production as it is, without having this, too, to worry about.

APR 24 1942

Jesse Jones Defends Negotiations With Basic Magnesium

Replies To Senator Bunker's Charges

WASHINGTON, April 23.—R.F.C. Chairman, Jesse Jones today defended the D.P.C. negotiations with Basic Magnesium, Inc., which were recently criticized by Senator Bunker.

The following are excerpts from the statement by Jesse H. Jones, Secretary of Commerce, with regard to the contract (dated August 1, 1941) between Defense Plant Corporation, a Reconstruction Finance Corporation subsidiary, and Basic Magnesium, Inc. "Attention has been given to the report of the subcommittee on light metals and aircraft of the special committee investigating the national defense program, which criticizes, among other things, the contract above referred to. The report discloses that the subcommittee in its hearing at Las Vegas, Nevada, was joined by Senator Bunker of that state, who requested the subcommittee to hold the hearing.

"I, of course, agree with that part of the subcommittee's report which states that the government plants should be built as economically as possible. This is a government plant, and is being built as economically as possible. The criticism of the subcommittee is without foundation."

Mr. Jones said in part the plant and necessary appurtenances will cost approximately \$73,500,000 and will have an estimated annual capacity of 112,000,000 pounds of metallic magnesium. The fees to be paid to the ten contracting and engineering firms including \$300,000 to B. M. I. for its technical designs, supervision, engineering and "know-how" aggregate less than 2% of the total cost of the plant. The subcommittee charges that B. M. I. is to receive an operating fee which at "maximum operation will equal \$560,000 a year over a possible period of 30 years."

Claims Low Fee

"The fee to be paid is 1/2 cent a pound of magnesium actually produced, which at present prices is only 2% of the estimated cost. Again, this is a low fee. Nor will the fee continue over a possible period of 30 years as the committee states. The operating contract is for ten years, but may be terminated by D. P. C. without any penalty after three years of operation. Furthermore, the quantity of magnesium to be produced in any year is subject to the direction of D. P. C., which controls the amount of fees for which D. P. C. would be liable.

"The subcommittee charges that B.M.I. proposes 'exorbitant royalty terms' for the magnesite ore deposits which it proposes to lease to the Government for the operation of the plant and that such lease appears to be one of the 'most flagrant attempts at war profiteering' to come to its notice.

"Contrary to the statement of the subcommittee that D.P.C. is to pay \$1 for every ton of ore used, the royalties are to be paid only in terms of metallic magnesium produced from the ore at the rate of 1/4 cent a pound of magnesium. D.P.C. may cancel the ore contract if the ore does not prove satisfactory in either quality or quantity. Not only is that a low royalty, but we are advised that it is one of the lowest royalties ever paid for comparable metallic ore in the State of Nevada."

APR. 24, 1942
OKLA. CITY, OK. OKLAHOMAN

Nevada Plant Cost Defended

WASHINGTON, April 23.—(AP)—Secretary of Commerce Jones issued a statement Thursday declaring there was no foundation for the recent criticism by a senate defense subcommittee of a contract between the Defense Plant Corp. and Basic Magnesium, Inc., for building a magnesium plant at Las Vegas, Nev.

He also asserted that a "charge of malfeasance against officials of Defense Plant Corp." made in the senate by Senator Bunker (D., Nev.) was "false and misleading" and was "completely refuted by the facts."

Jones said he agreed with the subcommittee that government plants should be built as economically as possible, and he declared the magnesium plant was being so constructed. His statement was filed for the defense committee record by Chairman Truman (D., Mo.).

APR. 24, 1942
OT SPRINGS, ARK. NEW ERA

Jones Attacks Contract Critics

Washington, April 24.—(AP)—Commerce Secretary Jesse Jones declared yesterday that senate defense subcommittee criticism of a contract between Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC" on the floor of the senate by Senator Bunker (D., Nev.) was "completely refuted by the facts" and was "false and misleading" as well "unworthy of a United States senator."

Jones' reply to the subcommittee and Bunker was filed for the defense committee record by Chairman Truman (D., Mo.).

personally inspected the plant April 12 and reported the preparation plants 60 percent finished, the settling basin 60 percent complete and the first reduction unit 40 percent complete.

From
INQUIRER
Philadelphia, Pa.
APR 24 1942

Jones Denies Charges In Magnesium Deal, Denounces Senator

WASHINGTON, April 23 (A. P.)—Secretary of Commerce Jesse H. Jones declared today that senate defense subcommittee criticism of a contract between Defense Plant Corp. and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC" on the floor of the Senate by Senator Berkeley L. Bunker (D., Nev.) was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator."

'DISCREDIT OFFICIALS'

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence." Jones' reply to the subcommittee and Bunker was filed for the defense

committee record by Chairman Harry S. Truman (D., Mo.).

"I, of course, agree," Jones said, "with that part of the subcommittee's report which states that Government plants should be built as economically as possible. This is a Government plant, and is being built as economically as possible."

Replying to the subcommittee's charges that the Defense Plant Corp. was paying "tremendous fees for 'know-how,'" Jones said fees paid to the 10 contracting and engineering firms "aggregate less than 2 percent of the total cost of the plant," \$73,500,000.

CALLED 'LOW FEE'

He termed "a low fee" the \$560,000 a year which the subcommittee charged the Defense Plant Corp. agreed to pay Basic Magnesium, Inc., for operation of the plant.

Replying to the allegation that "miserable progress" was being made on construction, he said that Lieutenant General William S. Knudsen

APR. 24, 1942
ST. LOUIS, MO. POST-DISPATCH

MAGNESIUM DEAL CRITICS ASSAILED BY JESSE JONES

Secretary Replies to Senate Subcommittee — Calls Bunker's Charge 'False and Misleading.'

WASHINGTON, April 24 (AP)—Secretary of Commerce Jesse Jones declared yesterday that Senate Defense Subcommittee criticism of a contract between Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

Jones also asserted that "the very serious charge of malfeasance against officials of DPC" on the floor of the Senate by Senator Bunker (Dem.), Nevada, was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator." Defense Plant Corporation is a division of Reconstruction Finance Corporation. As loan administrator, Jones has supervision of both Government agencies.

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence."

Jones' reply to the subcommittee and Bunker was filed for the defense committee record by Chairman Truman (Dem.), Missouri. "I, of course, agree," Jones said, "with that part of the subcommittee's report which states that Government plants should be built as economically as possible. This is a Government plant, and is being built as economically as possible."

Replying to the subcommittee's charges that the Defense Plant Corporation was paying "tremendous fees for 'know-how,'" Jones said fees paid to the 10 contracting and engineering firms "aggregate less than 2 percent of the total cost of the plant," \$73,500,000.

He termed "a low fee" the \$560,000 a year which the subcommittee charged the Defense Plant Corporation agreed to pay Basic Magnesium, Inc., for the operation of the plant.

Replying to the allegation that "miserable progress" was being made on construction, he said that Lieut. Gen. William S. Knudsen personally inspected the plant April 12 and reported the preparation plants 60 per cent finished, the settling basin 60 per cent complete and the first reduction unit 40 per cent complete. He said 6500 men were employed in construction.

Concerning Profiteering. The subcommittee's charge that the Defense Plant Corporation was guilty of "most flagrant attempts at war profiteering" brought from Jones the statement that "this is just another use of superlatives," and he added: "The charge cannot be substantiated."

"Contrary to the statement of the subcommittee that DPC is to pay \$1 for every ton of ore used, the royalties are to be paid only in terms of metallic magnesium produced from the ore at the rate of one-fourth cent a pound of magnesium. Defense Plant Corporation may cancel the ore contract if ore does not prove satisfactory in either quantity or quality. Not only is this low royalty, but we are advised that it is one of the lowest royalties ever paid for comparable mineral ore in the State of Nevada."

Calls Bunker's Charges "Incorrect." Referring to Senator Bunker's charge that Basic Magnesium, Inc., stood to make a profit of \$2,140,000 in one year, Jones said:

"While entirely incorrect, he (Bunker) apparently obtains this amazing figure by lumping together such unrelated items . . . as the \$300,000 'know-how' and supervisory fee to Basic Magnesium, Inc., for design and construction of the plant, the one million dollars that would be paid Basic Magnesium, Inc., in the remote contingency of the sale of the plant to private interests (other than Basic Magnesium, Inc.) within 10 years after it begins operations, \$560,000 representing the maximum annual operating fee, and \$560,000 representing the maximum annual ore royalties.

"These payments could not possibly all accrue in any one year. It is extremely unlikely that all these payments will ever be made. In no event would these payments be all profit."

APR 24 1942

CONTRACT ON PLANT DEFENDED BY JONES

Says Criticism of Award for Magnesium Unit Is "Without Foundation"

WASHINGTON, April 23 (AP).—Commerce Secretary Jesse Jones declared today that Senate defense subcommittee criticism of a contract between Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Mr. Jones asserted in a statement that "the very serious charge of malfeasance against officials of D. P. C." on the floor of the Senate by Senator Bunker (Dem., Nev.) was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator."

"We do not object to honest or fair criticism," Mr. Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence."

Filed by Truman
Mr. Jones' reply to the subcommittee and Senator Bunker was filed for the defense committee record by Chairman Truman (Dem., Mo.).

"I, of course, agree," Mr. Jones said, "with that part of the subcommittee's report which states that Government plants should be built as economically as possible. This is a Government plant, and is being built as economically as possible."

Replying to the subcommittee's charges that the Defense Plant Corporation was paying "tremendous fees for 'know-how,'" Mr. Jones said fees paid to the ten contracting and engineering concerns "aggregate less than 2 per cent of the total cost of the plant," \$73,500,000.

He termed "a low fee" the \$560,000 a year which the subcommittee charged the Defense Plant Corporation agreed to pay Basic Magnesium, Inc., for operation of the plant.

Replying to the allegation that "miserable progress" was being made on construction, he said that Lieut. Gen. William S. Knudsen personally inspected the plant April 12 and reported that the preparation plants are 80 per cent finished, the settling basin 80 per cent complete and the first reduction unit 40 per cent complete.

6,800 Men Employed
He said 6,800 men were employed in construction.

The subcommittee's charge that the Defense Plant Corporation was guilty of "most flagrant attempts at war profiteering" brought from Mr. Jones the statement that "this is just another use of superlatives," and he added:
"The charge cannot be substantiated."

"Contrary to the statement of the subcommittee that D. P. C. is to pay \$1 for every ton of ore used, the royalties are to be paid only in terms of metallic magnesium produced from the ore at the rate of 1/10 of a pound of magnesium. Defense Plant Corporation may cancel the ore contract if ore does not prove satisfactory in either quantity or quality. Not only is this low royalty, but we are advised that it is one of the lowest royalties ever paid for comparable mineral ore in the State of Nevada."

Mr. Jones said that subcommittee charge "was not accurate" that D. P. C. would have to pay Basic Magnesium, Inc., \$3,000,000 and royalty payment would have to be doubled if D. P. C. canceled its contract with B. M. I. because of poor performance or for any other reason.

Can Cancel Contract
"If the contract is canceled through fault of B. M. I., no payment at all is to be made to it," he said.

"The contract may be canceled after three years even without fault of B. M. I. In such event and the sale of the plant within ten years after the beginning of operations, D. P. C. has agreed to pay B. M. I. \$1,000,000 as reimbursement for its technical designs and knowledge utilized both in construction and operation."

"Subsequent to cancellation, the plant can be operated by or for the account of the Government, or leased to others, without paying B. M. I. any part of the \$1,000,000."

Referring to Senator Bunker's charge that the B. M. I. stood to make a profit of \$2,140,000 in one year, Mr. Jones said:

"While entirely incorrect, he (Bunker) apparently obtains this amazing figure by lumping together such unrelated items * * * as the \$300,000 'know-how' and supervisory fee to B. M. I. for design and construction of the plant, the \$1,000,000 that would be paid B. M. I. in the remote contingency of the sale of the plant to private interests (other than B. M. I.) within ten years after it begins operations, \$500,000 representing the maximum annual operating fee, and \$200,000 representing the maximum annual royalties. These payments could not possibly all accrue in any one year. It is extremely unlikely that all these payments will ever be made. In no event would these payments be all profit."

From
FREE PRESS
Detroit, Mich.

APR 24 1942

Jones Hits Magnesium Plant Critics

RFC Head Denies Profiteering in Deal with Basic Magnesium Co. for Nevada Project

By the Associated Press
WASHINGTON, April 23.—Commerce Secretary Jesse Jones declared today that Senate defense subcommittee criticism of a contract between Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC" on the floor of the Senate by Senator Berkeley Bunker, Nevada Democrat, was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator."

"A Low Fee"
Replying to the subcommittee's charges that the Defense Plant Corporation was paying "tremendous fees for 'know-how,'" Jones said fees paid to the 10 contracting and engineering firms "aggregate less than 2 per cent of the total cost of the plant," \$73,500,000.

He termed "a low fee" the \$560,000 a year which the subcommittee charged the Defense Plant Corporation agreed to pay Basic Magnesium, Inc., for operation of the plant.

Thurman Arnold, director of anti-trust prosecution for the Justice Department, testified today that patents were used to create in the United States an "absolute monopoly" on production of magnesium, a "light metal with many war uses."

Refers to Consent Decree
The assistant attorney general made this charge before the Senate Patents Committee as he referred to the recent consent decree obtained by anti-trust prosecutions involving Alcoa (Aluminum Company of America), the Dow Chemical Co., and I. G. Farbenindustrie, A. G., of Germany.
"This (magnesium) monopoly control began in 1927 and complete control was exercised by patents until 1941," Arnold said. He explained that patents of the American and German industries were fitted together to obtain control.

As the hearing opened, Chairman Homer T. Bone, Washington Democrat, called attention to a number of full-page advertisements in metropolitan dailies by Carbonyl, Inc., and General Electric Co., dealing with issues raised at the Senate inquiry.

Bone said he wondered "how much of this dough" was charged to national defense or the public. The Western Senator said it had been his experience that "so-called institutional advertising in newspapers by utilities" actually were paid for by the consuming public.

From
TIMES
New York City

APR 24 1942

DENIES DPC LAXITY OVER MAGNESIUM

Jones Says Bunker's Charges Over Nevada Project Are False and Misleading

ASSAILS ATTACK ON FEES

Royalties to Basic Magnesium, Inc., for Ore Will Be One of Lowest Ever, He Insists

Special to THE NEW YORK TIMES
WASHINGTON, April 23.—

Charges of malfeasance made against officials of the Defense Plant Corporation by Senator Bunker of Nevada on the ground that they had negotiated with Basic Magnesium, Inc., a contract for the production of magnesium at a new plant in Las Vegas which would give the corporation enormous profits were denied today by Jesse Jones, Secretary of Commerce. He called Senator Bunker's allegations "false and misleading and, as I have publicly stated, unworthy of a United States Senator."

"We do not object to honest or fair criticism," continued Secretary Jones, "but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence."

The Secretary stated that the Las Vegas plant, its location, builder and operator, had been recommended by the War Department, which had approved the collaboration of Basic Refractories, an American group, with the British technicians of Magnesium Elektron, Ltd. The fees to be paid for the construction of the \$73,500,000 plant, including \$300,000 to Basic Magnesium, Inc., for its designs, supervision, engineering and "know-how," aggregated less than 2 per cent of the cost of the plant, said Mr. Jones, whereas the War and Navy Departments were allowed to pay up to 6 and even 7 per cent on negotiated contracts.

Denies 30-Year Contract
Mr. Jones denied that the contract would continue over a possible period of thirty years, as a Senate subcommittee had stated. The operating contract was for ten years and could be terminated by the Defense Plant Corporation without penalty after three, he said.

Denying the subcommittee's allegation that "miserable progress" had been made with the plant and that the metal-producing units were only 9 per cent complete, Mr. Jones said that Lieut. Gen. William S. Knudsen had advised him that the preparation plant was 80 per cent finished, the settling basin 80 per cent completed and that the plant would begin producing magnesium in August.

The subcommittee's charge that Basic Magnesium had proposed "exorbitant royalty terms" for its magnesite ore deposits leased to the government and that the lease seemed to be one of the "most flagrant attempts at war profiteering" was described by Mr. Jones as "just another use of superlatives."

Contrary to the subcommittee's statement that the Defense Plant Corporation was to pay a dollar for every ton of ore used, the royalties were to be paid only in terms of metallic magnesium produced from the ore at the rate of one-quarter cent a pound of magnesium. This, Mr. Jones said he was advised, was "one of the lowest royalties ever paid for commercial mineral ore in the State of Nevada."

Disputes Cancellation Costs

The subcommittee had charged that if DPC should cancel Basic Magnesium's contract because of poor performance it would have to pay the company \$1,000,000 and double royalties. The fact was that if the contract were canceled through the fault of Basic Magnesium no payment would be made at all, he added.

If it were canceled without fault of the company and were sold within ten years of the beginning of operations, Basic Magnesium would get \$1,000,000 for its designs and knowledge utilized in the plant's construction and operation, he said. But the plant could, instead, be operated by or for the government or leased to others without paying Basic Magnesium the \$1,000,000 or any part of it. Even if the plant were sold within the ten years and the \$1,000,000 paid, all fees in connection with the plant's construction would still total less than 3 1/2 per cent, he added. As for "double royalties," he stated, royalties would not be increased at all as long as the plant was operated by or for the government, either by Basic Magnesium or others.

From
POST
Washington, D. C.
APR 24 1942

U.S.-German Deal Tied Up Magnesium

Cartel Operated To Restrict Output Here to Help Nazis, Senate Unit Told

Jones Assails Critics

SECRETARY JONES hits back at critics of contract for new magnesium plant in Nevada. Page 6.

Dominated British

By Robert De Vore
Post Staff Writer

When the Federal Government was faced with the necessity for spending hundreds of millions of dollars to expand American magnesium production, an American-German cartel was operating to restrict manufacture of the metal to a fraction of the Nation's war needs, the Senate Patents Committee was told yesterday.

Furthermore, the German member of the cartel, I. G. Farbenindustrie, not only was provided with a check on United States magnesium production, but dominated the industry in Great Britain which was dependent on the Nazis for 40 per cent of her magnesium requirements, the committee was informed.

The charges were made by Assistant Attorney General Thurman Arnold, who detailed for the committee the effect of the cartel on America's ability to produce metal essential for the manufacture of dive bombers and incendiary bombs, now sorely needed by the United States and her British ally.

Arnold Asked for Figures

The American cartel partners—Aluminum Co. of America and the Dow Chemical Co.—agreed April 15 to dissolution of the alliance under terms of a Federal Court consent decree which freed, for use of other manufacturers without payment of royalties, magnesium producing and fabricating patents.

Aroused by the need for expenditure of taxpayers' money for production of war material that might well have been available in greater quantity, Senator Bone (Democrat), of Washington, called on Arnold for figures on the Government's investment in magnesium.

Arnold was unable to supply the information, but from another source it was learned that to date the Defense Plant Corporation has obligated the Government to an investment of 365 million dollars in magnesium plants.

Breakdown of Figures

Later in the day one of Arnold's assistants obtained a breakdown of the Government's magnesium investment. This showed that beginning early in 1941, the year America went to war, the Defense Plant Corporation has made many agreements for magnesium manufacture, but that the principal beneficiary of the Federal outlay has been Dow Chemical or allied companies.

Senator LaFollette (Progressive) of Wisconsin, characterized the investments as "the price we are paying for this nice little arrangement with I. G. Farben."

"We are paying a swell price for it," he said.

The breakdown of DPC agreements, which did not cover all of the agency's commitments, showed Dow to be on the receiving end of \$148,010,932 out of \$295,484,710 advanced for new magnesium production facilities.

"Although the sources of magnesium are virtually unlimited, since it may be extracted from sea water or from ores which are

See PATENTS, Page 6, Column 5.

abundant and easily accessible, one company (Dow Chemical) has monopolized its production in the United States between 1927 and 1941," Arnold told the committee. "Moreover, a German company (I. G. Farben) through a patent pooling arrangement, has held the right to limit the production of magnesium in the United States while Germany was steadily expanding her production."

Arnold gave the committee a step-by-step outline of the rise of the Dow, Alcoa and I. G. Farben partnership. He showed how Alcoa abandoned the magnesium-production field to Dow from which it purchased the metal for fabrication by its subsidiary, American Magnesium Corp., at prices from five to ten cents a pound below prices available to competitors.

Production 30,000 Tons

At no time prior to anti-trust indictment of the companies—prelude to the consent decree—did Dow's magnesium production in the United States exceed 6000 tons a year, Arnold stated. In 1940, "the year which saw the fall of France," he said, Germany was manufacturing almost one-half of the world's production (19,000 metric tons), while the United States was producing "but 14 per cent."

(Congressional sources yesterday estimated the country's 1941 magnesium production at 30,000 tons toward a goal of 362,000 tons.)

Hitler, said Arnold, refused to tolerate price-controlling cartels in Germany. Germany, he stated, had a "boom in six months" after Hitler "broke" the German cartel system.

Frankly, Arnold responded, "No," when asked by LaFollette if he considered the magnesium consent decree as "good" as that entered several weeks ago which freed synthetic rubber patents held by Standard Oil Co. of New Jersey. He explained that the decree was obtained in the face of controversy over whether anti-trust action was interfering with the war effort and at a time when the Administration was anxious to release basic materials patents.

To the committee, which for nearly two weeks has been conducting hearings on legislative proposals for revision of patent laws, Arnold urged that Congress give "the Government the right to cancel any patent which has been used as an instrument to create a domestic or international cartel."

POST
Washington, D. C.

APR 24 1942

Jones Denies Plant Unit 'Malfeasance'

Charges by Truman Subcommittee And Sen. Bunker Are Called False

Secretary of Commerce Jesse Jones yesterday turned on Congressional critics of the conduct of his Defense Plant Corporation in a contract for construction and operation of a magnesium plant at Las Vegas, Nev., and in a seven-page statement characterized as "without foundation" charges made on the floor of the Senate and by a Senate investigating subcommittee.

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence," Jones asserted.

The statement was filed for the record of the Senate War Investigating Committee by its chairman, Senator Truman (Democrat), Missouri. The charges to which the statement replied were made by a subcommittee of the Truman committee and by Senator Bunker (Democrat) of Nevada.

'False and Misleading'

Jones recalled that on April 9, Mr. Bunker, in a Senate speech, "made the very serious charge of malfeasance against officials of DPC."

"These charges are completely refuted by the facts, are false and misleading and are, as I have publicly stated, unworthy of a United States Senator," Jones declared.

Built Economically

Jones stated that, "of course," he agreed with "that part of the subcommittee's report which states that Government plants should be built as economically as possible."

"This is a Government plant, and is being built as economically as possible," the Secretary said. "The criticism of the subcommittee is without foundation."

Jones declared that the War Department and the OPM recom-

mended "the plant, its process, its capacity, its location, its builder, and its operator." He quoted a War Department report praising the "outstanding" speed with which plans for the projected plant were set up by Basic Refractories, Inc., parent concern of Basic Magnesium, Inc., the company which holds the Defense Plant Corporation contract.

Jones considered in order and made replies to six charges made by the subcommittee and eight charges leveled by Bunker.

To Charge That DPC Is Paying

"tremendous fees for 'know how,'" Jones asserted that fees to be paid to 10 contracting and engineering firms engaged on the project aggregate less than 2 per cent of the \$73,500,000 cost of the plant.

Operating Fees Called Low

The Secretary also calculated at 2 per cent of the estimated cost of the plant, operating fees to be paid to Basic Magnesium, Inc., which the subcommittee said would equal \$560,000 a year, at capacity production of 112 million pounds of magnesium annually. He described this fee as "low," and declared that the contract is to run for 10 years, rather than 30 years as stated by the subcommittee.

Observing that the plant was scheduled to start magnesium production this June and predicting that this operation will start in August, Jones cited a personal inspection of the factory last Sunday by Lieut. Gen. William S. Knudsen in refutation of a subcommittee charge that "miserable progress" has been made in construction. Knudsen, Jones declared, found portions of the plant from 60 to 40 per cent complete.

Jones cited the need for speed in responding to the contention that DPC should have delayed construction until the terms of the operating license were settled. He characterized as "just another use of superlatives," the charge that the magnesium firm proposes "exorbitant royalty terms" for the magnesite ore deposits it proposes to lease to the Government.

British Experts Defended

Senator Bunker's charge that DCP is paying Basic Refractories \$211,000 for "promotion" of the enterprise met with a categorical denial from Jones. The secretary also defended payment of salaries of English technicians in this country in connection with the operation on the ground that the technical knowledge of the men is "indispensable."

Countering the contention of Mr. Bunker that the Government is paying twice for plans for housing at the Las Vegas plant, Jones contrasted the \$28,000 to be paid the housing contractor with \$175,000, or 5 per cent of total cost, which would be the customary fee on a \$3,500,000 undertaking.

Any profit from sale of magnesium produced at the plant, said Jones, will go to the Government, rather than to the contractor, as charged by the Senator. Jones called "amazing" and "entirely incorrect" Mr. Bunker's charge that the magnesium concern stands to make \$2,140,000 in one year.

The firm's commitments and disbursements are subject to prior approval of DPC auditors and engineers, Jones asserted in reply to Mr. Bunker's charge that the firm was given a "carte blanche" agreement to act in behalf of DPC. As for Mr. Bunker's assertion that the magnesium corporation has no obligation to make repayments to DPC, Jones declared that "anyone even remotely interested" in the truth would be able to ascertain "that the situation is not one involving a loan."

PLANT WORKING REVISED
PLANT WORK
4/24/42

War on Axis Handicapped By Vicious Monopoly Deals

"Cartels" Deprive Democracies of Vital Materials, While Enemies Are Supplied; Startling Disclosures Show How International Tiesups Have Hamstrung Allies.

How international "cartels" built up the German and Japanese war machines while blocking development of defense industries in the United States and Britain was further disclosed this week.

Such cartels are monopoly agreements between big corporations in Germany, Britain, the United States and other countries. These monopolies are largely based on patents and cover at least a hundred vital industries.

In every case so far revealed, American and British big business men signed agreements which hamstrung war industries in their own countries, but which specifically provided that there would be no interference with production in Germany, and gave both the Nazis and Japs a free hand.

An example was the agreement between Standard Oil (N. J.) and the German chemical trust—I. G. Farbenindustrie. Since 1929 this agreement has given Standard a monopoly on certain petroleum products, outside of Germany, and has given the German trust a monopoly of synthetic rubber the world around, including the United States.

THIS IS HOW IT WORKS

As a result, according to testimony before the Senate Defense Investigating Committee, the Nazi war machine has plenty of rubber to roll on, though Germany has been blockaded since 1939, while there is an acute shortage of rubber in the United States, after only four months of war.

The lid was lifted on another example last week when Senator B. L. Bunker (Dem., Nev.), pointed out that Basic Magnesium, Inc., will net a profit of \$2,100,000 in one year on an investment of less than \$50,000. Uncle Sam is putting up \$65,000,000 for a plant in which this company will make magnesium, a metal vital for airplanes and bombs.

This week Congressman C. P. Anderson (Dem., N. Mex.), pointed out some more amazing facts

ENQUIRER
Cincinnati, Ohio

APR 24 1942

Jones Defends Contract For Magnesium Factory

Washington, April 23—(AP)—Secretary of Commerce Jesse Jones issued a statement today declaring there was no foundation for the recent criticism by a Senate defense subcommittee of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for building a magnesium plant at Las Vegas, Nevada.

Jones also asserted that a "charge of malfeasance against officials of DPC" made in the Senate by Senator Berkeley Bunker, Democrat, Nevada, was "false and misleading," was "unworthy of a United States Senator" and was "completely refuted by the facts."

Jones said he agreed with the subcommittee that government plants should be built as economically as possible, and he declared the magnesium plant was being so constructed. His statement was filed for the defense committee record by Chairman Truman, Democrat, Missouri.

APR. 24, 1942
LINCOLN, NEBR. MORN. JOURN

Jesse Jones hits critics in senate

WASHINGTON, (AP)—Secretary of Commerce Jones issued a statement Wednesday declaring there was no foundation for the recent criticism by a senate defense subcommittee of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for building a magnesium plant at Las Vegas, Nev.

He also asserted that a "charge

of malfeasance against officials of DPC" made in the senate by Senator Bunker (d., Nev.) was "false and misleading," was "unworthy of a United States senator" and was "completely refuted by the facts."

Jones said he agreed with the subcommittee that government plants should be built as economically as possible, and he declared the magnesium plant was being so constructed. His statement was filed for the defense committee record by Chairman Truman (d., Mo.).

TIMES-UNION
Rochester, N. Y.

APR 24 1942

Jones Defends Magnesium Plant Contract

Washington—(AP)—Senate defense subcommittee criticism of a contract between Defense Plant Corporation and Basic Magnesium Inc., for construction of a magnesium plant at Las Vegas, Nev., was declared by Commerce Secretary Jones yesterday to be "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC" on the floor of the Senate by Senator Bunker (D., Nev.) was "completely refuted by the facts" and was "false and misleading," as well as "unworthy of a United States senator."

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence."

Replying to the subcommittee's charges that the Defense Plant Corporation was paying "tremendous fees for 'know-how,'" Jones said fees paid to the 10 contracting and engineering firms "aggregate less than 2 per cent of the total cost of the plant," \$73,500,000.

From
Schenectady, N. Y.

APR 24 1942

Jones Says Criticism Of Magnesium Contract Is Without Foundation

WASHINGTON, April 23 (AP)—Secretary of Commerce Jones issued a statement today declaring there was no foundation for the recent criticism by a senate defense subcommittee of a contract between the Defense Plant Corp. and Basic Magnesium, Inc., for building a magnesium plant at Las Vegas, Nev.

He also asserted that a "charge of malfeasance against officials of DPC" made in the senate by Senator Bunker (D-Nev) was "false and misleading," was "unworthy of a United States senator" and was "completely refuted by the facts."

Jones said he agreed with the subcommittee that government plants should be built as economically as possible, and he declared the magnesium plant was being so constructed. His statement was filed for the defense committee record by Chairman Truman (D-Mo.).

From
JOURNAL of COMMERCE
Chicago, Ill.

APR 24 1942

Jones Denies Misconduct Charge Of Truman Group

Chicago Journal of Commerce
Washington Bureau

WASHINGTON, April 23.—Jesse Jones, commerce secretary, today flatly denied the Truman committee charges of malfeasance by Defense Plant Corporation in contracting with Basic Magnesium, Inc., for a huge plant in Nevada to produce 112,000,000 pounds of magnesium annually for the war effort by methods never before used in this country.

Investigation of the plant and the contract was conducted by the Truman committee (Senate defense program investigating group) at the request of Sen. Berkeley Bunker (D., Nev.) and the committee severely criticized the DPC for terms of the contract and its supervision of its execution.

Mr. Jones answered the committee thus:

The plant, its process, capacity, location, builder and operator were recommended to the DPC by the War Department and the Office of Production Management, the former stating the operating firm showed "a speed, accuracy and completeness outstanding in industry."

Rather than paying unreasonable sums for "know-how," the DPC is paying ten engineering firms, including \$300,000 to Basic Magnesium, Inc., for technical designs, an aggregate of less than 2 per cent of the total \$73,000,000 cost of the plant.

These cover also the chlorine plant and the fees would be low even for ordinary commercial plants, instead of units to turn out magnesium on a scale and by a process never before attempted in this country.

The plant is not 9 per cent completed, as the committee charges, but 60 per cent finished, on the word of Lieut. Gen. William S. Knudsen, who personally inspected it on April 12. The chlorine plant will begin operations on June 29 and the magnesium unit in August.

NEWS-SENTINEL

Milwaukee, Wis.

APR 24 1942

\$60,000 Loan Asked On \$8,000 Property

WASHINGTON, April 23—(AP)—Commerce Sec. Jesse Jones declared today senate defense subcommittee criticism of a contract between Defense Plant Corp. and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nev., was "without foundation."

At the same time Jones asserted in a statement "the very serious charge of malfeasance against officials of DPC" that on the floor of the senate by Sen. Bunker (D) of Nevada was "completely refuted by the facts" and was "false and misleading," as well as "unworthy of a U. S. senator."

Jones' reply to the subcommittee and Bunker was filed for the defense committee record by Chairman Truman (D) of Missouri.

Referring to Sen. Bunker's charge the BMI stood to make a profit of \$2,140,000 in one year, Jones said:

"While entirely incorrect, he (Bunker) apparently obtains this amazing figure by lumping together such unrelated items . . . as the \$300,000 'know-how' and supervisory fee to BMI for design and construction of the plant, the \$1,000,000 that would be paid BMI in the remote contingency of the sale of the plant to private interests (other than

PLAIN-DEALER
Cleveland, Ohio

APR 24 1942

JONES DEFENDS MAGNESIUM DEAL

Says Eells Plant Is Being
Built Economically

WASHINGTON, April 23—(AP)—Secretary of Commerce Jesse Jones stated today there was no foundation for recent criticism by a Senate defense sub-committee of a contract of the Defense Plant Corp. for building a magnesium plant at Las Vegas, Nev., for Basic Magnesium, Inc., headed by Howard P. Eells, Jr., of Cleveland.

He also asserted that a "charge of malfeasance against officials of DPC" made in the Senate by Senator Bunker (D.) of Nevada was "false and misleading," was "unworthy of a United States senator" and was "completely refuted by the facts."

Jones said he agreed with the sub-committee that government plants should be built as economically as possible, and he declared the magnesium plant was being so constructed. His statement was filed for the defense committee record by Chairman Truman (D.) of Missouri.

Operation at "Low Fee"

Replying to the sub-committee's charges that DPC was paying "tremendous fees for 'know-how,'" Jones said fees paid to the 10 contracting and engineering firms "aggregate less than 2 per cent of the total cost of the plant," \$73,500,000.

He termed "a low fee" the \$560,000 a year which the sub-committee charged the agency agreed to pay Basic Magnesium for operation of the plant.

The sub-committee's charge DPC was guilty of "most flagrant attempts at war profiteering" brought from Jones the statement that "this is just another use of superlatives," and he added: "The charge cannot be substantiated."

Hits Profit Charge

"Contrary to the statement of the sub-committee that DPC is to pay \$1 for every ton of ore used, the royalties are to be paid only in

terms of metallic magnesium produced from the ore at the rate of 34 cent a pound of magnesium. DPC may cancel the ore contract if ore does not prove satisfactory in either quantity or quality. Not only is this low royalty, but we are advised that it is one of the lowest royalties ever paid for comparable mineral ore in the state of Nevada."

Referring to Senator Bunker's charge that B. M. I. stood to make a profit of \$2,140,000 in one year, Jones said:

"While entirely incorrect, he (Bunker) apparently obtains this amazing figure by lumping together such unrelated items . . . as the \$300,000 'know-how' and supervisory fee to B. M. I. for design and construction of the plant, the \$1,000,000 that would be paid B. M. I. in the remote contingency of the sale of the plant to private interests (other than B. M. I.) within 30 years after it begins operations, \$560,000 representing the maximum annual operating fee, and \$280,000 representing the maximum annual ore royalties."

"These payments could not possibly all accrue in any one year. It is extremely unlikely that all these payments will ever be made. In no event would these payments be all profit."

UNION

Springfield, Mass.

APR 24 1942

Hits Magnesium Plant Criticism

Jesse Jones Sees No Founda-
tion for Attack

WASHINGTON, April 23 (AP)—Secretary of Commerce Jones issued a statement today declaring there was no foundation for the recent criticism by a Senate defense subcommittee of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for building a magnesium plant at Las Vegas, Nev.

He also asserted that a "charge of malfeasance against officials of DPC" made in the Senate by Senator Bunker (D-Nev) was "false and misleading," was "unworthy of a United States senator" and was "completely refuted by the facts."

Jones said he agreed with the subcommittee that government plants should be built as economically as possible, and he declared the magnesium plant was being so constructed. His statement was filed for the defense committee record by Chairman Truman (D-Mo.).

From
Wilmington, Del.

APR 24 1942

JONES HITS CRITICISM OF MAGNESIUM PLANT

WASHINGTON, April 23 (AP)—Secretary of Commerce Jones issued a statement today declaring there was no foundation for the recent criticism by a Senate defense subcommittee of a contract between the Defense Plant Corporation and Basic Magnesium, Inc., for building a magnesium plant at Las Vegas, Nev.

He also asserted that a "charge of malfeasance against officials of D. P. C." made in the Senate by Senator Bunker (D-Nev) was "false and misleading," was "unworthy of a United States Senator" and was "completely refuted by the facts."

Jones said he agreed with the subcommittee that government plants should be built as economically as possible, and he declared the magnesium plant was being so constructed.

His statement was filed for the defense committee record by Chairman Truman (D-Mo.).

Charges Against BMI Not Based on Fact Says Jones

WASHINGTON, April 23—Secretary of Commerce Jesse Jones, speaking as chairman of the board of directors of the defense plant corporation, today charged that the criticism of Basic Magnesium, Inc., is not based on facts and is entirely "unfounded."

Jones, in upholding the activities of both the defense plant corporation and of Basic Magnesium, Inc., builders of the huge magnesium plant near Las Vegas, inserted his answers to the criticism hurled by Senator Berkeley L. Bunker, D., Nevada, and of the sub-committee which investigated the plant, into the record of the Truman committee which is investigating the war program.

Jones listed each charge hurled at the management of the magnesium plant and the DPC and answered separately.

To the charge that tremendous fees are being paid for the "know-how" to refine the magnesium, Jones answered by saying that less than two per cent of the cost of the plant is being paid for this service.

Answering the charge that Basic Magnesium stands to make \$500,000 annually over a period possibly as

long as thirty years, Jones declared that the firm will get only one-half cent a pound for magnesium produced for a ten year period only.

He answered the charge that the contractors are "making miserable construction progress" on the plant by declaring that construction work on the plant is proceeding so that the unit can be operated at the earliest possible time.

To the charge that Basic has signed up for "exorbitant royalty terms," Jones replied that such a statement is just another use of superlatives.

He said that the statement "the defense plants corporation is paying Basic Refractories (subsidiary of Basic Magnesium, Inc.) \$211,000 to promote the Basic project" is not correct.

Jones declared that Bunker's charge that "Basic stands to make \$2,140,000 in one year" was obtained by the senator's adding of unrelated items. Such charge is not valid, Jones said.

The federal official's answer was put in the committee's record today and came in reply to the report by the sub-committee and by Senator Bunker's statement of April 9 on the floor of the United States senate.

From
WORLD TELEGRAM
New York City

APR 30 1942

Bunker Renews Feud with Jones

By the United Press.

WASHINGTON, April 30.—Senator Berkeley L. Bunker (D., Nev.) today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Mr. Jones over a contract between the Defense Plants Corp. and Basic Magnesium, Inc., Mr. Bunker made a Senate speech reiterating previous charges.

"My statement was based on record and fact," Mr. Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

"Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to the officials of the company—salaries as high as \$30,000 a year."

RIVERSIDE, CAL. PRESS
CH. 7, 1942 APRIL 30, 1942

Senator Bunker Accuses Jones of Evading Issue

WASHINGTON (AP)—Sen. Berkeley L. Bunker, D., Nev., today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Jones over a contract between the Defense Plants corporation and Basic Magnesium, Inc., Bunker made a Senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

Continuing his feud with Jones over a contract between the Defense Plants corporation and Basic Magnesium, Inc., Bunker made a Senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

L. LOUIS, MO. POST-DISPATCH

FACT DISTORTION, EVASION CHARGED TO JESSE JONES

Senator Assails Defense Plant Corporation Head's Reply to Charges of Magnesium 'Profiteering'

WASHINGTON, April 30 (AP).—Senator Bunker (Dem.), Nevada, charged in a Senate address today that Jesse Jones, Defense Plant Corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to Senate critics of a Government contract for construction of a 73 million dollar magnesium plant at Las Vegas, Nev.

Bunker asserted in a Senate address April 9 that the Defense Plant Corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, O., for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

"Sinister" Agreement. Bunker repeated today his previous charge that the agreement "is so sinister as to indicate that some officials in our Government are guilty of malfeasance in the performance of their duties."

Jones denied the charge and charges of the Senate Defense Investigating Committee in a statement filed April 23 with the committee.

Bunker, referring to the reply, accused Jones of attacking investigators of the Senate committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the War Department and the now defunct Office of Production Management will meet with as little success as did his effort to blame the President of the United States and the British and Dutch governments, for Mr. Jones' own failure to provide the nation with rubber."

Joined Claimed Approval. Jones asserted in his statement that the contract entered into with the Cleveland company had the approval of the War Department and OPM.

Referring to the testimony at Las Vegas before the committee, Bunker said:

"Does Mr. Jones mean that the members of the Truman committee—who have no personal interest in this case—are so deficient in intelligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote into their preliminary report?"

"Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the Government which he seemingly delegates to a position inferior to his own."

Jones Gives Answers to Bunker's Charges

Claims Nevada Senator Wrong In Estimates of "Huge Profits"

WASHINGTON — Secretary of Commerce Jesse Jones said last Thursday that criticism of a contract between the defense plant corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nevada, is "without foundation."

Jones received permission to insert into the record of the senate committee investigating the war program his answer to the criticism. A subcommittee of the group, in a special report, has charged that the magnesium plant is not being built economically.

Answers Bunker

The formal statement prepared by Jones also was intended to answer attacks made by Senator Berkeley Bunker, Nevada Democrat, on construction of the plant. Jones said Bunker's charges were "false and misleading, and are . . . unworthy of a United States senator."

"We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most critical period of its existence," Jones said.

Specifically, Jones, who was not at the committee hearing when his statement was placed in the record, replied to the following subcommittee charges:

1. The subcommittee charged that DPC is paying "tremendous fees for 'know-how.'" Jones replied the fees being paid for contracting and engineering services—including \$300,000 to BMI—amount to less than 2 per cent of the estimated \$73,500,000 cost of the plant.
2. The subcommittee charged that BMI is to receive an operating fee that will eventually yield \$560,000 a year over a possible 30 years. Jones replied that the actual fee to be paid is one-half of 1 cent a pound of magnesium actually produced and the operating contract is for 10 years only.
3. The subcommittee charged that "miserable progress" has been made in construction and that the metal producing units were only 9 per cent complete a few weeks ago. Jones replied

that construction is proceeding so that operation can begin at the earliest possible moment. In January, he conceded, the DPC was not satisfied with progress and the war department corrected the situation by placing one of its best engineers on the job.

4. The subcommittee asserted that construction should not have begun until an agreement had been reached on license terms for operation and procurement of ore. Jones replied it was "imperative that no time should be lost in getting under way."

5. The subcommittee charged that the BMI was requesting "exorbitant royalty terms" for magnesite ore deposits. Jones said this was just another use of superlatives.

In reply to Bunker, Jones stated:

1. Is it correct that DPC is paying Basic Refractories \$211,000 "expended in promotion of this enterprise and the negotiation of the contract?"

2. Bunker charged that DPC is paying Canadian and American distributors \$84,000 annually as a bonus for releasing available stocks of peat moss to BMI. Jones said the government is paying only \$25,000 for releasing the 1941-42 crop and that no future payments will be made.

3. Bunker charged that DPC is paying traveling expenses for BMI men studying in England. Jones replied that England was the only place in the world where they could receive training in the new process.

4. Bunker charged that a firm of architects are to receive \$28,000 to permit use of their plans for demountable housing in connection with the plant. Jones replied that the fee will be \$25 a house only in addition to an \$8,000 engineering fee.

5. Bunker charged that the product of the plant is not to be sold to the government at cost. Jones replied that all profits will accrue to the government.

6. Bunker charged that BMI stands to make a one-year profit of \$2,140,000. Jones replied that Bunker obtained this figure by adding "unrelated items" and that it is not valid.

7. Jones denied Bunker's charge that BMI has "carte blanche" in determining plant policy.

8. Bunker charged that BMI will not have to repay DPC for money expended. Jones replied that "DPC owns the plant and will, of course, own all its products."

FROM
CHRISTIAN SCIENCE
MONITOR
Boston, Mass.
APR 30 1942

Jones Accused of Evasion In Statement on War Plant

WASHINGTON, April 30 (AP)—Senator Berkeley L. Bunker, (D.) Nevada, charged in a Senate address today that Jesse Jones, Defense Plant Corporation Chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Mr. Jones replied to Senate critics of a Government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Senator Bunker asserted in a Senate address April 9 that the defense plant corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

Senator Bunker repeated today his previous charge that the agreement "is so sinister as to indicate that some officials in our Govern-

ment are guilty of malfeasance in the performance of their duties."

Mr. Jones denied the charge and charges of the Senate Defense Investigating Committee in a statement filed April 23 with the committee.

Senator Bunker, referring to the reply, accused Mr. Jones of attacking investigators of the Senate Committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the War Department and the now defunct Office of Production Management will meet with as little success as did his effort to blame the President of the United States and the British and Dutch Governments, for Mr. Jones' own failure to provide the nation with rubber."

Mr. Jones asserted in his statement that the contract entered into with the Cleveland company had the approval of the War Department and OPM.

APR. 30, 1942
LAS VEGAS, N. M., OPTIC

JONES FLAYED AGAIN FOR PART IN CONTRACTS

Washington, April 30 (AP)—Senator Bunker (D-Nev) charged in a senate address today that Jesse Jones, Defense Plant Corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Bunker asserted in a senate address April 9 that the Defense Plant Corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

Bunker repeated today his previous charge that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Jones denied the charge and charges of the senate defense investigating committee in a statement filed April 23 with the committee.

Bunker Repeats Charges Against Jesse H. Jones

WASHINGTON, April 30 (AP)—Sen. Berkeley L. Bunker, D., Nev., today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Jones over a contract between the defense plants corporation and Basic Magnesium, Inc., Bunker made a senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$500,000 per year as an operating fee, \$380,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

"Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from taxpayers' money to the officials of the company—salaries as high as \$36,000 a year."

"Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium who stated at the hearings, that the project is only nine per cent complete."

"After taking note of this miserable progress, I am inclined to believe that the Defense Plant Corporation, instead of paying for 'know-how,' is paying for 'don't know-how.'"

"Think how many 25 cent defense stamps it will take to pay the \$36,000 salary of the project manager."

NEVADAN FLAYS JONES ANSWER

WASHINGTON, April 30 (AP)—Senator Bunker (D., Nev.) charged in a senate address Thursday that Jesse Jones, Defense Plant corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Bunker asserted in a senate address April 9 that the Defense Plant corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

Bunker repeated his previous charge that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Jones denied the charge and charges of the senate defense investigating committee in a statement filed April 23 with the committee.

Bunker, referring to the reply, accused Jones of attacking investigators of the senate committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the war department and the now defunct office of production management will meet with as little success as did his effort to blame the president of the United States and the British and Dutch governments for Mr. Jones' own failure to provide the nation with rubber."

Jones asserted in his statement that the contract entered into with the Cleveland company had the approval of the war department and O.P.M.

Blast Jesse Jones In Investigation Of Magnesium Deal

WASHINGTON, April 30 (AP)—Sen. Berkeley L. Bunker, D., Nev., today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Jones over a contract between the Defense Plants Corporation and Basic Magnesium, Inc., Bunker made a senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$500,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

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"Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium who stated, at the hearings, that the project is only nine per cent complete."

Senator Hits At Jones For War Deal

WASHINGTON (AP)—Senator Bunker (D., Nevada), charged in a senate address Thursday that Jesse Jones, defense plant corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Bunker asserted in a senate address April 9 that the defense plant corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

Bunker repeated his previous charge that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Jones denied the charge and charges of the senate defense investigating committee in a statement filed April 23 with the committee.

Bunker, referring to the reply, accused Jones of attacking investigators of the senate committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the war department and the now defunct office of production management will meet with as little success as did his effort to blame the president of the United States and the British and Dutch governments for Mr. Jones' own failure to provide the nation with rubber."

SUBTERFUGE LAID TO JESSE JONES Senator Bunker Repeats His Earlier Charges.

Washington, April 30 (A. P.).—Senator Bunker, Democrat, of Nevada, asserted in an address in the Senate today that Jesse Jones, chairman of the Defense Plant Corporation, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which he replied to Senate critics of a Government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Mr. Bunker said in the Senate on April 9 that the Defense Plant Corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

The Senator repeated today his previous charge that the agreement "is so sinister as to indicate that some officials in our Government are guilty of malfeasance in the performance of their duties."

Mr. Jones denied the charge and charges of the Senate Defense Investigating Committee in a statement filed on April 23 with the committee.

Senator Bunker, referring to the reply, accused Mr. Jones of attacking investigators of the Senate committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for basic magnesium profiteering off on the War Department and the now defunct Office of Production Management will meet with as little success as did his effort to blame the President of the United States and the British and Dutch governments, for Mr. Jones' own failure to provide the nation with rubber."

Senator Replies To Jones On Magnesium Plant

WASHINGTON (AP)—Senator Bunker (D-Nev) charged in a senate address today that Jesse Jones, defense plant corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Bunker asserted in a senate address April 9 that the defense plant corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

Bunker repeated today his previous charge that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Bunker, referring to the reply, accused Jones of attacking investigators of the senate committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the war department and the now defunct office of production management will meet with as little success as did his effort to blame the President of the United States and the British and Dutch governments for Mr. Jones' own failure to provide the nation with rubber."

Bunker Renews Feud with Jones

By the United Press.

WASHINGTON, April 30.—Senator Berkeley L. Bunker (D., Nev.) today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Mr. Jones over a contract between the Defense Plants Corp. and Basic Magnesium, Inc., Mr. Bunker made a Senate speech reiterating previous charges.

"My statement was based on record and fact," Mr. Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$500,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

"Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to the officials of the company—salaries as high as \$36,000 a year."

CHARGES FALSE, JONES ASSERTS

By The Associated Press
Washington, April 24.—Commerce Secretary Jones declared Thursday that Senate Defense Sub-committee criticism of a contract between Defense Plant Corporation and Basic Magnesium, Inc., for construction of a magnesium plant at Las Vegas, Nevada, was "without foundation."

At the same time Jones asserted in a statement that "the very serious charge of malfeasance against officials of DPC" on the floor of the Senate by Senator Bunker of Nevada was "completely refuted by the facts" and was "false and misleading" as well as "unworthy of a United States Senator."

"We do not object to honest or fair criticism," Jones declared, "but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most critical period of its existence."

Jones' reply to the subcommittee and Bunker was filed for the defense committee record by Chairman Truman of Missouri.

"I, of course, agree," Jones said, "with that part of the subcommittee's report which states that government plants should be built as economically as possible. This is a government plant, and is being built as economically as possible."

State Politics

(Nevada State Journal)
What effect will the battle of words between Senator Berkeley L. Bunker of Nevada and Jesse Jones, all powerful secretary of commerce and RFC head have on the Nevada election this fall?

That question is being asked more and more each day as Senator Bunker doles out his charges against Basic Magnesium, Inc., Howard Eells, head of the company, and Jesse Jones, whose defense plant corporation financed the construction of the magnesium plant to the tune of \$63,000,000.

In some quarters Senator Bunker is being criticized for disturbing an operation that is benefitting Nevada, while others declared that the junior senator is on the right track and is in no way injuring the magnesium developed, because it will continue by the government even if Basic Magnesium, Inc., is divorced from management and operation. Others declare that regardless of the effect on the magnesium operation Senator Bunker is doing his duty if he believes there is something phoney in the operation.

Replying to the subcommittee's charges that the Defense Plant Corporation was paying "tremendous fees for 'know-how,'" Jones said fees paid to the ten contracting and engineering firms "aggregate less than 2 per cent of the total cost of the plant," \$73,500,000.

He termed "a low fee" the \$500,000 a year which the subcommittee charged the Defense Plant Corporation agreed to pay Basic Magnesium, Inc., for operation of the plant.

Replying to the allegation that "miserable progress" was being made on construction, he said that Lieutenant General Knudsen personally inspected the plant April 12 and reported that the preparation plant was 60 per cent finished, the settling basin 60 per cent completed and the first reduction unit 40 per cent complete.

Bunker Accuses Jesse Jones of Fact Distortion

Uses "Evasion" And
"Subterfuge" In
Defense, Says

WASHINGTON, Apr. 30 (UP) — Senator Berkeley L. Bunker, democrat, Nevada, today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nevada.

Continuing his feud with Jones over a contract between the Defense Plants Corporation and Basic Magnesium, Inc., Bunker made a senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Based on Record

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000.

"Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to the officials of the company—salaries as high as \$36,000 a year.

Can't Dispute

"Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium who stated, at the hearings that the project is only nine per cent complete.

"After taking note of this miserable progress, I am inclined to believe that the Defense Plant Corporation, instead of paying for 'know how,' is paying for 'don't know how.'

"Think how many 25 cent defense stamps it will take to pay the \$36,000 salary of the project manager."

Carson City Editor Says Bunker May Go To Washington

The following item, which will be of interest to Clark county voters, appeared last Friday in the Carson City Chronicle in a column titled "Nevada State Gossip":

"Governor Carville has been in southern Nevada attending economic conferences and looking after other state interests. There have been some changes in public political sentiment during the past six months and we shouldn't be surprised if the governor and Berkeley Bunker discussed who would run for what and when. Vail Pittman was a power to be reckoned with several months ago, but is steadily losing political strength, apparently through no fault of his. After a year in office, Alan Bible has about as many friends in both parties as any man in Nevada public life, and if Carville and Bunker should go to Washington, he would be in top spot to become the next regularly-elected governor, if he so desired.



ENTERS RACE — Berkeley Bunker, former United States senator from Nevada, announced today he would seek the congressional seat now held by Maurice J. Sullivan at the fall election.

Berkeley Bunker To Seek Congress Seat In Election

Former U. S. Senator Berkeley L. Bunker today formally announced his candidacy for Nevada's lone seat in the house of representatives and said he shortly would launch a state-wide campaign to carry the issue directly to the voters of the democratic party whose nomination he seeks.

Bunker said he had expected to be called into the service this spring or summer until the

(Continued from Page One)

change in selective service policy had eliminated the older age groups, and that since he will be 38 in August, there is little likelihood of his being summoned.

"Naturally, I want to serve my country if my country needs me," Bunker declared. "I have tried to enter the service previously—both army and navy—but have been rejected. I expected to be accepted under selective service when my order number came up, but that's all changed now. They seem to want the younger men in the armed forces."

Bunker was appointed to the U. S. senate by Governor E. P. Carville in 1940 to fill the vacancy caused by the death of Key Pittman, and in the primary election of 1942 came within less than 1,000 votes of the nomination for the remainder of the unexpired term.

Born in St. Thomas, into a pioneer southern Nevada family, Bunker is one of two natives of Nevada to serve their state in the U. S. senate. The other is Senator Pat McCarran.

While there has been no announcement as yet, it is expected that incumbent Congressman

Maurice J. Sullivan will be a candidate to succeed himself, in which event he and Bunker will fight it out for the democratic nomination in the September primary.

Bunker's organization is largely intact from the last campaign, and his friends predict he will make a formidable candidate.

Bunker To Seek Seat In Congress



Berkeley L. Bunker yesterday announced that he will enter the race for the congressional seat in congress now held by Maurice L. Sullivan. Bunker plans a tour of Nevada starting next week. He states that his campaign is at the insistence of leaders from the entire state.

JESSE JONES ACCUSED AGAIN

WASHINGTON, April 30.—Senator Berkeley L. Bunker (D., Nev.) today accused Secy. of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a 73-million-dollar magnesium plant at Las Vegas, Nev.

Continuing his feud with Mr. Jones over a contract between the Defense Plants Corp. and Basic Magnesium, Inc., Senator Bunker made a Senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our Government are guilty of mal-

faisance in the performance of their duties." "My statement was based on record and fact," Senator Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and one million dollars in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$30,000.

'U. S. INDUSTRY ALREADY HAS UPSET HITLER TIME TABLE'

CHICAGO, April 30.—Jesse Jones, secretary of commerce and Federal loan administrator, today cited production and import figures on seven strategic raw materials to the U. S. Chamber of Commerce convention to prove that "American industry already has upset Hitler's time table."

Mr. Jones said Hitler's Sunday speech showed that the Germans "are losing confidence and getting tired." But he warned that the "greatest business-government effort the world has ever seen" still is not getting sufficient equipment to United Nations men at the front.

Aluminum—Present production at the rate of one billion pounds annually, as compared with 540 million pounds last year; production to reach 2,110,000,000 pounds late this year or early next year.

Basic Magnesium Agreement Again Is Criticized

Defense Plant Chairman's Reply Called Distorted

WASHINGTON, April 30.—Sen. Berkeley Bunker of Nevada charged in a senate address today that Jesse Jones, Defense Plant corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas.

Bunker asserted in a senate address April 9 that the Defense Plant corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

Bunker repeated today his previous charge that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Jones denied the charge and charges of the senate defense investigating committee in a statement filed April 23 with the committee.

Bunker Accuses Jones In Magnesium Deal

WASHINGTON, April 30.—(AP)—Senator Bunker, Democrat of Nevada, charged in a Senate address today that Jesse Jones, Defense Plant Corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to Senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

Reno Evening Gazette
April 30, 1942

Nevada senator flays Jones on defense profits

WASHINGTON, April 30.—(UP)—Sen. Berkeley L. Bunker, D., Nev., today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Jones over a contract between the Defense Plants Corp. and Basic Magnesium, Inc., Bunker made a senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 a year as an operating fee, \$280,000 a year on royalties and \$1,000,000 in the event of sale of the plant."

"Think how many 25 cent de-

Bunker Asserts That Jones Evaded Issue in Answering Charges

ROMONA, CAL. PROGRESS BULLETIN
APRIL 29, 1942

FACTS STAND, SAYS BUNKER

WASHINGTON, April 30 (UP)—Sen. Berkeley L. Bunker, D., Nev., today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Jones over a contract between the Defense Plants corporation and Basic Magnesium, Inc., Bunker made a senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000.

"Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to the officials of the company—salaries as high as \$36,000 a year.

Bunker, referring to the reply, accused Jones of attacking investigators of the senate committee that conducted hearings at Las Vegas in March, and added: "Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the war department and the now defunct office of production management will meet with as little success as did his effort to blame the president of the United States and the British and Dutch governments for Mr. Jones' own failure to provide the nation with rubber."

Jones asserted in his statement that the contract entered into with the Cleveland company had the approval of the war department and the OPM.

Referring to the testimony at Las Vegas before the committee, Bunker said:

"Does Mr. Jones mean that the members of the Truman committee—who have no personal interest in this case—are so deficient in intelligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote into their preliminary report?"

"Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the government, which he seemingly relegates to a position inferior to his own.

"We have not reached and never will reach the state in our national life where it becomes unworthy of a member of the senate to draw to the attention of the people extortionate salaries and war profits which come from public funds.

"I am informed that the Truman committee will continue hearings on this matter at an early date. When the facts are all finally in the record, I am sure that the committee's findings will be acclaimed at the bar of public opinion as a great contribution to clean government."

Milwaukee Journal
Milwaukee, Wis.

APR 30 1942

Senator Blasts Anew at Jones 'Evasion and Subterfuge' Charged in Statement on Magnesium Contract

Washington, D. C. (AP)—Senator Bunker (Dem., Nev.) charged in a senate speech Thursday that Jesse Jones, Defense Plant Corp. chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement in which Jones replied to senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Bunker asserted in a senate address Apr. 9 that the Defense Plant Corp. had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280%, within one year on an investment of less than \$50,000.

Bunker Thursday repeated his previous charge that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance."

Jones denied the charge and charges of the senate defense investigating committee in a statement filed with the committee April 23.

Bunker, referring to the reply accused Jones of attacking investigators of the senate committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering on the war department and the now defunct office of production management will meet with as little success as did his effort to blame the president of the United States and the British and Dutch governments for Mr. Jones' own failure to provide the nation with rubber."

NEV. FREE PRESS
APRIL 30, 1942

Bunker Accuses Jesse Jones of 'Subterfuge'

WASHINGTON, April 30, (UP)—Senator Berkeley L. Bunker of Nevada today accused Secretary of Commerce Jesse Jones of "evasion, subterfuge and distortion of facts" in his defense of the government contract between the government and Basic Magnesium, Inc.

Senator Bunker spoke in the senate, reiterating his charges, made previously, that Basic Magnesium agreement was "so sinister that it indicates some government officials are guilty of malfeasance of duties."

Bunker said, "My statement is based on the record and on fact. However, Mr. Jones may try to confuse the issue the fact remains that Basic Magnesium will receive \$300,000 to supervise plant construction, \$560,000 a year operating fee, \$280,000 in royalties and one million dollars in the event the plant is sold, all on an admitted investment of less than \$50,000.

"Salaries are extortionate. The plant is progressing miserably. The Defense Plant corporation is paying for 'don't know how' instead of 'know how.'"

KOCHER (MINN.) BUREAU
APRIL 30, 1942

Solon Charges Jones With 'Subterfuge'

WASHINGTON, (AP)—Senator Bunker, Democrat, Nevada, charged in a senate address today that Jesse Jones, defense plant corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement April 23 in which Jones replied to Senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Bunker asserted in a Senate address April 9 that the defense plant corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4.280 per cent, within one year on an investment of less than \$50,000.

Bunker repeated today his previous charge that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Defense stamps it will take to pay the \$36,000 salary of the project manager."

Seattle (Wn) Times
April 30, 1942

JONES ACCOUNTS FOR 13 BILLIONS

CHICAGO, April 30.—(AP)—Jesse

Jones made an accounting today of more than \$13,000,000,000 he said the Reconstruction Finance Corporation and its subsidiaries had spent in the past two years in the war effort.

It ranged from purchase of the entire Cuban sugar crop to rehabilitation of a Newfoundland railroad.

Speaking before the 30th annual meeting of the Chamber of Commerce of the United States, Jones, secretary of commerce as well as director of the R. F. C., said some of the outstanding items which went to make up the \$13,000,000,000 were \$1,912,000,000 to build aircraft plants, \$360,000,000 for magnesium plants, \$70,000,000 for plants to manufacture synthetic rubber, and \$182,000,000 for shipyards.

Production Stopped Up

"These expenditures will provide plant capacity sufficient to increase our annual production of aluminum to 2,100,000,000 pounds, as against 300,000,000 pounds two years ago," he said. "600,000,000 pounds of magnesium a year as against 33,000,000 pounds a year ago; 800,000 tons of synthetic rubber a year, as against 25,000 tons. The synthetic rubber plants should come into production during 1942 and 1943.

"November, 1940, we contracted for the purchase of Bolivian tin ore, and constructed a \$5,000,000 tin smelter in this country. We immediately started importing tin ores and have more than a year's supply on hand. The smelter has a capacity of 42,000 tons of fine tin a year, and is being expanded to a capacity of 72,000 tons.

Sugar Crop Purchased

"We have agreed to buy the entire 1942 Cuban sugar crop, except a small amount for their domestic consumption. This will involve more than \$200,000,000. We have rehabilitated a railroad in Newfoundland and developed new airlines in South America.

Jones said he thought it was a fair assumption to say, "We never really got going either in spirit or in action until after Pearl Harbor." But he said, "We are not yet delivering to the battlefronts the equipment, the material, necessary for our boys to really show what they can do."

"There should be no idle brains, idle hands, or idle machines. If we use all of these with intelligence, with no lost time and no lost motion, we need not fear the outcome."

Bunker Sees Evasion by Jesse Jones

Senator Reiterates Magnesium Plant Charges in Senate

(United Press)

WASHINGTON — Nevada's Senator Berkeley L. Bunker today accused Federal Loan Administrator Jesse Jones of "evasion, subterfuge and distortion of facts" in the latter's defense of the government's contract with Basic Magnesium, Inc., for construction of a \$63,000,000 magnesium plant at Las Vegas, Nev.

SINISTER AGREEMENT

The junior Nevada senator, who again lashed out at the super-powerful federal loan chief and secretary of commerce, spoke on the senate floor today, reiterating his charges that Basic Magnesium's agreement with the government's Defense Plant Corporation is "so sinister it indicates some government officials are guilty of malfeasance of their duties."

"My statement is based on record and fact. However, Mr. Jones may try to confuse the issue, but the fact remains that Basic Magnesium will receive \$300,000 to supervise the plant construction, \$560,000 a year as an operating fee and \$280,000 a year in royalties. Basic Magnesium will receive \$1,000,000 in the event the plant is sold. This Basic Magnesium will receive on an admitted investment of less than \$50,000. Salaries are extortionate. The plant is progressing miserably."

"The Defense Plant Corporation is paying for the don't know how instead of the know how," Bunker said before the senate today.

Jones answered Bunker late in the day by terming the Nevada senator's charges as unfounded.

Bunker Charges Jones With Distorting Facts

Senator Launches New Attack Upon BMI Plant Setup

Jesse Jones Accused By Young Nevadan With Ev- asion of Point In Defend- ing Plant Operations.

WASHINGTON, April 30 (AP)—The Senator Berkeley L. Bunker-Secretary of Commerce Jesse Jones battle was resumed here today with Senator Bunker taking the offensive by accusing Jones of the "distortion of facts" in defending the contract between the Defense Plant Corporation and Basic Magnesium, Inc.

Bunker charged Jones with "evasion of the point, subterfuge and the distortion of facts" in answering his (Bunker's) criticism of the construction and operation of the \$60,000,000 magnesium plant at Las Vegas, Nevada, by Basic Magnesium, Inc.

The solon spoke on the floor of the senate in reiterating his charges that the contract between the Defense Plants corporation and Basic Magnesium, Inc., is "so sinister that it indicates that some government officials are guilty of malfeasance of office."

Bunker continued his criticism of the agreement between the government agency, of which Jones is chairman of the board, and Basic Magnesium, Inc., by declaring "my statement is based on record and fact."

"However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 for supervising plant construction; \$560,000 a year in operations fee; \$280,000 a year in royalties and a payment of \$1,000,000 in the event the plant is sold—all on an admitted investment by the magnesium firm of less than \$50,000," Bunker declared.

"The salaries paid to officials of Basic Magnesium are extortionate. The staff is too large and there are too many high-paid men with apparently little to do. The plant is progressing miserably."

"The federal government, through the Defense Plants corporation, is paying Basic Magnesium for a don't-know-how rather than a know-how," Bunker said.

Bunker's reply to Jones came a week after the chairman of the Defense Plants corporation had inserted in the record of the Truman committee which is investigating the war program, an answer to a previous charge hurled by the Nevadan and which criticized the contract with the Basic Magnesium firm.

Last week Jones declared that Bunker's criticism was "unfounded" and not based on facts. To this Bunker directed his answer today and Washington observers predicted that Jones will soon issue a reply. It was pointed out that Bunker's continued criticism of the contract is beginning to attract interest in official Washington and that unless Jones can definitely prove the solon is not able to prove his case, an investigation of the DPC may be requested.

Jones Accused Of Evasion In Las Vegas Case

Sen. Bunker Declares Magnesium Plant Will Continue

WASHINGTON, April 30.—(AP) Senator Bunker (D-Nev.) charged in a senate address today that Jesse Jones, defense plant corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Bunker asserted in a senate address April 9, that the Defense Plant Corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4,280 per cent, within one year on an investment of less than \$50,000.

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Bunker, referring to the reply, accused Jones of attacking investigators of the senate committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for basic magnesium profiteering off on the war department and the now defunct office of production management will meet with as little success as did his effort to blame the President of the United States and the British and Dutch Governments, for Mr. Jones' own failure to provide the

nation with rubber."

Jones asserted in his statement that the contract entered into with the Cleveland company had the approval of the war department and OPM.

Referring to the testimony at Las Vegas before the committee Bunker said:

"Does Mr. Jones mean that the members of the Truman committee—who have no personal interest in this case—are so deficient in intelligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote in to their preliminary report?"

"Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the government which he seemingly relegates to a position inferior to his own."

"We have not reached and never will reach the state in our national life where it becomes unworthy of a member of the senate to draw to the attention of the people the extortionate salaries and war profits which come from public funds."

"I am informed that the Truman committee will continue hearings on this matter at an early date. When the facts are all finally in the record I am sure that the committee's findings will be acclaimed at the bar of public opinion as a great contribution to clean government."

Sen. Bunker Accuses Jesse Jones of Twisting Facts on Magnesium Plant

WASHINGTON (AP)—Sen. Berkeley L. Bunker (D., Nev.) Thursday accused Sec. of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Jones over a contract between the defense plants corporation and Basic Magnesium, Inc., Bunker made a senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

"Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to

the officials of the company—salaries as high as \$36,000 a year.

"Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium who, stated, at the hearings, that the project is only 9 per cent complete."

"After taking note of this miserable progress, I am inclined to believe that the defense plant corporation, instead of paying for 'know how' is paying for 'don't know how.'"

"Think how many 25 cent defense stamps it will take to pay the \$36,000 salary of the project manager."

SALT LAKE CITY TRIBUNE
APRIL 30, 1942

WINNEMUCCA NEWS-STAR & STATE
APRIL 30, 1942

TODAY, NEV. TIMES-BONANZA
APRIL 30, 1942

SALT LAKE CITY TRIBUNE
APRIL 30, 1942

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WORKERS

"Official organ, International Brotherhood of
Electrical Workers"
"Acknowledged to be the leading labor publica-
tion"

Washington, D. C.

APR 1942

IN the midst of the carefully planned campaign in Congress by appeasers and business interests to liquidate labor, Congressman C. P. Anderson of New Mexico made a stirring address charging the campaign was the work of organized business. Not a line of Congressman Anderson's address appeared in the "free" press. No reference was made to it.

Mr. Anderson of New Mexico: Mr. Speaker, on Saturday, March 14, Robert R. Guthrie resigned as chief of the Textile, Clothing, and Leather Branch of the War Production Board.

In an editorial in the Washington Star on Monday, March 16, we read these words:

"In a statement released after he had tendered his resignation, Mr. Guthrie said that there is strong opposition in the War Production Board to an all-out effort to speed conversion of certain industries to maximum war production. By implication at least, he charged that War Production Board officials drawn from these industries are more concerned with protecting their private interests than with promoting the war effort. This, coming from a man who has had full opportunity to observe the functioning of the War Production Board at first hand, is a most serious charge, and certainly is one which can not be ignored."

VOICE OF THE RUBBERSTAMP

While that paper was on the streets, Members of this House gave evidence of fretfulness under the lashings of their constituents over the 40-hour week and the outbreaks of strikes in this country. One of the soundest businessmen in my state telephoned to me yesterday afternoon to warn me of a rising tide of resentment against restrictive labor laws and labor racketeers. There came over the wires dozens of telegrams, through the mail hundreds of letters, all in the same key: Smash the labor racketeers—outlaw the 40-hour week—put our factories on a 24-hour basis.

Let me call your attention to one interesting fact. Not one person who communicated with me by phone, by telegram, or by letter apparently saw any connection between this wholesale condemnation of labor and the statement of Mr. Guthrie that W. P. B. officials, drawn from industry, are more concerned with protecting their private interests than with promoting the war effort.

Think of it for a moment. The chambers of commerce in my state, and I suppose in yours, were being hurried into special meetings to damn labor for not working 24 hours a day. But what were those laborers to produce? War goods? Oh, no. Mr. Guthrie gave the American people the answer: Enough radios and refrigerators and rayon hose to stock the stores throughout the war from factories that had not been converted to military purposes.

Take one case only: Refrigerators. Mr. Guthrie wanted refrigerator production to stop March 31, but the manufacturers wanted to work until summer. They compromised on April 30. Do our people know

Our "FREE" Press

FORGETS to Print News

Labor now in
position of defending principle
of freedom for those who sup-
press, lie, and distort

that today—three and one-half months after Pearl Harbor—and for a month and one-half to come, the manufacturer will still make refrigerators?

OUR MEN IN PHILIPPINES

The people of New Mexico have this excuse for their impatience: We believe that more of our boys, per thousand population, are in the Philippines with General MacArthur, until his removal to Australia, than any state in the Union. Our whole National Guard is there. Able doctors, honored lawyers, prominent community leaders, men from every walk of life are there. They are not getting much help that we know about. The hearts of the mothers of New Mexico are heavy. They ask that aid either be sent to General MacArthur or his successor, or that their boys be sent home. We all sympathize in that sentiment.

That is why the people of New Mexico are so bitter when they feel labor is not doing its share. They condemn restrictions on the right to work on public projects. They criticize all strikes in war industries. They want the 40-hour law repealed because they believe that the lifting of the ban will increase our production to the point where our Commander-in-Chief can send aid to MacArthur.

But they never hear another side of the story—the part that industry must play in converting its plants to the production of things we need. They have

never heard of Mr. Guthrie's indictment of selfish industrialists. So they blast labor and the 40-hour week as if labor alone had unwise and unpatriotic leaders.

I say to this House today that such a situation is a challenge to us all. As far as this body is concerned it has expressed itself on the question of strikes in the language of the Smith bill, a drastic anti-strike bill, which passed this House on December 3 and has been peacefully slumbering in committee at the other end of this Capitol ever since. Another law now would confuse rather than clarify the issue, would weaken rather than affirm the position of this House.

LABOR'S POSITION DEFENDED

The 40-hour week is written into thousands of wage contracts as well as into a federal law. This House may give the matter attention but with the full knowledge that the granting of overtime and even double time now is in reality a pay raise of from 5 to 10 per cent to meet increased living costs. The repeal of the law could easily plunge the war effort into a series of wage conferences which could be more costly in the diversion of employee time and attention from the job at hand than the operation of the law itself.

But what of the position of industry? What of the assertion of Mr. Guthrie, who is himself an executive and a representative of important business? What of his claim that there are in W. P. B. officials drawn from industry who today are more concerned with protecting their private interests than with promoting the war effort? Who are these men? Can we identify them from Mr. Guthrie's thumbnail description?

(Continued on page 224)

Salt Lake City, Utah
March 17, 1942

TO CHAMBER OF COMMERCE MEMBERS:

Have you told your Senators and Congressmen that you personally demand that politics be forgotten for the duration and that legislation essential to an all out war be passed immediately?

Tell them that you demand legislation prohibiting strikes, dispensing with closed shops and cleaning up the labor rackets which are impeding our war program. We, as an organization, have done everything possible but now is the time for America to speak as individuals. Send a wire or letter immediately.

SALT LAKE CITY CHAMBER OF COMMERCE
(Signed) Gus P. Backman
Secretary

(Facsimile)

OUR "FREE" PRESS FORGETS TO PRINT NEWS

(Continued from page 177)

How have they so skillfully covered their tracks that the cry of "wolf" is directed at labor alone rather than at these business leaders who pull back in the harness when our country so sorely needs a lift?

I want to take the membership of this House today on a little expedition into one of the war industries—magnesium. I want to study a case history and try to locate the sort of situation that Mr. Guthrie told us existed in W. P. B.

At the outset let me pay tribute to the gentleman from Washington (Mr. Leavy). He has been steadily engaged in calling attention of this Congress to the magnesium situation. As early as Friday, December 19, 1941, the gentleman from Washington inserted in the RECORD an article by the metallurgist of the Bureau of Mines on the making of magnesium by electrothermic reduction. It was the plea of the gentleman from Washington at that time with those charged with the responsibility—

"Of meeting this nation's needs in the mighty war effort that now confronts us will take advantage of the work done through the United States Bureau of Mines by Dr. Doerner and his assistants, and see to it that large-scale commercial production is provided for at an early date in the vicinity of these great magnesite deposits, and where the greatest flow of electrical energy in all the world is about to become available."

I need not tell you that the gentleman from Washington was referring to magnesite deposits in Washington and electrical

energy at Grand Coulee Dam. He was very properly and earnestly interested in the developments of those deposits. He went to see Arthur Bunker, head of the Division of Aluminum and Magnesium, in what was then OPM and is now WPB. If he got any satisfaction from Mr. Bunker he never gave evidence of it on the floor of this House or in his private conversations. Yet the Pacific Northwest has mountains of magnesite and hundreds of thousands of kilowatt hours of electrical energy which would seem to be ideal for the development of a magnesium industry in western states on a permanent basis.

Mr. Leavy: Mr. Speaker, will the gentleman yield?

Mr. Anderson of New Mexico: Yes, I will yield to the gentleman from Washington.

Mr. Leavy: The gentleman is making a very excellent address and is basing it upon provable facts. Labor is subject to criticism and must make changes, but the industrial giants of this country, the monopolies and the associations in the metals field are far more responsible than labor for the shortage of metals, and I know that in reference to magnesium, I did see Mr. Bunker, and Mr. Bunker frankly told me that he would not issue a certificate to anyone or any group for the manufacture of metallic magnesium

unless they could prove to him that they had been manufacturing that metal successfully at some time in the past, and there is only one concern in America that could prove such a set of facts and that was the Dow Chemical Co., who have regulated the price of magnesium in accordance with a differential in weight between aluminum and magnesium. For the last eight years in the United States, when aluminum was 20 cents, magnesium was 30 cents; when aluminum was 18 cents, magnesium was 27 cents; when aluminum was at 15 cents, magnesium was at 22 cents, which it is now; and yet we are told that next year we must produce 700,000,000 pounds of metallic magnesium against a 33,000,000 pounds production last year. Nobody but the Dow people can meet the formula laid down by Mr. Bunker.

Mr. Anderson of New Mexico: I thank the gentleman.

Mr. Voorhis of California: Mr. Speaker, will the gentleman yield?

Mr. Anderson of New Mexico: I yield to the gentleman from California.

Mr. Voorhis of California: I would like to second what the gentleman has said about the gentleman from Washington (Mr. Leavy). I think we are all indebted to him for the work he has done. I would like to thank the gentleman for his speech today and also would like to ask him whether he is aware of the fact that some of these men who work in one of our agencies downtown, namely, the Defense Plants Corporation, had prepared contracts for the expansion of magnesium production as long ago as last August, and something happened that prevented that expansion from taking place. I do not know what it was.

SECRETARY OF COMMERCE REPLIES TO CHARGES OF TRUMAN COMMITTEE

Jesse Jones Presents Facts Refuting Charges Made by Senator Bunker and the Truman Committee Against Basic Magnesium

Secretary of Commerce Jesse Jones, who is also head of the Government Defense Plant Corporation, charged with the duty, among others, of creating such organizations as are necessary to provide vital materials for conduct of the war, has issued a very interesting and informative discussion of charges made by a subcommittee of the Truman committee. Heretofore only brief excerpts of Secretary Jones' reply to the charges have been given general circulation. Because the subject is of vital interest to Clark county and all of Nevada, The Age herewith presents the report in full. We suggest to all a thoughtful reading of the report in the interest of the national defense.

WASHINGTON, April 23, 1942
STATEMENT OF JESSE H. JONES, SECRETARY OF COMMERCE, WITH REGARD TO THE CONTRACT BETWEEN DEFENSE PLANT CORPORATION, AN R.F.C. SUBSIDIARY, AND BASIC MAGNESIUM, INCORPORATED, DATED AUGUST 1, 1941.

Attention has been given to the report of the subcommittee on light metals and aircraft of the special committee investigating the national defense program, which criticizes, among other things, the contract above referred to. The report discloses that the subcommittee in its hearing at Las Vegas, Nevada, was joined by Senator Bunker of that state, who requested the subcommittee to hold the hearing.

I, of course, agree with that part of the subcommittee's report which states that government plants should be built as economically as possible. This is a government plant, and is being built as economically as possible. The criticism of the subcommittee is without foundation.

To begin with, the plant, its process, its capacity, its location, its builder, and its operator were recommended by the war department and the OPM.

Quoting from a report of the war department at the time the project was initiated:

"... We are definitely assured that Basic Refractories will receive necessary assistance from the British technicians of Magnesium Elektron, Limited, as well as all designs, plans, drawings, specifications and processes applying to their proposed method of magnesium production, purification, and alloying..."

"Our experimental engineering section... is assured of the soundness of the plans... and has approved the proposed installations to be required for their several plants..."

"Basic Refractories has proceeded with the setting up of data for their present project of 33,600,000 pounds and for their proposed project of 112,000,000 pounds with a speed, accuracy and completeness of detail which are outstanding in industries which we have thus far dealt with..."

Fees for "Know-How"

1. The subcommittee charges that DPC (Defense Plant Corporation) is paying "tremendous fees for 'know-how'."

The plant and necessary appurtenances will cost approximately \$73,500,000 and will have an estimated annual capacity of 112,000,000 pounds of metallic magnesium. The fees to be paid to the 10 contracting and engineering firms (list attached), including \$300,000 to BMI for its technical designs, supervision, engineering and "know-how" aggregate less than 2 per cent of the total cost of the plant.

The services of all these contractors relate not only to the magnesium plant, but also to the chlorine plant and the water, power and temporary housing facilities. These fees would be low even for an ordinary manufacturing plant, but this plant is designed to produce magnesium on a scale and by a process never before attempted in this country.

It is my understanding that the departments of war and navy and the maritime commission are authorized to negotiate contracts that carry higher fees, being permitted under present statutes and executive orders to pay up to 6 and sometimes 7 per cent on contracts.

Operating Fees

2. The subcommittee charges that BMI is to receive an operating fee which at "maximum operation will equal \$560,000 a year over a possible period of thirty years."

The fee to be paid is 1/2 cent a pound of magnesium actually produced, which at present prices is only 2 per cent of the estimated cost. Again, this is a low fee. Nor will the fee continue over a possible period of thirty years as the committee states. The operating contract is for ten years.

(Continued on Page 4)

Las Vegas Review Journal
April 30, 1942

Bunker Accuses Jesse Jones of Fact Distortion

Uses "Evasion" And "Subterfuge" In Defense, Says

WASHINGTON, Apr. 30 (UP) — Senator Berkeley L. Bunker, Democrat, Nevada, today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nevada.

Continuing his feud with Jones over a contract between the Defense Plants Corporation and Basic Magnesium, Inc., Bunker made a senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Based on Record

Secretary of

(Continued from Page 1)

but may be terminated by DPC without any penalty after three years of operation. Furthermore, the quantity of magnesium to be produced in any year is subject to the direction of DPC, which controls the amount of fees for which DPC would be liable.

It should be remembered that BMI is composed of two groups, first, the American group, owner of magnesite ores with long experience in their processing in other products, and second, the English group which has the "know-how", the expert knowledge and experience in the magnesium process, to be used in this plant for the first time in this country.

Construction Progress

3. The subcommittee charges that "miserable progress" has been made and that the metal producing units are only 9 per cent complete.

The plant is being constructed in a way to begin producing magnesium at the earliest possible moment. At the time the contract was executed, it was estimated that the plant would begin producing by June, 1942. DPC engineers were not satisfied with the progress of the job, and in January we requested the war department, which had initially recommended the contractor, to have one of its principal construction engineers investigate the project. Based on this investigation, steps were taken immediately to expedite the work.

Lt. Gen. Knudsen Inspects

Lieutenant-General William S. Knudsen personally inspected the plant Sunday, April 12th, and has advised me that the preparation plant is 60 per cent finished, the settling basin 60 per cent complete, and the first reduction unit 40 per cent complete; that 6,800 men are engaged in the construction work, living in pup tents, shacks and trailers in a tremendous effort to get the job done.

Despite complex processes, despite difficulties of adjusting the process to a completely different locale, and despite the familiar problem of delayed deliveries, the construction work has now reached the point where it is estimated that the chlorine plant will begin operations June 20th, and that the plant will begin producing magnesium by August, 1942.

Building a plant of the magnitude and with the technical requirements of this one in a sparsely settled country far removed from any large centers from which labor can be drawn is no small undertaking, and, all things considered, it cannot be properly charged that any unnatural delay has been occasioned.

License Agreement Unnecessary

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

"Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to the officials of the company—salaries as high as \$36,000 a year."

Can't Dispute

"Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium who stated, at the hearings that the project is only nine per cent complete."

"After taking note of this miserable progress, I am inclined to believe that the Defense Plant Corporation, instead of paying for 'know how', is paying for 'don't know how'."

"Think how many 25 cent defense stamps it will take to pay the \$36,000 salary of the project manager."

4. The subcommittee charges that DPC should not have proceeded with construction until an agreement had been reached as to the terms of the license under which the plant was to operate and as to the cost of the magnesite ore from which the magnesium is to be produced.

It was imperative that no time should be lost in getting under way. Prior agreement as to the terms of the license was not necessary since under federal statutes operation could proceed without a license.

Power Important Factor

As to the cost of the raw materials, this was secondary to the power cost. An important reason for locating the plant at Las Vegas was the availability there of cheap power which is far more important than the differential in transportation or other costs with relation to raw materials should it become necessary to purchase them at more distant points.

"Flagrant Profiteering"

5. The subcommittee charges that BMI proposes "exorbitant royalty terms" for the magnesite ore deposits which it proposes to lease to the government for the operation of the plant and that such lease appears to be one of the "most flagrant attempts at war profiteering" to come to its notice.

This is just another use of superlatives. The charge cannot be substantiated. Contrary to the statement of the subcommittee that DPC is to pay \$1.00 for every ton of ore used, the royalties are to be paid only in terms of metallic magnesium produced from the ore at the rate of 1/4 cent a pound for magnesium. DPC may cancel the ore contract if the ore does not prove satisfactory in either quantity or quality. Not only is this a low royalty, but we are advised that it is one of the lowest royalties ever paid for comparable ore in the state of Nevada.

"Mismanagement, Incompetency"

6. The subcommittee charges that if DPC should cancel BMI's contract because of poor performance, or for any other reason, DPC would have to pay BMI \$1,000,000, that royalties payable to BMI would be doubled, and that these provisions place a premium on "mismanagement and incompetency."

This is not an accurate statement. If the contract is cancelled through fault of BMI, no payment at all is to be made to it. The contract may be cancelled after three years even without fault of BMI. In such event and the sale of the plant within ten years after the beginning of operations, DPC has agreed to pay BMI \$1,000,000 as reimbursement for its

technical designs and knowledge utilized both in construction and operation. Subsequent to cancellation, the plant can be operated by or for the account of the government, or leased to others, without paying BMI any part of the \$1,000,000. Even if the government should decide to sell the plant to others during the ten-year period and the \$1,000,000 is paid to BMI, the total payments on account of all fees in connection with the construction of the plant would be less than 3 1/2 per cent.

As to royalties, they will not be increased at all as long as the plant is operated by or for the government, either by BMI or by others.

Charges False

Relying upon the hearings and the report of the subcommittee, Senator Bunker on the floor of the Senate made the very serious charge of malfeasance against officials of DPC. These charges are completely refuted by the facts, are false and misleading, and are, as I have publicly stated, unworthy of a United States Senator.

Many of the charges made by Senator Bunker have already been answered in this statement, and additional charges will now be considered.

Promotion Costs

(a) Senator Bunker charges that DPC is now repaying Basic Refractories the sum of \$211,000 "expended in the promotion of this enterprise and the negotiation of the contract."

This is not correct. Defense Plant Corporation has a fixed policy of never reimbursing an operator or lessee for expenses incurred in the promotion of his enterprise or in negotiating and obtaining a contract with Defense Plant Corporation.

(b) Senator Bunker charges, with regard to peat moss necessary in the manufacture of magnesium, that DPC is paying "a group of Canadian and American distributors an \$84,000-a-year bonus for the release of their available stock to Basic Magnesium, Inc. Thus the government is paying distributors for peat moss which they no longer have to distribute."

The payment to distributors to which the Senator refers for releasing their contracts will amount to approximately \$25,000 in connection with the 1941-42 crop, and no payment is to be made in any subsequent year.

The 1941-42 crop of peat was under contract between the producers and distributors at \$1.39 per bale when it was determined that BMI would require the entire crop. It was agreed that the Canadian producers would receive \$1.30 per bale and that the distributors would receive 7 1/2 cents per bale in consideration of the release of all their interests in the contracts and in reimbursement for a portion of the expenditures incurred in connection with the crop. Thus the total price of the peat to the government will be less than the original price negotiated between the producers and distributors.

Training Technicians

(c) Senator Bunker charges that DPC is paying traveling expenses and salaries of 45 officials of BMI now in England studying the magnesium process, and at the same time paying the salaries of English technicians "who are in America promoting the interests of their company."

The English technicians are the men responsible for the engineering and designing of the plant and are indispensable to its completion. Twenty-six representatives of BMI are now in England studying the process, and it is hoped it will soon be possible to send more. DPC would be derelict in its duty of preparing for successful operation of the plant if it did not arrange for training an adequate

operating force—and such training can only be had in England.

Architects' Fees

(d) Senator Bunker charges that DPC agreed "to pay a firm of architects \$28,000 for the privilege of using plans for 800 de-mountable houses at the Las Vegas plant—plans which had previously been used on another government project. Thus the government bought the same plans twice."

The truth is that DPC has agreed with Lescher and Mahoney, a firm of architects at Phoenix, Arizona, on a fee of \$25,000 a house for the plans and the supervision of construction. In addition, they are to receive a fee of \$8,000 for engineering, surveying sites, planning waterworks, sewerage installations, and supervising the utility installations in connection with a large trailer camp.

The total cost of this construction will be approximately \$3,500,000 and customary architectural-engineering fees for the services here rendered would have been 5 per cent, or many times the fees which will be paid under the agreement. The architects were chosen because of their special knowledge in the de-mountable housing field and because of their successful experience in such housing in the west.

Government Owns Project

(e) Senator Bunker charges that "the product of the plant is not to be furnished the government at cost," but is to be sold "at a reasonable price designed to yield a fair margin of profit."

The product of the plant is owned by the government and any profit upon its sale belongs to the government.

"Amazing Profits"

(f) Senator Bunker charges that BMI stands to make a profit in one year of \$2,140,000.

While entirely incorrect, he apparently obtains this amazing figure by lumping together such unrelated items, already discussed in this statement, as the \$300,000 "know-how" and supervisory fee to BMI for the design and construction of the plant, the \$1,000,000 that would be paid BMI in the remote contingency of the sale of the plant to private interests (other than BMI) within ten years after it begins operations, \$560,000 representing the maximum annual operating fee, and \$280,000 representing the maximum annual ore royalties. These payments could not possibly all accrue in any one year. It is extremely unlikely that all these payments will ever be made. In no event would these payments be all profit.

BMI Not Policy Fixer

(g) Senator Bunker charges that BMI has "a carte blanche agreement to act for and in behalf of the Defense Plant Corporation to establish the matter of policy, subject to the 'review' of the Defense Plant Corporation."

No contracts are entered into by BMI in constructing the plant, and no commitments for materials and equipment are made without the approval of an engineering representative of DPC stationed at the construction site, nor are any disbursements made without the further approval of such engineer, and of DPC auditors stationed on the job.

Repayment of Advances

(h) Senator Bunker charges that "there is no obligation on the part of Basic Magnesium, Inc., to repay any of the money paid out by the Defense Plant Corporation. There is absolutely no collateral securing the sums advanced by Defense Plant Corporation."

It should be immediately apparent, upon the most casual reading of the contract, to anyone even remotely interested in ascertaining the true facts that the situation is not one involving a loan and that there is no question of collateral and of the "ex-

tension of credit on a sound business basis." DPC owns the plant and will of course own all its products. All employees of BMI handling DPC funds are under bond.

Unwarranted Charges

We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our government at the most crucial period of its existence.

Basic Magnesium, Inc., Fees.

Construction:

McDonald Engineering Co., contractor, construction, Gabbs, Nevada, estimate \$2,804,624.00, fee \$76,488.00.

Fritz Ziebarth, contractor, power transmission and telephone lines, Las Vegas-Gabbs, Nevada, estimate \$4,487,500.76, fee \$117,507.83.

Engineers, Ltd., contractor, water installations, Lake Mead to Las Vegas, estimate 3,254,115.07, fee \$87,440.05.

J. M. Montgomery & Co., architect-engineer, architectural & engineering—construction on water supply & power lines, Las Vegas, Nevada, estimate \$6,079,832.00, fee \$51,478.99.

Southwestern Engineering, architect-engineer, architectural & engineering on construction, at Gabbs, Nevada, estimate \$2,675,624.00, fee \$30,472.00.

Harrop Ceramic Service, engineer-contractor, architectural & engineering—construction tunnel kilns, Midway, Nevada, estimate \$945,798.00, fee \$50,041.49.

H. K. Ferguson Co., architectural & engineering—Construction chlorine plant, Las Vegas, Nevada, estimate \$7,287,918.00, fee \$59,082.00.

McNeil Construction Co., contractor, construction, Las Vegas, Nevada, estimate \$34,700,000.00, fee \$500,000.00.

Coverdale & Colpitts, supervision of construction & engineering, Gabbs-Las Vegas, Nevada, fee \$100,000.00.

Lescher & Mahoney, 1,000 houses utility, Midway, Nevada, estimate \$3,500,000.00, fee \$25,000.00.

Layout \$8,000.00.

Subtotal \$1,105,510.36.

Basic Magnesium, Inc., supervision plans, etc, fee \$300,000.00.

Total \$1,405,510.36.

The aggregate of all fees for construction run slightly less than 2 per cent of the contracts involved. The contracts for each of the contracting and engineering firms were specifically approved by DPC as to nature of work, amount of contract and fee involved.

BUNKER AGAIN HURLS CHARGE AT SECRETARY

Evasion Accusation Made in Dispute Over Plant

WASHINGTON, April 30. (UP)—Sen. Berkeley L. Bunker, D., Nev., today accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

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"Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium who stated, at the hearings, that the project is only nine per cent complete."

"After taking note of this miserable progress, I am inclined to believe that the Defense Plant Corporation, instead of paying for 'know how,' is paying for 'don't know how.'"

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S. F. CAL. COMMERCIAL NEWS
Cir. 1,200
MAY 1 1942

WASHINGTON—Senator Berkeley L. Bunker, D., Nev., yesterday accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Although the news resulting from the charges made by Senator Bunker several weeks ago against the company building the magnesium refining plant near Las Vegas has for the time being been

shoved out of the news pages by events of more importance, at least two Nevada newspapers recently commented on the situation editorially. The Las Vegas Age said, in part:

"Following the so-called investigation here by the Truman committee (of Basic Magnesium) which was in no sense an investigation but a convenient means of making public unsubstantiated charges against the company and its officials, it was strongly intimated that Secretary of Commerce Jesse Jones and his associates in the defense plant corporation were guilty of frauds against the government of the United States. Coming at this time when America is engaged in war and is struggling to prepare herself for that supreme war of survival which looms like a thunder cloud ahead of us, all of these charges assume an overwhelming importance. Yet the committee and Senator Bunker, in session here, studiously avoided any comment or investigation of... the falsification of records charge."

"Now after Jesse Jones has vigorously refuted the charges against him, the other angles of the 'investigation' appear to have been dropped. If the charges against Jones are true, he should be promptly removed from the important positions in the federal government, he has filled for nearly ten years past."

"If the charges are untrue, but made for the purpose of inflaming the public mind and creating a political issue, that comes dangerously close to being an effort to sabotage America's No. 1 defense project."

The Fallon Eagle said, in part:

"That there may be something a lot bigger than appears on the surface back of the uproar about Basic Magnesium is hinted in recent rumors to the effect the Nevada skirmish is a part of a titanic struggle for the control of the light metals industry. According to these rumors the aluminum trust has its eyes on Grand Coulee where power is generated almost on top of the magnesium deposits, and where development of magnesium metal would be inexpensive by comparison to the cost of producing the mineral at Gabbs valley and transporting it to Las Vegas for processing."

"From persons in Washington close enough to the top to know something about the situation, have come the prediction that the Nevada producing quarries and the great processing plant at Las Vegas may be lost to the state if the aluminum trust has its way."

While the senate committee is investigating the Bunker charges, perhaps it had better go a step further and look into the whole light metal set-up, far enough to determine who is to dominate magnesium production and processing in this period of national peril. . . . If there is bigger game in the offing than Basic Magnesium, then the Truman committee had better go gunning for it and not waste all of its ammunition on the smaller fry."

RENO, NEV. GAZETTE
Cir. 7,500
MAY 1, 1942

BUNKER AGAIN HURLS CHARGE AT SECRETARY

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"Think how many 25-cent defense stamps it will take to pay the \$36,000 salary of the project manager."

The Fallon Eagle said, in part: "That there may be something a lot bigger than appears on the surface back of the uproar about Basic Magnesium is hinted in recent rumors to the effect the Nevada skirmish is a part of a titanic struggle for the control of the light metals industry. According to these rumors the aluminum trust has its eyes on Grand Coulee where power is generated almost on top of the magnesium deposits, and where development of magnesium metal would be inexpensive by comparison to the cost of producing the mineral at Gabbs valley and transporting it to Las Vegas for processing."

"From persons in Washington close enough to the top to know something about the situation, have come the prediction that the Nevada producing quarries and the great processing plant at Las Vegas may be lost to the state if the aluminum trust has its way."

While the senate committee is investigating the Bunker charges, perhaps it had better go a step further and look into the whole light metal set-up, far enough to determine who is to dominate magnesium production and processing in this period of national peril. . . . If there is bigger game in the offing than Basic Magnesium, then the Truman committee had better go gunning for it and not waste all of its ammunition on the smaller fry."

Senator Bunker Accuses Jones of Evasion Issue

WASHINGTON (UP)—Sen. Berkeley L. Bunker, D., Nev., yesterday accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Jones over a contract between the Defense Plants Corporation and Basic Magnesium, Inc., Bunker made a senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$500,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

RENO, NEV. GAZETTE
Cir. 7,500
MAY 2, 1942

Although the news resulting from the charges made by Senator Bunker several weeks ago against the company building the magnesium refining plant near Las Vegas has for the time being been

shoved out of the news pages by events of more importance, at least two Nevada newspapers recently commented on the situation editorially. The Las Vegas Age said, in part:

"Following the so-called investigation here by the Truman committee (of Basic Magnesium) which was in no sense an investigation but a convenient means of making public unsubstantiated charges against the company and its officials, it was strongly intimated that Secretary of Commerce Jesse Jones and his associates in the defense plant corporation were guilty of frauds against the government of the United States. Coming at this time when America is engaged in war and is struggling to prepare herself for that supreme war of survival which looms like a thunder cloud ahead of us, all of these charges assume an overwhelming importance. Yet the committee and Senator Bunker, in session here, studiously avoided any comment or investigation of... the falsification of records charge."

"Now after Jesse Jones has vigorously refuted the charges against him, the other angles of the 'investigation' appear to have been dropped. If the charges against Jones are true, he should be promptly removed from the important positions in the federal government, he has filled for nearly ten years past."

"If the charges are untrue, but made for the purpose of inflaming the public mind and creating a political issue, that comes dangerously close to being an effort to sabotage America's No. 1 defense project."

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SALT LAKE CITY, UTAH TRIBUNE
Cir. 58,522; Sunday 91,673
MAY 1, 1942

Bunker Raps Jones Anew In Plant Row Charges 'Evasion' By Texan in Magnesium Fight

WASHINGTON, April 30 (UP)—Senator Bunker (D), Nevada, charged in a senate address Thursday that Jesse Jones, Defense Plant corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23, in which Jones replied to senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Bunker asserted in a senate address, April 9, that the Defense Plant corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4280 per cent, within one year on an investment of less than \$50,000.

Bunker repeated Thursday his previous charge that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Jones Denied Charges

Jones denied the charge and charges of the senate defense investigating committee in a statement filed April 23 with the committee.

Bunker, referring to the reply, accused Jones of attacking investigators of the senate committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the war department and the now defunct office of production management will meet with as little success as did his effort to blame the president of the United States and the British and Dutch governments for Mr. Jones' own failure to provide the nation with rubber."

Jones asserted in his statement that the contract entered into with the Cleveland company had the approval of the war department and O.P.M.

Referring to the testimony at Las Vegas before the committee, Bunker said:

"Does Mr. Jones mean that the members of the Truman committee—who have no personal interest in this case—are so deficient in intelligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote into their preliminary report?"

Findings Ignored

"Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the government, which he seemingly relegates to a position inferior to his own."

"We have not reached and never will reach the state in our national life where it becomes unworthy of a member of the senate to draw to the attention of the people extortionate salaries and war profits which come from public funds."

"I am informed that the Truman committee will continue hearings on this matter at an early date. When the facts are all finally in the record, I am sure that the committee's findings will be acclaimed at the bar of public opinion as a great contribution to clean government."

THE CASE OF JESSE JONES.

How public officials in our history have faced the sort of charges now being made against Jesse Jones. Yesterday, to cite an instance, Senator Bunker of Nevada accused him of "evasion, subterfuge and distortion of the facts."

This was in connection with the construction of a magnesium plant at Las Vegas, Nev., by Basic Magnesium, Inc., under a contract which, the Senator has repeatedly declared, will yield this firm a profit of 4280 per cent on a \$50,000 investment within a year's time.

This charge is more or less in line with those made to support the allegation that the Secretary of Commerce is largely responsible for our present rubber shortage. Many of these charges, it should be recalled, were made after the hearing of testimony by the Truman committee.

On the basis of them, the layman is certainly forced toward the conclusion that even if there is nothing worse involved, Jones has been guilty of colossal apathy, of inconceivable blindness where the grim realities of global, total war are concerned.

But it should not be necessary to reach these conclusions merely on a basis of charges and accusations. Matters such as that of Basic Magnesium, Inc., should be verifiable with relative ease if, indeed, evidence before investigating committees does not constitute such verification.

If these charges can be "nailed down," then, regardless of the motive involved in any given transaction, the country cannot afford to leave Jesse Jones even with his now limited powers. We cannot wage this war with the viewpoint of a Texas banker making loans for real estate developments.

Seattle (Wn) Star
May 1, 1942

Hitler's Time Table Already Upset—Jones But Secretary of Commerce Says Not Enough Goods Is Reaching Front

CHICAGO (UP)—Jesse Jones, secretary of commerce and federal loan administrator, Thursday estimated production and import figures on seven strategic raw materials to the U. S. chamber of commerce convention to prove that "American industry already has upset Hitler's time table."

Jones said Hitler's Sunday speech showed that the Germans "are losing confidence and getting tired." But he warned that the "greatest business-government effort the world has ever seen" still is not getting sufficient equipment to United Nations men at the front.

Rubber factories going up. Jones' thumbnail sketch on strategic materials included:

ALUMINUM—Present production at the rate of 1,000,000,000 pounds annually, as compared with 540,000,000 pounds last year; production to reach 2,110,000,000 pounds late this year or early next year.

RUBBER—Plants under construction will increase synthetic rubber production to 800,000 tons by the end of 1943, as compared with 25,000 tons in 1941.

MAGNESIUM—600,000,000 pounds production annually by early next year, as compared to present 33,000,000 pounds.

COPPER—All Latin American copper exports coming to the U. S. During the past year, 750,000 tons already received.

TUNGSTEN—U. S. buying all Latin American and Chinese exports.

WOOL—Importation of Australian, New Zealand and South African offerings already equals a year's domestic production.

HIGH-OCTANE GASOLINE—New plants under construction will boost production to 240,000 barrels a day, as compared to present 80,000 barrels.

U. S. Buys Some Materials. Jones also revealed that the United States "is buying \$100,000,000 worth of strategic materials from Russia."

"We're buying everything from A to Z from wherever we can get it," he said, "including the entire Cuban sugar crop this year."

Bunker Says Jones Evaded Facts in Reply To Senate Critics

Repeats Charges on Pact For Construction of Magnesium Plant

By the Associated Press.
Senator Bunker, Democrat, of Nevada charged in a Senate address yesterday that Jesse Jones, Defense Plant Corp. chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Mr. Jones replied to Senate critics of a Government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

Senator Bunker asserted in a Senate address April 9 that the Defense Plant Corp. had entered into an agreement with Basic Magnesium, Inc., of Cleveland for construction and operation of the plant, which would permit the Cleveland company to make a profit of \$2,140,000, or 4,280 per cent, within one year on an investment of less than \$50,000.

Senator Bunker repeated yesterday his previous charge that the agreement "is so sinister as to indicate that some officials in our Government are guilty of malfeasance in the performance of their duties."

Jones Denied Charges.
Mr. Jones denied the charge and charges of the Senate Defense Investigating Committee in a statement filed April 23 with the committee.

Senator Bunker, referring to the reply, accused Mr. Jones of attacking investigators of the Senate committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the War Department and the now defunct Office of Production Management will meet with as little success as did his effort to blame the President of the United States and the British and Dutch governments, for Mr. Jones' own failure to provide the Nation with rubber."

Mr. Jones asserted in his statement that the contract entered into with the Cleveland company had the approval of the War Department and O. P. M.

Legislators 'Insulted.'
Referring to the testimony at Las Vegas before the committee, Senator Bunker said:

"Does Mr. Jones mean that the members of the Truman Committee—who have no personal interest in this case—are so deficient in intelligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote into their preliminary report?"

"Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the Government which he seemingly relegates to a position inferior to his own."

Although the news resulting from the charges made by Senator Bunker several weeks ago against the company building the magnesium refining plant near Las Vegas has for the time being been

shoved out of the news pages by events of more importance, at least two Nevada newspapers recently commented on the situation editorially. The Las Vegas Age said, in part:

"Following the so-called investigation here by the Truman committee (of Basic Magnesium) which was in no sense an investigation but a convenient means of making public unsubstantiated charges against the company and its officials, it was strongly intimated that Secretary of Commerce Jesse Jones and his associates in the defense plant corporation were guilty of frauds against the government of the United States. Coming at this time when America is engaged in war and is struggling to prepare herself for that supreme war of survival which looms like a thunder cloud ahead of us, all of these charges assume an overwhelming importance. Yet the committee and Senator Bunker, in session here, studiously avoided any comment or investigation of... the falsification of records charge."

"Now after Jesse Jones has vigorously refuted the charges against him, the other angles of the 'investigation' appear to have been dropped. If the charges against Jones are true, he should be promptly removed from the important positions in the federal government he has filled for nearly ten years past."

"If the charges are untrue, but made for the purpose of inflaming the public mind and creating a political issue, that comes dangerously close to being an effort to sabotage America's No. 1 defense project."

The Fallon Eagle said, in part: "That there may be something a lot bigger than appears on the surface back of the uproar about Basic Magnesium is hinted in recent rumors to the effect the Nevada skirmish is a part of a titanic struggle for the control of the light metals industry. According to these rumors the aluminum trust has its eyes on Grand Coulee where power is generated almost on top of the magnesium deposits, and where development of magnesium metal would be inexpensive by comparison to the cost of producing the mineral at Gabbs valley and transporting it to Las Vegas for processing."

"From persons in Washington close enough to the top to know something about the situation, have come the prediction that the Nevada producing quarries and the great processing plant at Las Vegas may be lost to the state if the aluminum trust has its way."

"While the senate committee is investigating the Bunker charges, perhaps it had better go a step further and look into the whole light metal set-up, far enough to determine who is to dominate magnesium production and processing in this period of national peril... If there is bigger game in the offing than Basic Magnesium, then the Truman committee had better go gunning for it and not waste all of its ammunition on the smaller fry."

Senator Claims Jones Resorted to 'Evasion'

Washington, D. C., April 30 (AP)—Senator Bunker (dem., Nev.) charged in a senate address today that Jesse Jones, defense plant corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to senate critics of a government contract for construction of a 73 million dollars magnesium plant at Las Vegas, Nev.

Bunker had previously asserted that the defense plant corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, O., for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4,280 per cent, within one year on an investment of less than 50 thousand dollars.

Intelligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote into their preliminary report?"

Claims Insult to Congress
"Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the Government, which he seemingly relegates to a position inferior to his own."

"We have not reached and never will reach the state in our national life where it becomes unworthy of a member of the Senate to draw to the attention of the people extortionate salaries and war profits which come from public funds."

"I am informed that the Truman Committee will continue hearings on this matter at an early date. When the facts are all finally in the record I am sure that the committee's findings will be acclaimed at the bar of public opinion as a great contribution to clean government."

Sen. Bunker Accuses Jones Of Subterfuge

By the Associated Press
Senator Bunker (Democrat) of Nevada, charged in a Senate address yesterday that Jesse Jones, Defense Plant Corporation chairman, resorted to "evasion, subterfuge and distortion of facts" in a statement on April 23 in which Jones replied to Senate critics of a Government contract for construction of a 73 million dollar magnesium plant at Las Vegas, Nev.

Mr. Bunker asserted in a Senate address April 9 that the Defense Plant Corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction and operation of the plant which would permit the Cleveland company to make a profit of \$2,140,000, or 4,280 per cent, within one year on an investment of less than \$50,000.

Senator Bunker repeated today his previous charge that the agreement "is so sinister as to indicate that some officials in our Government are guilty of malfeasance in the performance of their duties."

Jones denied the charge and charges of the Senate Defense Investigating Committee in a statement filed April 23 with the committee.

Refers to Jones' Reply
Mr. Bunker, referring to the reply, accused Jones of attacking investigators of the Senate Committee that conducted hearings at Las Vegas in March, and added:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the War Department and the now defunct Office of Production Management will meet with as little success as did his effort to blame the President of the United States and the British and Dutch governments, for Mr. Jones' own failure to provide the Nation with rubber."

Jones asserted in his statement that the contract entered into with the Cleveland company had the approval of the War Department and OPM.

Referring to the testimony at Las Vegas before the committee, Mr. Bunker said:

"Does Mr. Jones mean that the members of the Truman committee—who have no personal interest in this case—are so deficient in intelligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote into their preliminary report?"

"Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the Government which he seemingly relegates to a position inferior to his own."

Nevada Solon Renews Charges Against Jones

Raps Contract for New Defense Plant

By United Press
WASHINGTON, May 1. — Sen. Berkeley L. Bunker, Democrat of Nevada, yesterday accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nev.

Continuing his feud with Jones over a contract between the Defense Plants Corporation and Basic Magnesium, Inc., Bunker made a Senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our Government are guilty of malfeasance in the performance of their duties."

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

"Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to the officials of the company—salaries as high as \$35,000 a year."

"Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium who stated, at the hearings, that the project is only 9 per cent complete."

"After taking note of this miserable progress, I am inclined to believe that the Defense Plant Corporation, instead of paying for 'know how,' is paying for 'don't know how.'"

BUNKER ASSAILS JONES

Senator Renews Charges on Las Vegas Magnesium

Special to THE NEW YORK TIMES.
WASHINGTON, April 30—Secretary Jones, who is head of the Federal Loan Agency, was accused in the Senate today of "evasion, subterfuge and distortion of facts" in connection with a statement he made about a government contract for the construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

The charge was made by Senator Bunker of Nevada, in referring to a statement by Mr. Jones denying the Senator's contention that the Defense Plant Corporation entered into a contract with the Basic Magnesium, Inc., of Cleveland, which would make a profit of \$2,140,000 within a year.

Creel Defends Jones Acts In Nation's Rubber Mess

By the United Press
WASHINGTON, May 1—George Creel, Director of Censorship in World War I, last night replied to charges that Secretary of Commerce Jesse Jones is responsible for the nation's rubber shortage.

"On the contrary," he said, "the record shows that Mr. Jones acted with a speed that must have jarred his cautious soul to the depths."

Only through the "steady pressure" applied by Mr. Jones, he wrote, did the rubber regulation committee—the British-Dutch combine controlling 97 per cent of the world's rubber supply—boost production from 59 per cent in 1940 to 100 per cent in 1941. As a result, Mr. Jones was able to contract for 1,200,000 tons for delivery in 1942.

Neither the British nor the Dutch, the record shows, he continued, that by July of 1941 Mr. Jones had arranged for synthetic rubber facilities capable of turning out 40,000 tons annually.

"These existing facilities and new plants being built by the industry," he said, "brought the total capacity to approximately 100,000 tons, the amount recommended by the council."

Mr. Creel said the Standard Oil Development Co. in 1940 attempted to get the entire industry into a partnership for use of its buna synthetic rubber process, "but along with other objections, fear of Thurman Arnold's anti-trust prosecution scared everybody off."

He again charged that the Corporation-Basic Magnesium agreement was "so sinister as to indicate that some of our Government officials are guilty of malfeasance in the performance of their duties."

Why Not Toss Jesse Jones Into the Garbage?

POPULARITY of the prize ring, and the other adjuncts of the cauliflower ear industry in these United States, demonstrates the enthusiasm with which most of us look on a good fight. Thousands, indeed millions, all over the country are paying good money for the privilege. Thus it was unfortunate when Secretary of Commerce, Jesse Jones and Publisher Eugene Meyer of Washington, swapped punches before a limited gate in the exclusive Alfalfa club in the capital city.

It is not difficult to imagine what a gate it would have drawn if the managers of the club had had more knowledge of what was to occur and had advertised the event as "Multi-millionaires in Grudge Fight—No Holds Barred."

The cause of the tussle was some remarks made in his newspaper by Publisher Meyer to the effect that Jesse Jones was responsible for the rubber shortage in the United States, which happens fairly near to approximate the truth. Also Publisher Meyer's newspaper hinted that Jones' attempt to place the responsibility on the President was scarcely cricket. And so say we, all of us.

But it is much more important to us that the tussle between the publisher and the head of the Reconstruction Finance Corporation, in which no damage was done except the smashing of the publisher's glasses, than the issue involved.

Jones Getting Testy

It seems Washington is taking the war more in earnest than we suppose. It shows Jesse Jones, who has done just about as bad a job through the years as anybody else back there we can recall, is not apathetic nor complacent about it, but is getting testy.

How much farther Mr. Jones proposes to carry this method of meeting criticism we do not know. But it might be interesting if he would provide the exclusive Alfalfa Club with his schedule. If he is going to try to lick every newspaper publisher, or every congressman who has been disgusted by the dilly-dallying with reference to the synthetic rubber program and has said so, he is in for a busy spring and summer.

As a matter of fact, Jones' attack of the jitters seems to be causing a great deal of gossip back in the capital city. It seems to have been the first time in years that he felt badly enough about criticism to lose his temper over it. Out of it all comes the obvious implication that the mighty Jones is no longer so firmly entrenched on his throne. He is slipping.

Hoover Discovered Him

Why he has the sway he has yielded has puzzled a great many persons who reflect that he came to Washington as a Hoover appointee, was fairly well entrenched there when Mr. Roosevelt arrived, and was permitted to continue in his activities when that latter President was inaugurated.

An appraisal of just what has been happening with reference to Jesse Jones has been made by the Washington staff of the Scripps-Howard newspapers and it is not only interesting but surprising because it has not gotten into spot news. The first revelation thus made is that the Truman committee of the Senate, which was looking into this matter of defense industries, has been investigating the Basic Magnesium, Inc., set-up in Nevada which is likely to involve the Defense Plant Corporation, otherwise Jesse Jones. The resume then proceeds as follows:

Jones used to laugh off criticism. Now he's touchy, sharp, talking personalities, has broken out in a rash of statements, denials. Physical attack on Publisher Meyer was the climax.

Jesse Doesn't Answer

Still unanswered by Jones: Senator Bunker's first speech on Basic Magnesium; Truman committee report which said, among other things, that Defense Plant Corp.'s contract with Basic Magnesium "seems to put a premium on mismanagement and incompetence" and is "one of the most flagrant attempts at war profiteering" to come to its notice.

Score on Jones' war powers since Pearl Harbor: Four lost, another threatened, one gained.

LOSSES: Donald Nelson demanded last word on war financing when he took W.P.B. job, and got it.

Loans to little business taken away.

Control over housing taken away.

Appointment of rubber co-ordinator curbs him.

THREATENED: His control over buying stockpiles of critical materials. Board of Economic Warfare wants it.

GAIN: Presidential executive order just issued says that Jones, as well as other contract-letting officials, may review own contracts for excessive profits, poor results. That includes Defense Plant Corp. contracts.

Curb on Profits?

Gain is likely to be temporary, Congress, out to write curb on profits, is almost certain to nullify it.

Such dissatisfaction as exists in Congress has nothing whatever to do with the fighting forces. The boys who have been sent over there to defend our democracy have given a good account of themselves wherever they have contacted the enemy. The American tradition of fortitude, courage and military skill has been well maintained everywhere.

The complaints have to do with the fashion in which such persons as Jesse Jones have discharged the duties of their highly responsible posts. At the outset of the well-known depression, Jesse Jones assumed it to be his business as head of the Reconstruction Finance Corporation to make only such loans to various enterprises as had sufficient assets to recoup Uncle Sam for the money he was dishing out. Perhaps that was good business.

However, investment bankers who know their way about declare that institutions which met the requirements set up by Jones to obtain loans actually did not need to go to the government about it. When they were able to put up such collateral as Jones required and make such a showing of financial soundness, they could quite readily have obtained the loan from their banker.

Evidently Good Reason

While it is easy to criticize failure, the circumstance that the President has been limiting Jones' power indicates there is substantial reason for public concern over the lack of efficiency he is displaying. His dilly-dallying with the synthetic rubber situation, and the consequent hardship it is imposing upon the country—and a much stronger term might be used—has destroyed public confidence in him.

The sooner Jones disappears from the Washington picture, we think, the better.

Senator Renews Attack On Jones

Accuses Secretary Of Subterfuge

By MARSHALL M'NEIL
Herald-Post Washington Correspondent
WASHINGTON, May 3.—Renewing his attack on Secretary of Commerce Jesse H. Jones of Houston and the Defense Plant Corp., Senator Berkeley Bunker today was on record as re-asserting that the DPC's contract for construction of a magnesium plant in Nevada "is so sinister as to indicate that some officials in our Government are guilty of malfeasance on the performance of their duties."

Bunker said he was familiar with the lengthy statement by Jones, denying charges made by Bunker and the Truman Committee, which was filed with that committee about a week ago.

"And I now state that Jones, who is accountable for the Defense Plant Corp.'s affairs, has resorted in his statement to evasion, subterfuge, distortion of facts and an attack on the investigators of the case."

Cites Jones' Policy

The contract is between DPC and Basic Magnesium, Inc., Cleveland, O., for construction of a \$73,000,000 magnesium plant at Las Vegas.

Addressing the Senate, Bunker said: "Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the War Department and the now defunct OPM will meet with as little success as did his effort to blame the President of the United States and the British and Dutch governments for Mr. Jones' own failure to provide the nation with rubber."

Bunker's speech dealt with various aspects of the case, and among other things he said that Jones had stated it is the fixed policy of DPC "never to reimburse an operator for funds expended in obtaining a contract." He added that "BMI's president, Howard P. Eells Jr., testified under oath that the sum of \$211,000 was being repaid" BMI by DPC. "Mr. Jones and Mr. Eells should get together on their statements," Bunker said.

Charges 'Insult'

The young Nevada Senator continued: "Mr. Jones has ignored the recommendations of the (Truman) committee and insulted the legislative branch of the Government which he seemingly relegates to a position inferior to his own."

He informed that the Truman Committee will continue hearings on this matter at an early date.

SCRUGHAM TELLS OF PLANS TO RUN FOR SENATE SEAT

RENO, May 7 (UP)—Congressman James G. Scrugham announced in Washington today that he definitely would be a candidate for the United States senate this fall, opposing incumbent Berkeley L. Bunker, who was appointed by Governor E. P. Carville to fill the vacancy caused by the death of the late Key Pittman.

Scrugham's announcement has been expected for several weeks, but it was not until today he made his intentions known. He said he would mail his papers to the secretary of state within a short time.

Scrugham has represented Nevada in the house of representatives since 1932, and has attained a position of great power during his term of service.

Before being elected to congress, Scrugham was governor of the state, and later publisher of the Nevada State Journal in Reno.

At the last election, Scrugham compiled the highest vote ever accorded a candidate for public office in Nevada, where he was opposed at the general election.

Scrugham's announcement is expected to precipitate many other announcements, particularly for the vacant post in the house of representatives.

Senator A. C. Grant of Clark county, due in Reno late this afternoon, is expected to declare himself when advised of Scrugham's announcement.

Scrugham and Bunker, both democrats, will oppose each other in the party primary in September, contesting for the remaining four years of Pittman's term.

SENATOR BUNKER STRIKES BACK IN MAGNESIUM CASE

U. S. Senator Berkeley L. Bunker has sent the Review-Miner a copy of his statement, made in the Senate on April 30, in which he maintained his stand that all is not well at the Basic Magnesium, Inc. plant being erected for the Defense Plant Corporation near Las Vegas.

In the statement, he accused Jesse Jones, head of the Reconstruction Finance Corporation, with trying to dodge the responsibility of making an exorbitant contract with the Cleveland company to construct and operate the strategic metal plant. He pointed out that the figures of Jones himself showed that aside from the garages the plant was only 4 percent complete.

He pointed out that the heads of the building company had all received elaborate advances in salary when transferred from company work to work on the government plant; that Howard P. Eells, head of the company, who gets \$50,000 a year as a personal salary and \$18,000 as president of Basic Refractories, gets \$36,000 as head of the building organization; that since the signing of the contract in August 1941, he has been at the property not more than 60 days.

Senator Bunker quotes the Truman Investigating committee to show that it was not satisfied with the progress or the contract made. In concluding, the Senator stated, "Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the government which he seemingly relegates to a position inferior to his own."

Bunker Answers Jones in Speech On Senate Floor

"Evasion, Subterfuge and
Distortion of Facts"
Come From Jesse Jones
Says Nevada Solon

WASHINGTON, April 30—United States Senator Berkeley L. Bunker of Nevada today accused Jesse Jones of "evasion, subterfuge and distortion of facts" in Jones' defense of the Basic Magnesium, Inc., contract.

Bunker delivered a speech in the senate in which he reiterated his charges that the Basic agreement "is so sinister that it indicates some government officials are guilty of malfeasance of duties."

"My statement is based on records and fact."

"However, Mr. Jones may try to confuse the issue, the fact remains that Basic will receive \$300,000 to supervise construction of the plant; \$560,000 a year as an operating fee; \$280,000 a year in royalties; \$1,000,000,000 in the event the plant is sold—all on an admitted investment of less than \$50,000.

"Salaries paid are extortionate. Progress on the plant is miserable."

"The Defense Plants Corporation is paying for 'don't know how' instead of 'know how.'"

SENATOR BUNKER AGAIN ASSAILS BASIC MAGNESIUM & JESSE JONES

Complete Text of Senator Bunker's Address
Reiterates Former Charges and Threatens
Further Investigation by Committee

Senator Berkeley L. Bunker, in an address delivered in the senate chamber on April 30, reiterated most of the charges he had made against Basic Magnesium, Inc., and its officials, and his criticism of Secretary of Commerce Jesse Jones, on the senate floor and in the public press at various times.

For the information of the public and in the interest of fairness, The Age presents below the complete text of Senator Bunker's address of April 30:

STATEMENT OF SENATOR BERKELEY L. BUNKER, DEMOCRAT FROM THE STATE OF NEVADA:

I rise today to reiterate my statement of April 9 that the Defense Plant Corporation has entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction of a \$73,000,000 magnesium plant at Las Vegas, Nevada, that is "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

In reaffirming the facts as before stated, I am mindful of an allegation filed with the Senate committee investigating the national defense April 23, by Jesse Jones.

And I now state that Jones, who is accountable for the Defense Plant Corporation's affairs, has resorted in his statement, to evasion, subterfuge, distortion of facts, and an attack on the investigators of the case.

Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the war department and the now defunct OPM will meet with as little success as did his effort to blame the President of the United States and the British and Dutch governments, for Mr. Jones' own failure to provide the nation with rubber.

My statement was based on the testimony of witnesses sworn to tell the truth at hearings in Las Vegas conducted on March 23 and 24 by the Truman committee.

My statement was based on record and fact. However, Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000.00.

Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to the officials of the company, salaries as high as \$36,000 a year.

D. W. Stewart was paid \$15,000 by Eells when employed by Basic Refractories, but when he was transferred to Basic Magnesium and his salary was paid from public funds he was given \$20,000 a year, an increase of \$5,000.

Mr. Howard P. Eells testified under oath that H. C. Lee, who was employed by Eells' company in Cleveland at a salary of \$7,800 per year, was transferred to Basic Magnesium, Inc., at \$12,000 per year, an increase of \$4,200.

W. W. Patnoe was transferred by Eells from Basic Refractories to Basic Magnesium. His former salary was \$10,000 but now that Eells is handling the taxpayers' money Mr. Patnoe is receiving \$13,800, an increase of almost \$4,000 a year.

All these huge increases in salaries are to be paid from public funds—these same increases being approved by Jesse Jones. It is interesting to note how valuable the services of these men become upon being paid out of the taxpayers' money.

project manager clearly indicates that Mr. Howard P. Eells, Jr., is grossly inefficient and incompetent.

If a man built an expensive home with a garage adjoining and the builder attempted to justify his delay by pointing out that the garage was 60 per cent finished, I doubt if it would be considered that the house was ready to be occupied. When it was pointed out by the Truman committee that the plant is only 9 per cent complete, Mr. Jones countered that the settling basin and the preparation plant are 60 per cent complete. General Knudsen, sent out by the war department because Mr. Jones was admittedly dissatisfied with the progress of the plant, reported that the first unit was 40 per cent complete. Mind you, I said the first unit. There are ten units to this vital magnesium producing plant. If one unit is 40 per cent complete, then ten units are in reality 4 per cent complete. With the "garages" the plant is 9 per cent complete.

Howard Mann, project manager, in an attempt to justify to the committee the miserable showing of the management of Basic Magnesium, placed the blame on organized labor. While it is obviously a futile and weak excuse, is it not just what we would expect from this \$36,000 executive?

Although as I have said, Mr. Jones states that the Defense Plant Corporation engineers were not satisfied with the construction progress and as early as January caused engineers of the war department to investigate the project, yet as late as March of 1942, no change in management had been effected. Could it be that Mr. Jones, who has contracted for the expenditure of \$63,000,000 of public funds—now grown to \$73,500,000—finds himself obligated to defend the extravagance and incompetence of a typical promoter?

Does Mr. Jones mean that the members of the Truman committee—who have no personal interest in this case—are so deficient in intelligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote into their preliminary report? May I quote from this report:

"The subcommittee considers it of prime importance that these huge plants constructed with government funds be built around the most economical processes available, to the end that they may compete commercially after the war. Care should be taken that their cost of operation should not be so high that they could not meet post-war commercial competition. * * * *"

"The facts disclosed at Las Vegas created the impression that DPC is paying tremendous fees for 'know how' which so far has delivered miserable progress, the metal producing units being only

That this unusual contract provides for extortionate profits is graphically borne out by the fact that the personal salary of Howard P. Eells is \$50,000 per year, or equal to the entire assets of Basic Magnesium, Inc., when the contract was signed. This amazing salary is not the only income or interest of Mr. Eells. He receives \$18,000 per year as president of Basic Refractories. Although Eells is in supreme command, he has not spent more than sixty days at the plant since the contract was signed in August of 1941. Is it any wonder that such miserable progress has been reflected in the construction of the plant?

Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium, who stated, at the hearings, that the project is only nine per cent complete. The testimony of the

9 per cent complete although the contract was signed August 13, 1941."

After taking note of this miserable progress, I am inclined to believe that the Defense Plant Corporation, instead of paying for "know how," is paying for "don't know how." I quote further from the report:

"The subcommittee is prepared now to urge most strongly that DPC refuse to accept any such exorbitant royalty terms as proposed by BMI. * * * *"

"This proposed lease appears to the subcommittee as one of the most flagrant attempts at war profiteering to come to its notice. * * * *"

"The subcommittee is of the opinion that a plant especially one of this magnitude, ought not to have been commenced until after the Defense Plant Corporation had reached an agreement as to the terms of the licensing under which it was to operate and as to the cost of the raw material (magnesium ores) from which the magnesium was to be produced. * * * *"

"These terms seem to put a premium on mismanagement and incompetence."

I would be derelict in my duty not to bring this matter to the attention of the senate and insist on action being taken to place this plant on an immediate and permanent production schedule.

There are two vitally essential factors in the production of magnesium:

1—An economic process.
2—Raw material.

At the signing of the contract neither of these were insured and even to this day there is serious doubt as to the agreement on the cost, quality and quantity of the ore supply.

While Mr. Jones states that it is a fixed policy for the Defense Plant Corporation never to reimburse an operator for funds expended in obtaining a contract, Mr. Eells testified under oath that the sum of \$211,000 was being repaid Basic Magnesium by the Defense Plant Corporation. Mr. Jones and Mr. Eells should get together on their statements.

Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the government which he seemingly relegates to a position inferior to his own.

Mr. Jones said that my statement was "unworthy of a United States Senator." We have not reached and never will reach, the state in our national life where it becomes unworthy a member of

the senate to draw to the attention of the people, extortionate salaries and war profits which come from public funds. In fact it is the duty of every senator and congressman to protect the interests of the taxpayers.

I am thinking of the people of Nevada and the country at large, the people who must work a lifetime to maintain their families in respectability, the people who are depriving themselves and their children of life's necessities in order to pay their taxes and to buy war bonds and stamps. Think how many 25c defense stamps it will take to pay the \$36,000 salary of the project manager.

The welfare of this nation in this world crisis is the one vital element in the fight to preserve our liberty.

I repeat, as I said on April 9 in addressing this body, that I shall not hesitate to exercise every resource at my command to prevent or bring to light war profiteering during this conflict.

I am informed that the Truman committee will continue hearings on this matter at an early date.

When the facts are all finally in the record I am sure that the committee's findings will be acclaimed at the bar of public opinion as a great contribution to clean government.

In intend to address the senate further on this matter in the future.

HE'S GOT 'EM JUMPING

Senator Berkeley L. Bunker not only has officials of Basic Magnesium, Inc., on the defensive, but he has forced Commerce Secretary Jesse Jones to show his hole card.

This newspaper—and all others in the state—receives each day voluminous copies of transcripts of replies from Secretary Jones, whose Defense Plant Corporation was signalled out by Senator Bunker for his charges of mismanagement and malfeasance. Most of these missives come in envelopes with no return address, while others are sent directly from Basic Magnesium. It seems to this newspaper that if the magnesium company and Jesse Jones would pay more attention to getting their project along and spend less time answering senatorial charges the war program would be materially aided.

It takes plenty of courage to paint Jesse Jones as a Jesse James, with no back-tracking, in addition to leveling charges at one of the nation's biggest war industrial plants. Senator Bunker has shown that he possesses the fire of youth that is sadly lacking in the hallowed halls of Washington. Whether he is one hundred percent correct, he has nevertheless jarred the swivel-chair boys from their soft-cushioned complacency. That, in itself, is an important contribution to national morale.

Senator Bunker Answers

468 Jesse Jones Statements

Senator Berkeley Bunker, Nevada's junior senator, reiterated his charges against the Defense Plant corporation and the Basic Magnesium head, Howard Eells, on the floor of the U. S. senate last Friday. Bunker claimed that the statements of Jesse Jones, Defense Plant head, before the Truman Investigation committee were evasive, distortion of facts, subterfuge and an attack on the investigators of the case. The senator's complete statement follows:

I rise today to reiterate my statement of April 9 that the defense plant corporation has entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction of a \$72,000,000 magnesium plant at Las Vegas, Nevada, that is "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

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When the facts are all finally in the record I am sure that the committee's findings will be acclaimed at the bar of public opinion as a great contribution to clean government.

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THEY'RE OFF!

The race is on and the political field lies ahead.

The announcement by Congressman James G. Scrugham that he will seek the Senate seat now held by Senator Berkeley L. Bunker, came as no surprise to his many friends, and has opened up the political field for candidates of both parties.

Maurice Cullivan has previously stated that he would be a candidate for Congress if Scrugham ran for senator. Archie Grant of Las Vegas has made the same statement, so come out boys let's get this thing going in the good old way.

That's all now, folks. Have to cut a birthday cake for the Nevada State Labor News. Gonna cut a melon too!

Jones vs. Bunker

In this issue we are printing the statements of Jesse Jones, U. S. Secretary of Commerce, and the latest statements of U. S. Senator Berkeley L. Bunker of Nevada, with regard to the contract between Defense Plant Corporation and Basic Magnesium, Inc.

The editorial policy of this paper has been, is, and will continue to be the publishing of all facts in issues of this nature. These articles are printed without distortion or deletion and until this issue is finally settled this newspaper refuses to take sides or make any editorial comment.

We believe that the officials in Washington are capable of deciding and will see that all charges made by either Mr. Jones or Senator Bunker are substantiated and that anyone who has been wrongly accused will be vindicated.

Kirman Heads Group Backing Berkeley Bunker

Richard Kirman, Sr., former governor of Nevada, has accepted the honorary chairmanship of the "Committee for the Re-election of Senator Berkeley L. Bunker to the United States Senate," according to word received yesterday from Senator Bunker.

Kirman confirmed the report and stated that he intends to do all he can to assure the reelection of Senator Bunker.

Other members of the committee including an active chairman and members in each county are to be selected in the near future, it was stated. As soon as the Truman committee completes its hearings on Basic Magnesium, Inc., operations, Senator Bunker expects to return to Nevada for a few days to aid in perfecting the organization, it was stated. His secretary Miss Florine Maher, arrived here this week.

Senator Bunker and ex-Governor Kirman were closely associated during the legislative session of 1939 when Bunker was chairman of the house ways and means committee and Kirman was governor of the state.

Full Statement of Jesse Jones, U. S. Secretary of Commerce

Attention has been given to the report of the subcommittee on light metals and aircraft of the special committee investigating the national defense program, which criticizes, among other things, the contract above referred to. The report discloses that the subcommittee in its hearing at Las Vegas Nevada, was joined by Senator Bunker of the state, who requested the subcommittee to hold the hearing.

1. of course, agree with that part of the subcommittee's report which states that Government plants should be built as economically as possible. This is a Government plant, and is being built as economically as possible. The criticism of the Subcommittee is without foundation.

To begin with, the plant, its process, its capacity, its location, its builder, and its operator were recommended by the War Department and the OPM.

Quoting from a report of the War Department at the time the project was initiated:

"... We are definitely assured that Basic Refractories will receive necessary assistance from the British technicians of Magnesium Elektron, Limited, as well as all designs, plans, drawings, specifications and processes applying to their proposed method of magnesium production, purification and alloys."

"Our experimental engineering section... is assured of the soundness of the plans... and has approved the proposed installations to be required for their several plants."

"Basic Refractories has proceeded with the setting up of data for their present project of 33,000,000 pounds and for their proposed project of 112,000,000 pounds with a speed, accuracy and completeness of detail which are outstanding in industries which we have thus far dealt with."

1. The Subcommittee charges that DPC (Defense Plant Corporation) is paying "tremendous fees for 'know-how'."

The plant and necessary appurtenances will cost approximately \$73,500,000 and will have an estimated annual capacity of 112,000,000 pounds of metallic magnesium. The fees to be paid to the 10 contracting and engineering firms (list attached), including \$300,000 to BMI for its technical designs, supervision, engineering and know-how" aggregate less than 2 per cent of the total cost of the plant.

The services of all these contractors relate not only to the magnesium plant, but also to the chlorine plant and the water, power and temporary housing facilities. These fees would be low even for an ordinary manufacturing plant, but this plant is designed to produce magnesium on a scale and by a process never before attempted in this country.

It is my understanding that the Departments of War and Navy and the Maritime Commission are

authorized to negotiate contracts that carry higher fees, being permitted under present statutes and Executive Orders to pay up to 6 and sometimes 7 per cent on contracts.

2. The Subcommittee charges that BMI is to receive an operating fee which at "maximum operation will equal \$500,000 a year over a possible period of thirty years."

The fee to be paid is one-half cent a pound of magnesium actually produced, which at present prices is only 2 per cent of the estimated cost. Again, this is a low fee. Nor will the fee continue over a possible period of thirty years as the committee states. The operating contract is for ten years, but may be terminated by DPC without any penalty after three years of operation. Furthermore, the quantity of magnesium to be produced in any year is subject to the direction of DPC, which controls the amount of fees for which DPC would be liable.

It should be remembered that BMI is composed of two groups, first the American group, owner of magnesite ores, with long experience in their processing in other products, and second, the English group which has the "know-how," the expert knowledge and experience in the magnesium process, to be used in this plant for the first time in this country.

3. The subcommittee charges that "miserable progress" has been made and that the metal producing units are only 9 per cent complete.

The plant is being constructed in a way to begin producing magnesium at the earliest possible moment. At that time the contract was executed, it was estimated that the plant would begin producing by June, 1942. DPC engineers were not satisfied with the progress of the job, and in January we requested the war department, which had initially recommended the contractor, to have one of its principal construction engineers investigate the project. Based on this investigation, steps were taken immediately to expedite the work.

Lieut.-General William S. Knudsen personally inspected the plant Sunday, April 12th, and has advised me that the preparation plant is 60 per cent finished, the settling basin 60 per cent complete, and the first reduction unit 40 per cent complete; that 6,800 men are engaged in the construction work, living in pup tents, shacks and trailers in a tremendous effort to get the job done.

Despite complex processes, despite difficulties of adjusting the process of a completely different locale, and despite the familiar problem of delayed deliveries, the construction work has now reached the point where it is estimated that the chlorine plant will begin operations June 20th, and that the plant will begin producing magnesium by August 1942.

Building a plant of the magnitude and with the technical requirements of this one in a sparsely settled country far removed from any large centers from which labor can be drawn is no small undertaking, and, all things considered, it cannot be properly charged that any unnatural delay has been occasioned.

4. The subcommittee charges that DPC should have proceeded with construction until an agreement had been reached as to the terms of the license under which the plant was to operate and as to the cost of the magnesite ore from which the magnesium is to be produced.

It was imperative that no time should be lost in getting under way. Prior agreement as to the terms of the license was not necessary, since under Federal statutes operation could proceed without a license.

As to the cost of the raw materials, this was secondary to the power cost. An important reason for locating the plant at Las Vegas was the availability there of cheap power which is far more important than the differential in transportation or other costs with relation to raw materials should it become necessary to purchase them at more distant points.

5. The subcommittee charges that BMI proposes "exorbitant royalty terms" for the magnesite ore deposits which it proposes to lease to the Government for the operation of the plant and that such lease appears to be one of the "most flagrant attempts at war profiteering" to come to his notice.

This is just another use of superlatives. The charge cannot be substantiated. Contrary to the statement of the subcommittee that DPC is to pay \$1.00 for every ton of ore used, the royalties are to be paid only in terms of metallic magnesium. DPC may cancel the ore contract if the ore does not prove satisfactory in either quantity or quality. Not only is this a low royalty, but we are advised that it is one of the lowest royalties ever paid for comparable mineral ore in the State of Nevada.

6. The subcommittee charges that if DPC should cancel BMI's contract because of poor performance, or for any other reason, DPC would have to pay BMI \$1,000,000, that royalties payable to BMI would be doubled, and that these provisions place a premium on "mismanagement and incompetency."

This is not an accurate statement. If the contract is cancelled through fault of BMI, no payment at all is to be made to it. The contract may be cancelled after three years even without fault of BMI. In such event and the sale of the plant within ten years after the beginning of operations, DPC has agreed to pay BMI \$1,000,000 as reimbursement for its technical designs and knowledge utilized both in construction and operation. Subsequent to cancellation, the plant can be operated by or for the account of the Government, or leased to others, without paying BMI any part of the \$1,000,000. Even if the Government should decide to sell the plant to others during the ten-year period and the \$1,000,000 is paid to BMI, the total payments on account of all fees in connection with the construction of the plant would be less than 3½ per cent.

As to royalties, they will not be increased at all as long as the plant is operated by or for the Government, either by BMI or by others.

Relying upon the hearings and the report of the subcommittee, Senator Bunker on the floor of the Senate made the very serious

charge of malfeasance against officials of DPC. These charges are completely refuted by the facts, are false and misleading, and are, as I have publicly stated, unworthy of a United States Senator.

(a) Senator Bunker charges that DPC is now repaying Basic Refractories the sum of \$211,000 "expended in the promotion of this enterprise and the negotiation of the contract."

This is not correct. Defense Plant Corporation has a fixed policy of never reimbursing an operator or lessee for expense incurred in the promotion of his enterprise or in negotiating and obtaining a contract with Defense Plant Corporation.

b) Senator Bunker charges, with regard to peat moss necessary in the manufacture of magnesium, that DPC is paying "a group of Canadian and American distributors an \$84,000-a-year bonus for the release of their available stock to Basic Magnesium, Inc. Thus the Government is paying distributors for peat moss which they no longer have to distribute."

The payment to distributors to which the Senator refers for releasing their contracts will amount to approximately \$25,000 in connection with the 1941-42 crop, and no payment is to be made in any subsequent year.

The 1941-42 crop of peat was under contract between the producers and distributors at \$1.39 per bale when it was determined that BMI would require the entire crop. It was agreed that the Canadian producers would receive \$1.30 per bale and that the distributors would receive 7½ cents per bale in consideration of the release of all their interests in the contracts and in reimbursement for a portion of the expenditures incurred in connection with the crop. Thus the total price of peat to the Government will be less than the original price negotiated between the producers and distributors.

(c) Senator Bunker charges that DPC is paying traveling expenses and salaries of 45 officials of BMI now in England studying the magnesium process, and at the same time paying the salaries of English technicians "who are in America promoting the interests of their company."

The English technicians are the men responsible for the engineering and designing of the plant and are indispensable to its completion. Twenty-six representatives of BMI are now in England studying the process, and it is hoped it will soon be possible to send more. DPC would be derelict in its duty of preparing for successful operation of the plant if it did not arrange for training an adequate operating force—and such training can only be had in England.

(d) Senator Bunker charges that DPC agreed "to pay a firm of architects \$28,000 for the privilege of using plans for 800 demountable houses at the Las Vegas plant—plans which had previously been used on another Government project. Thus the Government bought the same plans twice."

The truth is that DPC has agreed with Lescher and Mahoney, a firm of architects at Phoenix, Arizona, on a fee of \$25.00 a house for the plans and the supervision of construction. In addition, they are to receive a fee of \$8,000 for engineering, surveying sites, planning waterworks, sewerage installations, and supervising the utility installations in connection with a large trailer camp.

The total cost of this construction will be approximately \$3,500,000 and customary architectural engineering fees for the services

here rendered would have been 5 per cent, or many times the fees which will be paid under the agreement. The architects were chosen because of their special knowledge in the demountable housing field and because of their successful experience in such housing in the West.

(e) Senator Bunker charges that the "product of the plant is not to be furnished the Government at cost," but is to be sold "at a reasonable price designed to yield a fair margin of profit."

The product of the plant is owned by the Government and any profit upon its sale belongs to the Government.

(f) Senator Bunker charges that BMI stands to make a profit in one year of \$2,140,000.

While entirely incorrect, he apparently obtains this amazing figure by lumping together such unrelated items, already discussed in this statement, as the \$300,000 "know-how" and supervisory fee to BMI for the design and construction of the plant, the \$1,000,000 that would be paid BMI in the remote contingency of the sale of the plant to private interests (other than BMI within ten years after it begins operations, \$500,000 representing the maximum annual operating fee, and \$280,000 representing the maximum annual ore royalties. These payments could not possibly all accrue in one year. It is extremely unlikely that all these payments will ever be made. In no event would these payments be all profit.

(g) Senator Bunker charges that BMI has a "carte blanche agreement to act for and in behalf of the Defense Plant Corporation to establish the matter of policy, subject to the review of the Defense Plant Corporation."

No contracts are entered into by BMI in constructing the plant, and no commitments for materials and equipment are made without the approval of an engineering representative of DPC stationed at the construction site, nor any disbursements made without the further approval of such engineer, and of DPC auditors stationed on the job.

(h) Senator Bunker charges that "there is no obligation on the part of Basic Magnesium, Inc., to repay any of the money paid out by the Defense Plant Corporation. There is absolutely no collateral securing the sum advanced by the Defense Plant Corporation."

It should be immediately apparent, upon the most casual reading of the contract, to anyone even remotely interested in ascertaining the true facts that the situation is not one involving a loan and that there is no question of collateral and of the "extension of credit on a sound business basis." DPC owns the plant and will of course own all its products. All employees of BMI handling DPC funds are under bond.

We do not object to honest or fair criticism, but unwarranted charges tend to discredit honest officials and destroy confidence in our Government at the most crucial period of its existence.

Statement of Senator Berkeley Bunker, Democrat of Nevada, Delivered On April 30, 1942

I rise today to reiterate my statement of April 9 that the Defense Plant Corporation has entered into an agreement with Basic Magnesium, Inc., of Cleveland, Ohio, for construction of a \$73,000,000 magnesium plant at Las Vegas, Nevada, that is "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

In reaffirmation of the facts as before stated, I am mindful of an allegation filed with the Senate Committee Investigating the National Defense April 23, by Jesse Jones.

And I now state that Jones, who is accountable for the Defense Plant Corporation's affairs, has reported in his statement, to evasion, subterfuge, distortion of facts, and an attack on the investigators of the case.

Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the War Department and the now defunct OPM will meet with as little success as did his effort to blame the President of the United States and the British and Dutch governments, for Mr. Jones' own failure to provide the nation with rubber.

My statement was based on the testimony of witnesses sworn to tell the truth at hearings in Las Vegas conducted on March 23 and 24 by the Truman Committee.

My statement was based on record and fact. However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$500,000 per year as an operating fee, \$280,000 per year on royalties and \$1,000,000 in the event of the sale of the plant. All this was testified before the Truman Committee as possible return on an admitted investment of less than \$50,000.

Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to the officials of the company, salaries as high as \$36,000 a year.

D. W. Stewart was paid \$15,000 by Eells when employed by Basic Refractories, but when he was transferred to Basic Magnesium and his salary was paid from public funds he was given \$20,000 a year, an increase of \$5,000.

Mr. Howard P. Eells testified under oath that H. C. Lee who was employed by Eells' company in Cleveland at a salary of \$7,800 per year, was transferred to Basic Magnesium, Inc., at \$12,000 per year, an increase of \$4,200.

W. W. Patnoe was transferred by Eells from Basic Refractories to Basic Magnesium. His former salary was \$10,000 but now that Eells is handling the taxpayers' money Mr. Patnoe is receiving \$13,800, an increase of almost \$4,000 a year.

All these huge increases in salaries are to be paid from public funds—these same increases being approved by Jesse Jones. It is interesting to note how valuable the services of these men become upon

being paid out of the taxpayers' money.

That this unusual contract provides for extortionate profits is graphically borne out by the fact that the personal salary of Howard P. Eells is \$50,000 per year, or equal to the entire assets of the Basic Magnesium, Inc. when the contract was signed. This amazing salary is not his only income or interest of Mr. Eells. He receives \$18,000 per year as President of the Basic Refractories. Although Eells is in supreme command, he has not spent more than sixty days at the plant since the contract was signed in August of 1941. Is it any wonder that such miserable progress has been reflected in the construction of the plant?

Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium who stated, at the hearings, that the project is only nine per cent complete. The testimony of the project manager clearly indicates that Mr. Howard P. Eells, Jr., is grossly inefficient and incompetent.

If a man built an expensive home with a garage adjoining and the builder attempted to justify his delay by pointing out that the garage was 60 per cent finished, I doubt if it would be considered that the house was ready to be occupied. When it was pointed out by the Truman Investigating Committee that the plant is only nine per cent complete, Mr. Jones countered that the settling basin and the preparation plant are 60 per cent complete. General Knudson, sent out by the War Department because Mr. Jones was admittedly dissatisfied with the progress of the plant, reported that the first unit was 40 per cent complete. Mind you, I said the first unit. There are ten units to this vital magnesium producing plant. If one unit is 40 per cent complete, then ten units are in reality, four per cent complete. With the "garages" the plant is nine per cent complete.

Howard Mann, project manager, in an attempt to justify to the committee the miserable showing of the management of Basic Magnesium, placed the blame on organized labor. While it is obviously a futile and weak excuse, is it not just what we would expect from his \$36,000 executive?

Although as I have said, Mr. Jones stated that the Defense Plant Corporation engineers were not satisfied with the construction progress and as early as January caused engineers of the War Department to investigate the project, yet as late as March of 1942, no change in management had been effected. Could it be that Mr. Jones, who has contracted for the expenditure of \$63,000,000 of public funds—now grown to \$73,500,000—finds himself obligated to defend the extravagance and incompetence of a typical promoter?

Does Mr. Jones mean that the members of the Truman committee—who have no personal interest in this case—are so deficient in in-

telligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote into their preliminary report?

May I quote from this report.

"The subcommittee considers it of prime importance that these huge plants constructed with government funds be built around the most economical processes available, to the end that they may compete commercially after this war. Care should be taken that their cost of operation should not be so high that they could not meet post-war commercial competition. * * *

"The facts disclosed at Las Vegas created the impression that DPC is paying tremendous fees for 'know how,' which so far has delivered miserable progress, the metal producing units being only nine per cent complete although the contract was signed August 13, 1941."

After taking note of this miserable progress, I am inclined to believe that the Defense Plant Corporation, instead of paying for "know how," is paying for "don't know how." I quote from the report:

"The subcommittee is prepared now to urge most strongly that DPC refuse to accept any such exorbitant royalty terms as proposed by BML. * * *

"This proposed lease appears to the subcommittee as one of the most flagrant attempts at war profiteering to come to its notice. * * *

"The subcommittee is of the opinion that a plant especially one of this magnitude, ought not to have been commenced until after the Defense Plant Corporation had reached an agreement as to the terms of the licenses under which it was to operate and as to the cost of the raw material (magnesium ores) from which the magnesium was to be produced. * * *

"These terms seem to put a premium on mismanagement and incompetency."

I would be derelict in my duty not to bring this matter to the attention of the Senate and insist on action being taken to place this plant on an immediate and permanent production schedule. * * *

There are two vitally essential factors in the production of magnesium:

- 1—An economic process.
- 2—Raw material.

At the signing of this contract neither of these were insured and even to this day there is serious doubt as to the agreement on the cost, quality and quantity of the ore supply.

While Mr. Jones states that it is a fixed policy for the Defense Plant Corporation never to reimburse an operator for funds expended in obtaining a contract, Mr. Eells testified under oath that the sum of \$211,000 was being repaid Basic Magnesium by the Defense Plant Corporation. Mr. Jones and

Mr. Eells should get together on their statements.

Mr. Jones has ignored the recommendations of the Committee and insulted the legislative branch which he seemingly relegates to a position inferior to his own.

Mr. Jones said that my statement was "unworthy of a United States Senator." We have not reached, and never will reach, the state in our national life where it becomes unworthy of a member of the Senate to draw to the attention of the people, extortionate salaries and war profits which come from public funds. In fact it is the duty of every Senator and Congressman to protect the interests of tax payers.

I am thinking of the people of Nevada and the country at large,

as, who is known in his own bailiwick as "Pass the Biscuits Pappy," was the fall guy in the Senate anti-labor flop. He tried to pass the biscuits to profit-rich employers but the overwhelming majority of Senators passed him and his slick scheme up.

The upper house was considering the Murray Small Business Bill when O'Daniel tried to attach to it a rider just as vicious as the Smith-Vinson Bill, now pending before the House Naval Affairs Committee.

When it came to a test vote only three other Senators—Connally of Texas, Byrd of Virginia, and Doxey of Mississippi—joined him in supporting the rider. It, therefore, was kicked out the window.

Significantly the O'Daniel hatchet squad was made up exclusively of Southern reactionary Senators.

However, labor's enemies refused to concede defeat and began marshalling their forces for renewed assaults on working standards after the Easter recess.

They announced that during the week beginning April 20 they will seek to force adoption of the Smith-Vinson Bill in the House of Representatives and the Connally Bill in the Senate. Both are considered

WALL STREET JOURNAL
New York City
MAY 9 - 1942

BUNKER ACCUSES JESSE JONES OF FACT DISTORTION

WASHINGTON—Senator Berkeley L. Bunker, Democrat, Nevada, Saturday accused Secretary of Commerce Jesse H. Jones of "evasion, subterfuge and distortion of facts" in his defense of a contract for a \$73,000,000 magnesium plant at Las Vegas, Nevada.

Continuing his feud with Jones over a contract between the Defense Plant Corporation and Basic Magnesium, Inc., Bunker made a Senate speech reiterating previous charges that the agreement was "so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

Based on Record

"My statement was based on record and fact," Bunker said. "However Mr. Jones may try to confuse the issue, the fact remains that Basic Magnesium will receive \$300,000 to supervise the construction of the plant, \$560,000 per year as an operating fee, \$28,000 per year on royalties and \$1,600,000 in the event of the sale of the plant. All this was testified before the Truman committee as possible return on an admitted investment of less than \$50,000."

"Nothing Mr. Jones can say can dispute the fact that extortionate salaries are being paid from the taxpayers' money to the officials of the company—salaries as high as \$36,000 a year.

Can't Dispute

"Nothing Mr. Jones can say can dispute the testimony of the project manager of Basic Magnesium who stated, at the hearings that the project is only nine per cent complete.

"After taking note of this miserable progress, I am inclined to believe that the Defense Plant Corporation, instead of paying for 'know how,' is paying for 'don't know how.'"

"Think how many 25 cent defense stamps it will take to pay the \$36,000 salary of the project manager."

AUSTIN, NEVADA
MAY 9 1942

Sen. Bunker Stands By His Guns 468

Nevada Senator Renews Charge and Flays Com- merce Secretary Jones

Senator Bunker, so Associated Press dispatches from Washington say, is standing by his courageous charges regarding the apparently iniquitous contract for the construction and operation of the great magnesium plant at Las Vegas entered into by the Defense Plant Corporation of which Jesse Jones, secretary of commerce, is chairman.

In an address in the United States senate on April 30, this report says, the junior senator from Nevada repeated his charge that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties" and added, referring to Secretary Jones' reply to his charges and to the testimony heard by the sub-committees of the Truman senate committee at Las Vegas and the sub-committee's report thereon:

"Mr. Jones' attempt to saddle the responsibility for Basic Magnesium profiteering off on the war department and the now defunct office of production management will meet with as little success as did his effort to blame the President of the United States and the British and Dutch governments for Mr. Jones'

own failure to provide the nation with rubber.

"Does Mr. Jones mean that the members of the Truman committee—who have no personal interest in this case—are so deficient in intelligence as to be unable to grasp the significance of that testimony and come to the conclusions they wrote into their preliminary report?"

"Mr. Jones has ignored the recommendations of the committee and insulted the legislative branch of the government, which he seemingly relegates to a position inferior to his own.

"We have not reached and never will reach the state in our national life where it becomes unworthy of a member of the senate to draw to the attention of the people extortionate salaries and war profits which come from public funds.

"I am informed that the Truman committee will continue hearings on this matter at an early date. When the facts are all finally in the record, I am sure that the committee's findings will be acclaimed at the bar of public opinion as a great contribution to clean government."

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MAY 9 - 1942

Jones Predicts Yearly Aluminum Production Of 2.1 Billion Pounds

Senate Group Votes \$5 Billion Rise In R.F.C. Borrowing Authority For Plant Expansions

WASHINGTON (P)—Jesse Jones, Secretary of Commerce, told a Senate banking subcommittee yesterday "it looks like we were going to have ample aluminum" as a result of the government's plant expansion program.

He made the statement in testimony in behalf of legislation to increase the borrowing authority of the Reconstruction Finance Corp. by \$5 billion to a total of \$14 billion.

[The Senate banking subcommittee voted unanimously to increase the borrowing authority of the Reconstruction Finance Corp. by \$5 billion—boosting the R.F.C.'s total to \$14,130 million, reports the United Press.]

Giving an over-all picture of the R.F.C.'s war-time lending and spending program, Jones said that the agency and its subsidiaries made commitments totaling \$14 billion, of which \$576 million had been canceled for various reasons and \$565 million repaid.

Annual production of aluminum, Jones predicted, would reach 2.1 billion pounds when all plants have been finished, compared with a production of 300 million pounds two years ago and 540 million pounds a year ago. The present rate of aluminum production, he added, was about 1 billion pounds per year.

The Secretary testified that commitments for aircraft plant production alone totaled \$1,912,000,000. Other totals were \$360 million for magnesium plants; \$700 million for synthetic rubber production; \$734 million for expansion of the steel industry; \$468 million for ordnance plants and \$182 million for shipyards.

He estimated that the program would result in annual production of 600 million pounds of magnesium, compared with 33 million pounds a year ago, and 800,000 tons of synthetic rubber capacity, compared with 25,000 tons. Steel capacity, he added, will be increased more than 10 million tons.

The R.F.C., Jones said, has contracted to buy 1,370 million pounds of aluminum from Canada and had authorized the purchase of machine tools costing \$1,395 million.

Also, he said, the United States has purchased 760,000 tons of copper from Latin America and had imported from Australia, New Zealand and South Africa the equivalent of a year's domestic production.

This article was clipped from
AMERICAN METAL MARKET
"Leading Iron, Steel and Metal Newspaper—
Recognized price and market authority"
New York City

MAY 9 - 1942

Aluminum Output Of 1,000,000 Tons A Year Says Jones

Testifies On R.F.C. Borrowing Before Senate Group

Jesse Jones, Secretary of Commerce, told a Senate Banking subcommittee today that it looks like we were going to have ample aluminum as a result of the government's plant expansion program, according to an Associated Press dispatch from Washington.

The A.P. dispatch stated in part:

"He made the statement in testimony in behalf of legislation to increase the borrowing authority of the Reconstruction Finance Corporation by \$5,000,000,000 to a total of \$14,130,000,000. His request was approved by the committee.

"Mr. Jones said that the agency [R.F.C.] and its subsidiaries made commitments totaling \$14,300,000,000, of which \$576,000,000 had been canceled for various reasons and \$565,000,000 repaid.

"Annual production of aluminum, he predicted, would reach 2,100,000,000 pounds when all plants have been finished, compared with a production of 300,000,000 pounds two years ago and 540,000,000 pounds a year ago. The present rate, he added, was about 1,000,000,000 pounds per year.

Magnesium

"He testified that commitments for aircraft plant production alone totaled \$1,912,000,000. Other totals were \$360,000,000 for magnesium plants; \$700,000,000 for synthetic rubber production, \$734,000,000 for expansion of the steel industry, \$468,000,000 for ordnance plants and \$182,000,000 for shipyards.

"He estimated that the program would result in annual production of 600,000,000 pounds of magnesium, compared with 33,000,000 pounds a year ago, and 800,000 tons of synthetic rubber capacity, compared with 25,000 tons. Steel capacity, he added, will be increased more than 10,000,000 tons.

"The R.F.C. Mr. Jones said, has contracted to buy 1,370,000,000 pounds of aluminum from Canada and had authorized the purchase of machine tools costing \$1,395,000,000.

Copper

"He said, the United States has purchased 760,000 tons of copper from Latin-America and had imported from Australia, New Zealand and South Africa the equivalent of a year's domestic production."

Nevada Politics

By The Observer

Announcement of candidacies for offices came thick and fast for a few hours during the week and the primary campaign for the Democrats can be declared officially underway, although there are many spots yet to be filled.

Senator Bunker and Representative Scrugham are in the race for the Democratic senatorial nomination and probably will have the field to themselves, although the gate is still wide open and it is known that there are one or two Democrats who think there might be a chance to slip in between the two men and capture the nomination.

The Democratic race for the nomination for representative in congress promises to be a pipping and the barrier may drop on September 1 with six candidates lined-up, including Maurice J. Sullivan and Archie Grant who have formally announced. Grant has filed his declaration. Charles L. Richards, former congressman, is being mentioned and so is Vail Pittman of Ely, although Pittman might have taken a crack at the senatorship if Scrugham had not entered that race. Harley Harmon is also being mentioned for congress but he has said nothing publicly about it. Judge Edgar Eather was also mentioned but he old reporters in Las Vegas that he would not run. There are several more who are thinking about their chances and they have until August 1 to make up their mind.

Senator Bunker set his campaign moving coincident with Scrugham's announcement, by announcing that Former Governor Richard Kirman would head his campaign committee as honorary chairman. It will be remembered that Governor Kirman surprised the state when he announced that he would not seek re-election to the governorship four years ago. He had a cinch for re-election. In the Democratic primary campaign four years ago Governor Kirman supported Harley Harmon, who had been his opponent for the nomination in 1934.

Harmon lost to Governor E. P. Carville and subsequently Carville appointed Bunker United States senator. Carville is no doubt interested in seeing Bunker re-elected and so is Kirman, which may indicate that Bunker will draw strength from the Carville forces as well as the Harmon forces in the Democratic party and that is quite a bit of strength.

In Scrugham's corner, aside from his own wide personal following, are quite a few federal holders such as R. L. Douglass, Harry MacSherry, Frank Middleton and others and some of the old time Democrats including George B. Thatcher, William Woodburn, James T. Boyd, Senator J. E. Robbins and others.

Whether the close associates of Senator McCarran will take a hand in the contest remains to be seen.

Commenting on the Scrugham-Bunker contest the Sparks Tribune stated Friday:

"Announcements and political happenings flew thick and fast yesterday. In a round about way it became known that James G. Scrugham, present congressman, had officially announced he would be a candidate for the United States senate against Berkeley Bunker. When Bunker made his announcement a few weeks ago, he used the entire press of the state to make the formal statement, and the news boys appreciated his attitude. Scrugham is said to have notified A. E. Cahlan, who is still state chairman of the Democrats but the first notification to the state came through a Republican newspaper.

Several direct remarks have been directed toward the Scrugham camp from the press of the state in recent days, and it may have had the cumulative effect of forcing the hand of the congressman. Of course, it has been unofficially known for a long time that Scrugham and Bunker would be opponents.

"But immediately following the announcement of Scrugham in the Republican press that he would be a Democratic candidate, came the news that Richard Kirman, former governor, and still influential in the ranks of the Democratic party, as well as with the people of the state, had accepted the honorary chairmanship of the Bunker campaign, and would be the key man in an intensive organization.

"With the senatorial race now under way, and promising to be one of the biggest primary battles in years, the 1942 campaign has been started in Nevada, and it is perfectly evident that politics will not be set aside for the war."

The Carson City Chronicle gave Senator Bunker a pat on the back a few days ago as follows:

"Senator Berkeley L. Bunker not only has officials of Basic Magnesium, Inc., on the defensive, but he has forced Commerce Secretary Jesse Jones to show his hole card.

"This newspaper—and all others in the state—receives each day voluminous copies of transcripts of replies from Secretary Jones, whose Defense Plant Corporation was signalled out by Senator Bunker for his charges of mismanagement and malfeasance. Most of these missives come in envelopes with no return address, while others are sent directly from Basic Magnesium. It seems to this newspaper that if the magnesium company and Jesse Jones would pay more attention to getting their

project along and spend less time answering senatorial charges the war program would be materially aided.

"It takes plenty of courage to paint Jesse Jones as a Jesse James, with no back-tracking, in addition to leveling charges at one of the nation's biggest war industrial plants. Senator Bunker has shown that he possesses the fire of youth that is sadly lacking in the hallowed halls of Washington. Whether he is one hundred per cent correct, he has nevertheless jarred the swivel-chair boys from their soft-cushioned complacency. That, in itself, is an important contribution to national morale."

A group of old-time Democrats

Jones vs. Bunker

In this issue we are printing the statements of Jesse Jones, U. S. Secretary of Commerce, and the latest statements of U. S. Senator Berkeley L. Bunker of Nevada, with regard to the contract between Defense Plant Corporation and Basic Magnesium, Inc.

The editorial policy of this paper has been, is, and will continue to be the publishing of all facts in issues of this nature. These articles are printed without distortion or deletion and until this issue is finally settled this newspaper refuses to take sides or make any editorial comment.

We believe that the officials in Washington are capable of deciding and will see that all charges made by either Mr. Jones or Senator Bunker are substantiated and that anyone who has been wrongly accused will be vindicated.

Bunker Defeats Carville

Malcolm McEachin Winner In Race For Congress

Clifford A. Jones Easily Downs Burke

2,500-Vote Margin Assures Las Vegan Of Senate Nomination

Bunker Listed as Odds-on Favorite to Defeat George W. Malone, Successful Republican Candidate, in General Election

Representative Berkeley L. Bunker of Clark county defeated incumbent E. P. Carville for the democratic nomination for U. S. senator yesterday and became an odds-on favorite to return to the upper house of congress next January. (Bunker was formerly in the senate.)



BERKELEY L. BUNKER

Congressman Berkeley L. Bunker, who today emerged victorious as the democratic candidate for United States Senator, this afternoon issued the following statement:

"The results of this primary election are most gratifying. I feel deeply indebted to my many supporters throughout the state.

"I particularly appreciated the well wishes expressed to me today by Senator Carville.

"With this kind of cooperation and support throughout the state we surely are headed for a democratic victory in November."

His republican opponent in the general election will be George W. Malone of Reno who captured the G.O.P. nomination from George E. Marshall of Las Vegas.

Bunker appeared to have carried the state by a margin of more than 2,500 votes, a heavy majority in a Nevada primary, while Malone held a 1,700 vote lead over Marshall, with only a few hundred remaining to be counted.

Carville, who resigned the governorship a year ago to accept appointment to the senate, conceded defeat this morning and wired congratulations to his successful opponent. The wire to Bunker read:

"Congratulations on your primary victory yesterday and best wishes for success."

Carville carried 10 of Nevada's 17 counties, but Bunker piled up his lead where the votes were thickest. His home county of Clark gave him a 1,974 vote margin, Washoe accorded Bunker an edge of 610, and Lincoln a lead of 477.

Carville's best county was Elko, where he was born and raised. He won there by 507 and carried Ormsby (Carson City)—where he resided for many years—by 307.

Bunker has been a more ardent supporter of administration policies than has Carville, and had the support of Nevada's senior senator, P. A. McCarran, in the primary.

Secretary of State Malcolm McEachin, who won the democratic nomination for congress, and Charles Russell, the G. O. P. candidate, will oppose each other in the general election for the state's single congressional seat being vacated by Bunker.

Governor Vail Pittman piled up a substantial majority to take the democratic gubernatorial nomination, while Melvin Jepson, Reno attorney, held a slight edge over State Senator A. V. Tallman for the G.O.P. nomination to the same post.

Clifford Jones, another Clark county favorite son, won the democratic nomination for lieutenant governor by a margin of 6,412 over Peter A. Burke of Reno. He will be opposed in November by Ernest Brooks, republican state chairman, who had no primary opposition.

Jerry Donovan, youthful World War II veteran, wrested the democratic nomination for state controller from Henry Schmidt, who has held the post for 12 years. State Mines Inspector Matt Murphy was renominated on the democratic ticket.

The state totals with only a few hundred votes out at noon today stood:

Democratic

U. S. SENATOR

Bunker 13,039
Carville 10,583

REPRESENTATIVE

Gummow 2,519
McEachin 10,928
Ogilvie 9,564

GOVERNOR

Conwell 3,878
Pittman 18,972

LIEUTENANT GOVERNOR

Burke 7,823
Jones 14,235

STATE CONTROLLER

Donovan 13,347
Schmidt 8,266

DIRECTOR OF MINES

Hammond 7,336
Murphy 13,977

Republican

U. S. SENATOR

Caughman 360
Johnson 1,054
Malone 5,393
Marshall 3,625

REPRESENTATIVE

Harrison 2,636
Russell 6,938

GOVERNOR

Jepson 5,166
Tallman 4,877

Ceiling on Rent In Vegas To Be Set July 1, 1941

Senator Bunker Says
March 1, 1942, Is
Not Satisfactory

The rent ceiling in Las Vegas will be set earlier than the March 1, 1942, rates previously announced and probably will be set back to July 1, 1941, according to an announcement made today by Irwin Crandall, executive secretary of the local civilian defense office and secretary of the local fair rents committee, after he received a telegram to this effect from Senator Berkeley L. Bunker from Washington, D. C.

Crandall stated that some landlords still are raising rents in Las Vegas and are evicting people from rented properties, which, he said, is in violation of federal rulings and may result in serious trouble for offenders. "The ceiling is imposed now at rates established on March 1, 1942, and landlords cannot raise rents above that level," Crandall stated.

Must Lower Rent

He added that it is expected that the ceiling is planned to be placed at July 1, 1941, and in that event, landlords collecting higher rents will be required to lower rents to the basis charged on that date.

The fair rents committee of Las Vegas, appointed several weeks ago, has collected data on 300 written complaints filed in the civilian defense office, and information on each of these cases has been submitted to federal authorities in Washington, D. C. This file of information is the basis for announced plans for a "rent czar" to be appointed to come to Las Vegas to adjust the housing rental problem, the civilian defense secretary reported.

300 Complaints

On the basis of the 300 complaints, the houses involved were divided into three classifications, low price, medium, and high price rentals, under normal conditions, Crandall stated. The renters have shown in their written statements that the average increase in rents for the three types has been 98 per cent increase in the low price range; 63 per cent increase for the medium price range; and 35 per cent for the high price range, Crandall stated.

Landlords who have raised rents since the ceiling was placed on the basis of March 1, 1942 rents, are violating federal regulations and information on such cases available will be turned over to the "rent administrator" when he is appointed and takes over his duties here, Crandall reported.

SCRUGHAM AFTER BUNKER'S SCALP

JAMES G. SCRUGHAM, former governor of Nevada, and member of the House of Representatives for the past several terms, last week announced that he will be a candidate for a seat in the United States Senate, now held by Barkley Bunker, through appointment by Governor Carville.

Mr. Scrugham, many believe, has more than a slight edge on Bunker to win the Democratic nomination for U. S. Senator from Nevada.

However, with thousands of new voters in Nevada this year, due to government war plants of various kinds, especially in the Las Vegas district, very little information on how the land lies can be gained by the relative strength of candidates in former elections. That the Democrats, as far as numbers are concerned, far exceed Republicans is a foregone conclusion, and unquestionably Mr. Scrugham feels that to win the Democratic nomination from Bunker is as good as being elected.

Bunker did not make a hit in his home town when he challenged methods of the Basic Magnesium corporation, charging gross waste of government funds. In Washington Bunker was applauded for his determination to prevent government waste of money even though Jesse Jones denied the charge by calling Bunker a liar.

So the political battle is about to start, but with a world war in progress and the United States up to its neck in a life and death struggle, politicians will need yell high, wide and handsome to gain public attention against such tremendous opposition.

Jasper

The expected filing last week of Congressman James G. Scrugham for United States senate seat now held by Berkeley L. Bunker really started off the 1942 election campaign in Nevada, although not until August 1 will the complete field of candidates for all offices be officially known. Thus far all action and most talk is confined to the ranks of the Democratic party which is the majority party in this state.

It is interesting to note how the Democratic newspapers are so far adhering to a middle-of-the-road policy in regard to the important primary tussle between Scrugham and Bunker, while Republican papers, surprisingly, are making definite statements of a supporting nature, some for Scrugham, some for Bunker. Equally interesting is to note how this division of sentiment is proportioned on a geographical basis.

From Clark county, the rapidly growing "solid south" of Nevada, and Bunker's home county, come reports that the junior senator's attacks on the Basic Magnesium, Inc. contract with Defense Plant Corporation have cost him many votes among those who have found employment through this huge undertaking and those who believe it is the "making" of southern Nevada. This same sentiment seems to prevail through Esmeralda, Nye and southern Mineral counties where affiliated projects of B. M. I. are bringing new people and new business to these areas. In Hawthorne Scrugham is extremely strong, regardless of whether his opposition is Bunker or anyone else, because of his part in initiating and continuing the vast expansion of the naval ammunition depot here.

Going north from Hawthorne, observers find Bunker gaining strength because of his fight with B. M. I. and Jesse Jones' government finance agency, this strength holding right up to Washoe county, where a large degree of uncertainty prevails because Washoe, after all, is likely to go Republican. The eastern part of the state send reports that Bunker is gaining strength but the long-standing popularity of Scrugham must not be underestimated.

Likewise is sentiment divided, by localities, in regard to the first two candidates to file for the congressional seat which will be left vacant by Scrugham's move to seek the senatorial office. Lieutenant Governor Maurice J. Sullivan is a seasoned and successful vote-getter, while Clark county's state senator, Archie Grant, is one of the most widely known and popular men in the state today. It is too early to make any predictions on this party primary fight because of the possibility of one or more additional filings.

For most other state offices it appears there will be no shortage of candidates in the Democratic primary, thus the only question looming at this time is whether the big election will be in September, with the Democrats having all the fun, or whether the Republicans will come through with some surprises and take advantage of the definite splits that are certain to appear in the Democratic ranks.

Paul Ralli, Las Vegas city attorney, was the first to actually file for the lieutenant governor post to be vacated by Sullivan. J. E. Sweatt of Reno last week confirmed an intention expressed several months ago when he made formal announcement, and many more are expected.

Henry C. Schmidt is expected to seek re-election as state controller and will have primary opposition, John Koontz, Esmeralda county auditor and recorder, already has announced, and there may be more. Koontz, like Archie Grant, visited many parts of the state and asked friends, Democrats and Republicans alike, for a frank opinion on the idea instead of surprising the voters with "my friends have

urged, etc." In this way Koontz has had an opportunity to make many new friends, find out what they think of state politics, and let them know why he is seeking a state office. As a former hod carrier, and card man, he has had no trouble winning friends among the scores of workmen now employed here and many of whom will be registered voters in Nevada, come September.

Solon Raps Jones with 'Distorting Facts' on Deal

Washington. — A blunt-speaking Democrat from Nevada, Senator Bunker, declared in an address before the Senate that Jesse Jones, Reconstruction Finance corporation head and chairman of the defense plant corporation, resorted to "evasion, distortion of facts and subterfuge" in a statement on April 23 in which Jones replied to senate critics of a government contract for construction of a \$73,000,000 magnesium plant at Las Vegas, Nev.

The senator last week repeated his charge that the defense plant corporation had entered into an agreement with Basic Magnesium, Inc., of Cleveland for the construction and operation of the plant which would bring—on an investment of \$50,000—a profit of \$2,140,000, or 4,280 per cent, within one year to the Cleveland company.

In a statement to the senate defense investigating committee filed on April 23, Jones denied the charge.

Bunker, in last week's charge, declared that the agreement "is so sinister as to indicate that some officials in our government are guilty of malfeasance in the performance of their duties."

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How America Does Sleep!

Editor's note: This article is taken from the Purdue Exponent. The Evergreen thought it of sufficient interest to reprint.

America is asleep!

She doesn't know she is at war. Why, one would think that she doesn't even want war! From the way she acts, one might even think that she doesn't want to hate! I can't understand it.

Here America is trying to defend freedom and democracy, but she keeps on lounging around very sleepily in all her easy chairs. Only a few people seem to know what our role should really be in this world of war. These few people, mostly directors of industry and general defense, are showing their splendid Yankee spirit by stepping up production to a new high in industrial history. They have increased wages, lengthened the working week, pushed through legislation against such menacing organizations as Labor Unions, emasculating from them the unruly power gained through strikes, walkouts and threats of production stoppages.

We can look at some of our big industries and see the great sacrifices they are making for our cause. Yet, labor (organized and unorganized) refuses to realize two things—the efforts of Big-business to produce this war, and the extent of labor's own duty to win it. I say the man on the street has no patriotism. He grumbles because the draft is upsetting his comfortable position, and continually criticizes the government's war policies. He even quibbles because such companies as Standard Oil, duPont, and Basic Magnesium, Inc., are making what, under normal conditions, would be outrageous profits. He doesn't stop to think that these are not normal times, but rather war times—times of sacrifice and all-out effort.

Even some of our senators seem to be more content to quibble than do anything else, even in this critical time. For instance, Senator LaFollette right now is terribly worried about the mere fact that the partnership between Standard Oil and I. G. Farben (the great German trust which is Standard's business partner) is causing a big holdup in artificial rubber patents. Then too, look at Senator Bunker of Nevada. He seems to be "all het-up" just because "the Defense Plant Corporation and Basic Magnesium, Inc., agreement lays Basic Magnesium open for a profit of 4280 per cent on an admitted investment of less than \$50,000." Yes, it seems that every time a profit-making agreement is disclosed between London, Berlin and American big-businesses, some congressional skeptic raises a big stink.

What the United Nations need is more personal commitment to the war by Mr. John Q. Public, and less worrying about the fact that they are being sold out by their largest industries. Sure they are, but so what? If we would quit quibbling about the facts, and pay more attention to our Big Shot Super-patriots, we could all fight and die, shoulder to shoulder, in that old American spirit of blissful ignorance which is so self-satisfying and consoling.

Doyt Hamilton, '43

PAID POLITICAL ADVERTISEMENT

SOUTHERN
NEVADA
IS ENTITLED TO
EXPERIENCED
REPRESENTATION

FROM SOUTHERN NEVADA
IN THE
UNITED STATES

SENATE

BUNKER

WAS BORN IN SOUTHERN
NEVADA 41 YEARS AGO

BUNKER

HAS TWICE THE EXPERIENCE
IN THE U. S. SENATE
OF ANY OTHER CANDIDATE

BUNKER

HAS EIGHT TIMES
THE LEGISLATIVE EXPERIENCE
OF ANY OTHER CANDIDATE

RETURN

TO THE

SENATE

A NATIVE OF SOUTHERN NEVADA

ELECT

BERKELEY L.

BUNKER

A. C. A. vs. BASIC MAGNESIUM

In another column of this issue, The Age prints an editorial clipped from the Fallon, Nevada, Eagle, which drags into the open the smelly issue of the efforts of the Aluminum Corporation of America to forestall the building of the Basic Magnesium, Inc., plant for the production of magnesium.

It has been quietly suggested in many quarters that Basic Magnesium, Inc., cannot hope to compete with Aluminum Corporation of America and its subsidiaries, in the matter of producing magnesium and it has been studiously pointed out that the subsidiaries of the Aluminum trust possess the only feasible and workable process of producing magnesium.

The fact that one of the impelling reasons of government officials for the creation of the Basic Magnesium, Inc., organization, and the securing of the British government's processes which have been the most successful of any in the world in the economic production of magnesium, was the hope of breaking through the armor of the gigantic Aluminum Corporation trust which has so hampered America's war efforts through control of the production and marketing of aluminum.

Jesse Jones and others of the high officials of the government have believed that it is essential for the government to supersede the Aluminum Corporation in the production of magnesium. They secured the British rights and the British scientists, most expert in the world and the highest organization talent and constructive genius of America, to undertake the job. Basic Magnesium, Inc., is the result of those plans.

There has been and apparently still is a deep and bitter opposition on the part of the Aluminum trust, to Basic Magnesium. There appears to be an equally earnest determination on the part of Jesse Jones and other government officials, to break the grasp of the Aluminum Corporation of America upon the vital light metals industry so necessary to the prosecution of the war.

When the full truth is known it is very possible that the powerful hand of the aluminum trust may be found guiding the efforts to discredit and break down the Basic Magnesium enterprise.

Of one thing we are certain: If Basic Magnesium, Inc., can be destroyed and removed from the field as a competitor of the aluminum trust in the production of magnesium, it will be done. And if that should happen it will be a sorry day for Nevada and especially for Las Vegas.

PHOENIX, NEV. RECORD
CH. 370
MAY 29, 1942

Nevada Magnesium Industry in Danger?

Following is an article clipped from The Fallon Eagle (Fallon, Nevada) of April 18, 1942.

IS NEVADA MAGNESIUM INDUSTRY IN DANGER?

That there may be something a lot bigger than appears on the surface back of the uproar about Basic Magnesium is hinted in recent rumors to the effect that the Nevada skirmish is part of a titanic struggle for control of the light metals industry.

According to these rumors, the aluminum trust has its eyes on Grand Coulee where power is generated almost on top of the magnesium deposits, and where development of magnesium metal would be inexpensive by comparison to the cost of producing the mineral at Gabbs Valley and transporting it to Las Vegas for processing.

From persons in Washington close enough to the top to know something about the situation, have come the prediction that the Nevada producing quarries and the great processing plant at Las Vegas may be lost to the state if the aluminum trust has its way.

Accusations against Basic Magnesium by Senator Bunker of Nevada, have focused attention on that corporation which, if the senator is upheld in his contentions has a lush thing in its contracts with the government—which Jesse Jones of the R. F. C. hotly denies.

While the senate committee is investigating the Bunker charges, perhaps it had better go a step further and look into the whole light metal set-up, far enough to determine who is to dominate magnesium production and processing in this period of national peril.

The public is clamoring for a cleanup of any rottenness that may exist in war industries, and if Senator Bunker has uncovered some dirt, that's to his credit, whether it helps him get him-

self elected to the post he now holds by appointment or not. If there's bigger game than Basic Magnesium, Inc., in the offing, however, Thurman Arnold and the Truman committee had better go gunning for it and not waste all their ammunition on the smaller fry.

On the other hand, there may not be anything radically amiss anywhere as far as magnesium is concerned, and if that is the case the public mind will be eased considerably if the truth is dug out quickly and given to the people who are uneasy enough about war production as it is, without having this, too, to worry about.

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Chamber Is Told Las Vegas Hot Spot

At Tuesday's meeting of Las Vegas Chamber of Commerce, Vice-President Lloyd Tridel presided in the absence of President Sloan, who is confined to his bed by illness.

A telegram was read from Senator Bunker in which he advised the Chamber that the Las Vegas housing situation is being given consideration. The senator states that he feels that some solution of the problem will be arrived at and that he will press for additional housing facilities for Las Vegas.

It was announced that all the business houses of America have been asked to suspend their regular business for fifteen minutes beginning at noon of July first and devote their energies during that period to the selling of defense bonds and stamps.

Mr. Tilton, acting regional chairman of the National Resources Planning Board was present as a guest.

Mr. Tilton spoke briefly, declaring that "Las Vegas is one of the national hot spots—one of the strategic points of the nation. Your problems are neither exceptional nor unique."

The speaker stressed the need particularly of coordination of efforts. "The efforts being set forth by the nation are prodigious—gigantic and reveal the tremendous productive capacity of the nation," he said.

"Here you have the problem of getting into production one of the mightiest plants for the production of magnesium in the world. Here in Las Vegas the important problem has been to get the 'know how'. As I see the picture your troubles are temporary and you should not get too much annoyed. Perhaps this town suffers from lack of community planning."

Bunker Is Here For Helldorado

Senator Berkeley L. Bunker arrived this morning from Washington, D. C., to be present in Las Vegas for the annual Helldorado celebration.

Holding a series of conferences with leaders in this area, Bunker was scheduled to launch an intensive campaign for reelection, and is expected to remain in the state for some time.

Sen. Berkeley Bunker Arrives In Las Vegas

United States Senator Berkeley Bunker arrived in Las Vegas yesterday morning, traveling by air. He was among the guests at Thursday noon's meeting of Las Vegas Rotary Club.

Senator Bunker is planning to spend a few days in Nevada.

UNION
INDIANAPOLIS IND.
6/4/42

It's a Great System

By JOHN PAINE
Federated Press Writer

LITTLE LUTHER

"I see by the papers, father," said Little Luther, "that Sen. Bunker of Nevada says the Basic Magnesium Co. with the assistance of Jesse Jones' Defense Plant Corp. is making a 4,280 per cent on its contract for a war plant at Las Vegas."

"Such remarks," replied Mr. Dilworth, "are unworthy of a United States senator and patriotic little boys should not go around repeating these smears on American business."

"But, daddy, if Mr. Mackerel, the grocer, was overcharging us, you would want me to tell you about it, wouldn't you?"

"Has that fellow rigged our bill again? Why, I'll . . ."

"No, no, daddy, but I think the people ought to know when some company gets its fingers stuck in the national pocketbook."

"But, my boy," shouted Mr. Dilworth, grabbing the paper from Luther, "Jesse Jones says the

plant is wholly owned by the government and will be operated for its account."

"If the government owns the plant, then why did it pay the company \$300,000 for supervising construction after the government pays all bills, including the wages, salaries and materials as well as construction, engineers' and contractors' fees to the tune of \$1,000,000?"

"How many times do I have to tell you, Luther, that a company is entitled to a fair return on its investment."

"Yes, father," said Little Luther meekly, "but the only money the Basic Magnesium outfit invested was \$63,000,000 that the government lent it. Why couldn't the government have taken the 63 million and built the plant itself and it wouldn't have had to . . ."

"That," screamed father, "would be state socialism and nothing is more destructive of the very foundations of our democracy."

"In other words, father, the government had to 'bribe' somebody to the tune of \$63,000,000 to get a plant built so that this country could have enough magnesium for the war."

"That is not bribery, my boy. It is because of such private enterprise that we have the finest industrial system in the world."

"Then why haven't we got enough magnesium?"

"Probably because of restrictive regulations by some damned union . . ."

"Yes, indeed, father, a union of the Aluminum Corporation of America and the Nazi chemical trust. Under one of those cartel agreements, the ALCOA agreed with the Germans before the war to limit U. S. production as much as they wanted as long as they did not compete with ALCOA's aluminum trust."

"Luther, my boy, I'm going to have to speak to your mother about that catalog I received from the school for incorrigible boys."



Review-Journal 8/12/46

Nevada Mining Needs

Berkeley L. BUNKER

in the

U. S. SENATE

BUNKER fought

- To raise prices paid producers of silver and gold.
- To continue premium price payments on copper, lead and zinc.
- To raise the base price of copper, lead and zinc.
- To continue stock piling of strategic and critical metals and minerals.
- To assist in financing prospectors.
- To amend the SEC law to allow financing of mining development.

Of Him, mining men say,

"Nevada is a great mining state and its mine owners and miners are fortunate in having in the United States Congress a man like Berkeley L. Bunker, who is so well qualified to act intelligently on all activities pertaining to mining."—U. S. Senator Joseph F. Guffey, Chairman, Senate Mines and Mining Committee.

"The young Congressional fighter from Nevada, Berkeley L. Bunker, is leading the fight to trim down the SEC to a rational and decent basis."—Addison N. Clark, Consulting Mining Engineer, Oakland, Calif., in the Mining Journal.

"Recently I read with the greatest interest your comments on the House floor on the Federal Securities and Exchange Commission. The SEC has degenerated steadily. It has, in fact, arrived at the point where it acts mainly as a tool for the Wall Street law firms that make a fortune out of getting securities issued for the big established corporations through the SEC and killing off all new enterprises. I hope you will keep after the SEC."—Cyrus S. Eaton, Business Executive, Cleveland, Ohio.

Your Vote for

BERKELEY L. BUNKER

in the September 3 Democratic primary and the November general election will give the mining industry a powerful voice and a sound vote in the United States Senate.

(Paid Political Advertisement)

Review-Journal 8/31/46
Reprinted from Reno Gazette
JULY 30th, 1946

Bunker Dodges Another Issue

NEVADANS, WHETHER they believed in continuing OPA or not, should be interested in what occurred this week in Washington when the compromise OPA bill was voted on in the house and senate.

In the senate, Sen. Pat McCarran and Sen. E. P. Carville were at their posts and both voted in favor of the measure.

In the house, Rep. Berkeley L. Bunker, who seeks the nomination for the seat now held by Senator Carville in the Democratic primary in September, was not recorded as voting; neither was he recorded, the Associated Press tells us, as being paired with any other house member.

Mr. Bunker, in fact, was busy in Las Vegas, presumably in the interests of his primary campaign.

This is typical of Mr. Bunker. It will be recalled that he has an outstanding record of dodging votes on major issues. In our opinion, the people of Nevada who elected Mr. Bunker as their representative in congress did not elect him with the thought in mind that he would become a persistent vote-dodger and devote his time to personal political ambitions when he is needed in Washington.

While the matter of whether Mr. Bunker or Senator Caville shall be nominated for the post of senator is a Democratic problem, Mr. Bunker is at the present time the representative of all of the people in Nevada. His record, to put it charitably, indicates that Mr. Bunker is representing Mr. Bunker and Mr. Bunker alone.

NO COMMENT

(Paid Political Advertisement)

Las Vegas Review Journal
June 1 1942

Sen. Bunker Files Protest Against Reduction Tariffs

A few days ago in voicing objection to any reduction in tariffs on metals mined in Nevada for the benefit of Mexico and Bolivia, Senator Berkeley L. Bunker declared:

"The mining interests of Nevada are willing to do anything to help win the war but they question both the wisdom and the necessity of making any trade treaties involving the metals mentioned in the proposed revised agreement between the United States and Mexico and Bolivia.

"I note that recently higher prices have been given Mexican lead and zinc producers; that is equivalent to reducing the tariff. One cannot help wonder why the same or similar inducement could not have been granted our western miners so that they too could go after more sorely needed metal in Nevada and why, on the contrary, the miners must now face an action which may very well mean an abandonment of their plans to increase production.

"Metal mining has always been a very important industry in my state but I fear for its future if the protection under which it has operated for so many years is to be withdrawn or modified.

"As I see it, the question simmers down to whether or not we are willing to uphold our high labor standard in the west. Nevada mines cannot be expected to compete with foreign labor paid only about one-fourth or one-sixth our wages."

Las Vegas Review Journal
June 6, 1942

Senator Berkeley Bunker was scheduled to deliver the commencement address at the Montello high school, home town of M. E. ("Ted") McCuiston, Nevada director for the office of government reports. Observers have expressed the belief that this may be McCuiston's way of paying off the obligation entailed in securing Bunker's support for the OGR job. The junior senator will need more than Montello to win the election, but it's a start.

Las Vegas Review Journal
June 9, 1942

Joint Income Tax Proposal Opposed

RENO, June 9 (Special)—Resolutions urging Nevada's representatives in the senate and house to use their best efforts to prevent passage by congress of the treasury proposal to make mandatory the filing of joint income tax returns by husbands and wives, were adopted recently by the board of governors of the Nevada State Bar and sent to Senators McCarran and Bunker and Representative Scrugham by A. R. Schindler, secretary of the state bar.

The board of governors includes Harlan Heward, president; A. J. Maestretti, E. F. Lunsford, W. J. Forman, Arthur Ham, Grover L. Krick, H. U. Castle and Merwin H. Brown.

Las Vegas Age
June 19, 1942

Bunker Predicts Nazi Defeat By Summer of 1943

Sees Allies Holding Own in Europe in Coming Year

Senator Berkeley L. Bunker predicted today that the war, so far as Germany is concerned, will be over by mid-summer of 1943.

"We'll hold our own on the European fronts this year," he detailed, "will gain the upper hand during the winter, and go on to complete victory in the spring and summer of next year.

Production Wins

"American production is winning the war now—we're piling up vast quantities of supplies for our own forces and those of our allies. Our big problem is getting them across the water. We need ships and need them badly. Our losses in merchant vessels, have been terrific, but we'll overcome that handicap too.

"By late fall, we'll be so far outstripping the enemy in production, that when the fighting opens next spring we'll have overwhelming superiority everywhere. German production is declining now and will get smaller and smaller. We'll crush Hitler completely in 1943."

Japs Different

As to the Japanese situation, Senator Bunker said that was an entirely different problem.

"We're going to have to bomb the Japs to defeat them. Only by complete destruction of Tokyo, Yokohama and the other great cities, can we bring the Nipponese to their knees.

"If we are able to start this drive next spring and continue it until the Japs sue for peace, we might wind up the war there next year.

"But if we have to retrace our steps, island by island, it may take years," he concluded.

Here for Week

Senator Bunker will be in Las Vegas until the middle of next week, perfecting campaign plans, and will then go north through Lincoln and White Pine counties, returning to Washington about July first.

He will return to Nevada with his family some time later and remain here until the primary campaign is concluded.

State headquarters have been opened in Reno and for the present are in charge of Mrs. Florine Maher, secretary to Senator Bunker.

Las Vegas Review Journal
June 24, 1942

Senator Bunker Speaks To Club

Senator Berkeley L. Bunker, junior senator of Nevada, was guest speaker at a luncheon meeting of the Las Vegas Klwanis club held at the Sal Sagev hotel at noon today.

Three important problems face Americans today, he said—first, to win the war; second, to write a more lasting peace; and third, prevent a depression following the war.

J. Harold Brinley, principal of the Las Vegas high school, was a special guest at the luncheon meeting.

Las Vegas Review Journal
June 19, 1942

Senator Bunker Files Candidacy

RENO, Sept. 17 (Special)—Senator Berkeley Bunker today filed for the United States Senate.

Former Governor Richard Kirman honorary chairman of Bunker's election committee, was present when Bunker filed notice of his candidacy in Carson City.

Las Vegas Review Journal
June 27, 1942

BUNKER IS "LOST" BUT FINALLY IS FOUND—ASLEEP

U. S. Senator Berkeley L. Bunker was "lost" for several hours Saturday afternoon and evening, and the innocent cause of a frantic "search" that had officers of Salt Lake City and several Nevada counties on the "trail" and had relatives and friends in southern Nevada on the anxious seat until long after midnight.

There were all the elements of a deep mystery when the senator failed to appear for a speaking engagement at the Young Democrats' convention in Salt Lake City Saturday afternoon.

Salt Lake authorities understood he was to have driven to Salt Lake from Las Vegas by way of Caliente, Pioche and Ely, and when he didn't arrive on schedule, started checking through this group of towns.

When no trace could be discovered, the story began to spread that the senator was lost on the desert somewhere in between.

Las Vegas reported he had gone to Reno to attend the state federation of labor convention. Reno reported he wasn't scheduled to speak there until Sunday which wouldn't interfere with his Salt Lake date.

Toward the middle of the evening, telephones were hot, telegraph wires buzzed, but still the senator's whereabouts could not be ascertained.

He was registered at the Riverside Hotel in Reno, but the clerk reported he hadn't been seen since shortly after noon, which would have allowed him sufficient time to be "lost" en route to Salt Lake.

The rumor spread around Las Vegas like wild-fire and the police, newspaper offices and relatives were deluged with phone calls.

Finally, about 12:30 a. m. yesterday, the bureau manager of the United Press in Reno decided to take the matter personally in hand. He learned the number of the senator's room and banged on the door. Somewhat sleepily, Bunker answered to assure the press representative he had not been missing—that he had merely retired to get some rest and left instructions he was not to be disturbed.

Further investigation developed the fact that he had wired the Salt Lake convention he would be unable to keep the speaking engagement because of a switch in the labor convention program.

The wire was not received and that's where all the excitement started.

Pioche Record
July 2, 1942

Senator Bunker Visits Pioche

Senator Berkeley L. Bunker who filed for the United States Senate last week, spent Thursday afternoon in Pioche, visiting with friends and acquaintances.

The Senator seeks nomination to succeed himself on the Democrat ticket. He was appointed by Governor E. P. Carville soon after the late Senator Key Pittman died shortly after his successful 1940 candidacy.

Advertising is effective, during war, just as in days of peace; the smart business man in Pioche can capitalize upon any condition.

Mining Bill Places Six Claim Limit

Intention Notice To Hold Ground Must Be Recorded

Copies of the bill, H. R. 6604, providing for the suspension of annual assessment work on mining claims, were received by The Humboldt Star this week from Senators E. A. "Pat" McCarran and Berkeley L. Bunker and clarifies several misunderstandings held by claim owners relative to the measure.

POINTS CLEARED UP

The act was signed by President Franklin D. Roosevelt and is now in effect. The text of the measure follows and its contents clear up several points regarding the number of claims under the exempt limit, that a notice of intention to hold claims must be filed, etc:

"Be it enacted by the senate and house of representatives of the United States of America in congress assembled, That the provision of section 2324 of the revised statutes of the United States, which requires on each mining claim located, and until a patent has been issued therefor, not less than \$100 worth of labor to be performed or improvements aggregating such amount to be made each year, be, and the same is hereby, suspended as to all mining claims in the United States, including the territory of Alaska, during the years beginning at 12 o'clock meridian July 1, 1941, and ending at 12 o'clock meridian July 1, 1943:

"Provided, that every claimant of any such mining claim, in order to obtain the benefits of this Act, shall file or cause to be filed, in the office where the location notice or certificate is recorded, on or before 12 o'clock meridian July 1, 1942, and July 1, 1943, a notice of his desire to hold said mining claim under this Act: Provided further that such suspension of assessment work shall not apply to more than six lode-mining claims held by the same person, nor to more than 12 lode-mining claims held by the same partnership, association, or corporation."

R/J 6/18/46

Bunker Hits Reds

Proposes Roundup
Of U. S. Communists

WASHINGTON, June 18. — Congressman Berkeley L. Bunker (democrat-Nevada) recommended today that all Communists in the United States be rounded up by the Federal Bureau of Investigation "for an intensive orientation course in Americanism and that those who do not renounce Communism be deported."

Mr. Bunker made the proposal in a press statement after studying a 73-page report by the house committee that is investigating non-American activities.

"Some of the conclusions of the committee are startling," Bunker declared.

"We have ample authority that any avowed Communist is committed to join in the overthrow of the United States government by force and violence when the opportunity comes in the opinion of his party.

"A Communist is a potential murderer and we have no room for him.

"In the words of the committee: 'The time for gullibility has passed.'

Referring to the Communist politbureau as a "handful of men under the influence of Moscow," Bunker recalled that it was "a group of 200,000 Communists who instituted the Russian revolution that placed more than 170,000,000 Russian people under the totalitarian government that exists in Russia today."

He called attention to a recently broadcast debate in which William Z. Foster, leader of the Communist party in America, did not deny that he had testified before congressional committees that "religion to the Communist party constitutes the opiate of the people," that members of the party with religious scruples would be useless to the party and that every Communist party and every Communist party worker in every country "has only one flag — the red flag."

He charged that the Communist party today is carrying on "one of the most clever, unscrupulous and effective propaganda campaigns ever conceived and promulgated on a world-wide scale.

Review-Journal 7/9/46

Bunker Enters Demo Race for U. S. Senate

Las Vegas Congressman Files Papers with Secretary of State As Candidate for Senior House



B. BERKELEY L. BUNKER

Rep. Bunker Sponsors Bill To Aid Vets

WASHINGTON, D. C., July 13 (WNS) — Veterans are permitted to deduct premiums they pay for national service life insurance from gross income by the terms of a bill introduced by Representative Berkeley L. Bunker of Nevada, he said today.

The bill was referred to the house ways and means committee. Representative Bunker said he would push the measure for quick passage in the house and was hopeful it would pass in the senate without delay.

He said veterans were entitled to this consideration, and that he did not expect opposition to the bill.

The measure covers only World War II veterans, he said.

Support Bunker

Rail Conductors
Give Endorsement

Endorsement of Berkeley L. Bunker for the United States senate in Tuesday's primary election by the Order of Railway Conductors was revealed today.

In a letter to Nevada divisions of the order, H. W. Frasey, president, and W. D. Johnson, vice president, of the Order of Railway Conductors, declared:

"We trust that our members will work and vote for the endorsed candidate and will urge their neighbors, friends, relatives and fellow-workers to do likewise."

The endorsement by the railway conductors was in addition to those already given by railroad brotherhoods, including the Brotherhood of Railroad Trainmen, Brotherhood of Railway and Steamship Clerks, International Brotherhood of Boilermakers, Iron Ship Builders and Helpers of America, and the International Association of Machinists.

CARSON CITY, July 9 — Berkeley L. Bunker, Nevada Congressman, filed with the Secretary of State today his declaration of candidacy for the nomination of United States Senator in the September primary.

He seeks election to the seat now occupied by elderly E. P. Carville, who resigned as governor of Nevada, to fill the Senate vacancy caused by the death of James G. Scrugham.

Bunker, once the nation's youngest United States Senator, now 40 years of age, based his bid for return to the Senate on his legislative record and experience of a decade in the Nevada State Assembly, the United States Senate and the House of Representatives.

He expressed the belief that he could do more in the Senate than in the House to hasten the development of Nevada and the West into a greater empire of opportunity.

A vigorous fighter, clothed with Senatorial prestige, should accomplish much more than can one man among 435 members of the House of Representatives, was the basis of his contention.

He outlined his knowledge of the problems of stockman, farmer, miner, laborer and small businessman, and pointed to the fact he has raised his voice in congress in their behalf. Bunker also pointed out he had sought Nevada's just share of Federal funds for her roads, her airports, her hospitals, her aged and blind, and under-privileged.

The economic welfare of our country depends upon the well-being of the 14,000,000 men and women who have served their country on the war fronts of the world, Bunker also declared as one of the reasons for his candidacy.

Mining Bill Is Stymied

Bunker Measure May Not Pass House

WASHINGTON, D. C., July 20 (WNS) — His bill providing for exemption of any person engaged primarily in the mining or production of minerals from the Securities Act of 1933 is not likely to pass the House before recess or adjournment, Representative Berkeley L. Bunker of Nevada said today.

In discussing the measure, Representative Bunker said he believed that the Securities and Exchange Commission had exceeded the authority Congress intended it should exercise, especially in the attempts of S.E.C. to dictate evaluations of property in the process of exploration and in setting up certain fantastic accounting routines.

He said he is confident that our laws dealing with fraudulent practices and misuse of the mails are adequate to protect the investing public without further intermeddling by the Securities and Exchange Commission. He said his measure would exempt from unnecessary bureaucratic red tape certain securities issued by individuals, firms, or corporations engaged in prospecting for minerals, metals, petroleum, natural gas or in their production.

His bill would remove these and similar barriers to mining progress, he said.

"The bill is still in the Committee on Interstate and Foreign Commerce," Representative Bunker said today. "It has been bottled up there. Although hearings were promised, none have been held."

Representative Bunker said that in the rush for recess or adjournment, there would be little chance of getting the bill out on the floor.

He said if Congress takes a recess until after Labor Day, it may be possible to get action on his bill.

Miners Say

Cannot Produce Silver For 71.11 Cents

Review-Journal 7/12/46



By Berkeley L. Bunker

Consolidation

The first step taken toward reorganization of the Executive Department of the federal government has brought about the creation of the land management bureau in the department of interior, which will eliminate the general land office and the grazing service. The new bureau will have control of 40,000,000 acres of public lands. It will be headed by Fred W. Johnson of Wyoming, a man of many years experience as commissioner of the public land office, and one who is well acquainted with western problems. Hundreds of thousands of acres of grazing land and homestead land lie in Nevada and the new move will be watched with interest as to the results that should be achieved in efficiency and elimination of some of the red tape to which our people have objected in the past. The consolidation came on the recommendation of President Truman and was approved by congress. It is one of numerous similar recommendations that have come from the occupants of the White House numerous times over the years since the national government started assuming the far-reaching proportions that it has today.

Getting Rid of Laws

Several years ago a movement was started and became known as the "Repeal a Law a Week" drive. It didn't get very far. It was Thomas Jefferson who first expressed the belief that a government governs best which governs least. The idea has been revived again in recent times in congress. Already passed by the Senate is the Judicial Review Bill, which its author, Pat McCarran of Nevada, hopes will bring about the material reduction in number of laws now on the books. The facts are that when one considers all of the ordinances passed by his city or town, the county regulations, the state laws and the federal laws, it is difficult to go along with the old theory that "ignorance of the law is no excuse." That probably is even more true in some of the older eastern states. Many of the laws of those states are so obsolete that they frequently are publicized as ridiculous as applied to the conditions and affairs of our day.

Marriage Needn't Be a Gamble

After seven years' survey, study and analysis, Professor Ernest Burgess of the University has decided that marriage need not be a gamble. His study covers the complaints and complaints of 526 couples. This noted sociologist concludes that a girl who is looking for a happy marriage will do best to fall in love with a chemical engineer, a clergyman, a college professor, an athletic coach, a school teacher, an accountant or an office worker. On the other hand, he concludes, a bride faces more difficulty in achieving happiness if she marries a laborer, a traveling salesman, mechanic, carpenter, plumber, musician, barber or railroad worker. And he says that couples married for 15 years or more who have children are happier than those who have no children. He found, too, that the common theory of the attraction of opposites to be defective. Social and educational backgrounds, common to both of the parties to a marriage, usually result in greater happiness, he said. The professor doesn't explain why he is not married, and this columnist is only reviewing what he has written on the still popular subject of how to get married and live happily ever afterward.

Development of Alaska

A measure has been introduced in Congress by Representative Kearney to create a veterans' employment and national economic development corporation. It has been popularly received by GIs everywhere, especially those who see in it the possibilities of bringing about intensive development of Alaska. Some of them point out that Alaska has boundless opportunities in the development of natural resources, that its climate is not a serious drawback, and that Alaska could become the home of several millions of Americans, who know the pioneering spirit that moved many of our forefathers westward to build the agricultural and commercial empire that we know today. Kearney's bill probably will get more than passing attention.

Nevada Visitors

Recent visitors from the Silver State included: Mr. and Mrs. Wallace Jones of Overton, who visited their daughter in Detroit and stopped over in New York and Washington; Mr. and Mrs. John S. Halley of Reno, spending a few days in Washington after attending the Elks' convention in New York City; H. H. Gillings, general manager of the Basic Magnesium Project, and S. F. Cogan, president of the J. M. Montgomery company, in Washington on business; Jim Parker, popular Nevada youth, just discharged from the army, visiting Washington before returning home; Dr. Herbert M. Dixon, prominent Las Vegas eye specialist, and Mrs. Dixon, who have made a tour by trailer of the coast line of the United States, and expect to be back in Las Vegas early in the fall.

R/J 7/25/46

Bunker Says Democrats To Hold Nevada

Congressman Berkeley L. Bunker, as the principal speaker at a meeting Wednesday evening of the Clark county young democrats, said there was a heavy influx of republicans in Nevada but predicted that democrats would continue to dominate state offices.

A former president of the organization, Congressman Bunker gave a report on congressional legislation. He discussed the silver bill, the atomic control bill, the housing bill and terminal leave for enlisted men.

Newly elected officers of the organization and political candidates were introduced at the meeting. Candidates present in addition to Bunker were H. E. Hazard, Gerald Stewart, Louis Pulsipher, Ambrose Murphy, M. C. Oglesby, Clem Malone, C. D. Baker, Mahlon Brown, Jim Young, Gordon Esterbrook, Robert Jones, George Oglivie, Clifford Jones, Tom Adams, Gene Ward, Ted Cupit, O. R. Bryant, Curtis Capelle, Gertrude Masengale, Lynn Scott, George Ulom, Glen Jones and Alf Hardy.

Bunker Says Silver Is Hoarded

Claims Foreign Countries Awaiting Rise In Price for Metal

BULLETIN

WASHINGTON, July 12 — (AP) — The senate voted today to stand firm on its demand for an immediate increase in the treasury's purchase and sale price of silver to 90.3 cents per fine troy ounce.

The vote was 54 to 25. The senate action threw the issue back into conference with the house, which is standing equally firm on a price no higher than 71.11 cents.

The senate reaffirmed its preference for the higher figure after Senator Pat McCarran, democrat, Nevada, declared that silver mines would be unable to meet production costs with a price increase.

The provision for 90.3 cent silver was written for the senate into the \$1,604,862,140 treasury-post office appropriation bill. The house has voted twice to reject the senate's proposal for the higher price.

Sensors Theodore F. Green, democrat, Rhode Island, and Charles T. O'Connell, republican, New Hampshire, opposed the senate proposal, claiming it would be unfair to industrial users of the metal.

WASHINGTON, D. C., July 12. (WNS) — Representatives of the mining industry presented testimony in the senate which showed conclusively that their mines could not produce silver at the price of 71.11 a fine ounce and realize any profit therefrom, Representative Berkeley L. Bunker of Nevada said today.

He said the house was at fault in attaching the silver rider to the treasury-postoffice appropriation bill, and that the senate acted fairly listening to testimony of the silver-using industries and to the mining representatives.

Representative Bunker said it had been indicated that the price of silver in foreign countries is around 35 cents an ounce and that silver is being hoarded awaiting passage of legislation that will raise the price of foreign silver to 90.3 cents an ounce.

Silver is nowhere in the world available at 71.11 cents an ounce, to say nothing of 35 cents an ounce, he said, and if this were not true the manufacturing industry would not wish to buy silver from the United States treasury at 71.11 cents an ounce.

The Bank of Mexico July 1, 1946 took the position that silver would be made available for export if the price reaches \$1.05 an ounce, Representative Bunker said, and there is no indication that silver can be bought in Mexico for importation into the United States for less than figure.

Market price of silver in Bombay May 27, 1946, was \$1.54 an ounce, the representative said.

He said it would be a serious mistake if the treasury were established as a constant source of supply of silver for the benefit of the silver using industries, and that silver should not be sold by the treasury for less than its monetary value of \$1.29 an ounce, a price on the statute books since 1792.

Rider attached to the treasury and post office department appropriation bill would increase the price of silver from 71.11 an ounce to 90.3 cents until June 30, 1948 and make the price \$1.29 an ounce after June 30, 1948.

R/J 7/24/46

Forecasts Silver Rush

Rep. Bunker Praises McCarran's Victory

Heralding the successful fight of Nevada's Senator Pat McCarran for the new silver price of 90.5 cents an ounce, as one of the most outstanding legislative feats in a decade, Congressman Berkeley L. Bunker today predicted a new era in development of silver and stimulation of the mining industry in Nevada.

"However," Congressman Bunker continued, "the next session of Congress will be as important to the mining industry as any session in recent years, with much more and sorely needed legislation pending."

Congressman Bunker pointed out that in the closing sessions the House of Representatives had enacted the higher price for silver; had the OPA bill revised for the probable signature of the president; enacted atomic energy legislation, and sent to joint House-Senate conference the bill for terminal leave for enlisted men which now will require only the formality of a vote, with passage a sure thing.

Only minor changes in bills and comparatively unimportant routine matters still remain before Congress is expected to adjourn this week end or early next week, Bunker pointed out.

He declared that some of the most important legislation in history has been passed during this session of Congress.

"However," Bunker stated, "while the 79th Congress has accomplished a great deal, their remains much uncompleted legislation and much to be done in effecting the proper transition from war to peace. The 80th Congress will be one of the most important in the last decade."

The balance of this year should show a return to full production and the lifting of a great number of government controls over business, Congressman Bunker also predicted on his arrival in Las Vegas.

"Although the 79th Congress did much for the veteran, there still remains a wide field for expansion of existing laws and enactment of additional legislation to adequately protect the proper needs of all veterans who have returned, those yet to return and those disabled in the service of their country," Bunker said.

Congressman Bunker will be in Las Vegas until the end of the week, when he will leave for a tour of the state in behalf of his candidacy for the United States Senate, he said.

"I shall personally cover every precinct of the state to feel the pulse of public opinion on the actions of the 79th Congress and their feelings toward future legislation.

"I shall conduct the same clear-cut, well defined campaign I always have conducted in Nevada, in seeking election based on my past record, to the United States Senate," Bunker declared.

A Las Vegas office for Bunker for Senator has been opened in the automobile showroom in the Texaco Service station building at Fifth and Fremont and another office has been opened in Reno, Bunker revealed.



BERKELEY L. BUNKER

Bunker Leaves On State Tour

Congressman Berkeley L. Bunker, democratic candidate for the United States Senate, left today on a tour of the state in the interests of his campaign.

He plans to spend a week in Reno, then will go to Winnemucca, Ely, and Elko, returning to Las Vegas in about 10 days.

Congressman Bunker has opened campaign headquarters both in Las Vegas and Reno. He returned to Nevada recently from Washington, D. C., accompanied by his wife and their two small daughters.

R/J 8/17/46

Bunker Supported

Three Groups Endorse Returned to Senate

Three endorsements of the candidacy of Congressman Berkeley L. Bunker for election to the United States senate have been received, it was learned here today.

The Brotherhood of Railway Trainmen, through A. F. Whitney, national president, endorsed Bunker's return to the senate. (Bunker served in the senate prior to his election to the national house of representatives.)

All lodges of the International Brotherhood of Boilermakers, Iron Shipbuilders and Helpers of America, have been informed by J. H. Guthridge, international vice president, that the Railway Labor Executives association has endorsed Bunker.

The International Association of Machinists, Clark and Lincoln county lodge, also unanimously endorsed Bunker's candidacy.

Bunker at present is in northern Nevada and is expected to return to southern Nevada on Aug. 26 to wind up his campaign.

The congressman is a candidate for the senatorial nomination on the democratic ticket at the Sept. 3 primary election.

Reno Gazette
July 13, 1942

Senator Bunker Adds to Charges Against Mismanagement, Huge Profits Are Alleged

BMI President
Is Accused
Of Politics

WASHINGTON, July 13. (AP)—Senator Bunker of Nevada told the senate today that the Defense Plants corporation had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, by Basic Magnesium, Inc.

Referring to Basic Magnesium as "the company that stands to make a profit of 4280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the senate defense investigating committee.

"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.

He said that on April 9, Defense Plants corporation had signed a management contract with Coverdale & Colpitts of New York City.

"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," he declared. "It is to be paid by the Defense Plant corporation, although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."

Bunker said that on June 15, test drilling had not been completed on the Basic claims, "notwithstanding the fact that the government had spent \$5,000,000 in a plant to process the ore."

"It is intensely interesting to know that the contract for the ore has not been signed," Bunker continued, "although the plant should start operation and production of magnesium some time in August. There are claims adjacent to the ore reduction plant which no doubt could be obtained should the present source of ore prove unsatisfactory, or other claims throughout the state."

"The question is, should Basic Magnesium be permitted to exact an exorbitant war time profit on all or any ore supply?"

Bunker read from a report by P. H. Rustin of the auditing division of the Defense Plant corporation, the following statements:

Basic Magnesium

LOS ANGELES, CALIF.
TIMES, Cir. 317,500, Sun. Cir. 407,574
JULY 13, 1942

Nevada Magnesium Plant Management Fee Disclosed

WASHINGTON, July 13. (AP)—Senator Bunker (D.) Nev., told the Senate today that the Defense Plants Corporation had signed a contract to pay a New York company \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to Basic Magnesium as "the company that stands to make a profit of 4280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the Senate defense investigating committee.

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of Basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.

He said that on April 9 Defense Plants Corporation had signed a management contract with Coverdale & Colpitts of New York City.

"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," he declared. "It is to be paid by the Defense Plants Corporation, although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."

Bunker said that on June 15 test drilling had not been completed on the Basic claims, "notwithstanding the fact that the government had spent \$5,000,000 in a plant to process the ore."

Las Vegas Review Journal July 16 1942

Capital Chaff

Despite Leon Henderson's hectic crusade to keep a price ceiling on all foods, there is one ceiling he is going to raise immediately—canned crab meat. Reason is that before Pearl Harbor most canned crab meat came from Tokyo. So the price Henderson originally set was based on cheap Japanese labor. Now it will be raised to meet American labor standards. . . . "Whenever I come to Washington," says Walter Winchell, "I am amazed at the number of big men supposed to be working for the country who spend their time working against each other." . . . Opening prayer in the senate was offered recently by a clergyman but by a member of the U. S. senate itself—Berkeley L. Bunker of Nevada, a former bishop in the Mormon church. . . . Mrs. Herbert Bayard Swope, asked what the war department was doing to her dynamic ex-editor husband, replied: "It isn't a question of what the war department does to Herbert, it's what he does to the war department."

Fresno, Cal., Bee
Cir. 47,421
JULY 13, 1942

Bunker Aims New Charge At Las Vegas War Plant

WASHINGTON, July 13. — (AP)—Senator Bunker, Democrat, Nevada, told the senate today the Defense Plants Corporation has signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project near Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to Basic Magnesium as "the company that stands to make a profit of 4280 per cent on an investment of less than \$50,000," Bunker said "gross mismanagement on the part of the Basic Magnesium officials was established" in an investigation by the senate defense investigating committee.

Bunker said: "Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he is willing to spend \$100,000 to correct the same."

Contract Was Signed
He said on April 9th Defense Plants Corporation signed a management contract with Coverdale & Colpitts of New York City.

"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," he declared. "It is to be paid by the Defense Plant Corporation although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."

Bunker said that on June 15th test drilling had not been completed on the Basic claims, "notwithstanding the fact that the government had spent \$5,000,000 in a plant to process the ore."

Bunker read from a report by P. H. Rustin of the auditing division of the Defense Plant Corporation, the following statements:

Supervision Is Needed
There is need for more effective supervision over D.P.C.'s funds now being spent by Basic Magnesium.

Employees of Basic Magnesium authorized to draw checks were not bonded.

Eleven bank accounts were maintained by Basic, of taxpayer funds. Basic has disbursed approximately \$20,000, the properties of which were neither approved nor authorized.

The executive payroll is excessive. Basic Magnesium is not in a strong financial position and its principal source of income is the construction fee, the interest in which was assigned to a Cleveland bank.

New Management Hired For Magnesium Plant

Senator Bunker Tells of \$100,000
Contract Signed With New York
City Firm

WASHINGTON (AP)—Senator Bunker (D., Nev.), told the Senate yesterday that the Defense Plants Corp. had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to basic magnesium as "the company that stands to make a profit of 4,280% on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the Senate Defense Investigating Committee.

"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.

He said that on April 9 Defense Plants Corp. had signed a management contract with Coverdale & Colpitts of New York City.

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"It is intensely interesting to know that the contract for the ore has not been signed," Bunker continued, "although the plant should start operation and production of magnesium some time in August. There are claims adjacent to the reduction plant which no doubt could be obtained should the present source of ore prove unsatisfactory, or other claims throughout the state."

"The question is, should basic magnesium be permitted to exact an exorbitant war time profit on all or any ore supply?"

Bunker read from a report by P. H. Rustin of the auditing division of the Defense Plant Corp., the following statements:

There is need for more effective supervision over D.P.C.'s funds now being spent by basic Magnesium.

Employees of Basic Magnesium authorized to draw checks were not bonded.

Eleven bank accounts were maintained by Basic, of taxpayer funds.

Basic Magnesium are permitted to make disbursements but an accounting is not made until invoices are presented for audit.

Basic has disbursed approximately \$20,000, the properties of which were neither approved nor authorized.

The executive payroll is excessive. Basic Magnesium is not in a strong financial position and its principal source of income is the construction fee, the interest in which was assigned to a Cleveland bank.

Limitation should be established for the amount of salaries allowable and for travel and other expenses.

H. P. Eells engages in local politics, using the project as a vehicle.

Bunker said the report "plainly reveals the politics injected into this affair by Howard P. Eells, \$50,000-a-year president of Basic Magnesium."

Should Get Support

Representative Berkeley L. Bunker's juvenile delinquency bill should receive the support of citizens all over the United States. It is a well designed proposal and would set up a juvenile department in the federal government which would coordinate laws of the various states and eliminate much of the confusion now existing.

Certainly the states, on their own, have shown a decided inability to cope with the problem. Some concerted action from some source must be forthcoming if we are to curb the growing crime wave among juveniles.

However, in discussing the juvenile delinquency situation, there is one point which cannot be overlooked. That is the fact that many of the parents of delinquent juveniles are as guilty as the youngsters, if not more so.

It appears to us that Exchange clubs throughout the nation have an excellent idea in their "parents' courts" which were formed on the theory that "parental delinquency" is the largest single cause of what is commonly termed "juvenile delinquency."

An educator, in a recent speech at a San Francisco conference, stated: "I believe thoroughly that criminality starts in the home, and that parents are to blame. Why can't a school principal issue a warrant in such cases and compel parents to live up to their obligations?"

Past experience has told us that, in nine cases out of 10, parents are to blame for the delinquency of their children. In many instances parents have lied to save their offspring from punishment for an offense the elders know has been committed.

There has been too much stress laid on allowing the youngster to assert his own personality, unbridled and untamed. This theory has been advanced by school authorities and child psychology experts and accepted because it is the easiest method of raising a child. It takes courage to punish a youngster, especially one of our own flesh and blood, but even the lowest of domesticated animals must be taught behaviorism. Certainly we, as parents, should be willing to spend as much time giving our youngsters the benefit of our experience as we do in teaching our pets to live up to certain standards. Of course, we do not intend to intimate we would condone treating children as we do animals. However, some parents show their children even less consideration than they do their animals and, usually, it is this type of child which turns delinquent.

Certainly some program must be developed. If Congressman Bunker's plan will get the job done, then let's support it. If a "parent's court" will aid, that should be instituted also. But, we will never get anywhere when there are so many diversified plans for controlling children. They are so varied, none of them work.

Bunker Presents Bill
To Aid Western Mines

Measure Would Recompense Industry for Losses Sustained During Wartime Production of Strategic Minerals

WASHINGTON, May 3—Legislation designed to furnish relief to producers of critical and strategic metals and minerals whose claims have not received adequate consideration under present laws was introduced into the house of representatives today by Congressman Berkeley L. Bunker of Nevada. Mr. Bunker's measure would amend the contract settlement act of 1944 and is a companion bill to S-2079 sponsored by a group of western senators including Senator Pat McCarran of Nevada.

The Nevada solon explained that an attempt was made to so phrase the contract settlement act that mining operations would be covered but that "it appears the administration of the act has been so that it was an impossibility for a mining claimant to obtain relief." Mr. Bunker said that he feels passage of the measure will do justice to those producers of critical and strategic metals and minerals who responded to the national government's urgent call for production at the highest possible rate, frequently of materials not required for peacetime use, and upon the termination of federal programs found themselves with unrecovered investments and no further markets for their products.

Mr. Bunker's bill covers "net losses" which may have been made by a producer conducting an "eligible operation" defined as follows: "(a) an 'eligible operation' is any operation (1) of mining, milling, or otherwise recovering or concentrating, or (2) of preparing to mine, mill, or otherwise recover or concentrate, the ores, including those from any mineral deposit, lode or placer, mine dump, tailing dump, slag pile, or other source of any mineral or metal declared by the army and navy munitions board, during the emergency proclaimed by the president on September 8, 1939, but not after August 31, 1945, to be strategic or critical, if the operation was undertaken or continued, with or without a contract, in good faith response to an act of congress or to any verbal, written, or published request, demand, solicitation, or appeal, or any act of stimulation, but the president or any official, agency, or corporation of the government, or duly appointed agent thereof, whose function at the time were connected, directly or indirectly, with the production, supply or acquisition of any such mineral or metal in connection with the national defense, the conduct of war, or essential civilian supply."

Mr. Bunker said that in effect the proposed amendment to the existing law is based upon the legislative and legal history of the war minerals relief act of 1919, expanded to cover the strategic and critical minerals and

metals used during this war, and using the authority of the office of contract settlement as set up in the present act to provide quick and equitable settlements.

WASHINGTON, May 15—(WNS)—Action of the Economic National Committee on Monetary Policy opposing an increase in the price at which silver is to be bought and sold by the U. S. Treasury will bring further activity in behalf of the increase, Representative Berkeley L. Bunker of Nevada said today.

"This will only strengthen our determination to bring about the increase," Bunker said. "Our economy in the west is not controlled by a group of international bankers in New York."

Sixty-six members of the committee on monetary policy signed a statement urging congress to reject proposed legislation designed to increase the price at which silver is to be bought and sold by the treasury. "The only price at which the treasury should purchase silver is that determined in competitive world markets," the statement said. "There is no valid reason for subsidizing silver producers in this and other countries. There is no more validity in the argument of the silver bloc that silver should be bought and sold at its nominal monetary valuation of \$1.29 a fine ounce, or at any price above the open competitive market price, that there would be in an argument that the paper used to make paper currency should be bought and sold in the market at the nominal monetary

Bunker Asks Hearings on Metals Measure
Would Compensate Mine Owners

WASHINGTON, D. C., May 14 (WNS)—Early hearings by the house judiciary committee on his bill for compensation to producers of strategic metals, including copper, zinc, lead, tungsten and others used in the war, has been requested by Representative Berkeley L. Bunker of Nevada.

The Bunker bill would amend the contract settlement act of 1944 and is for the relief of mining claimants.

Representative Bunker said that an attempt was made to phrase the contract settlement act in such a way that mining operation would be covered.

"It appears, however, the administration of the act has been such that it was an impossibility for a mining claimant to obtain relief," the representative said.

He said his bill would provide for justice to those producers of critical and strategic metals and

minerals who responded to the government's urgent call for production at the highest possible rate, frequently of materials not required for peacetime use and who found themselves at the termination of federal programs with unrecovered investments and no further markets for their products.

Congressman Bunker said that in effect the proposed amendment to the existing law is based on the legislative and legal history of the war minerals relief act of 1919, expanded to cover strategic and critical minerals. The same bill is before the senate, introduced by a group of senators from mining states headed by Senator McCarran.

WASHINGTON, May 16 (UP)—A prediction that the senate would over-ride the house and authorize all Boulder and Davis dam project funds requested by the department of interior was made today by Representative Berkeley Bunker, democrat, Nevada.

Bunker told house members that reduction in the Davis dam appropriations from \$15,000,000 asked to \$6,500,000 recommended by the committee would delay completion six to eight years.

If the senate permitted the interior appropriation bill's \$433,605 as compared with \$1,000,000 asked, to stand, work on the Boulder canyon project would be subject to costly delays, he said.

The recently ratified Mexican water treaty binds us to finish Davis in five years, he added.

Silver Bill
Assaulted

Bunker Defends Measure

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May Grant
Dam Funds

Bunker Predicts Senate Victory

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Nevadans Active In Washington



Congressman Berkeley L. Bunker

Bunker in
Fund Fight

Battles for Mines Budget

WASHINGTON, May 17 (UP)—Representative Berkeley Bunker, democrat, Nevada, said today the bureau of mines will be returned to "a state of impotency and ineffectiveness" in its job of developing the nation's mineral resources if its funds are reduced as proposed by a house appropriations committee.

"The time to get mineral resources ready for production is 20 years before an emergency starts," Bunker told the house. "We should have learned that seven years ago when we were caught short and pleaded with the bureau to redouble its efforts."

The house appropriations committee proposed to reduce the interior department's bureau of mines fund from \$17,429,710 granted for fiscal 1946 to \$11,298,439 for fiscal 1947.

Representative Harris Ellsworth, republican, Oregon, said that under the cut the bureau will be forced to abandon most of its pilot plant work and to reduce experimental work.

Neither he nor Bunker offered amendments to the bill, but said they hoped the senate would restore the funds. Up to the time they spoke the house had refused to adopt any amendment increasing the department's funds.

Rep. Bunker
Stands Pat
On Charges

"Information has come to me for the past three weeks from veterans that men with priorities to build homes could not proceed due to lack of material," Congressman Berkeley L. Bunker telegraphed to O. J. Scherer today.

The statement was in reply to Scherer's charge Friday that lack of priorities and mis-use of permits granted was reason for large shipments of lumber out of Las Vegas.

"There are also reports," Bunker

Bunker in Battle for
Dam Funds;

Congressman Objects To Proposed Davis Dam Cut

WASHINGTON, May 14 (AP)—Representative Bunker (D-Nev.) protested today that reduced funds for the Boulder canyon and Davis dam projects this year will result in delay and increased costs. Bunker said the amounts recommended in the budget estimates for the bureau of reclamation "are necessary if we are to have a logical and efficient development of the natural resources of the west."

The house appropriations committee cut the funds by more than half when it reduced all proposed funds for the interior department by almost 500 per cent.

In a prepared address, Bunker told the house the \$7,500,000 cut in funds for Davis dam would delay its completion six to eight

years, despite the fact that the project must be completed by 1950 under terms of the Mexican water treaty. The reclamation bureau asked for \$15,000,000 this year for Davis dam, but will receive only \$6,504,070 if the committee's recommendations are followed.

Bunker said the committee cut to \$433,605 the \$1,000,000 requested for the Boulder canyon project.

"These funds are necessary to continue contract work now in progress," he asserted. "The work involves the excavation and deepening of the water channel immediately downstream from Boulder dam in order to protect the tunnel outlets and increase the power output of the generators."

The \$1,000,000 would provide for completion of the work on schedule next spring "in the most efficient and economical manner," he said, adding that to extend it over a longer time can "result only in increased cost to the government."

Bunker also criticized the committee's reduction in funds for bureau of reclamation administrative expenses and the cut from \$11,500,000 to \$3,550,000 for general project investigations.

Concerning investigations, he said it is "important to have on hand a considerable shelf of projects upon which all necessary preliminary work has been done in order that we may be equipped to meet the possibility of the necessity for a large federal work program."

"It is necessary," he added, "that the program of investigations be geared to this end."

ker said, "of lumber being diverted to the black market."

"We do not expect dealers," he declared in the telegram, "to accumulate large stocks of lumber. We are interested in sufficient building material being available to care for priorities issued in southern Nevada, particularly veterans' needs."

"I am trying desperately," he said, "to have Nevada priority allotment raised to more nearly represent the need of our people. I appreciate your advising me. Thanks and regards."

Bunker stated that his return to Nevada is indefinite because of appropriation bills now before congress which require his presence there. He plans, however, to come here at the earliest possible date to assist with untangling the hopelessly befuddled construction industry.

Bunker Protests Cut
In Mine Bureau Fund

Development of Strategic Minerals Necessary As Measure for National Security, Nevada Congressman Says

WASHINGTON, D. C. May 21 (WNS)—Action of the house appropriations committee in cutting down the interior department appropriation for the bureau of mines to prewar level is a mistake, Representative Berkeley L. Bunker of Nevada said today.

Experience in war has demonstrated this he said, and especially in and after World War II.

The time to get our mineral resources ready for production is 20 years before an emergency arises, Bunker said.

Now there are aluminum plants, manganese, chromium, iron furnaces and countless other mines and plants, all built at government expense, which never reached a state of real production and which are now surplus property worth only the smallest fraction of their cost, he said.

He held that it would not have been necessary for the government to expend so much money extravagantly and inefficiently for World War II if the bureau of mines for 20 years preceding the war had not been cut down to impotency and ineffectiveness in developing the use of our mineral resources. Only then the bureau was given necessary funds, he said, to make a start on its program of utilization of mineral resources.

Nevada, perhaps more than any other state, depends upon its mineral resources for its economic security, and is vitally interested in the work of the bureau of mines, the representative said, and we "view with consternation the cuts made by the appropriations committee in the work of the bureau of mines in the fields of mining and metallurgy."

He said the vast war industries in Nevada must be replaced, at least in part, with peacetime activities if our peacetime population is to be provided with profitable work and if our new industrial cities are not to become ghost towns.

"Our gold and silver industry, put out of business by the government during the war, must be reestablished, Representative Bunker said. "For this, we need the help of the bureau of mines. Our wartime metallurgical plants for the production of manganese and magnesium must be converted to peacetime uses."

He said the original purpose was to bring together the abundant resources of Nevada and the low-cost power of Boulder dam to provide metals for peace as well as war.

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Support of Congressman Berkeley Bunker to the demands of southern Nevada for a Civilian Production Administration office in Las Vegas, was assured this morning in a telegram received by Carl Hyde, executive director of the chamber of commerce.

"I will lend every assistance and support," Congressman Bunker telegraphed, as he explained, "After visit with Reno office of CPA, I strongly feel that a local office must be established with full authority to act before southern Nevada can be assured of any building in the immediate future."

During the week Congressman Bunker spent in Las Vegas for celebration of Helldorado, he conferred with chamber officials and local contractors on the critical confusion in the local building program as a consequence

of federal regulation and lack of official representation here. The CPA committee appointed by Mayor E. W. Cragin in April has proved to have only an advisory status to E. S. Bender, CPA state director, and urgently needed projects have been denied by his office.

A telegraphic appeal was made to Senator Pat McCarran early in the week, and he also wired a promise of aid to give southern Nevada representation and authority on a parity with Reno.

Bunker Gives Support
For CPA Office Here

Las Vegas Congressman Assures Chamber of Commerce of Assistance

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Magnesium Plant Draws Manager, Says Bunker

Nevadan Tells Senate of Contract Made by DPC With N. Y. Firm; Renews Charges Incompetent Set Up

WASHINGTON, July 13 (AP)—Senator Bunker (D.), Nevada, told the senate Monday that the Defense Plants corporation had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to Basic Magnesium as "the company that stands to make a profit of 4280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the senate defense investigating committee.

"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.

Signed Contract

He said that on April 9 Defense Plant Corporation had signed a management contract with Coverdale & Colpitts of New York City.

"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," he declared. "It is to be paid by the Defense Plant Corporation although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."

Bunker said that on June 15 test drilling had not been completed on the Basic claims, "notwithstanding the fact that the government had spent \$5,000,000 in a plant to process the ore."

"It is intensely interesting to know that the contract for the ore has not been signed," Bunker continued, "although the plant should start operation and production of magnesium some time in August. There are claims adjacent to the ore reduction plant which no doubt could be obtained should the present source of ore prove unsatisfactory, or other claims throughout the state."

"The question is, should Basic Magnesium be permitted to exact an exorbitant wartime profit on all or any ore supply?"

Quotes Report

Bunker read from a report by P. H. Rustin of the auditing division of the Defense Plant Corporation, the following statements:

"There is need for more effective supervision over DPC's funds now being spent by Basic Magnesium."

"Employees of Basic Magnesium authorized to draw checks were not bonded."

"Eleven bank accounts were maintained by Basic, of taxpayer funds."

"Basic Magnesium are permitted to make disbursements but an accounting is not made until invoices are presented for audit."

"Basic has disbursed approximately \$20,000, the properties of which were neither approved nor authorized."

"The executive payroll is excessive."

"Basic Magnesium is not in a strong financial position and its principal source of income is the construction fee, the interest in which was assigned to a Cleveland bank."

"Limitation should be established for the amount of salaries allowable and for travel and other expenses."

"H. P. Eells engages in local politics, using the project as a vehicle."

Bunker said the report "plainly reveals the politics injected into this affair by Howard P. Eells, \$50,000-a-year president of Basic Magnesium."

Nevada State Journal
July 14, 1942

BUNKER HURLS NEW CHARGES AGAINST BMI

Additional \$100,000 Fee Said Given By Agency

WASHINGTON, July 13. (AP)—Sen. Berkeley L. Bunker, D., Nev., charged in the senate today that the Defense Plant Corporation is paying a \$100,000 fee to "provide competent management" which he said, Basic Magnesium, Inc., failed to supply in operating a war project at Las Vegas, Nev.

Sen. Bunker said that a contract covering the management of the project was signed with the firm of Coverdale and Colpitts of New York City April 9, 14 days after the senate committee investigating the war program recommended a change in management. It calls, he said, for the additional \$100,000 fee.

"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," Bunker said. "It is to be paid by the Defense Plant Corporation although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."

Sen. Bunker said Jesse H. Jones, chairman of the Defense Plant Corporation, made "a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same."

"It must be said that McNeill Construction has done an outstanding job notwithstanding the incompetence and bickering with the English consultants by Basic officials. It is regrettable that Coverdale and Colpitts were not the original management instead of Basic Magnesium."

Basic Magnesium Plant Deal Flayed by Solon

WASHINGTON, July 13. (AP)—Senator Bunker (D.-Nev.) told the Senate today that the Defense Plants Corp. had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to Basic Magnesium as "the company that stands to make a profit of 4280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the Senate Defense Investigating Committee.

"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and

delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.

He said that on April 9 Defense Plants Corporation had signed a management contract with Coverdale & Colpitts of New York City.

"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," he declared. "It is to be paid by the Defense Plant Corp. although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."

Bunker said that on June 15 test drilling had not been completed on the Basic claims, "notwithstanding the fact that the government had spent \$5,000,000 on a plant to process the ore."

JULY 14, 1942
DENISON, TEX. HERALD

Magnesium Mining Profits Are Said Far Out Of Line

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Referring to Basic Magnesium as "the company that stands to make a profit of 4,280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the Senate defense investigating committee.

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"Employees of Basic Magnesium

BUNKER UNLOOSES NEW BMI BLAST IN SENATE TODAY

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Seattle (Wn) Times
July 13, 1942

U. S. Pays Firm To Run Plant Jones Defended

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CARSON CITY, July 11—Governor Carville has again made plain his stand in regard to the democratic senatorial fight between James G. Scrugham and Berkeley L. Bunker, with reports heard this week that the chief executive has called in several of his lieutenants and told them in no uncertain terms that they were to adopt a policy of strict neutrality.

The governor announced several weeks ago that his main interests naturally lie in the gubernatorial race and that he was maintaining a hands-off course in regard to the senate scrap. Apparently believing that they didn't have to follow the lead set by the governor, several of his appointees had been openly campaigning for Senator Bunker.

With the governor laying down the law, it's a safe bet that his traveling emissaries will adopt a new tune by singing only the praises of one man—the one who hired them.

CLEVELAND O. PLAIN DEALER
CH. 227-1717
JULY 13, 1942

Says U. S. Hires 'Able' Manager for Eells' Nevada Mine

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(Howard P. Eells, jr., of Cleveland is president of Basic Magnesium, Inc.)

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New GI Bill

Real teeth have been put into the GI Bill of Rights with the new amendments recently passed by congress and signed by the president Congressman Berkeley L. Bunker told veteran leaders with whom he met yesterday.

Although still room for some improvements which may yet have to be made, the new amendments are most outstanding in their benefits through veterans' loans and the educational program, Bunker said.

Veterans Administrator Omar Bradley has ordered all the new provision into effect by the end of March.

Briefed, the amendments are made operative and less cumbersome and ambiguous by the amendments.

The Amendments

TITLE I. (Sec. 100-101.) Makes permanent the authority of the Veterans administration to procure space for the Veterans administration. Under the old law this authority was limited to the duration and six months thereafter.

(Sec. 200.) The administrator may provide, at his discretion, office space and facilities for the representatives of veterans' organizations.

(Sec. 302.) Permit review of the findings and decision of navy and army retiring boards, with added inclusion of the findings and decisions of boards of medical survey and disposition boards.

Educational Changes

TITLE II. Education and Training.

(Sec. 400.) Extends the time from two to four years after discharge or the end of the war (whichever is the later) to initiate a course, and extends the time for completing the education from seven to nine years after the end of the war.

Eliminates the requirement of showing interruption of education by service, and strikes out the 25-year-of-age limitation.

Reference to "refresher or retraining courses" is removed. The new act provides that the veteran will be afforded education for one year plus the time he was in service, not to exceed four years.

Short, intensive courses are authorized, cost not to exceed \$500.

Provision is made for correspondence school instruction, without subsistence allowance, cost not to exceed \$500.

The administrator is authorized to make adjustment of fees with public institutions under certain circumstances.

Subsistence allowance is increased from \$50 to \$65 for the veteran without dependents; from \$75 to \$90 for veterans with dependents.

Provision is made for a combination of courses, except the period of time is not to exceed the period of eligibility.

(Sec. 402.) Provides for release of returned books, supplies and equipment to educational and training institutions, without regard to limitations on disposition of surplus property.

New Loan Provisions

TITLE II. Loans.

1. Any loan made by a prescribed lending agency within 10 years after the end of the war is to be automatically guaranteed to 50 per cent of the loan, but loans by lenders not supervised by state or federal agencies must be approved in advance in order to be guaranteed.

2. The amount of guarantee in case of non-real estate loans may not exceed \$2,000, but may be \$4,000 in case of a real estate loan.

3. Interest charged may not exceed four per cent.

4. The administrator is authorized to pay four per cent on the amount originally guaranteed rather than the interest for the first year.

5. Maturity on real estate loans is not to exceed 25 years, or in case of farm realty 40 years, and on non-real estate loans 10 years.

6. Permits the veteran to buy a lot out of a loan designed to finance the building of a home on the lot.

7. Omits the word "normal" from the phrase "reasonable normal value."

8. Loans may be made for every ordinary farming purpose.

9. Permits any normal business enterprise to be financed initially.

10. Broadens financing of existing indebtedness to cover all types of loans.

11-12-13. Has to do with the

R/J 3/28/46

Bunker Hopes For Best In Crisis With Russians

Congressman Berkeley L. Bunker, now in Las Vegas, today was seriously concerned over the turn of events in UNO Security Council meetings in New York with Russia first withdrawing, coming back in and then at the last minute staying away today.

"Russia's withdrawal from the UNO would seriously effect world peace, since she is in a position to move in any direction she sees fit with her armies still in readiness to grab what she wants," the congressman said.

"However, I can't believe that we are moving into a third world war which this might effect, but have faith that ultimately Russia will coincide and help keep peace among nations. I have unlimited faith in the UNO and I hope Russia will not break down world peace by remaining out of it," Bunker declared.

powers of the administrator in dealing with lending institutions.

14. Lenders not of the specified classes can make guaranteed loans only with advance approval of the administrator.

15. A provision modifies secondary loans.

16. A provision to protect contractual rights.

R/J 4/19/46

Purely PERSONAL

Congressman Berkeley L. Bunker has just returned to Las Vegas after visiting Elko, Reno and northern parts of the state. Representative Bunker plans a tour of Lincoln and White Pine counties before returning to Washington.

Review-Journal 4/19/46

Bunker Bill Distributed

Juvenile Measure Submitted

WASHINGTON, D. C., April 19 (WNS)—Copies of the bill introduced by Representative Berkeley L. Bunker on juvenile delinquency have been sent out to schools, religious and educational organizations to obtain their reaction on his proposal for a federal bureau whose objective would be to reduce delinquency and crime, it was learned today.

Letters signed by Representative Bunker have been inclosed asking for an expression of opinion on the measure. The bill was referred to the house judiciary committee, and when Representative Bunker returns to Washington, probably after the Easter recess he will press it for passage.

The bill would set up a federal bureau in the department of commerce, empowered to enlist the sociological, educational, religious and scientific forces of the nation in a continuous offense against juvenile delinquency and crime.

Representative Bunker was informed by the federal bureau of investigation that one of every twenty-three persons in the United States has been arrested and fingerprinted, he said which he regarded as "startling official statistics."

He said these challenging figures should command the same action by congress that brought the children's bureau into being a quarter of a century ago. Disaster will result if moral decadence of our time persists, he said.

Another bill introduced by Representative Bunker, which will have his attention when he returns, provides for an investigation of grazing policies carried out by the department of the interior. This bill is before the house public lands committee.

Review-Journal 4/1/46

CAPITOL NEWS

By BERKELEY L. BUNKER VET HOSPITALS—

A report covering the recent investigation into conditions at veterans' hospitals throughout the United States has been filed in the house by the world war veterans' legislative committee. Majority and minority views of the committee are included in the report which has been given wide discussion by house members. The majority members said that some abuses have existed in veterans' hospitals but "this investigation discloses that conditions in veterans' hospitals are neither as bad as portrayed by the periodicals or individuals, nor were they everything to be desired by this committee." Because of the demands of war, the majority report stated use had to be made of inexperienced civilians, untrained conscientious objectors and soldiers who did not like the assignments. Mistreatment of patients as found at three hospitals but the "military personnel responsible for such treatment was court-martialed and the civilians responsible were indicted." Continuing the committee said that with the end of the war, the manpower shortage has been somewhat relieved and conditions at hospitals improved. A recommendation was made by the group that military personnel not be assigned to veterans' hospitals in the future.

The minority report was the most far-reaching and declared the "investigation was opportune because it brought forcefully to our attention the need for wide-scale reorganization and adjustment which would meet present-day needs." Some of the recommendations contained in the minority views include: (1) maintenance of a special medical advisory group made up of leading men in all major branches of medicine; (2) development of a continuous stream of skilled specialists and general practitioners by installing internships and residences in hospitals as soon as possible; (3) simplification of the administrative organization of the veterans' administration; (4) enlargement of public relations activities of the veterans' administration and informing the public regarding administration of veterans' problems; (5) establishment of an independent board of review to hear complaints as to operation of hospitals; (6) organization of a special program to develop neuropsychiatric specialists for service in the hospitals; (7) employment of part-time medical personnel for certain purposes; (8) institution of a research program to bring further improvements in the manufacture and use of artificial limbs and other appliances for disabled veterans; (9) more rapid expansion of the hospital construction program; (10) more regard by the veterans' administration for the intent of congress as to

WASHINGTON VISITORS—Nevadans in Washington and

for entrance into either the military academy or the naval academy if two bills introduced into the house are enacted into law. Two New York state congressmen have submitted measures which would prohibit the entrance into either academy of any candidate who has not honorably completed at least nine months of active federal service as an enlisted man in the army, navy or marine corps. The twin measures, one referring to the naval academy and the other to the military academy, also state that "all persons who are selected as candidates . . . shall be required to meet all physical and mental requirements for such admission not later than nine months preceding the time of their admission." Under existing regulations candidates are required to meet certain age regulations and pass prescribed physical and mental examinations, but no previous military service is necessary. A sponsor of the legislation said that enactment of the measures "would go a long way to improve the armed services insofar as the attitude of commissioned officers toward enlisted men and it would automatically screen out numerous young men who are successful in entering both academies but who soon thereafter drop out by finding they are not adapted to military life."

NEWS BRIEFS—

An enterprising Cincinnati landlord purchased four old street cars at \$50 each and converted them into 2-room apartments which he rented to veterans . . . Bulgaria has made a reparations payment to Greece—10 mules, 8 of which were reported diseased and had to be shot. . . . The director of the U. S. employment service has announced appointment of assistant veterans' employment representatives in 43 states for the purpose of promoting employment opportunities of disabled veterans . . . The real secret of the atomic bomb is not in the bomb itself, or the means of splitting the atom, but in the control apparatus, including the fuse and detonation equipment . . . The office of economic stabilization has issued a composite release containing recent orders and policy statements, including data in question and answer form concerning the new wage-price adjustment policy of the federal government.

WASHINGTON VISITORS—Nevadans in Washington and

Review-Journal 3/26/46

Berkeley L. Bunker Pushes Bill for GI Terminal Leave Pay

Congressman Favors Forcing Measure Out of Committee and On to Floor of House of Representatives

Accumulated terminal leave for enlisted men, in the manner similar to that credited commissioned officers, may be accomplished through a bill now under consideration by a house committee and which may be forced out by signatures of the representatives, according to Berkeley L. Bunker, Nevada congressman of Las Vegas.

Bunker stated today that only 218 signatures are necessary to force the measure out of committee and to the floor for consideration. He has been working with John Thomas Taylor, Legion representative, and others, to force the measure out of committee.

Another veteran measure which is greatly sought after by the former service men is Bunker's bill for former service men's priority on war surplus property sales. Bunker's bill, introduced into the house of representatives actually gives the veteran first priority. The government priority is in the form of transfers from one agency to another.

Bunker stated this bill is now in the hands of the expenditures committee and should come out within the next 30 days. The chances for a favorable recom-

mendation from the committee and its passing in congress are excellent, Bunker said.

The Nevada representative has been alert for and active in passage of veteran legislation currently before congress along with his interest in that of western projects, according to his house record.

R/J 4/25/46

Rail Workers Okay Berkeley Bunker

Congressman Berkeley L. Bunker today was endorsed for election to the United States senate by the Railway Labor Executive association, representing one and one-half million railroad employees, it was revealed today.

When informed in Washington, D. C., of the endorsement of his candidacy, Congressman Bunker said he was "very proud and happy to be so honored."

Review-Journal 4/1/46

Civilian Employees At Vegas Airfield Get Salary Boost

Hikes Average 12 Cents Per Hour; LVAAF, Tonopah Base Affected In Pay Increase Announced In Capital

Pay increases averaging 12 cents an hour for 302 civilian employees at the Las Vegas army air field and at LVAAF, Tonopah bases was revealed in Washington today to the Review-Journal by Congressman Berkeley L. Bunker.

The increases will affect 300,000 civilian employees throughout the United States, the war department stated in its announcement of the raise which will become effective April 14.

In addition, the department declared that further pay increases may follow this basic raising wage levels have risen more than 12 cents since V-J day, Bunker revealed.

visiting at my office: R. L. Douglas, collector of internal revenue for Nevada, here attending an official government conference; Horace Smith, former editor of the Humboldt Star at Winnemucca and an ex-marine combat correspondent, now in Washington to attend school and keeping busy as a member of the Capitol police force.

CHICAGO, ILL. - TRIBUNE
JUL 14 1942

MAGNESIUM FIRM WORK IN MUDDLE, SAYS SEN. BUNKER

Assails New Contract for Competent Direction.

Washington, D. C., July 13 (AP).—Sen. Berkeley L. Bunker (D., Nev.) told the senate today that the Defense Plants corporation had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to Basic Magnesium as "the company that stands to make a profit of 4,280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the senate defense investigating committee.

"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.

Old Contract in Effect.

He said that on April 9 Defense Plants corporation had signed a management contract with Coverdale & Colpitts of New York City.

"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," he declared. "It is to be paid by the Defense Plant corporation although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."

Bunker said that on June 15 test drilling had not been completed on the Basic claims, "notwithstanding the fact that the government had spent \$5,000,000 for a plant to process the ore."

"It is intensely interesting to know that the contract for the ore has not been signed," Bunker continued, "although the plant should start operation and production of magnesium some time in August. There are claims adjacent to the ore reduction plant which no doubt could be obtained should the present source of ore prove unsatisfactory, or other claims throughout the state."

"The question is, should Basic Magnesium be permitted to exact an exorbitant wartime profit on all or any ore supply?"

Bunker read from a report by P. H. Rustin of the auditing division of the Defense Plant corporation, the following statements:

"There is need for more effective supervision over D.P.C.'s funds now being spent by Basic Magnesium."

"Employees of Basic Magnesium authorized to draw checks were not bonded."

"Eleven bank accounts were maintained by Basic, of taxpayer funds."

"Basic Magnesium is permitted to make disbursements but an accounting is not made until invoices are presented for audit."

"Basic has disbursed approximately \$20,000, the properties of which were neither approved nor authorized."

"The executive payroll is excessive."

"Basic Magnesium is not in a strong financial position and its principal source of income is the construction fee, the interest in which was assigned to a Cleveland bank."

"Limitation should be established for the amount of salaries allowable and for travel and other expenses."

"H. P. Eells engages in local politics, using the project as a vehicle."

Bunker said the report "plainly reveals the politics injected into this affair by Howard P. Eells, \$50,000-a-year president of Basic Magnesium."

"The executive payroll is excessive."

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WALL STREET JOURNAL

New York City
JUL 14 1942

New Management Hired For Magnesium Plant

Senator Bunker Tells of \$100,000
Contract Signed With New York
City Firm

WASHINGTON (AP)—Senator Bunker (D., Nev.), told the Senate yesterday that the Defense Plants Corp. had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to basic magnesium as "the company that stands to make a profit of 4,280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the Senate Defense Investigating Committee.

"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.

He said that on April 9 Defense Plants Corp. had signed a management contract with Coverdale & Colpitts of New York City.

"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," he declared. "It is to be paid by the Defense Plant Corp., although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."

Bunker said that on June 15 test drilling had not been completed on the Basic claims, "notwithstanding the fact that the government had spent \$5,000,000 in a plant to process the ore."

"It is intensely interesting to know that the contract for the ore has not been signed," Bunker continued, "although the plant should start operation and production of magnesium some time in August. There are claims adjacent to the reduction plant which no doubt could be obtained should the present source of ore prove unsatisfactory, or other claims throughout the state."

"The question is, should basic magnesium be permitted to exact an exorbitant war time profit on all or any ore supply?"

Bunker read from a report by P. H. Rustin of the auditing division of the Defense Plant Corp., the following statements:

"There is need for more effective supervision over D.P.C.'s funds now being spent by basic Magnesium."

"Employees of Basic Magnesium authorized to draw checks were not bonded."

"Eleven bank accounts were maintained by Basic, of taxpayer funds."

"Basic Magnesium are permitted to make disbursements but an accounting is not made until invoices are presented for audit."

"Basic has disbursed approximately \$20,000, the properties of which were neither approved nor authorized."

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"Basic Magnesium is not in a strong financial position and its principal source of income is the construction fee, the interest in which was assigned to a Cleveland bank."

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"H. P. Eells engages in local politics, using the project as a vehicle."

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Las Vegas Review-Journal
July 17, 1942

Senator Bunker Arrives In Vegas

Senator Berkeley L. Bunker arrived this morning from Washington, D. C. to confer with southern Nevada leaders in his campaign for reelection.

Bunker has launched an intensive campaign in every county and plans to establish headquarters in the near future.

The senator could not be reached this afternoon for a statement as to his plans or word regarding latest developments along the war front in the national capital.

Salt Lake Tribune
July 17, 1942

Magnesium Plant Draws Manager, Says Bunker

Nevadan Tells Senate of Contract
Made by DPC With N. Y. Firm;
Renews Charges Incompetent Set Up

WASHINGTON, July 13 (AP)—Senator Bunker (D), Nevada, told the senate Monday that the Defense Plants corporation had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to Basic Magnesium as "the company that stands to make a profit of 4280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the senate defense investigating committee.

"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.

He said that on April 9 Defense Plants Corp. had signed a management contract with Coverdale & Colpitts of New York City.

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Bunker said that on June 15 test drilling had not been completed on the Basic claims, "notwithstanding the fact that the government had spent \$5,000,000 in a plant to process the ore."

"It is intensely interesting to know that the contract for the ore has not been signed," Bunker continued, "although the plant should start operation and production of magnesium some time in August. There are claims adjacent to the reduction plant which no doubt could be obtained should the present source of ore prove unsatisfactory, or other claims throughout the state."

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• Berkley Bunker, U. S. Senator from Nevada, has again leveled his guns on the Basic Magnesium outfit and blasts them on a charge of gross mismanagement and etc. The threat made against Bunker that retaliation would come in the form of political opposition has not scared the young senator one little bit.

This article was clipped from
AMERICAN METAL MARKET
"Leading Iron, Steel and Metal Newspaper—
Recognized price and market authority"
New York City
JUL 15 1942

Senator Says Basic Magnesium Hired Efficiency Engineers

Claims Jesse Jones Sought
To Correct Mismanage-
ment

Senator Bunker (D., Nev.), told the Senate Monday that the Defense Plants Corporation had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc., according to an Associated Press dispatch from Washington.

He referred to Basic Magnesium as "the company that stands to make a profit of 4,280 per cent on an investment of less than \$50,000," and claimed that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the Senate Defense Investigating Committee.

"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same,"

He said that on April 9th Defense Plants Corporation had signed a management contract with Coverdale & Colpitts of New York City.

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"H. P. Eells engages in local politics, using the project as a vehicle."

Bunker said, according to the Associated Press, that the report "plainly reveals the politics injected into this affair by Howard P. Eells, \$50,000-a-year president of Basic Magnesium."

ELY, NEV., RECORD
JULY 17, 1942

BASIC MAGNESIUM CHARGES HURLED AGAIN BY BUNKER

Senator Berkeley L. Bunker on the floor of the United States senate on Monday charged that the Defense Plant Corporation is paying a \$100,000 fee "to provide competent management" which he claims Basic Magnesium failed to supply in the operation of the plant near Las Vegas. He reiterated the statement that Basic Magnesium stands to make 4,280 per cent on an investment of less than \$50,000 and said that on April 9, 14 days after the committee hearing in Las Vegas a contract was signed with Coverdale and Colpitts of New York City calling for \$100,000 fee. This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium, he said. It is to be paid by the Defense Plant Corporation although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing.

He stated Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet was willing to spend \$100,000 to correct the same.

Senator Bunker also spoke against what he termed as exorbitant royalty terms as proposed by Basic Magnesium, Inc., for magnesite ore, stating, "The question is, should Basic Magnesium be permitted to exact an exorbitant war-time profit on all or any ore supply? The time should never come when the opportunity to sell a mining property is taken from the prospector and given to the eastern promoter. Nevada's mining wealth is due largely to the efforts of the prospector. These people should and must be encouraged and assisted, even financially where necessary."

He stated he would have more to say concerning profits and management of the project at a later date.

SPRINGFIELD, NEV., NEWS
CIV. 523
JULY 17, 1942

BUNKER ATTACK HEAVY SPENDING OF GOVT. FUND

Senator Berkeley L. Bunker, Nevada, charged this week, in speech delivered in the senate, that the defense plant corporation paying a \$10,000 fee to provide competent management" for the war project now under construction by Basic Magnesium, Inc., near Las Vegas, Nevada.

This "competent management" was ordered after Basic Magnesium headed by H. P. Eells, Jr., failed to provide the "right type of management in expending government funds," Bunker declared.

Bunker said the defense plant corporation signed a contract with Coverdale and Colpitts, consult engineers of New York, 14 days after the senate began its investigation of the charges of "mismanagement" at the plant. The senate investigation was started in spring.

The youthful Nevada solon said that the money paid to Coverdale and Colpitts should be deducted from the \$300,000 which Basic Magnesium Inc., is to receive. "It work it is incapable of doing."

Bunker Plugs For Probe Of Surplus Property

WASHINGTON, D. C., Jan. 15 (WNS)—Representative Berkeley L. Bunker of Nevada will be busily engaged while he is back in Nevada bolstering his position in his plan to pass in the house his resolution for an investigation of the operations of the surplus property administrations.

While in Nevada, Representative Bunker will gather information on the difficulties of veterans who desire to purchase surplus property, it was learned today.

He will discuss their difficulties with veterans who have tried to purchase surplus property and who have not only met with difficulties but have been given a kind of run-around from one point to another and from agency to agency. He is expected to return with some reports and possibly affidavits which will reflect the difficulties of veterans in Nevada in this respect.

Reports of destruction of surplus goods have also been received by Representative Bunker, and he will make an investigation of his own to get the facts on such reports, his office said today.

This will take time, so that it is possible that it may be a week or two after the session of congress is resumed following the recess before he returns to introduce the resolution for an investigation. Indications are that there will be strong opposition to the resolution on the part of SPA supporters in the house.

establishing themselves in the Moapa Valley where the present generation was raised.

Bunker graduated from the Las Vegas High School and after a mission in the field for the L. D. S. church, he returned to this city to engage in business.

Review-Journal
1/30/46

Bunker Returns To Washington

WASHINGTON, D. C., Jan. 30 (WNS)—Congressman Berkeley L. Bunker returned to Washington Sunday evening in response to an urgent call of congressional leaders for full attendance at this week's sessions which are regarded as the most important of the 79th congress.

In addition to important bills before the house and senate, Bunker had vital committee meetings scheduled on mining, education, public lands and war claims which will have considerable bearing on the legislative program during the next few weeks.

Editorial and Features

This page is a regular feature in the Las Vegas Evening Review Journal and Boulder City Journal which are published evenings except Sunday in the Review Journal Building, 113 South First Street, Las Vegas, Nevada. The Review-Journal is entered in the U. S. Postoffice at Las Vegas as second class matter. Subscription price \$1.00 per month by mail or carrier.

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F. F. Garlside, Publisher Phone 4 A. E. Cahlan, Managing Editor

Bunker's Optimism

Congressman Berkeley L. Bunker's speech before the Las Vegas chamber of commerce on Tuesday brought reassurance to any possible flagging spirits in the area, for while it might have been called a typical chamber of commerce speech, it nevertheless had a true ring of optimism backed by some very startling facts.

The congressman is in a position to secure facts which might be little known regarding the government's plans for this section, and when he made the statement he expected to see vast improvement in the Boulder City area, he must have known whereof he spoke. His off-the-record information regarding his talk with Secretary of the Interior Ickes would indicate the department's interest in this section, although activity may be a little delayed because of the secretary's procrastination.

However, information emanating from the park service indicates this bureau definitely is interested in developing the Lake Mead area to its fullest extent and this interest may have come all the way down from the top.

The congressman's summation of the situation at Basic also is quite interesting for it definitely echoes and greatly expands information which has been available here from officials of the J. M. Montgomery company.

However, there is one stickler in the development at Basic and that is power. Officials of the state, including the Colorado river commission, have given out optimistic statements regarding the availability of power for industry here, and it is understood negotiations are progressing favorably along this line. When the power situation is definitely clarified, then the expansion at Basic is only a matter of selection of the companies which might want to come in here.

Bunker's statements regarding the efficiency of the publicity program also are interesting because they indicated the widespread effect of the program instituted here only a few short months ago. When the publicity campaign was launched, it was done so with the idea of accomplishing some good early in the program but final results would not be counted until two or three years hence. The success of the campaign has been beyond the wildest dreams of its most ardent supporters and has brought fame to Las Vegas almost overnight.

Properly directed, this publicity and advertising program can mean almost as much to the area as industrial development for, more and more, people in the east are becoming familiar with the fun and sun available here and are revamping their vacation programs to come to Las Vegas rather than visit other established winter resorts.

The actual result of the advertising campaign is to lure winter residents to this section and there seems no doubt but that wealthy residents of the east will be attracted here and winter homes will be built in this section.

We are proud of what Las Vegas residents have done for Las Vegas and we are happy to be informed by Congressman Bunker that the efforts are meeting with success. The congressman was imbued with the certainty of the future of the Las Vegas area, and his past record indicates he will do everything in his power to assist the residents of this section, as well as the rest of the state, in realizing the dreams which are in the making now.

Surplus is Destroyed

FEBRUARY 4, 1946

BOULDER CITY, NEVADA, VOL. XIII, NO. 303

in Las Vegas

Bunker to Seek Probe Of Grazing

Review-Journal
2/4/46

WASHINGTON, D. C., Feb. 4 (WNS)—Stock raisers want an investigation of all government agencies having connection with grazing fees, and Representative Berkeley L. Bunker of Nevada will introduce a resolution for such an investigation, he stated.

Such an investigation would cover the grazing service in the department of the interior, the general land office and the forest service.

Representative Bunker has been gathering data for this for some weeks and said he was pretty well prepared for introduction of the resolution in the House.

Interior department grazing service has authority now to increase fees for grazing; it can arbitrarily raise them and this is to be looked into in the investigation if the Bunker resolution passes.

Representative Bunker said he would discuss the grazing problems in Nevada and other states at length when he introduces the resolution.

Senator Patrick A. McCarran of Nevada is chairman of a sub-committee of the senate public lands committee which has been inquiring into grazing practices, but Representative Bunker's plan will call for a broader inquiry into all phases of the problems presented by live stock producers, it is understood.

Bunker Charges Lumber Burned in Nevada and Office Goods Demolished

Valuable Items Among That Deliberately "Plowed Under" In Las Vegas and Other Parts of Nevada, Congressman Reveals

WASHINGTON, Feb. 4 (WNS) Surplus government property was destroyed in Las Vegas and other sections in Nevada, Representative Berkeley L. Bunker said he found in his investigation during the congressional recess.

Surplus office equipment was a part of the surplus property destroyed, he said. This was of considerable value and it would seem could have been placed to good use somewhere or if not used might have been held for sale.

Representative Bunker did not disclose the place where the office equipment was destroyed.

A considerable quantity of lumber was burned in Nevada, Representative Bunker said he learned. With the scarcity of lumber for building and the severe need for homes, it is regarded as difficult to conceive of the burning of lumber.

Representative Bunker is asking for an investigation of the operations of the Surplus Property Administration. The functions of the SPA were turned over to the War Assets Corporation by order of the president, while Representative Bunker was making his investigation of reports of destruction of surplus property in Nevada, and W. Stuart Symington, head of SPA, was given a navy appointment.

"If GI Joe runs off with a typewriter, he is severely punished," said Representative Bunker. "It seems to me that those responsible for this destruction of surplus government property might well be called to account for such destruction of property."

Representative Bunker's resolution will also call for an investigation of the "run around" given to veterans in their efforts to purchase surplus property.

is Evening i-Journal

Tuesday, February 12, 1946

Review-Journal
2/6/46

Manganese, Basic Not Included in Attack, Bunker Says

There is no indication whatsoever that any surplus property was destroyed at BMI or Manganese Ores, Representative Berkeley L. Bunker announced this morning in amplifying his demand of Monday for a complete congressional investigation of the handling of government surplus since the war.

In his Monday statement, Bunker charged that a considerable amount of lumber was burned, office equipment destroyed and other property wrecked so it could not be placed on the market, and roundly denounced this policy which he said he had uncovered in Nevada during his recent trip here and understood had been followed in other sections of the country.

"I have had several calls from home indicating the public might feel this practice had been carried out at BMI or Manganese Ores, and believe I should clarify that situation," Bunker said.

"None of the evidence I have refers at all to either of these plants and I am sure that nothing of the kind went on there."

"My heart and soul are behind the efforts to make BMI a permanent operation and I feel that if plans now reaching the fruition stage are carried out, we will really have a basic chemical industry of which we'll all be proud and which will add tremendously to the wealth of southern Nevada. I certainly don't want any implications abroad that my statement applied to that concern," the representative concluded.

Nevadan Sponsors Youth Bill

Congressman Bunker Introduces Measure to Curb Juvenile Crime

WASHINGTON, Feb. 12. — A bill to create a federal bureau, empowered to enlist the sociological, educational, religious, and scientific forces of the nation in a continuous offensive against juvenile delinquency and crime, was introduced in the house of representatives today by Congressman Berkeley L. Bunker of Nevada.

The measure would place the bureau in the department of commerce and be under the leadership of a director appointed by the president.

Bunker said introduction of the measure was prompted "by startling official statistics," adding: "The federal bureau of investigation reports, for instance, that one of every 23 persons in the United States has been arrested and fingerprinted."

"Those are challenging figures that should command the same action by congress that brought the children's bureau into being a quarter of a century ago—to write a brilliant chapter into American history through its reduction of infant and maternal mortality."

"One does not have to be a prophet to foresee the disaster that will come to our country if the moral decadence of our time persists," the Nevadan pointed out. "The situation calls for the same decision and action that united the leadership of the nation to record victory after victory over physical problems that confronted our country during the direst days of the war."

Bunker contended that our "system of justice" is now geared basically to proposition of arrest, conviction and retribution. He said that guidance should be offered to those who have erred so they will not again become offenders.

R/J 1/22/46

Bunker To Seek Re-election

Representative Berkeley L. Bunker today announced his candidacy for the democratic nomination for United States Senator at the primary election September 3.

The announcement was made in a letter to E. C. Mulcahy, chairman of the democratic state central committee, and climaxed ten years of service in various legislative bodies by the young Nevadan.

Active in democratic politics ever since he reached his majority, Bunker's rise carried him in successive steps through two terms of the state legislature during which he was successively chairman of the ways and means committee and speaker of the assembly, and to the United States Senate as the successor to the late veteran Key Pittman in November of 1940.

After two years in the upper house, Bunker was defeated in a narrow margin by former Governor and Congressman James G. Scrugham then rated as the strongest man politically in the state. He bounced back in 1943 to capture Nevada's Congressional seat with a vote that topped the entire ticket.

During his term in Congress, Bunker has done outstanding work in the fields of veterans legislation, labor measures and problems vital to his home state, while his efforts in behalf of pay raises for government employees were successful in his branch of Congress.

Bunker is a native of Clark County, being born in St. Thomas. His native home town gave way to the progress of this section and is now beneath the waters of Lake Mead.

The Congressman comes from a pioneer family which moved to Nevada in the eighties to colonize the fertile Virgin Valley, later

Review-Journal
1/17/46

Bunker Back To War On Surplus Sale

Congressman Berkeley L. Bunker is holding a series of conferences on veterans' problems, and is making an investigation of surplus property sales in this area, today while in the Las Vegas area he told the Rotary club at its noon meeting today.

The Congressman is staying at the Hotel El Cortez during his visit here.

This afternoon Bunker was to be closeted with local leaders in veteran's affairs and scheduled to assist in working some of the problems facing the Veterans Services Coordinating committee.

While here Bunker will meet with the surplus commodities sales committee of the American Legion which has blasted the sales of government surpluses to dealers who in turn sell at high veterans being allowed to purchase the surpluses under a priority ahead of the dealers.

Problems of veterans' housing, employment, hospitalization, and emergency relief will be thoroughly aired in conferences in Las Vegas, the congressman reported.

Details on the revised BI Bill of Rights will be discussed and the improvements under the new legislation will be explained to veteran leaders here, he said.



vote for the
NEVADAN
who is on the
BEAM

BERKELEY L. BUNKER

Democrat for CONGRESS

● CAPABLE ● COURAGEOUS ● EXPERIENCED

THIS POLITICAL ADVERTISEMENT PAID FOR BY FRIENDS OF BERKELEY L. BUNKER

President Truman has been scolding the senate, saying the upper house "let him down." At the same time he planned to bring pressure in the house in favor of the bill. Representative Outland was named to head the representatives lining up for the bill. Representative Bunker was another named for this job. Representative Bunker said: "I am not sure that the prospects are bright for passage of the full employment bill. Some kind of a full employment bill will be passed. I think the house will do a better piece of work on it than the senate did. Every effort will be made to restore the bill to its original form and wording. Critics say the bill is not needed now. It is my opinion that we should take action now so that we will be prepared when we face employment difficulties if we have to do so."

The full employment bill came back to the house and was referred to the committee on expenditures in the executive department. In that committee there is strong opposition to the bill, and it has been indicated that it may remain in committee for some time. Originally the bill provided that if private enterprise failed to provide jobs for all, the federal government should invest funds in enterprises to provide the required employment.

President Truman urged the bill for passage, as he did the Kilgore bill providing unemployment compensation of \$25 for 26 weeks. The senate eliminated the \$25 feature, but kept the 26 weeks in the bill as passed.

The full employment bill was somewhat weakened in the senate. It was attacked by Senator Robert A. Taft of Ohio and as passed "right to work" was changed to "entitled to an opportunity for useful employment." The senate added the proviso that federal spending to provide full employment must be "consistent with government obligations and balanced by a plan of additional taxation to return the money to the treasury over a period of years."

Bunker Backing Full Job Bill
10/9/45
Journal

BUNKER, ASSOCIATES BUY UP EXTENSIVE RANGE RIGHTS

WASHINGTON March 26 — Purchase of extensive water and range rights in Sand Springs Valley, Lincoln county, by Berkeley L. Bunker, and Las Vegas Associates, was announced today by the Nevada congressman. The property was sold to the Nevada colony by a group of Utah livestockmen.

The water and range rights acquired by Bunker in the transaction have a carrying capacity of 1500 cattle. Each of the several forces of water on the range have storage tanks or nearby reservoirs.

Bunker said that while the range area he acquired in the deal is partly stocked with cattle, the property will be brought up to its carrying capacity as soon as possible. The property is located in the northwestern part of Lincoln county and while the overall operations will be directed from Las Vegas, the home ranch will be maintained at Alamo, Bunker said.

The congressman, already the owner of several quarter horses and identified with the cattle industry for many years, recently had his cattle brand, the one-eleven-bar (11-), registered with the state.

I'm Not a Reformer, Says Byrnes; Curfew Temporary Measure

"I am really surprised at Bunker," said James F. Byrnes, director of war mobilization and reconversion, when asked for his reaction to Congressman Berkeley L. Bunker's blast at his midnight curfew request. The reply was contained in a letter received last week by Senator James G. Scrugham.

"He knows that the request I made in regard to midnight closing was not dictated by the Anti-Saloon League and was not the act of one intoxicated with power," Byrnes added. "Before issuing that request I submitted the matter to the advisory board created by congress. They unanimously approved it."

And said Byrnes, "I do not have to tell you that I am not a reformer and this closing was requested only as a temporary measure. At the earliest time that conditions permit it, we will end it. It may cause some persons to go to bed a little earlier than usual, and a little soberer than usual, but, after all, this sacrifice is much less than the sacrifices and inconveniences suffered by 12,000,000 men in uniform."

In his reply Byrnes went on to tell Senator Scrugham:

"I take this occasion to say that I know you must look back with pride upon your contribution to the navy. You gave to the appropriation bills for the navy more time than I or any member of the senate naval affairs subcommittee could give to the subject. Some of the things you advocated have paid great dividends, and you have the satisfaction of knowing that you have performed a real service to the nation. That is all a man gets out of service in the senate."

Congressman Off To Washington

Congressman Berkeley L. Bunker, who has been spending the summer recess in Las Vegas, left Sunday to return to his duties in Washington, D. C. He was accompanied by his wife and two daughters.

Congressman Bunker came here several weeks ago after congress adjourned. He maintained an office in the Federal building in Las Vegas and toured the state. He has returned to the capital because congress is to reconvene at an earlier date than planned because of the end of the war.

His secretary, Ray Germain, who has been here for the summer expects to leave next week to return to the east.

Bunker Hopes GI's To Return Soon

Hope that speedier return of combat forces from overseas might be expected in the near future was given by Congressman Berkeley L. Bunker in a recent letter to one of his Las Vegas friends. His reaffirmed his determination to fulfill the production promises and patriotic support of the men during wartime — a situation which has seriously bogged down since the surrender of Germany and Japan.

"Believe me when I say," he wrote, "no question in the last ten years has been more forcibly brought to the members of Congress than the stupid manner in which the army is releasing servicemen. Probably every member of the house has put pressure on the army to hasten their discharge, and something is now being done about it."

"I have said repeatedly since returning to Washington that Congress is the only one that can make the army act, and if Congress doesn't do this it will be held accountable to the boys in the service."

"General Marshall informs us now that a great majority of the boys will be home before Christmas."

"I know a lot of members of Congress feel just as I do—that they don't propose to let the boys in the service nor the home folks down on this question."

NEVADA POLITICS

NEVADA POLITICS
Now that the Fourth of July holidays are over and the first day of August, when all candidate filings must be in the hands of the secretary of state or county clerks, is rapidly approaching, it is expected that the political tempo will increase. Things politically have been a little dull for the past few weeks although there are quite a few candidates in the field.

It looks like Senator Berkeley Bunker, seeking re-nomination on the Democratic ticket, missed the boat when he announced several weeks ago that he had placed the skids under R. L. Douglas, internal revenue collector. What effect the failure to dislodge Douglass will have on Senator Bunker's drive for votes is problematical and he may have an ace up his sleeve to spring at any time. Douglass is an ardent supporter of Representative James G. Scrugham for the United States senatorial nomination, although he never trailed along with Scrugham in previous campaigns.

While Bunker and Scrugham are getting their campaigns underway the Republicans are endeavoring to fill the ticket and they seem to have two bets for United States senator—George W. "Molly" Malone and Cecil W. Creel. Both want to run, it is said, but both have a number of things to consider, including money for campaign expenses. Malone, it was reported during the week, is on his way to Reno to confer with the Republican party chieftains, while Creel is in Washington looking over the situation from that end and he is expected home in a few days. Either man would make an acceptable candidate and would round out the Republican ticket in good shape but neither one of them, in the opinion of many close observers, could defeat either Bunker or Scrugham in the general election. The Democrats will start off with a preponderance in registration figures, which is a considerable handicap. Many registered Democrats may vote for the Republicans, but not enough, particularly when there's no issue at stake, other than winning the war. Neither Creel nor Malone nor any other Republican mentioned so far for the senate could get very far attacking federal expenditures for non-essentials because they have been on the receiving end of some of those expenditures. The time is not quite ripe now for an out and out state rights campaign, but it can be made a hot issue in a few years from now by either Republicans or Democrats.

The Republicans fortunately secured a candidate for secretary of state during the week. He is Hy Werner of Hawthorne, who is engaged in mining. He will face Malcolm McEachin, Democrat, in the general election. McEachin should have an easy time of it as Werner is not very well known, outside of Mineral county and Reno, but he says he intends to make a very active campaign. According to reports from Mineral county he was sponsored by Jack McClusky and Hayes Donnelly. Donnelly has filed for the assembly. He's a Republican and served at the last session from Mineral county.

It is doubtful if George Ogilvie of Elko, president of the Nevada State Farm Bureau, will be a candidate for lieutenant governor in the Democratic primary. Ogilvie is a member of the board of directors of the American Farm Bureau Federation, and it is understood he would be compelled to resign that position if he ran for a partisan office. He has not said what he intends to do, and it is known that he has been urged to make the race by a number of Democrats. In the meantime reports are current that Vail Pittman of Ely, former state senator, may seek the lieutenant governorship. Pittman would make a formidable candidate. Harley Harmon is also being urged to seek the office by friends and recently completed a tour of the state on business connected with the Nevada Motor Transport Association of which he is the secretary. There are four candidates in the field now for the lieutenant governorship nomination on the Democratic ticket, and one on the Republican ticket.

A few Democrats here are still worried about Gov. E. P. Carville and are afraid that the governor will have no primary opposition for the Democratic nomination. Those who are doing the worrying think the governor might turn his support to Senator Berkeley Bunker for the senatorial nomination and NEVADA POLITICS TWO
some of them have been trying to find an opponent for Carville. So far they have had very little success, and the governor says he is not one bit interested in the senatorial battle, nor is he interested in any of the federal patronage problems that seem to be disturbing members of the congressional delegation.

In connection with federal patronage and all its ramifications it was announced a few weeks ago that Sam Platt had been named a special attorney for the Reconstruction Finance Corporation to handle Nevada business. The appointment came soon after Senator Bunker's blast at Jesse Jones, head of the RFC, and it was assumed that Platt has been selected to look after the RFC interests here in the event Basic Magnesium, Inc., or some other government financed company, was hauled on the carpet. Now comes a report from Washington, which has all the earmarks of authenticity, that James D. Finch, old-time Democrat, is the Nevada RFC attorney and has been for the past several years. Platt was given a special assignment only, it is said, but the announcement of his appointment was such that it caused quite a riffle in Democratic circles as Platt has been one of the Nevada Republican leaders for many years. He did not replace Finch in any respect.

It appears, too, that the office of price administration, which started off gloriously and which seemed to be completely detached from political patronage is doomed to hit the patronage rocks. For some reason, not revealed, the appointment of George Vargas, Republican, as attorney for the Nevada office was shunted to one side, and there have been a flock of at-

torneys from San Francisco in and out of Reno passing on legal phases of the work. Leo Schmidt, head of the Nevada office, who has refused to mix any politics with his work, is moving along satisfactorily but his office, according to all reports, is being pestered daily with regional representatives from San Francisco who spent their time rating stenographers on their speed on a typewriter. Selection of a man for a rationing position almost caused the members of the Reno War Price and Rationing board to resign in a body. The board was asked for a recommendation, and then the regional civil service representative refused to accept the recommendation. There might not have been any politics involved and then again there might have been. According to those in a position to know the whole thing, it revolves around the fact that there are too many walking delegates from San Francisco trying to run the Nevada office. It is contended that if the regional office boys would stay in San Francisco and let Schmidt run the Nevada office that everyone would be happy and the administrative costs would go down instead of up.
—Nevada Journal.

New York Firm To Aid Mining

WASHINGTON, July 13. (P)—Senator Bunker of Nevada, told the Senate today that the Defense Plants Corporation had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operating of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.
Referring to Basic Magnesium as "the company that stands to make a profit of 4,280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the Senate defense investigating committee.
"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.
He said that on April 9, Defense Plants Corporation had signed a management contract with Coverdale & Colpitts of New York City.
"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," he declared. "It is to be paid by the Defense Plant Corporation although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."
Bunker said that on June 15, test drilling had not been completed on the Basic claims, notwithstanding the fact that the government had spent \$5,000,000 in a plant to process the ore.

MISMANAGEMENT IS CHARGE OF SENATOR

Bunker of Nevada Describes Basic Magnesium as Company Standing to Make Huge Profit.

United States Senator Bunker, democrat, Nevada, told the senate early this week that Defense Plants Corporation had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc., according to an Associated Press dispatch from Washington.

Senator Bunker referred to Basic Magnesium as "the company that stands to make a profit of 4,280 per cent on an investment of less than \$50,000," and claimed that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the senate defense investigating committee.

Federal Funds Involved.

The senator added: "Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic officials, yet he was willing to spend \$100,000 to correct the same."

He said that on April 9 Defense Plants Corporation had signed a management contract with Coverdale & Colpitts of New York city.

"This expenditure does not revoke the contract previously made with the incompetents of Basic Magnesium," it is to be paid by the Defense Plant Corporation, although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it was incapable of doing."

Senator Bunker said that on June 15 test drilling had not been completed on the Basic claims, notwithstanding the fact that the government had spent \$5,000,000 in a plant to process the ore. He continued:

"It is intensely interesting to know that the contract for the ore has not been signed, although the plant should start operation and production of magnesium some time in August. There are claims adjacent to the reduction plant which no doubt could be obtained should the present source of ore prove unsatisfactory, or other claims throughout the state.
Need for Supervision.

"The question is, should Basic Magnesium be permitted to exact an exorbitant war time profit on all or any ore supply?"

He read from a report by P. H. Rustin of the auditing division of the Defense Plant Corporation, the following statements:

"There is need for more effective supervision over DPC's funds now being spent by Basic Magnesium.

"Employees of Basic Magnesium authorized to draw checks were not bonded.

"Eleven bank accounts were maintained by Basic, of taxpayer funds.

"Basic Magnesium are permitted to make disbursements but an accounting is not made until invoices are presented for audit.

"Basic has disbursed approximately \$20,000, the properties of which were neither approved nor authorized.

"The executive pay roll is excessive.

"Basic Magnesium is not in a strong financial position and its principal source of income is the construction fee, the interest in which was assigned to a Cleveland bank.

"Limitation should be established for the amount of salaries allowable and for travel and other expenses.

"H. P. Eells engages in local politics, using the project as a vehicle."

The senator said, according to the Associated Press, that the report "plainly reveals the politics injected into this affair by Howard P. Eells, \$50,000-a-year president of Basic Magnesium."

U. S. Has to Pay Firm Managers, Senator Charges



SEN. BUNKER

WASHINGTON, July 13.—(P)—Senator Bunker, Democrat, Nevada, told the senate today that the Defense Plants corporation had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to Basic Magnesium as "the company that stands to make a profit of 4,280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the senate defense investigating committee.

"Although Jesse Jones made a feeble and unsuccessful attempt to justify the miserable progress and delay on the part of basic officials, yet he was willing to spend \$100,000 to correct the same," Bunker declared.

He said that on April 9 Defense Plants corporation had signed a management contract with Coverdale & Colpitts of New York City.

Mismanagement Is Charged by Solon

WASHINGTON — (P) — Senator Bunker (D., Nev.) told the senate Monday that the defense plants corporation had signed a contract to pay a New York firm \$100,000 "to provide competent management" for the operation of a mining project at Las Vegas, Nev., by Basic Magnesium, Inc.

Referring to Basic Magnesium as "the company that stands to make a profit of 4,280 per cent on an investment of less than \$50,000," Bunker said that "gross mismanagement on the part of Basic Magnesium officials was established" in an investigation by the senate defense investigating committee.

BUNKER MAKES ADDITION TO FORMER CHARGE

U. S. Senator Berkeley Bunker recently spoke before the Senate at Washington, continuing his remarks on the matter of the Basic Magnesium plant near Las Vegas, which he maintained was mismanaged and stood to make a profit of 4,280 percent on an investment of \$50,000 or less. Such a situation was incompatible with the Senate's plan of limiting war profits to six percent, he said.

He pointed out that the excuses given by Jesse Jones, head of the RFC, did not explain the conditions that existed at the plant, which had its furnaces only nine percent complete although the contract was received in August, 1941.

The Senator pointed out that action of the corporation acknowledged mismanagement inasmuch as they had employed another company to manage for them at a cost of \$30,000. Mr. Bunker went on to point out the enormous salaries being paid engineers, advisers and technical men, representing heavy increases over anything they had received before.

He told how the government was paying 45 Basic Magnesium men in England to study the process of recovering magnesium metal from the ore and that Basic Magnesium was paying a crowd of English technicians who were in America, promoting the interests of their company.

According to Senator Bunker, there were many questionable matters in connection with the project.

TRING JOURNAL
7/30/42 New York City

CHARGES INCOMPETENCY IN BASIC MAGNESIUM OPERATION

A CONTRACT to pay the New York concern of Cloverdale and Colpitts \$100,000 to provide "competent management" for the Basic Magnesium, Inc., project at Las Vegas, Nevada, has been signed by Defense Plant Corporation, according to an announcement by Senator Bunker of Nevada. Bunker declared that "gross mismanagement on the part of Basic Magnesium officials was established by the Senate defense investigating committee which probed the affair and reportedly uncovered evidence that the company stands to make a profit of 4,280 per cent on an investment of less than \$50,000.

Bunker asserted that the \$100,000 contract with Cloverdale and Pitts was signed on April 9 after Jesse Jones had made a "feeble and unsuccessful attempt to justify the miserable progress and delay on the part of Basic Magnesium officials." He went on to state that this expenditure does not revoke the previous contract made with Basic Magnesium and that "it is to be paid by Defense Plant Corporation, although it should be deducted from the \$300,000 Basic Magnesium is to receive for work it is incapable of doing."

Among the specific charges made was the one that test drilling had not been completed on the claims by June 15, notwithstanding the fact that the government had spent \$5,000,000 on a plant to process the ore. Other charges by Senator Bunker are that unsatisfactory methods were used in accounting for government funds expended, unauthorized expenditures have been made, the executive payroll is excessive, and Howard P. Eells, the president, "engages in local politics, using the project as a vehicle." The senator also asserted:

"It is intensely interesting to know that the contract for the ore has not been signed, although the plant should start operation and production of magnesium sometime in August. There are claims adjacent to the reduction plant which no doubt could be obtained should the present source of ore prove unsatisfactory, or other claims throughout the state."

About the same time Senator Bunker was making his charges as to incompetent management, Major C. J. P. Ball, Basic Magnesium vice-president, told a gathering of more than 1,000 company employes that the operation will go into production in August. "From the white hills of Nevada," he said, "we will shortly be sending forth the white metal to be dropped on Germany and Japan in the form of incendiary bombs, and to the airplane factories of the nation to build countless more bomber and fighter ships."

Las Vegas Review Journal
August 13 1942

MR. BUNKER -- LABOR WANTS TO KNOW

MR. BUNKER? why is it thousands of workers at the magnesium plant have been forced to live through the heat of the summer in the worst possible conditions?

Why have patriotic Americans, determined to help get this vital material in production, been forced to endure untold hardships—their families as well—because of lack of housing?

Basic Magnesium, Inc., realizing the probable situation, had plans for building plenty of housing near the plant to take care of all the workers who would be employed. That town would have been finished before the hot weather had it not been for interference.

WHAT is your answer to the suffering workers? Their wives and children, but for your interference, would now be living in comfortable homes, air-cooled, with all sanitary facilities necessary to their health, all conveniences of modern homes.

YOU PROMISED THEY'D HAVE HOMES BY NOW. WHERE ARE THEY? TEN THOUSAND WORKERS WOULD LIKE THE ANSWER TO THIS QUESTION.

IN your attack on the magnesium plant, didn't you realize you were stirring up dissension, casting discredit on the only big industry in Southern Nevada, jeopardizing the very construction and operation of the plant? Didn't you realize you were serving the cause of our enemy in using these tactics by creating all this stir?

DIDN'T you realize you were serving the cause of those predatory interests who would like to keep the plant from getting started, who place control of the industry ahead of National defense?

DIDN'T you know you were playing the game of the enemies of this country and the enemies of this industry in carrying on your attack?

IF you were seriously concerned about problems of mismanagement, etc.; and solely interested in seeing them cleared up, wouldn't the best approach have been to consult with officials of Defense Plants Corporation first (which you never did) and then, if they refused to cooperate, blasted them? Defense Plants Corporation is part of the National Government, your Government and mine—they're interested only in producing magnesium, and would undoubtedly have worked with you.

That course might not have gotten you any votes, Mr. Bunker, but it would have been the patriotic way—dissension and turmoil are the two things we're constantly warned against—are constantly told are HITLER'S weapons.

Mr. Bunker, is it not a fact if your ambitions were realized you would have jeopardized the future of this area, as an industrial center? Would industrialists have faith in a person whom they could not trust after surveying your record of the past few months?

Would it be wise for the people of this vicinity to send a representative to Washington to serve in the Senate of the United States who would obstruct the industrial program of this area which the citizens have strived to get for years?

WAS YOUR COURSE DICTATED BY DESIRE FOR REELECTION? WAS IT JUST A MISTAKE OF YOUTH AND INEXPERIENCE? OR WERE YOU DOING SOMEBODY ELSE'S DIRTY WORK? ... WHAT IS THE ANSWER, SENATOR?

MR. BUNKER WITH YEARS TO GO AND ACTION TO COME, YOU have been in the U. S. Senate two years.

ISN'T it true, that—

YOU have made speeches on but two subjects during that time and these two speeches were—

FIRST—AGAINST levying a sizeable tax on slot machines to realize revenue for National Defense?

SECOND—AGAINST Basic Magnesium, Inc., the only sizeable industry to ever locate in this State, and the concern responsible for the growth and development of your home county and your home State?

WHAT ELSE HAVE YOU DONE TO JUSTIFY YOUR APPEAL FOR REELECTION?

Signed,

COMMITTEE ON LABOR.

(Paid Political Advertising)

NOW YOU CAN ENJOY—CLARK'S GREATER SHOWS ONE MORE W THRILLING RIDES—AMA

Hear Kirman endorse Bunker
over KENO 7 P.M. Friday.—Adv.

Las Vegas Review Journal
August 12 1942

Bunker Observes 36th Birth Date

RENO, Aug. 12 (UP) — U. S. Senator Berkeley L. Bunker celebrated his thirty-sixth birthday here today campaigning for reelection to the post to which Governor Carville appointed him in November, 1940.

Youngest member of the "greatest deliberative body in the world," Bunker spent the day opening telegrams of congratulations from friends.

His birthplace in St. Thomas, is now submerged under the waters of Lake Mead.

Las Vegas Age
August 14, 1942

**BUNKER TO ARRIVE
MONDAY FOR ADDRESS**

Senator Berkeley L. Bunker will arrive in Las Vegas Monday, Wednesday night he will speak over KENO, discussing fully the issues of his campaign as they relate particularly to Clark county. It is announced by Bunker's headquarters. The time of the broadcast will be announced later.

VOTE FOR
A Man Who Knows
His Business

BERKELEY L.
BUNKER
DEMOCRAT

for CONGRESS



- Born in St. Thomas, Nevada.
- ELECTED to the Nevada State Assembly in '36. Chairman of the Ways and Means Committee in '37.
- RE-ELECTED to the State Assembly in '38. Elected Speaker in '39.
- RE-ELECTED to State Assembly in '40.
- APPOINTED U. S. Senator in '40.
- SERVED in the U. S. Senate from December, '40 to December, '42. Member of the U. S. Senate Agriculture and Forestry Committee; the Mines and Mining Committee; the Education and Labor Committee and the Indian Affairs Committee.

This Advertisement paid for by Friends of Berkeley L. Bunker, who know that HE IS GIFTED, FORCEFUL AND PROVEN

To the Voters of Clark County:

*My Sincere
Thanks*

BERKELEY L. BUNKER

NEEDED NOW
CAPACITY FOR LEADERSHIP
COURAGE TO DO THE JOB

VOTE FOR
Berkeley L.
BUNKER
for
CONGRESS
DEMOCRAT

(Paid political advertisement)

HERE'S THE
WINNING TEAM
VOTE FOR THEM ALL



McCARRAN
for U. S. Senator



ROOSEVELT
for President



BUNKER
for Congressman

Experienced, courageous, and proven, these are the men to lead us through the crisis of Victory and the conversion to Peace! In matters of state, nation, and beyond, we know where they stand. They think as Americans think, and they will act as Nevadans would have them act. We are proud of them!

Assembly
J. M. "Jack" Higgins
Sid Martin
James G. Ryan
Paul W. Warner

County Commissioner
DISTRICT NO. 1—Short Term
Rudney Cullen
Geo. E. Perkins

Constable
LAS VEGAS TOWNSHIP
W. W. "Woody" Cole
Earl West

County Assessor
M. C. "Mac" Oglesby
County Treasurer
C. B. Sloan

County Commissioner
DISTRICT NO. 2—Long Term
James H. Davis

Constable
HENDERSON TOWNSHIP
John N. Sanderson
Geo. W. Wimsatt

VOTE STRAIGHT DEMOCRAT

CAST YOUR VOTE WITHOUT FAIL

POLITICAL ADVERTISEMENTS BY THE DEMOCRATS TO THE CENTRAL COMMITTEE

NEVADA'S NEED

Today's call is for men with DRIVE, KEEN MIND and IRON WILL to release our pent-up resources. The NATION and NEVADA both sound the call—more urgently as the post-war era dawns. Nevada's common sense answer is BERKELEY L. BUNKER.



VOTE FOR
BERKELEY L.
BUNKER
DEMOCRAT
CONGRESS

(This Advertisement paid for by Friends of Berkeley L. Bunker)



SEND A MAN TO CONGRESS

- Whose single aim is service to Nevada and Nation.
- Who despises cowardly expediency.
- Whose forceful character wins respect.
- Whose full drive is turned on duty to be done.

VOTE FOR
BERKELEY L.
BUNKER
DEMOCRAT
FOR CONGRESS

(This Advertisement paid for by Friends of Berkeley L. Bunker)

**Bunker's Views
On Peace Aired
At Reno Meeting**

RENO, Nev., Oct. 13 — Berkeley L. Bunker, Democratic candidate for congress, told the Reno Business and Professional Women's club here Tuesday night, in answer to dozens of questions about war and the peace to follow, that he favored a peace that would assure, as far as possible, prevention of any future world wars.

He had no definite plan for peace, nor for peace plans, he said, but that he earnestly would favor a peace that would be the most probable pact which would prevent future wars.

That war is coming home to the people of Nevada more than ever, Bunker pointed out, and he also pointed out that casual talk among Nevada youth is growing. He cited that in Nevada there were eight boys drafted and that five of them had been reported killed in action. The percentage in Churchill County was 100 per cent, he said.

Bunker discussed the restriction of gold and silver mining and the possibility of obtaining and increase in the prices of precious metals. He went over agricultural possibilities and stressed the importance of finding jobs for returning soldiers and veterans welfare.

Bunker will remain in Reno until Nov. 15, he said, and then plans to start with Senator Pat McCarran and others on a tour of the state, during which most of the state's communities will be visited, and in which county chairmen will participate.

(Political Advertisement)

(Political Advertisement)

POST-WAR UNCERTAINTY



VOTE FOR
BERKLEY L. BUNKER
DEMOCRAT FOR
CONGRESS
WITH HIM YOU ARE SAFE AND SOUND

This Political Advertisement Paid for by Friends of Berkeley L. Bunker

HERE'S THE WINNING TEAM

VOTE FOR THEM ALL



McCARRAN
for U. S. Senator



ROOSEVELT
for President



BUNKER
for Congressman

Experienced, courageous, and proven, these are the men to lead us through the crisis of Victory and the conversion to Peace! In matters of state, nation, and beyond, we know where they stand. They think as Americans think, and they will act as Nevadans would have them act. We are proud of them!

Assembly

J. M. "Jack" Higgins
Sid Martin
James G. Ryan
Paul W. Warner

County Commissioner

DISTRICT NO. 1—Short Term
Rodney Colten
Geo. E. Perkins

Constable

LAS VEGAS TOWNSHIP
W. W. "Woody" Cole
Earl West

County Assessor

M. C. "Mac" Oglesby
County Treasurer
C. H. Sloan

County Commissioner

DISTRICT NO. 2—Long Term
James H. Down

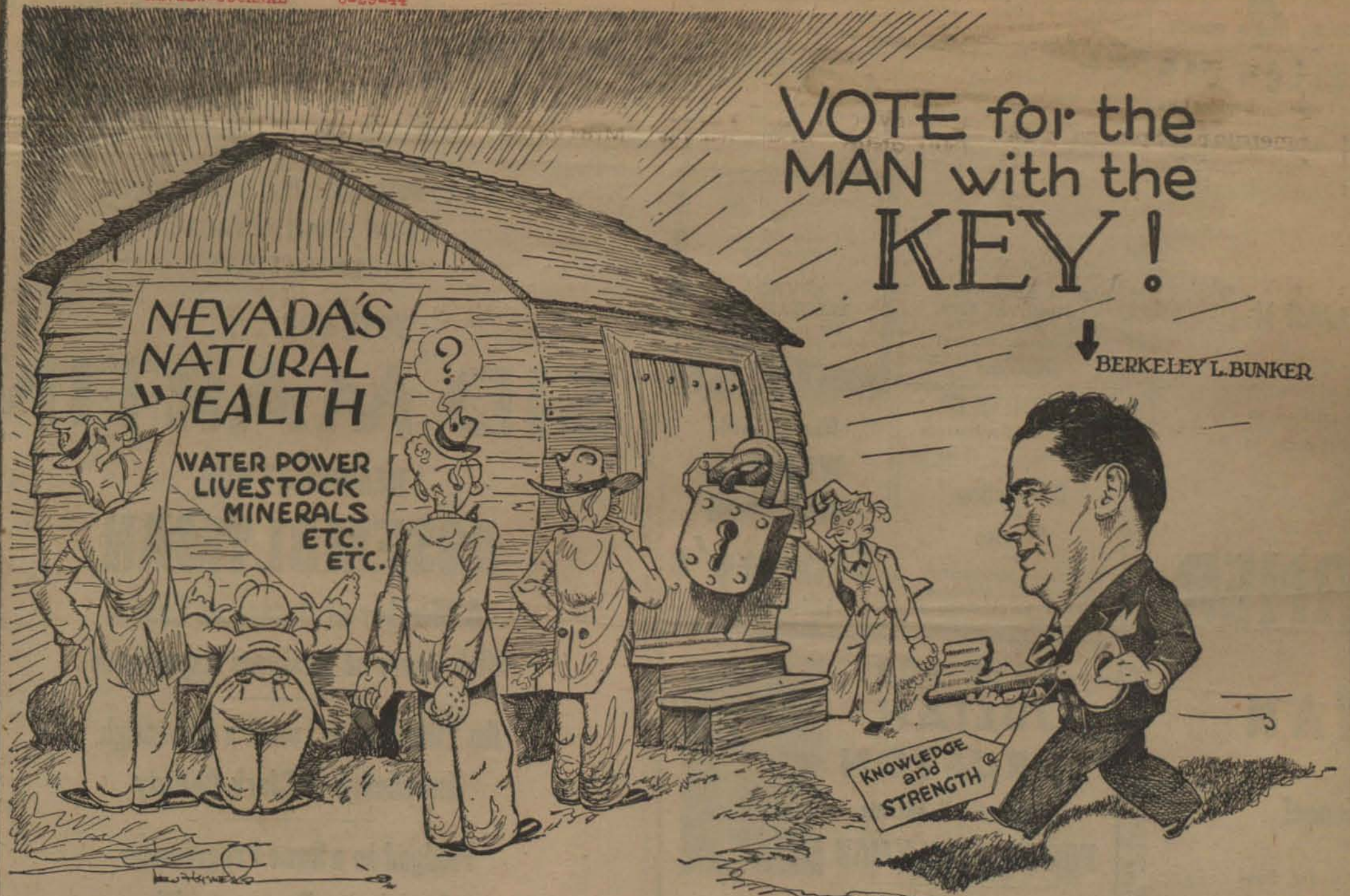
Constable

HENDERSON TOWNSHIP
John N. Sanderson
Geo. W. Wimsatt

VOTE STRAIGHT DEMOCRAT



POLITICAL ADVERTISEMENT BY THE DEMOCRATIC STATE CENTRAL COMMITTEE



VOTE for the MAN with the KEY!

↓ BERKELEY L. BUNKER

BERKELEY L. BUNKER

Democrat for CONGRESS

- CAPABLE
- COURAGEOUS
- EXPERIENCED

S. R. WHITEHEAD DIES TODAY AFTER A BRIEF ILLNESS

Stephen Robert Whitehead, pioneer Clark County resident, public official and civic worker, passed away at his home 330 North Seventh street, at 7 o'clock this morning, after a brief illness resulting from high blood pressure.

All members of the immediate family were with him when he died, except his son, Wayne, who is in the U. S. army somewhere in the eastern United States.

Born in St. George, Utah, July 17, 1880, Whitehead moved to Overton shortly after his marriage to Miss Gertrude Watson in the Utah city March 23, 1905.

Establishing the Whitehead Mercantile Company, he was in business for many years in the Moapa Valley. During his residence there he built the first stone home in Overton for his family. The house still stands and is still one of the finest residences in the area.

Whitehead was the first elected county assessor, taking office in 1910 and succeeding W. J. McBurney who was appointed at the time Clark county was created in 1909 and served until the election the following year.

Whitehead continued in that office until 1914 when he retired to devote his time to the mercantile business in the valley.

In 1922, when Dan O'Leary resigned the office of county recorder and auditor, Whitehead was appointed to fill the vacancy and moved his family to Las Vegas where the family has resided ever since.

Whitehead served continuously in this office until 1930 when he again retired from public life to direct the activities of his Roosevelt Title Insurance Company during the Boulder dam boom days.

A charter member of the Las Vegas Kiwanis club, Whitehead was its second president, succeeding H. A. Whiteneck and serving during the year 1927.

Active in the chamber of commerce from the time he moved to Las Vegas, Whitehead was secretary and then president following James H. Down in 1931.

For several years he engaged in private business in the community, entering the employ of Basic Magnesium, Inc., early in 1942 and continuing in the company's service until he was stricken with his fatal illness.

A member of the L. D. S. church, deceased was stake secretary for a number of years.

He is survived by his widow, Mrs. Gertrude Whitehead, three daughters, Mrs. Richard White, Mrs. Berkeley L. Bunker, wife of United States Senator Berkeley L. Bunker; and Miss Betty Whitehead, all of Las Vegas; and four sons, Robert, William C., Wayne and Ross.

Funeral services will be held at the L. D. S. church Sunday afternoon at 4 o'clock with Bishop Reed Whipple officiating. All members of the immediate family are here except Wayne who is in the U. S. army somewhere in the eastern United States and who, up until early afternoon had not been reached.

He was a Builder

The motto of Kiwanis International is: "We Build." S. R. Whitehead, who passed away at his home in Las Vegas yesterday, was a charter member of the Las Vegas club and its second president. During his active career in civic life in Clark County, he was a living example of the application of that motto.

For nearly thirty years Whitehead worked everlastingly for the development of the communities in which he resided while devoting himself to the job of making a home for his family. His work in the chamber of commerce here during the formative days just before and just after the passage of Boulder Dam legislation and the start of the project, contributed much to the successful negotiation of those trying and important days.

He was a builder and left his mark stamped indelibly on the progress of the community he called home. His passing serves to recall again the hectic days when Las Vegas was experiencing its first era of growth and development and the part he played. He was one of that fast thinning group of indefatigable workers whose determination to make Las Vegas' dreams come true plus their own unselfish efforts contributed so much during a critical period in the city's history.

WHITEHEAD RITES SET FOR SUNDAY IN LDS CHAPEL

Impressive funeral rites for Stephen Robert Whitehead, 62, pioneer Clark county official who died yesterday morning, will be conducted at 4 o'clock tomorrow afternoon at the chapel of the L. D. S. church in Las Vegas.

Bishop Reed Whipple will be in charge of the services which will include the following: Vocal duet by Wendell Bunker and Mrs. Tom Adams, accompanied at the organ by Mrs. Eldon Larson; vocal trio by Mrs. Adams, Mrs. Marion B. Earl, and Mrs. LeRoy Whipple, accompanied by Mrs. Larson; talk by Bryan L. Bunker, president of the Moapa stake of the L. D. S. church.

Interment will take place at the Woodlawn cemetery, where the dedication of the grave will be in charge of Robert O. Gibson, member of the presidency of the Moapa stake.

Remains of the deceased are at the Garrison mortuary, where they may be viewed by friends, as the casket will not be opened at the services tomorrow, Bishop Whipple announced today.

Pallbearers at the services, chosen from members of the Las Vegas Kiwanis club, of which Whitehead was a charter member, and other close friends, will include: Lloyd S. Payne, David Farnsworth, M. E. Ward, James H. Down, Sr., Alex Swapp and Vernon Bunker.

Whitehead was active in county and civic affairs over a long period of time, having served as Clark county assessor and Clark county auditor and recorder.

COMPLICATED POLITICS

Politics, always a rather complicated and uncertain pursuit, seems to be reaching its extreme of complicity as being carried on in the Democratic primary campaign just now.

For example, Congressman James G. Scrugham, one of the most dependable, faithful and efficient members of the Democratic machine for almost thirty years past, who has never been known to desert or betray a friend, is now being sneered at by a would-be important element of the Nevada Democracy. Partly, perhaps, because he would not join in the effort being made by other politicians to build their own political future on petty attacks on America's No. 1 Defense project.

Then there is another element equally intent in justifying their own political mistakes by continued attacks upon this same enterprise in creation of which Scrugham played an important part at the time when Nevada's interests were trembling in the balance because of persistent efforts on the part of powerful political elements to locate the industry in California instead of in Nevada and still more powerful financial interests intent upon eliminating possible competition by killing it entirely.

Many Democrats have expressed curiosity at just what Senator Bunker hopes to accomplish by his practically baseless attacks upon Basic Magnesium and high officials of the United States Government charged with the important duty of providing the United States with the means of defense in the shortest possible time.

Then there is Governor Carville who appointed Senator Bunker to fill the unexpired term of the late Senator Key Pittman, who after visiting the Basic Magnesium plant six times with every opportunity for complete observation, gives to the press a statement most laudatory of Basic Magnesium and its accomplishments, completely refuting the attacks of Senator Bunker.

Which leads one to wonder if our state democracy is not riding on a merry-go-round trying to go three different ways at one time.

One thing is obvious, very obvious—that Nevada Democratic factions are each frantically seeking some hobby horse on which to ride to victory. Some, it is obvious, would prefer to ride the hobby horse of reasonable sanity and conservatism befitting all good citizens. Others, it appears, choose whatever hobby horse they think might possibly win the vote-getting race.

LOTS OF VOTERS

Clark county, according to County Clerk Lloyd Payne, will have on its great register of voters approximately twelve thousand names for the September primary election. This will be somewhat in excess of the number registered when construction of Boulder Dam was at its most active stage, and helps to establish this county as prospective leader in population in Nevada.

Whether this is really any advantage is beginning to be a question in the minds of some of us. Perhaps our community



**VOTE FOR
A MAN WHO
KNOWS
HIS BUSINESS**

**BERKELEY L.
BUNKER
DEMOCRAT**
for
CONGRESS

- Born in St. Thomas, Nevada.
- ELECTED to the Nevada State Assembly in '36. Chairman of the Ways and Means Committee in '37.
- RE-ELECTED to the State Assembly in '38. Elected Speaker in '39.
- RE-ELECTED to the State Assembly in '40.
- APPOINTED U. S. Senator in '40.
- SERVED in the U. S. Senate from December, '40 to December, '42. Member of the U. S. Senate Agriculture and Forestry Committee, the Mines and Mining Committee, the Education and Labor Committee and the Indian Affairs Committee.

This advertisement paid for by friends of Berkeley L. Bunker, who know that HE IS GIFTED, FORCEFUL AND PROVEN.
(Political Advertisement)

THE ANSWER

Fateful '44 and the years ahead clamor for men of COOL VISION, of SINGLE AIM, and SOUND JUDGMENT—men with the character to follow a COMPASS, not a weathercock. Nevada owes such leaders to itself and to the nation.



**VOTE FOR
Berkeley L.
BUNKER
DEMOCRAT**
for
CONGRESS

This Advertisement paid for by Friends of Berkeley L. Bunker.
(Political Advertisement)



SEND A MAN TO CONGRESS

- Whose single aim is service to Nevada and Nation.
- Who despises cowardly expediency.
- Whose forceful character wins respect.
- Whose full drive is turned on duty to be done.

**VOTE FOR
BERKELEY L.
BUNKER
DEMOCRAT
FOR CONGRESS**

(This Advertisement paid for by Friends of Berkeley L. Bunker)
(Political Advertisement)

A WORD IN ADVANCE

BY

BERKELEY L. BUNKER

DEMOCRATIC CANDIDATE FOR U. S. CONGRESS

The framework of the following statement is the fruit of cool, measured judgment, acute observation and common sense.

It is devoid of trickery and emotional appeal which are usually associated with mere politics.

IMMEDIATE OBJECTIVES

- I— ALL AID TO THE VIGOROUS PROSECUTION AND EARLY TERMINATION OF THE WAR.
- II— THAT AMERICA TAKE ITS INTERNATIONAL RESPONSIBILITY IN THE WRITING AND MAINTAINING A JUST AND LASTING PEACE. (Not to adopt the attitude of "SPLENDID ALOOFNESS" and hide under the deceitful cloak of isolationism.)
- III— THAT NECESSARY STEPS BE TAKEN NOW TO PREVENT THE REOCCURRENCE OF ANOTHER DISASTEROUS DEPRESSION.



VETERAN'S WELFARE

Full application of the G. I. Bill of Rights. Provide opportunity for vocational and professional training and education. Financial assistance to buy home, farm, farm equipment or business. Employment, insurance benefits, Compensation. Rehabilitation of disabled veterans in state atmosphere close to relatives and friends, with every modern medical, surgical, occupational facilities, and recreational exercises. The Veterans ask for no sterile gift, but the opportunity which they richly merit, of providing for themselves. Post-war organization of veterans will be of superlative benefit to insure wise government, especially where the maintenance of peace is concerned.

MINING

The return of gold to its own and silver to its own—at good prices. Exploitation of Nevada nonmetallic minerals used in building and insulating projects. Work for the happy solution to the problem of magnesium production with benefit to the state and nation. To further the mining and processing of tungsten, manganese, mercury, lead, zinc, nickel, quicksilver and copper, etc. Development of domestic supply of vital minerals so that America may never be without again. Oppose importation of cheaply produced foreign minerals in competition to Nevada Mines and miners.

AGRICULTURE—

A program to insure good prices for agriculture and livestock products with limited government control. Remove the fear of foreign competition in agriculture and livestock products. Development of additional irrigation and reclamation projects.

LABOR—

The continuation of a clear cut labor policy which has raised the American worker \$1.00 per day to \$1.00 plus per hour. A high wage scale, short hours, top working and living conditions in cooperation with labor unions.

AVIATION—

Federal aid in the development of local airports in every community to accommodate the post war increase in air transportation both private and commercial.

HIGHWAYS—

Nevada alone should have an annual ten to fifteen million dollar road building and maintenance fund through federal aid for the post war program already planned.

TOURISTS—

The state has magnificent health and recreational resources; travel to the state must be stimulated after the war by vivid but wholesome publicity, with an eye to the possibility of not merely attracting passing visitors but permanent residents eager to invest capital.

NATIONAL BUSINESS

Independent supply of rubber. Prudent business-like economy in government must be restored. Consolidation and liquidation of bureaus. Lower taxes after the war. The continuation of FREE, PRIVATE, competitive enterprise. To seek the attainment and maintenance of full production coupled with continually expanding industry. We want no unemployment.

A CLOSING WORD

TO MAKE SERVICE TO NEVADA AND NATION A CAREER;
TO STAND BY PRINCIPLE AND DESPISE COWARDLY EXPEDIENCY;
TO EXPEND EVERY ENERGY And The FULL FORCE of CHARACTER in DUTY.

NOMINATE

BERKELEY L. BUNKER
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Paid Political Advertisement.

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NOMINATE

BERKELEY L. BUNKER
DEMOCRATIC CANDIDATE FOR U. S. CONGRESS

Paid Political Advertisement.

Tribune's Biographical Sketches

This is the third of a series of biographical sketches of men and women who have contributed in a large measure to the progress of our city and county.

Las Vegas and Clark County possess scores of citizens who have gained prominence through their unstinted efforts in developing our community. We feel proud that out of the wealth of material we are now gathering we will be able to present to the readers of the Tribune the colorful sketches of our leading men and women, irrespective of their political or social connection.

The meteoric career of Berkeley L. Bunker has been portrayed by thousands of scribes throughout the country who reported on his political activities while he was Nevada's junior United States Senator, and nothing we can say will ever add to the splendor and prominence he has already attained.

Berkeley L. Bunker was born August 12, 1906, the son of Mr. and Mrs. Martin A. Bunker, pioneer ranchers of St. Thomas in Clark County, now covered by the waters of Lake Mead. He attended grammar school in the town of his birth and graduated from Las Vegas High School in 1926. He has been active in the leadership of the Church of Latter Day Saints and spent twenty-seven months on a mission to the southern states, becoming a Bishop in 1938. For several years he operated successfully the Silver States Service Station located at 5th and Fremont in Las Vegas.

Since early youth he has been active in politics and became a leader of the Young Democrats organization. He was elected a member of the State Assembly in 1936, 1938 and again 1940. In the 1939 session he served with

credit to his county and state in the responsible post of Speaker of the Assembly. When Senator Key Pittman died shortly after his reelection to the U. S. Senate, Governor Carville appointed Berkeley Bunker to fill the vacancy, at which time he issued the following statement: "Mr. Bunker is a successful business man. He has an intimate knowledge of the mining, livestock, and agricultural industries of the state. He has a broad knowledge of the conditions surrounding the Boulder Dam project and he is familiar with its possibilities."



BERKELEY L. BUNKER

"He typically represents the young manhood of Nevada and has served with distinction as President of the Young Democrats of the state. Chosen by the people of his county to represent them in the Assembly of the Nevada legislature, he was in turn chosen by that body as its presiding officer in 1939, which office he filled with distinction to himself and with credit to the legislative body he was a member of. I consider that Mr. Bunker has the ability and the progressiveness to serve this state as United States Senator and I bespeak for him a fine career like those splendid men who have served the state in that capacity in years past."

The great honor conferred by the Governor came as a complete surprise as Bunker did not entertain the thought of being considered among the many aspirants to the late senator's chair.

Declaring that he believed in a policy of strong national defense and the encouragement of individual effort, Senator Bunker's first statement was: "I am greatly honored in having conferred upon me the appointment to represent my native state in the senate of the United States. I accept the appointment with a keen sense of pride but especially with a keen sense of responsibility that accompanies the office."

"I shall put forth every effort within my ability for the upbuilding of the state and for the promotion of our people. My home has always been Nevada, and the welfare of my home will always be uppermost in my mind."

Berkeley L. Bunker lived up to his word, and during his tenure of office many were the important measures he supported which

made him one of the most noted legislators of the 1941 Congress, among which were the lend-lease plan, the ship seizure bill, the ten dollar monthly bonus for extended service, lower income tax exemptions to \$750-\$1,500, the neutrality act revision, and most noted of all, he was the only Nevada senator who voted for the declaration of war against Japan and Germany.

Senator Bunker did not confine his activities only in Congress and the many measures introduced. True to his word to uphold the state for the promotion of our people, he secured Federal funds for the Las Vegas sewage system and disposal plant and fought vehemently the Basic Magnesium management under the direction of its former president, Howard Eells, until the latter was reduced to sell his interest to Anaconda. It was Bunker also who fought for and secured Federal construction of two thousand houses in Las Vegas in lieu of the original plans which called for the erection of only three hundred.

Berkeley L. Bunker was married in December, 1933, to Lucille Whitehead and he is the proud father of two children, Loretta, 5, and Ann, 2 years old.

He is a member of the Rotary Club and of the Junior Chamber of Commerce.

Berkeley Bunker is a product of Clark County. He has elevated himself from a humble position to that of attaining national prominence. His was the honor of presiding—in the absence of the Vice-President—over the Senate of the United States, and he is still in his thirties. We feel confident that a career so distinguished cannot be left unnoticed, and in spite of his recent political setback, the right thinking citizens

of Clark County are really proud of their illustrious native son.

In conclusion, we wish to quote the following editorial which appeared in the Reese River Reveille on February 27, 1943:

"Those of us who put all the energy we had into the campaign to elect Berkeley L. Bunker to the seat in the United States senate which he held by appointment of Gov. Carville have much satisfaction from the way in which he accepted his very narrow defeat at the last election. It confirms us in our belief that he is of the stuff of which valuable public servants are made."

Mr. Bunker accepted his loss by a slight majority of a very high office, in which he was making marked progress, entirely philosophically and without complaint or recrimination. When his successor qualified he made no efforts to hang on in Washington under some lame-duck appointment which he might easily have secured, but quietly returned to his home in Las Vegas and recommenced a business career.

The record that Mr. Bunker made in his short tenure of the office of United States senator, the size of the vote which he received at the election and the sources from which it came are proof that the time will come when he will be again called upon for important service by the people of Nevada.

Mr. Bunker is still a very young man and he can afford to await such call which will surely come by the natural logic of events and which when it does come will, we are sure, find him entirely prepared to answer it successfully. He is a very valuable reservist in the ranks of available sound political timber in the state of Nevada."

SENATOR BUNKER ON TOUR

Berkeley L. Bunker leaves at 5 a. m. today on his first statewide tour to acquaint the voting public of Nevada with the reasons Berkeley L. Bunker should be the state's next congressman.

The Las Vegas, one of the youngest men ever to serve in the United States Senate, plans to be on tour for the two weeks ending Mother's Day when he will return to spend the day with Mrs. Bunker and their children.

His itinerary, as set last night, calls for visits in Tonopah, Goldfield, Hawthorne, Fallon, Reno, Winnemucca, Elko, Wells, Ely, Pioche, Caliente, and way points.

Former Senator Bunker is opposing Maurice J. Sullivan, incumbent, in the Democratic primaries.

L.V.R. JOURNAL
5-3-44

Senator Bunker, Home From One Tour, to Leave on 2-Week Trip

Former U. S. Senator Berkeley Bunker, candidate for congressman in Nevada, was at his home here yesterday after a trip through the Moapa Valley but planned, he said, to leave on Wednesday for a two week tour of the state.

Assurances of support from many sections of the state had come, friends revealed, in clippings of favorable editorial comment from many of Nevada's newspapers.

REVIEW-JOURNAL
7-18-44

Berkeley L. Bunker Formally Files as Congress Candidate

CARSON CITY, Nev., July 18 (UP)—Berkeley L. Bunker, former United States senator from Nevada, today officially became a candidate for the democratic nomination as the state's only representative in congress.

Bunker was on hand at the office of Secretary of State Malcolm McEachin when the doors swung open at 9 a. m., today and filled out his declaration of candidacy. He handed his check for \$150 to the secretary of state and watched the money be rung up on the big cash register.

Thus Bunker became the only candidate to officially file for the post of representative in congress in either party.

As he filed his declaration of candidacy Bunker briefly outlined the platform on which he

seeks nomination and election. That platform is based on "speedy victory in the current world conflict so that the lives of thousands of American lives, as well as the lives of thousands of other humans may be saved."

"Victory must be speedy, but it must be total victory," Bunker said. "We must be sure that in victory we pave the way for a durable peace, a peace which will endure for longer than 25 years."

After the war is won and the peace made, Bunker said it will be necessary for this nation to have a plan, ready to put in operation, which will insure there will be no depression, such as that which heretofore always has followed in the wake of a great war.

"I pledge myself to work to see that the national economy of this nation is so developed that we never again will have a great depression," Bunker said.

"We owe it as a first obligation to the men and women now sacrificing everything they hold dear to see that when they return they are safeguarded in every way against not only unemployment but want and fear in any form.

"We must see to it that our national economy is so geared that never again will we see the pitiful spectacle of veterans selling apples on corners or standing in line before some soup kitchen."

Bunker filed his formal declaration of candidacy after completing a second tour of the state in furtherance of his campaign. It was, he explained, the second time he had toured the state in recent months without "using a drop of gasoline" adding that he "hitchhiked to almost every nook-and-corner of Nevada" calling on voters and discussing problems with them.

L.V. TRIBUNE
7-19-44

Berkeley Bunker Files; to Seek Seat in Congress

CARSON CITY. — (Special) — Berkeley L. Bunker of Las Vegas filed his declaration of candidacy for the Democratic nomination for congress Tuesday morning with the secretary of state.

Mr. Bunker, former United States senator, has been in western Nevada for the last week actively working in behalf of his campaign. He will spend the balance of the week in Elko and return to Fallon for the Eagles convention on Sunday. Bunker has been active in Democratic politics in Nevada since 1934. In 1936 he was elected to the assembly from Clark county; re-elected in 1938 and again in 1940. He was speaker in 1939 and in November, 1940, was appointed to the senate by Gov. E. P. Carville following the death of Sen. Key Pittman.

Bunker has been conducting an active campaign for the last month and is now on his second swing around the state. He reports a good reception to his presentation of his beliefs.

In filing his declaration of candidacy, Bunker said that he was pledging himself, if elected in November, to devote every effort to the successful and quick termination of the war.

Beyond that, we must look to the problems of peace. We all want a lasting peace, but a peace based upon justice. There must never again come a time when aggressor nations can run at large in this world; or a time when the sons and daughters of Nevada

(Continued on page 10)


(Continued from page 1)

Berkeley Bunker Files; to Seek Seat in Congress

must be called upon to serve upon foreign soil and give their lives.

Touching on the economic situation, Bunker said "the time is here now for intelligent planning to prevent a depression after this war. We want no recurrence of the conditions which came upon this country after the first world war, and these unhappy conditions can be prevented by acting now to bring industry, labor and government together in a program that will continue the American system of private enterprise; a system which has given this country the highest standard of living in the world."

L.V. TRIBUNE
8-13-44



NEEDED NOW
CAPACITY FOR LEADERSHIP
COURAGE TO DO THE JOB

VOTE FOR

Berkeley L.
BUNKER
for
CONGRESS
DEMOCRAT

TO MY FRIENDS IN SOUTHERN NEVADA

My deepest appreciation
for your loyal work and
support.

It was a great race—I
have no regrets.

Sincerely,

BERKELEY L. BUNKER

L.V.R.J.
1/20/43

Bunker To Leave Capital Thursday

WASHINGTON, Jan. 20 (UP)—Former Senator Berkeley L. Bunker, democrat of Nevada, said today he would leave tomorrow for Las Vegas, Nevada, where he will work under contract with the New York Life Insurance company.

Bunker, defeated for the democratic nomination in the last election by Senator James G. Scrugham, said he had no immediate plans but that he probably would take "some interest in politics in the future."

"I didn't feel that I would be happy with a bureau job here in Washington, so I decided to go back to Nevada to make my home," he said.

L.V.R.J.
1/29/43

Bunker Back In Vegas Ready To Enter Business

Berkeley L. Bunker, former United States senator from Nevada, and his wife and two small daughters have arrived in Las Vegas from Washington, D. C., and on February 1 he will take over the insurance office of his brother, Bryan L. Bunker, who is moving to Salt Lake City.

Former Senator Bunker and his family will resume their residence at their home, 608 South Sixth street.

Reporting on conditions in the east, he stated that the fuel oil rationing program has caused the greatest confusion and hardships under the war restrictions. He told of instances in which families had been without fuel for as much as four days.

Gasoline rationing in Washington is stringent, and cars can be used for business purposes only, he said. Drivers are pick-up if they use their autos for pleasure, such as driving them to theaters or entertainment spots.

In making the trip home from the east he noted little traffic on the highways, and almost all machines were driving slowly. He said it took him a full week to make the trip, driving early and late at 35 miles per hour.

In Washington many foods have disappeared from the markets. Housewives are permitted only one-fourth of a pound of butter. There is almost no beef, bacon, ham, cocoa or bananas.

"No one is going hungry, and they will not go hungry," he said. "There are no complaints, either, but people now are unable to buy many of the things which they had taken for granted before."

He said the morale of the people in the east is high and that all are cheerful, taking the war restrictions in good spirits. Complaints have come, however, over the fuel rationing in some parts, where mismanagement resulted in actual hardships for some families.

ELY, NEV. TIMES
SEPTEMBER 20, 1942

Bunker Blasts BMI, Points To Sale Of Plant To Anaconda

Commenting on this week's announcement that Anaconda Copper Company may purchase the Basic Magnesium plant, Senator Berkeley Bunker said yesterday in Washington: "I have learned from reliable sources" that Anaconda has paid seventy-five million dollars for "lock, stock and barrel" of BMI.

"In that case," Bunker said, "the government can consider itself lucky to get out of this thing, but I can see no reason why Defense Plant Corporation should be forced to pay one million dollars to BMI for the bungling job it did, and the job was bungled, because if it hadn't been, Basic Magnesium wouldn't have sold out as it has."

Neither the Reconstruction Finance Corporation nor Defense Plant Corporation officials would comment today on the purchase reports. They pointed out, however, that the Las Vegas plant is owned by Defense Plant Corporation and is merely being operated by BMI under lease.

SAN ANTONIO, CALIF. TELE-TRIBUNE
SEPTEMBER 20, 1942

Basic Magnesium Sold to Anaconda

WASHINGTON, Sept. 20. (UP)—Sen. Berkeley L. Bunker, D., Nev., said today he had learned reliably that the Anaconda Copper Co. had acquired Basic Magnesium, Inc., which operates a plant at Las Vegas, Nev., for \$75,000,000.

The transaction, Bunker said, gives Anaconda Copper the corporation "lock, stock, and barrel."

"The government can consider itself lucky to get out of this thing," Bunker said. "I also understand Basic Magnesium is to receive \$1,000,000 from the Defense Plants Corporation. I see no reason for this, in view of the bungling job Basic Magnesium did in its year's operation. The

job was bungled, because if it hadn't been, Basic Magnesium would not have sold out as they have."

L.V.R.J.
1/21/43

Berkeley Bunker Returning Here To Sell Insurance

Las Vegas — Former United States Senator Berkeley L. Bunker will return to Las Vegas in the near future to take over the insurance business operated for the past several years by his brother, Bryan L. Bunker, who is leaving soon for Utah to become agency organizer for the intermountain district of the New York Life Insurance company.

Announcement of the former senator's plans was made in Las Vegas Saturday by Bryan Bunker who said his brother had decided to devote his time

CHICAGO, ILL.,
SUN
OCTOBER 1, 1942

Basic Magnesium Sold, Says Bunker

Washington, Sept. 30.—(UP)—Senator Berkeley L. Bunker (Dem., Nev.) said today he had learned reliably that the Anaconda Copper Co. had acquired Basic Magnesium, Inc., which operates a plant at Las Vegas, Nev., for \$75,000,000.

The transaction, Bunker said, gives Anaconda Copper the corporation "lock, stock and barrel."

"The government can consider itself lucky to get out of this thing," Bunker said. "I also understand Basic Magnesium is to receive \$1,000,000 from the Defense Plant Corp. I see no reason for this, in view of the bungling job Basic Magnesium did in its year's operation."

Neither Reconstruction Finance Corp. nor Defense Plant Corp. officials would comment on the reported purchase.

They pointed out, however, that the Las Vegas plant is owned by Defense Plant Corp. and is being operated for it by Basic Magnesium, Inc., under a lease. BMI, an affiliate of Basic Refractories, Inc., of Cleveland, also built the plant for DPC under a contract entered into at the request of the Office of Production Management and the War Department, the RFC explained.

affairs.

Bunker is expected to leave Washington with his family within a few days and to drive west.

The former senator had several offers of high positions in the official family in Washington and at least one of importance in northern Nevada, but decided to forego them all to return home, his brother stated.

Las Vegas Review Journal
1/5/43

FROM WHERE I SIT

By A. E. CAHLAN

The plans of former U. S. Senator Berkeley L. Bunker continue to be news in the various state papers. Latest word from Washington is that the Nevada may take a crack at the sergeant-at-arms post in the upper house when it comes before the democratic caucus to be held January 6.

Bunker has been mentioned by insiders as a potential candidate for the spot ever since last September. It is now held by the veteran Chesley Jurney. There are conflicting reports as to the latter's intentions. It has been rumored he will retire, also that he will be a candidate and that Bunker will be his opponent.

Insiders say Bunker will definitely be in there if it appears he has a chance to land. He will have the sub rosa backing of Vice President Henry Wallace, if he makes the try. One other ex-Senator was scheduled to try for the job but backed off.

If Bunker should land this spot, he'll be in as long as the democrats retain their majority in the upper house. This would definitely remove him from Nevada politics for some time to come.

Two of the former senator's staunchest supporters up north, Editor Joe McDonald of the Nevada State Journal and Editor Claude Smith of the Fallon Standard, both pooh-pooh the idea that the Clark county man will oppose Senator Pat McCarran in 1944.

McDonald takes the position that Bunker couldn't beat McCarran—that the prestige that goes with incumbency was a big factor in his close race with Scrugham, and that he wouldn't have that if he tackled the senior senator. He advises Bunker, if he decides to continue in politics, to seek some other spot.

Smith sees Bunker as "politically ambitious" but says "it is not likely, as has been indicated, that he will oppose Senator McCarran two years hence. He took a long tumble from one of the top rungs on the political ladder, and he may see the wisdom of climbing back up instead of going up against strong odds of trying to make it in one long leap."

The Fallon editor insists that "Bunker's choice is in the armed forces, preferably in combat duty" and that as "a supporter of the administration, he could undoubtedly sit in the corner and pull out a fat plum."

Taking a long guess, on the basis of present information, we'd say he'll take the sergeant-at-arms job if the break comes his way. If not he's quite likely to wind up with a commission in the navy but not on any of the fighting fronts because of lack of previous training.

Meanwhile despite all the speculation back home, Bunker, like Old Man River, "he don't say nothin' he just keeps rollin' along."

L.V.R.J.
1/14/43

BERKELEY BUNKER RETURNING HERE, TO SELL INSURANCE

Former U. S. Senator Berkeley L. Bunker will return to Las Vegas in the near future to take over the insurance business operated for the past several years by his brother, Bryan L. Bunker, who is leaving soon for Utah to become agency organizer for the intermountain district of the New York Life Insurance company.

Announcement of the former senator's plans was made in Las Vegas today by Bryan Bunker, who said his brother had decided to devote his time to business, civic and church affairs.

Bunker is expected to leave Washington with his family within a few days and to drive west.

The former senator had several offers of high positions in the official family in Washington and at least one of importance in northern Nevada, but decided to forego them all to return home, his brother stated.

SCRUGHAM IS WINNER

Defeats Bunker For Nomination For U. S. Senator

Carville Wins, Grant
Loses; Pittman Is
Victor

RENO, Sept 2 (UP)—Congressman James G. Scrugham, veteran democratic leader today had won the senatorial nomination of the bourbon party over Senator Berkeley L. Bunker, appointee of Governor E. P. Carville, to fill the four-year unexpired term of the late Senator Key Pittman.

Practically complete returns from all of the state's 17 counties gave Scrugham a lead of more than 1,000 votes, a margin which he had built up steadily since the first returns were tabulated Tuesday night.

The vote from 280 of the state's 299 precincts gave:

Bunker, 10,119.
Scrugham 11,131.

Carries Seven Counties
Bunker, in his race to succeed himself, carried seven of the state's 17 counties, polling a plurality in Nye, Lyon, Lincoln, Esmeralda, Elko, Douglas and Clark. His margin in Clark county, however, was but 93 votes and this margin in his home county was not sufficient to offset the lead Scrugham was accorded in the other 10 counties.

Washoe county gave Scrugham an 1,100 plurality, polling 3,200 for Scrugham to 2,100 for Bunker. This was Scrugham's best county.

Lincoln county gave Bunker his largest vote in the state, going better than two to one for the incumbent. However, the total votes in this county were insufficient to offset Scrugham's Washoe county edge.

In the other counties carried by Bunker his edge went from 12 in Lyon county to the two-to-one in Lincoln.

Creel Opponent
Cecil W. Creel, formerly director of agricultural extension at the University of Nevada, who was unopposed for the republican nomination will oppose Scrugham in November.

In Nevada's race for governor returns from the same precincts indicated the renomination of E. P. Carville over Roland H. Wiley, Las Vegas.

The vote: Carville 13,059; Wiley, 7,717.

Carville will oppose H. V. Tallman, Humboldt county rancher, in the November election. Tallman was unopposed for the republican nomination as were all other republican state-wide candidates.

Sullivan Wins
In the congressional race, to select a democratic successor to Scrugham, Maurice J. Sullivan, incumbent lieutenant governor apparently had won out over his two opponents, Mrs. Harriet G. Spann, Reno, and Archie C. Grant, Las Vegas.

The vote: Sullivan, 9,613; Grant, 7,552; Spann, 3,078.

Sullivan will be opposed in the general election by Ernest L. Brooks, Reno.

The six-way democratic race for lieutenant governor developed into a runaway for Vall Pittman, Ely, Nevada, published and brother of the late United States senator. Pittman will oppose Mark Bradshaw, Tonopah, in the November election. The democratic vote was Pittman 10,941; J. E. Sweatt, 2,087; Julian Thruston, 2,844; George Parker, 1,505; Paul Halli, 1,809; and S. W. Conwell, 1,125.

Bible Scores

Alan Bible apparently was successful in his race for the democratic nomination for attorney general to oppose John T. Ross in November. Bible was leading W. T. Mathews 11,212 to 8,897.

In the three-way race for superintendent of state printing the two Smiths, Ben and Claude, apparently had lost to J. A. McCarthy to see which would meet Lester Groth, republican, in November. The vote was McCarthy 8,412, Claude Smith 5,792 and Ben Smith 3,878.

SANTA MARIA, CALIF., TIMES
CITY 2, 2581
AUGUST 29, 1942

Bunker Continues To Fling Charges

TONOPAH, Nev.—U. S. Senator Berkeley L. Bunker, D., Nev., today charged the cost of building plants to "bring about satisfactory magnesium production" by Basic Magnesium Inc., Las Vegas, will reach \$105,000,000 instead of the originally planned \$63,000,000.

Bunker also charged that lack of magnesium in the United States today is due entirely to "high officials of Basic Magnesium, Inc., who have bungled and mismanaged public funds."

TONOPAH, NEV. TIMES-BOANZA
CITY 2, 2581
SEPTEMBER 8, 1942

SALMAGUNDI



By DENVER DICKERSON

Nevadans were able to sit back and relax somewhat this week after witnessing one of the closest senatorial races in many years.

Rep. James G. Scrugham unseated Senator Berkeley L. Bunker for the democratic nomination and will have little trouble in the general election. The Scrugham-Bunker battle was a dandy, and the junior senator put up a stiff fight. The Bunker forces probably spent more money during the election than at any time since the lush days of the late Raymond T. Baker, while Scrugham's campaign committee worked on a budget that was comparable to the Gerlach justice of the peace expense account fund.

Senator Bunker's main issue was his attack on Basic Magnesium, Inc., and his stand gained him considerable support. Conversely, he evoked the wrath of Basic officials and many Clark county residents who believed that he was erecting a straw man, only to push him over in Sir Galahad fashion. Consensus of many people in the northern part of the state, while naturally tickled at anyone blasting a big corporation, seemed to be that the issues involved in Bunker's attack were vague at best.

Scrugham, true to form, plodded his solitary way, shaking hands with shepherders in out-of-the-way camps, and depending upon his personal friendships and his long record to pull him through.

Both candidates conducted their campaigns in a gentlemanly manner, although some of their partisans resorted to name-calling in the closing days. Senator Bunker wired his congratulations to Scrugham Tuesday morning and pledged his unqualified support to the entire ticket in November, indicating plainly that there were no wounds incurred during the primary battle.

Senator Bunker's campaign slogan "With Years to Go for Action to Come" still holds good, as he will be a power in Nevada politics for a long time. He was running against the strongest man in the state and the vote he polled shows that he is not to be regarded lightly. Speculation has already commenced on the possibility of Bunker going after Senator Pat McCarran's scalp two years from now, as it is no secret that the two men are at outs politically.

L V Age July 24 1942



With Years To Go — For Action To Come

UNITED
STATES

SENATOR

INCUMBENT

DEMOCRAT

BERKELEY L.
BUNKER

LOYAL REPRESENTATION
FOR YOU
YOUR STATE
YOUR COUNTRY

(Paid Political Advertisement)

A MOMENTOUS DECISION

RESTS WITH THE VOTERS OF NEVADA TOMORROW!

11—SITUATION WANTED—MALE

WANTED—Position as United States Senator... Graduate Las Vegas High School... Experience: Seven years operator Service Station at Las Vegas; Member Nevada Assembly 1937—Chairman Ways and Means Committee; 1939 Speaker of Assembly; 1940 again elected to Assembly; appointed United States Senator Nov. 1940 by Gov. E. P. Carville to fill unexpired term of late Senator Key Pittman. Member United States Senate Committees on Agriculture and Forestry, Education and Labor, Indian Affairs, Mines and Mining. Youngest U. S. Senator—age 35. Voted for pensions for United States Senators but opposed adjustment Nevada Old Age Pension laws while member Nevada Assembly; resident Nevada 36 years; thorough knowledge of Nevada, its people and their needs; married—two children.

BERKELEY L. BUNKER

9—Help Wanted—Male

WANTED—By the people of Nevada, a man capable of representing them in the United States Senate. Must have a thorough knowledge of the State, its people and their problems. Prefer applicant with full knowledge of National Defense needs, mining, agriculture, water, power, transportation, employment, industry, highways, good labor and public service record important. Moral and religious tolerance required. Prefer applicant whose motives are actuated by patriotism and not politics, and who has sufficient interest in the welfare of this Nation to offer his services to his country. Education, experience, training, ability, record of public service, important factors. Salary \$10,000 per year. Term 4 years. Apply to the people of Nevada at the Polls September 1, 1942.

11—SITUATION WANTED—MALE

WANTED—Position as United States Senator... Graduate of the University of Kentucky. Experience: Professor of Engineering and Dean, College of Engineering, University of Nevada. State Engineer and Governor of Nevada. Publisher Nevada State Journal. Congressman from Nevada—5 terms. Have served and now serve on many important Committees. Lt. Col. World War I; Assisted in design first American Anti-aircraft guns and in charge of their production early 1918 until Armistice. Held commission as Lt. Colonel Coast Artillery Reserve. Have attended annual Army schools, camps and maneuvers, including Fort Monroe, Va., Camps Hoan, Callan and Elliott, California, in order to keep abreast of military developments. Have just completed rigorous training courses with troops in Southern California. Conceived and helped develop amphibious troops now in, and training for foreign service. One of the organizers and first commander The American Legion, Department of Nevada. Resident of Nevada more than 40 years. Thorough knowledge entire State—its people and their needs. Familiar with National problems. Married—

JAMES G. SCRUGHAM.

WHAT BERKELEY BUNKER HAS DONE FOR NEVADA & THE NATION:

Excerpts from radio address of Richard Kirman, Sr., Chairman of State "Bunker for Senator" Committee, Inflow Governor of Nevada, who summarized Berkeley L. Bunker's services to the State and to the Nation in a radio appeal to the voters to return Berkeley L. Bunker to the United States Senate on his record.

As chairman of the State "Bunker for Senator" Committee, Governor Kirman, we assume, presented as many favorable points as possible.

We quote from ex-Governor Kirman's address:

"... in 1937 when he was Chairman of the Ways and Means Committee of the State Legislature... because of his remarkable achievements in effecting tax savings he was then tagged as 'Champion of the Taxpayers'."

"In 1939, as Speaker of the Assembly, he accomplished something which had not been done for at least ten years—he closed the Session in the allotted sixty days—which of course saved a lot more taxpayers money."

"... he was instrumental in reducing the State tax from seventy-three cents to fifty-eight cents—a saving of over twenty per cent."

"... November twenty-sixth, 1940, Berkeley L. Bunker was appointed to the United States Senate."

"Berkeley Bunker has served two years in the United States Senate. I want to tell you, very briefly, some of the things which he has done..."

"... he received assignments to four committees of major importance to Nevada. First, the Agriculture and Forestry Committee which is declared to be the most sought after committee in Congress. Next, the Committee on Mines and Mining—and finally, the Committee on Indian Affairs."

"... he recently stated: 'Nevada farmers, like farmers all over the Nation, want a price for their commodities which will enable them to maintain their businesses and their homes and families without government subsidies. They want an adequate American standard of living. I shall always work for these ends.'"

"... has appeared on numerous occasions before the Committee for Reciprocity Information and strongly urged consideration and protection for the farmer and rancher concerning retention of tariffs on farm products, wool and livestock."

"... a few lines from the Labor Day Speech that he made in Las Vegas before a large audience: 'Labor is responsible for the great gains that have been made... America is the sole example in the world today of upholding labor's rights and privileges as free men. Great social and economic reforms have been brought to make our lot in life more pleasurable. Thus labor movement in America which plays such a vital part in the everyday life of us all is one of America's greatest and most permanent institutions.'"

"... has been very active on the Committee on Mines and Mining; among many other things, I know that he has officially appeared before the Committee on Finance and protested against repeal of provisions allowing exemptions in strategic metals from the Excess Profits Tax Bill; he has consistently urged higher metal prices; has represented the Mines Committee in meetings in which he protested against the elimination of gold and silver mining companies from priority ratings; has protected mining from reduced tariffs, and has at heart the interests of the small miner in his readiness to aid in securing government assistance."

"... he has vigorously fought for the protection of Nevada's community property rights and the retention of the privilege of filing separate income tax returns for man and wife."

"I shall touch only briefly on the Basic Magnesium plant situation. I am not in a position to say here all that I know."

"And now, my friends, you have an important decision to make on September first. I urge that you weigh very carefully the privilege that you have of voting for your United States Senator."

WHAT JAMES SCRUGHAM HAS DONE FOR NEVADA & THE NATION:

As a member of the Colorado River Commission, helped write the Santa Fe compact between the seven basin states, wherein they agreed to the construction of Boulder Dam; signed the compact for Nevada.

Wrote the first act authorizing the construction of Boulder Dam, at the request of Nevada's late Senator Key Pittman, who later introduced and sponsored the measure.

Introduced and sponsored the Boulder Dam Adjustment Act, under which the State of Nevada was assured of \$300,000 per year revenue from the project—\$80,000 per year of which now comes to Clark County.

Sponsored Mining Loan Act authorizing RFC loans to mining companies.

Sponsored bill providing for suspension of assessment work on mining claims for the duration of the war and payment of damages to owners of claims situated in bombing ranges.

Obtained schools for Boulder City and allocation of government funds for assistance in operation.

Sponsored development of Lost City in Moapa Valley and several pageants hold there. Sponsored improvement of first highway from Clark County to Beatty.

Sponsored creation of Boulder Dam Recreation Area, including highway development.

Sponsored highway development in Moapa Valley.

HAS BROUGHT TO SOUTHERN NEVADA:

Electro-metallurgical experimental station—Boulder City.

Manganese experimental plant—Boulder City.

\$75,000,000 Basic Magnesium project.

Manganese Ore Co. mill at "Three Kids Property."

Custom mill at Jean for handling lead and zinc ores.

Bombing range and airport at Tonopah.

Sponsored development and expansion Las Vegas Army Gunnery School and Camp Sibert, Boulder City.

LABOR RECORD:

Endorsed by the American Federation of Labor and the Railroad Brotherhoods each time he has sought reelection to Congress.

Rated by the International Teamsters' official national magazine, July, 1942, as one of the outstanding representatives in Washington.

LEGISLATIVE RECORD:

While in Congress, member of important Democratic Steering Committee 1934-1942; Chairman 1941-1942; 8 years on Naval Appropriations Committee; Chairman, Sub-committee 1938-1941; 8 years on Interior Appropriations Committee, was in charge of Reclamation Activities and Park Service Bills during that time.

NATIONAL DEFENSE:

Opposed removal of Guam Fortification Funds from Naval Construction Appropriation. Supported Navy Department Appropriations; strengthening Coast Guard; Amending Neutrality Act; additional shipbuilding and ordnance; Promoting Defense of the United States; Investigation of Un-American Activities; Purchase of Merchant Vessels for Defense; Protecting Navy Shore Stations; Military Airplane Appropriations; Repeal Mandatory Arms Embargo; Neutrality Revision—Aid to Allies; Universal Conscription Act; Hawthorne, Nevada, Naval Depot Appropriation; Appropriations for Defense Roads and Highways; Authorizing President to Requisition Property for National Defense; Authorization to Use Funds to Help Any Country Fight Axis in Defense of United States; Strategic Metals Stock Pile Appropriations.

AGRICULTURE:

Taylor Grazing Act; Bankhead-Jones Act endowing State schools; Farm Relief Act; Agriculture Relief Act; Food Stamp Plan; Agriculture Adjustment Act and Amendments—Soil Conservation, Domestic Allotments, Community Credit Corporation and Farm Security Administration; RFC Financing to Reclamation Fund and Irrigation Districts.

LABOR, SOCIAL SECURITY, RELIEF, EMPLOYMENT:

Relief Home Mortgage Indebtedness; Home Owners Loan Corp.; Federal Housing Administration; United States Housing Act; Amendment to Housing Act (slum clearance); Civilian Conservation Corp.; Extension Civilian Conservation Corps; Public Works Act; Public Works Administration; Railroad Retirement Act; Wagner Labor Relations Act; Railroad Labor Act; Works Progress Administration; Hour and Wage Fair Labor Standards Act; Railroad Unemployment Insurance Act; Old Age and Unemployment Relief; Social Security Act—Old Age Assistance, Unemployment Compensation, Aid to Blind, Maternal and Child Health Services, Child Welfare, Crippled Children, Aid to Dependent Children.

(The above measures represent a partial list of the legislation supported, and a typical cross section of Jim Scrugham's wide experience in legislative matters.) Space prevents presenting list in full.)

TO THE DEMOCRATS OF NEVADA:

Today the destiny of this Nation hangs in the balance. Its fate is in the hands of its armed forces serving on far flung battle lines.

Back of the armed forces of this Nation stand the people ready and willing to sacrifice everything to insure victory—but the people of this Nation can speak only through their representatives in Washington.

You as a voter should and must consider this: You as a voter will select on September 1, the candidate to represent your party in the November final election and your selection in this predominantly Democratic State is paramount to election.

Education, experience, training, ability, knowledge—not show of Nevada and Nevada's needs but of the needs of the Nation—the needs of its armed forces, is important. Experience and tolerance to meet the after-war period is also an important factor.

You are hiring a man to represent you—analyze him—study him—weigh him—you are going to pay him \$10,000 per year for four years.

Consider the candidates as you personally would consider them if you were paying the money out of your own pocket and not out of taxpayers' funds.

There is presented to you in this advertisement the record of two applicants for your representative in the U. S. Senate, as fully as information available permits. Study their records, background, experience, training—and then cast your ballot as your conscience dictates.

If you need assistance in analyzing the applicants, why not check the box score analysis on this page.

BOX SCORE ANALYSIS:

	%	Scrugham	Bunker
Ability	10	()	()
Background	10	()	()
Defense Interest	10	()	()
Defense Knowledge	10	()	()
Education	10	()	()
Experience	10	()	()
Public Service	10	()	()
Training	10	()	()
Understanding of Nation's Problems	10	()	()
Understanding of Nevada's Problems	10	()	()
TOTAL SCORE	100%		

For the Best Interests of Nevada Send James G. Scrugham to the United States Senate

(POLITICAL ADVERTISEMENT WRITTEN AND RELEASED FROM HEADQUARTERS OF JAMES G. SCRUGHAM)

—IT'S JUST COMMON SENSE—

What concern operating a defense plant has a town containing one thousand or more demountable houses?

Answer: Basic Magnesium, Inc.

Who lives in these houses?

Answer: Employees engaged in the construction of the Basic Magnesium plant.

What new community in Clark county has two election districts?

Answer: Basic Magnesium's new residential district.

What housing facility has Mr. Bunker ever opposed?

Answer: NONE!

What did Mr. Bunker oppose?

Answer: The building by Basic Magnesium Inc. of a tax-free town where business concessions could be operated, leased, rented or granted at a profit by Basic Magnesium Inc., in opposition to the business interests of Las Vegas, Boulder City, Whitney and Pittman.

(REPRINTED FROM AUG. 17, 1942, REVIEW-JOURNAL)

HOUSING SHORTAGE TO BE EASED SOON

With 650 new homes actually completed and applications for 600 more units being processed, Harry Scheeline, Nevada FHA director, predicted today that before long the housing shortage will begin to ease up appreciably.

"The materials situation which was so acute for a while and which held back completion of scores of houses, has been solved, and there will be no further delay on this score," Scheeline declared.

"One thing should be borne in mind," he continued. "We are building for the permanent needs of the community. Much of your housing demand at the moment is caused by the workers at the magnesium plant who will be here only temporarily.

"We should remember, there are about 12,000 employees at the plant now, and that the permanent operating force is between 5,000 and 6,000. Within another six months we can accurately gauge the needs of the community.

"In guaranteeing loans on housing construction, FHA can proceed only on the basis of permanent housing needs—we must look ahead 20 years and consider whether or not these loans will pay out," he explained.

Who received the benefits of this opposition?

Answer: The taxpayers of the County of Clark and the State of Nevada.

Did labor receive any benefits from Mr. Bunker's opposition?

Answer: Most assuredly! By being able to own a home, not COMPELLED to live in Basic Magnesium Inc., owned home; to be allowed to shop where it pleased, not COMPELLED to trade at a Basic Magnesium Inc., owned store; to live in a free country; to live as labor sees fit to live, not to be told how to live by labor's employers; to live under the principles of "live and let live."

What next did Mr. Bunker oppose?

Answer: Incompetence in the management of the government's No. 1 defense project, located in our back yard.

Did labor receive any benefits from this Bunker opposition?

Answer: Yes, the saving of thousands of dollars that would have been taken away from laboring men at income tax time for years to come.

"YOUR REAL FRIEND"

**JUST
VOTE FOR**

BUNKER

**TOMORROW,
SEPT. 1ST**

POLITICAL ADVERTISEMENT WRITTEN AND PAID FOR BY A LOCAL BUSINESS MAN

tended me.

**UNITED STATES SENATOR
BERKELEY L. BUNKER**

With Years To Go—
For Action To Come!



YIGOROUS

INCORRUPTIBLE

CAPABLE

TENACIOUS

OPEN-MINDED

RESOURCEFUL

YOUNG

BERKELEY L.
BUNKER
U. S. SENATOR

Incumbent -:- Democrat

UNDER *No Machine*
UP *With the Times*
ABOVE *Selfish Interests*

This space paid for by a group of Senator Bunker's friends.

L V Age Aug 7 1942



*Momentous
Results
of a
Courageous
Action*

*(Reese River Reveille)
July 18, 1942.*

THE attack of Nevada's Senator Berkeley L. Bunker upon extravagant war contracts has borne rich fruit. His courageous onslaught upon a particularly flagrant case in his own state was just what was needed to awaken the people and the congress to the way the public money might be squandered unless something were done to stop it.

Followed by the revelations of the Truman committee, it started and stimulated the re-negotiation of war contracts under which excessive fees and wasteful costs were unnecessarily eating up the money of the people.

It is now announced that the navy alone, by revision of such contracts, has accomplished a saving of \$348,786,246.00 which it is expected to increase to half a billion dollars as the result of the investigation of seventy-five contracts and sub-contracts, now being made.

It took the fearless voice of the youngest member of the United States senate, on the floor of the senate and in the hearings of committees, in giving the facts about one case within his own knowledge, to sound the call of alarm and awaken the nation and the congress to an iniquitous situation and to set in motion efforts to correct it which will save the country a billion or more of dollars.

Nevada has reason to be proud of this accomplishment of its young senator which is greater in actual benefit to the people in saving their money than most members of congress have been able to accomplish during many years of service.

U. S. SENATOR
BERKELEY L.
BUNKER

Incumbent -:- Democrat

(This space paid for by a group of Senator Bunker's friends)



United States Senate

"Ability, Character"

CONFERENCE OF THE MAJORITY

... your record as a member of the Senate has impressed your colleagues with your ability, character and sincerity.

You have shown your foresight in the effort to prepare our Country for what it now faces, and your cooperation with all those charged with the responsibility of carrying this program forward has been unflinching.

Sincerely yours,
AWB:EC (Signed) ALLEN W. BARKLEY, U.S.S.

"Able, Hard Working"

COMMITTEE ON INTERSTATE
COMMERCE

I sincerely hope that you are returned to the United States Senate.

You are an able, hard-working Senator and one that would be a distinct loss to the Senate if you did not return. You have put forth sincere efforts to curtail war profits and to speed up the war program.

Sincerely yours,
HST:MLD (Signed) HARRY S. TRUMAN, U.S.S.

"Confidence"

COMMITTEE ON EDUCATION
AND LABOR

Your committee appointments have been remarkable for a first-term Senator, and the faithful way in which you have performed your committee duties shows all who study your work what a valuable member of the Senate you have become.

I have watched the way you have presided over the Senate, and I have seen the confidence the Senators have in you when you are in the chair.

Success to you!
Most sincerely yours,
(Signed) ELBERT D. THOMAS, U.S.S.

"Enviably Record"

COMMITTEE ON APPROPRIATIONS

You have made a most enviable record . . . During my time but few Senators have come to Washington and made the progress you have made. Your background, education and ability are recognized by all the members of the Senate and I am sure your State could not do better than to return you for a full term. I feel certain that if you are elected you will soon take your place among the real leaders of the Senate.

Your most cordially,
ET:SS (Signed) ELMER THOMAS, U.S.S.

"Invaluable"

COMMITTEE ON FOREIGN RELATIONS

... how very grateful I am to you for the splendid help which you have given to me . . .

Not only has your keen interest and the way you have assisted in the planning of our efforts been invaluable but I expect you to have a large part in helping to shape the program we must fashion . . .

... how keenly interested all of us are in your success!
Cordially and sincerely yours,
CP:W (Signed) CLAUDE PEPPER, U.S.S.

"Of Good Judgment"

COMMITTEE ON AGRICULTURE
AND FORESTRY

... you were assigned to the important committee on Agriculture and Forestry promptly after you came to the Senate. I have noted the interest that you have taken in the meetings of the committee and in the active consideration of bills and resolutions which were referred to that committee.

I regard you as a man of good judgment . . .
Yours sincerely,
JHB:ib (Signed) J. H. BARKHEAD, U.S.S.

WESTERN UNION

VN80 62-BUTTE MONT 22 259P
SENATOR BERKELEY L BUNKER -
UNITED STATES SENATOR HENO NEV.

I HAVE ALWAYS APPRECIATED THE COOPERATION YOU HAVE GIVEN ME SINCE YOU BECAME A MEMBER OF THE SENATE. MY BEST WISHES FOR YOUR SUCCESS IN NEVADA. YOU DESERVE THE SUPPORT OF ALL LOYAL PATRIOTIC CITIZENS OF THE STATE. BEST REGARDS-

JAMES E. MURRAY, U.S.S.

VOTE FOR AND RETURN
UNITED STATES
Senator
BERKELEY L.
Bunker

INCUMBENT :: DEMOCRAT

(1944 Political Advertisement)

KIRMAN FORMER GOVERNOR OF NEVADA BACKS BUNKER

TEXT OF RADIO ADDRESS By RICHARD KIRMAN, SR.

You and I have just a few minutes together tonight in which it is my great privilege to discuss with you a man whom I have known intimately for several years, and whomsoever I have watched with the greatest of interest. The man is whom I refer to United States Senator Berkeley L. Bunker.

SOME TIME AGO, WHEN SENATOR BUNKER ANNOUNCED THAT HE WOULD RUN FOR ELECTION TO THE UNITED STATES SENATE I TOOK IT UPON MYSELF TO VOLUNTEER MY SERVICES IN AIDING HIS CAMPAIGN BECAUSE I BELIEVE IN HIM AND IN HIS FUTURE. AND SO IT IS THAT I HAVE BEEN APPOINTED CHAIRMAN OF THE COMMITTEE FOR HIS ELECTION - A PLEASANT AND STIMULATING DUTY WHICH IS MY REASON FOR ADDRESSING YOU TONIGHT.

I first took a special interest in Berkeley L. Bunker in 1937 when he was Chairman of the Ways and Means Committee of the State Legislature, and when I was Governor of the State of Nevada. Even then, he was carving a name for himself as a leader of men, and, if I remember rightly, because of his remarkable achievements in effecting tax savings he was then tagged as "Champion of the Taxpayer." In 1939, as Speaker of the Assembly, he accomplished something which had not been done for at least ten years—he closed the Session in the allotted sixty days—what of course saved a lot more taxpayers' money. Then too, I recall that he was instrumental in reducing the State tax from seventy-three cents to fifty-eight cents—a saving of over twenty per cent. But these are mere sideights on his four-year career in the State Legislature. In so many other ways he was outstandingly successful—and even then he was a rapidly growing and unusual personality.

LET US THINK FOR A MOMENT ABOUT THAT DAY, NOVEMBER TWENTY-SIXTH, 1942, WHEN BERKELEY L. BUNKER WAS APPOINTED TO THE UNITED STATES SENATE. I SHALL NEVER FORGET MY PLEASURABLE REACTIONS WHEN I HEARD THE NEWS. CERTAINLY, IT WAS NO SURPRISE TO ME FOR IN THE MAKING OF SUCH A MAJOR APPOINTMENT, AND THE WEIGHTY DECISIONS INVOLVED THERE WERE MANY FACTORS AND QUALIFICATIONS TO BE CONSIDERED - AND HAVING PREVIOUSLY WEIGHED THEM ALL IN MY OWN MIND I HAD QUERIED THAT YOUNG BERKELEY MIGHT BE AT THE TOP OF THE LIST. I WANT YOU TO THINK VERY CAREFULLY ABOUT THIS MATTER OF THE APPOINTMENT. FOR YOU SEE, SUCH A THING DOESN'T "JUST HAPPEN." IT DOESN'T JUST COME AS A LUCKY BREAK FOR A HALF-WAY DEERWALKER PERSON, FAR FROM IT. THE APPOINTMENT OF BERKELEY L. BUNKER TO THE UNITED STATES SENATE WAS THE RESULT OF AN EXTREMELY CAUTIOUS AND LONG AND CAREFUL ANALYSIS AS TO WHAT WOULD BE BEST FOR THE INTERESTS OF THE STATE OF NEVADA, AND FOR OUR COUNTRY.

Here then, we had a man of remarkable popularity, with four active and fruitful years in the State Legislature. And upon his broad shoulders was set a fine, constructive thinking head that contained the essentials of good leadership and good administration. His father dominated clear thinking, aggressiveness, factiveness, and shrewdness of judgment. His experience in the State Legislature fully prepared him for what was to come. His fine grounding in the intricacies of public affairs was the basic asset which he became eligible for the United States Senate. In short, Youth came through with honors.

I AM ASHAMED OF THOSE WHO ATTACK BERKELEY BUNKER'S COMPARATIVE YOUTH. PERHAPS IT IS THAT MOST OF THE HOLLERING COMES FROM OLDER PEOPLE WHO NARROW-MINDEDLY RESSENT THE ENCROACHMENT OF YOUTH UPON WHAT THEY FEEL IS THEIR SUPERIOR KNOWLEDGE AND EXPERIENCE. BUT THE FACT REMAINS THAT TODAY, YOUTH MUST SERVE, AND BE SERVED, IF WE ARE TO KEEP UP WITH MODERN TIMES AND EVENTS. AND IT IS GOOD, SOLID, RED-BLOODED YOUTH THAT WE NEED IN OUR GOVERNMENT TODAY. I SAY THAT IF WE HAD MORE BERKELEY BUNKERS IN THE HALLS OF CONGRESS, WE SHOULD BE HEARDER TO HAVING WHAT YOU AND I AND THE OTHER FELLOW ARE ALL CRYING FOR - A REAL WAR CONGRESS.

Berkeley Bunker has served two years in the United States Senate. I want to tell you, very briefly, some of the things which he has done—something of how he thinks and a little about other matters with which, perhaps you are not familiar.

After a new Senator has taken the oath, it is usually the case that the able and experienced colleagues lay off him, so to speak, until they see of what stuff the newcomer is made. But this wasn't the case with Berkeley L. Bunker. It seems that his outstanding personality, his eagerness to learn and to be of valuable service, was soon noted around, for he was shown every respect and friendship by his colleagues in the Senate.

RICHARD KIRMAN, SR., FORMER GOVERNOR OF NEVADA FOR THE FOUR-YEAR PERIOD ENDING JANUARY, 1939, ASKED THE PEOPLE OF NEVADA IN A RADIO ADDRESS THURSDAY NIGHT TO RETURN SENATOR BERKELEY L. BUNKER TO THE UNITED STATES SENATE.

FORMER GOVERNOR KIRMAN, WHO RETIRED VOLUNTARILY, HAS AT HEART THE BEST INTERESTS OF THE STATE AND THE NATION. HIS RECORD AS GOVERNOR IS PROOF OF HIS UNSELFISH ENDORSEMENT. HE DOES NOT SEEK A POLITICAL APPOINTMENT - A SPECIAL PRIVILEGE - OR A CONCESSION. HE IS ONE OF NEVADA'S MOST SUBSTANTIAL CITIZENS AND HIS UNQUALIFIED APPROVAL OF SENATOR BUNKER REFLECTS THE VIEWS OF THE SOUND-THINKING PEOPLE OF THE STATE.

RICHARD KIRMAN'S TALK, DIRECTED TO THE ELECTORS OF THE DEMOCRATIC PARTY, WHO ON SEPTEMBER FIRST WILL NOMINATE THEIR CANDIDATE FOR UNITED STATES SENATOR, IS PUBLISHED IN FULL ON THIS PAGE.

AND WHAT HAPPENED? WELL, IT WAS A TRIBUTE TO THE WELCOME AND ESTEEM IN WHICH SENATOR BUNKER WAS HELD. THAT WITHIN THIRTY DAYS AFTER HIS APPOINTMENT TO THE UNITED STATES SENATE HE RECEIVED ASSIGNMENTS TO FOUR COMMITTEES OF MAJOR IMPORTANCE TO NEVADA, FIRST, THE AGRICULTURE AND FORESTRY COMMITTEE WHICH IS DECLARED TO BE THE MOST SOUGHT AFTER COMMITTEE IN CONGRESS, NEXT THE COMMITTEE ON LABOR AND EDUCATION, THE COMMITTEE ON MINES AND MINING - AND FINALLY, THE COMMITTEE ON INDIAN AFFAIRS.

The activities connected with these four major Committees are, of course, too long for me to detail here. But you should know a few of the highlights. I know that Senator Bunker has given his wholehearted support to the farmer. And I feel that he expressed his whole aim in a nutshell when he recently stated: "NEVADA FARMERS, LIKE FARMERS ALL OVER THE NATION, WANT A PRICE FOR THEIR COMMODITIES WHICH WILL ENABLE THEM TO MAINTAIN THEIR BUSINESSES AND THEIR HOMES AND FAMILIES WITHOUT GOVERNMENT SUBSIDY. THEY WANT AN ADE-

QUATE AMERICAN STANDARD OF LIVING. I SHALL ALWAYS WORK FOR THESE ENDS."

Senator Bunker has appeared on numerous occasions before the Committee for Reciprocity Information and strongly urged consideration and protection for the farmer and rancher concerning retention of tariffs on farm products, wool and livestock. And on many other matters concerning the welfare of Agriculture I know that he has worked hard and sincerely. Berkeley Bunker's stand on labor cannot be questioned. Aside from his many activities on the Committee on Labor and Education—the hearings that he has attended—and the rights that he has fought for, perhaps the simplest way to say to you a few lines from the Labor Day Speech that he made in Las Vegas before a large audience: "LABOR IS RESPONSIBLE FOR THE GREAT GAINS THAT HAVE BEEN MADE . . . AMERICA IS THE SOLE EXAMPLE IN THE WORLD TODAY OF UPHOLDING LABOR'S RIGHTS AND PRIVILEGES AS FREE MEN. GREAT SOCIAL AND ECONOMIC REFORMS HAVE BEEN BROUGHT TO MAKE OUR LOT IN LIFE MORE PLEASURABLE. THIS THE LABOR MOVEMENT IN AMERICA WHICH PLAYS SUCH A VITAL PART IN THE EVERYDAY LIFE

OF US ALL IS ONE OF AMERICA'S GREATEST AND MOST PERMANENT INSTITUTIONS." These remarks speak for themselves.

Two Senator Bunker has been very active on the Committee on Mines and Mining. Among many other things, I know that he has officially appeared before the Committee on Finance and protested against repeal of provisions allowing exceptions on strategic metals from the Excess Profits Tax Bill; he has consistently urged higher metal prices; has represented the Mines Committee in meetings in which he protested against the elimination of gold and silver mining companies from priority ratings; has protected mining from reduced tariffs, and has at least the interests of the small miner in his readiness to aid in securing government assistance.

There are, of course, many other things that I should like to say to you about the interests and achievements of Senator Bunker. But I'm afraid the details would take too long. One of the things I MUST mention, however, is that he has vigorously fought for the protection of Nevada's community property rights and the retention of the privilege of filing separate income tax returns for man and wife. On four different occasions that I know of, these rights have been endangered, and each time, in the Senate, Berkeley Bunker has fought for, and watched the defeat of, all such proposals for mandatory returns.

And another thing—Berkeley Bunker's heart has always been in the right place. He is intensely interested in aiding the little fellow—whether it be the small miner—of the small business man. He has followed their problems and has been constantly on the alert for ways in which he can help.

You may be particularly proud—as I am—of his stand on the raise in pay for the members of our armed forces. On the floor of the United States Senate, when the pay-raise bill was under consideration, he said: "I HAD BEGUN TO BELIEVE THAT THE SOLDIER WAS THE FORGOTTEN MAN IN THIS CONFLICT. I AM HAPPY THAT THE SENATOR FROM COLORADO HAS BROUGHT UP THIS BILL TODAY. I WILL SUPPORT IT." And Berkeley Bunker was later recorded as being in favor of the vote to rily endorse you monthly contributions.

I SHALL TOUCH ONLY BRIEFLY ON THE BASIC MAGNESIUM PLANT SITUATION. I AM NOT IN A POSITION TO SAY HERE ALL THAT I KNOW, BUT I BELIEVE THAT THE SENATE INVESTIGATING COMMITTEE SAID IT ALL WHEN IT STATED IN ITS REPORT THAT IT WAS ONE OF THE MOST FLAGRANT CASES OF WAR PROFITEERING TO COME TO ITS NOTICE.

But—it is of the utmost importance for you to know that because of Berkeley Bunker's fearless and aggressive fight on behalf of the taxpayers' interests, many good results have been achieved, and, in the near future I believe that you will be given some specific facts. Please do not allow the propaganda to confuse the issues involved. There are two major issues: First, that Senator Bunker is determined that the management shall not produce—and secondly that competent management must be installed in order to secure for our State a businesslike—competitive—and PERMANENT industry—an industry that will remain in business after the war. I FAIL TO SEE HOW LOYAL AND PATRIOTIC CITIZENS CAN POSSIBLY OVERLOOK SENATOR BUNKER'S FIGHT ON THEIR BEHALF. It's as RIGHT AS HE CAN BE—and I say to you now—don't you ever let anyone tell you otherwise.

In closing, I wish that I had time to read to you some Press comments on Senator Bunker's stand on Basic. But better yet, you may read them for yourselves. I suggest that you go to headquarters and obtain a copy of a little booklet that has just been published. If you are unable to do this, merely drop a card to Senator Bunker's headquarters. News, and a booklet will be mailed. When you receive it—be sure and study the picture on the cover. You will see in that picture a character of strength and personality that speaks volumes.

And now, my friends, you have an important decision to make on September first. I urge that you weigh very carefully the privilege that you have of voting for your United States Senator. Think only of the Truth and Facts, and I'm sure that if you will do this you will vote for Senator Berkeley L. Bunker.

ONE MORE POINT. SENIORITY COUNTS A GREAT DEAL IN THE SENATE, AND IS OF UNDOUBTED BENEFIT TO OUR STATE. BERKELEY BUNKER HAS MADE GREAT STRIDES IN THE SENATE. HE IS AT HOME THERE—AND HE BELONGS THERE. IT SEEMS TO ME THEREFORE, THAT IT WOULD BE TRAGIC FOR A CHANGE TO BE MADE AT THIS TIME. SENATOR BUNKER, BY HIS PAST RECORD, PROMISES THE FULFILLMENT OF A GREAT CAREER IN THE YEARS TO COME. LET US THEREFORE RETURN TO THE UNITED STATES SENATE OUR OWN BERKELEY L. BUNKER.



UNITED STATES
SENATOR
BERKELEY L.
BUNKER
INCUMBENT
•
DEMOCRAT

UNDER No Machine
UP With the Times
ABOVE Selfish Interests

WITH YEARS TO GO —
FOR ACTION TO COME!

L V Age Aug 28 1942

Douglas Aircraft Company, Inc.

Santa Monica, California

Cable "Douglasair"

In reply refer to File

August 20, 1942

A-306-2370

Mr. Robert C. Ritter
Hotel Apache
Las Vegas, Nevada

Dear Mr. Ritter:

In response to your inquiry, let me assure you there is no truth in the statement the Douglas Aircraft Company was adversely influenced in any manner or degree by any words or actions of United States Senator Berkeley L. Bunker in locating permanent facilities in Las Vegas, Nevada.

Selection of sites for our plants and projects is governed by geographic, industrial and economic factors, and always is under the control and requires the full approval of the United States Government.

Sincerely yours,

A. M. Rochlen
A. M. Rochlen, Director
Industrial & Public Relations

AMR:bm

F i r s t A r o u n d T h e W o r l d

ABOUT THE FIRE AT B.M.I. IS IT A CLOSED ISSUE?

MR. OPPOSITION: In the Review-Journal for August 19, 1942, You Stated in a Paid Political Advertisement:

"SENATOR BUNKER, on March 20, 1942, the Fire Companies Adjustment Bureau, after a thorough investigation of the Basic Magnesium fire of March 6, 1942, ANNOUNCED THAT THERE WAS NO INDICATION THAT THE FIRE WAS OF INCENDIARY ORIGIN AND THAT THE INSURANCE COMPANIES WERE PREPARED TO PAY THE LOSS IN FULL.

"SENATOR BUNKER, do you still believe that officials of Basic Magnesium 'conveniently burned the administration building'? If you do, why haven't you taken it to the Federal Bureau of Investigation, the United States Attorney's office, the Federal Grand Jury, the local District Attorney, or the local Grand Jury, for investigation and indictment? If the fire insurance companies are satisfied that the fire was not of incendiary origin, why have you not demanded proof from them or retracted your statement?

"SENATOR BUNKER, have you failed to retract your statement in the face of positive evidence for fear you might lose votes for Bunker?"

MR. OPPOSITION: On June 11, 1942, 3 months later, the Attorney General of the United States in a letter to Senator Bunker concerning the fire, made the following statement which is all we are permitted to print:

"... Moreover in this particular case the investigation has not been concluded and there is strong reason why we may not disclose the information thus far obtained."

Furthermore, within the past 10 days, men who had travelled hundreds of miles to do so, made depositions before a government official concerning the fire, which information is even now in the hands of the Attorney General. So it isn't a closed issue, that's all we may say here.

In the Interest of Truth and Right, Return

BERKELEY L. BUNKER to the **SENATE**

(Paid Political Advertisement)

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BERKELEY L. BUNKER to the **SENATE**

(Paid Political Advertisement)

MR. GUERNSEY FRAZER

(ASST. TO THE PROJECT MGR., B. M. I.)

WHY?

Wasn't the advertisement captioned "What Basic Magnesium Means to Clark County" run in Clark County as in other parts of the state?

If permission to use names had been legitimately obtained?

If it was a legitimate ad in other sections of the state, it was a legitimate ad in Clark County.

WHY?

Political Advertisement Written and Released from Berkeley L. Bunker's Headquarters

FELLOW AMERICANS

We, the undersigned, former employees of Basic Magnesium Incorporated, by virtue of our own personal experience as experts in our several fields of endeavor, want to testify by this published statement that the position of United States Senator Berkeley L. Bunker, with regard to the conditions at the Basic plant, is inherently and eternally right.

Some of us were fired because we did not become a party to what our experience dictated to be incompetent engineering. Some of us quit because we would not be a party to mismanagement.

We salute the courage, the industry and the Americanism of your Junior Senator. Nevada has reason to be proud of Senator Berkeley L. Bunker.

GEORGE A. HEAP

EDWIN H. STAHL

D. R. SPEER

HENRY ALTMAN

ROBERT G. HESS

DOYLE C. WARREN

C. W. PARSONS

AND OTHERS

Former Coordinator of the Engineering Dept., President of B. M. I. Recreation Club and Member of Executive Board, B. M. I. American Legion.

Former Structural Design Engineer, Chairman Engineer's Employee Committee.

Former Civil Engineering Department.

Former Civil Engineering Department.

Former Electrical Design Engineer, Captain on Active Duty U. S. Army Air Corps.

Former Mechanical Dept.

Former Piping Dept.

BERKELEY L.

BUNKER

**BELONGS IN THE
U. S. SENATE**

Mr. Haddock—the Public Wants to Know

WHO IS THE COMMITTEE ON LABOR???

THE FACTS—In last night's paper there appeared a paid pol. adv. titled—"Mr. Bunker Labor wants to know," signed by "Committee on Labor." Mr. Bob Haddock placed the political advertisement in the paper acting he said for and on behalf of a group of railroad men. Not being acquainted with Mr. Haddock it took several hours for us to locate him. He was finally found at the local headquarters of James G. Scrugham. Mr. Haddock was unable to give us the names of the men comprising his committee. He finally stated that his rooster (he meant roster) was at home. He promised to meet with us at his home at 8:30 last night at which time he would give us the names of his labor commit-

tee and the organizations they were representing. Although five men waited upon Mr. Haddock he did not keep his promised appointment. A note was left at his home further requesting the promised names of the committee and the labor organizations they represent—no answer has been received.

A DEDUCTION—We submit that this attempt of Mr. Haddock who purports to represent the railroad brotherhoods, to use the good name of organized labor generally by such a subterfuge hatched in the offices of James G. Scrugham is a cheap, contemptible, dishonest filthy, un-American trick. It was unworthy of association with the name of Congressman

James G. Scrugham. We are sorry Mr. Scrugham that your supporters found it necessary to be so dishonest.

A PROMISE—Mr. Haddock—The charges you set forth and the questions you ask in your article are pertinent to this campaign. We promise within the very near future to answer them fully, clearly, and honestly—in the meantime will you please tell the public who comprises your "committee on labor," and what railroad organizations, or other labor groups they are authorized to represent.

**WE WILL KEEP OUR PROMISE
MR. HADDOCK—HOW ABOUT YOU?**

**UNITED STATES
SENATOR**

BERKELEY L. BUNKER

Written and released from local headquarters of Senator Bunker

PAID ADVERTISEMENT

HEAR KIRMAN ENDORSE BUN

MR. BUNKER--LABOR WANTS TO KNOW

MR. BUNKER? why is it thousands of workers at the magnesium plant have been forced to live through the heat of the summer in the worst possible conditions?

Why have patriotic Americans, determined to help get this vital material in production, been forced to endure untold hardships—their families as well—because of lack of housing?

Basic Magnesium, Inc., realizing the probable situation, had plans for building plenty of housing near the plant to take care of all of the workers who would be employed. That town would have been finished before the hot weather had it not been for interference.

WHAT is your answer to the suffering workers? Their wives and children, but for your interference, would now be living in comfortable homes, air-cooled, with all sanitary facilities necessary to their health, all conveniences of modern homes.

YOU PROMISED THEY'D HAVE HOMES BY NOW. WHERE ARE THEY? TEN THOUSAND WORKERS WOULD LIKE THE ANSWER TO THIS QUESTION.

IN your attack on the magnesium plant, didn't you realize you were stirring up dissension, casting discredit on the only big industry in Southern Nevada, jeopardizing the very construction and operation of the plant. Didn't you realize you were serving the cause

of our enemy in using these tactics by creating all this stir?

DIDN'T you realize you were serving the cause of those predatory interests who would like to keep the plant from getting started, who place control of the industry ahead of National defense?

DIDN'T you know you were playing the game of the enemies of this country and the enemies of this industry in carrying on your attack?

IF you were seriously concerned about problems of mismanagement etc., and solely interested in seeing them cleared up, wouldn't the best approach have been to consult with officials of Defense Plants Corporation first (which you never did) and **then**, if they refused to cooperate, blasted them? Defense Plant Corporation is part of the National Government, your Government and mine—they're interested only in producing magnesium, and would undoubtedly have worked with you.

That course might not have gotten you any votes Mr. Bunker, but it would have been the patriotic way—dissension and turmoil are the two things we're constantly warned against—are constantly told are **HITLER'S** weapons.

Mr. Bunker, is it not a fact if your ambitions were realized you would have jeopardized the future of this area, as an industrial center? Would industrialists have faith in a person whom they could not trust after surveying your record of the past few months.

Paid political adv.

Would it be wise for the people of this vicinity to send a representative to Washington to serve in the Senate of the United States who would obstruct the industrial program of this area which the citizens have strived to get for years?

WAS YOUR COURSE DICTATED BY DESIRE FOR REELECTION? WAS IT JUST A MISTAKE OF YOUTH AND INEXPERIENCE? OR WERE YOU DOING SOMEBODY ELSE'S DIRTY WORK? ... WHAT IS THE ANSWER, SENATOR?

MR. BUNKER WITH YEARS TO GO AND ACTION TO COME, YOU have been in the U. S. Senate two years.

ISN'T it true, that—

YOU have made speeches on but two subjects during that time and these two speeches were—

FIRST—AGAINST levying a sizeable tax on slot machines to realize revenue for National Defense?

SECOND—AGAINST Basic Magnesium Inc., the only sizeable industry to ever locate in this State, and the concern responsible for the growth and development of your home county and your home State?

WHAT ELSE HAVE YOU DONE TO JUSTIFY YOUR APPEAL FOR REELECTION?

Signed,

COMMITTEE ON LABOR.

MINING

United States Senate

COMMITTEE ON MINES AND MINING

July 17, 1942

As Chairman of the Committee on Mines and Mining of the United States Senate I am happy to make this statement regarding one of the outstanding and most hard-working members of that Committee.

Senator Bunker has been a member of the Mines and Mining Committee since becoming a member of the Senate. He has attended regularly all meetings of the Committee and on numerous occasions, has acted as a member of sub-committees to which various Mines and Mining bills introduced in the Senate have been referred for consideration.

Nevada is a great mining state and its mine owners and miners are fortunate in having in the United States Senate a man who is so well qualified to act intelligently on all activities pertaining to Mining. I am indeed glad to have Senator Bunker as a member of this Committee and to have available his advice and ability when determining what action should be taken on bills having to do with this important industry.

Sincerely yours,

Joseph F. Guffey
JOSEPH F. GUFFEY
Chairman.



FOR U. S. SENATOR

BERKELEY L.

BUNKER

Member of the Committee on Mines and Mining of the United States Senate
INCUMBENT

(This Political Ad Paid for by
Mining Friends of Senator Bunker)

DEMOCRA

WARNING!

Senator Bunker has and will continue to wage a clean and honest campaign. The opposition is a well organized political machine, wise in the ways of political intrigue.

Beware of last minute attempts to influence your vote by a desperate opposition that feels itself "a slippin'."

There has been started all over the state a newspaper campaign built around Basic Magnesium designed to make you forget that Senator Bunker saved this industry for you - when on April 9 - a change of management was brought about, thus to keep the whole project from blowing up and to enable McNeil Construction to complete the project.

Mr. Guernsey Fraser, assistant to the project manager, has spent a lot of time lately making phone calls trying to get people to sign political advertising (and with some success). This effort could have been more profitably spent tending to the business of seeing to it that magnesium is made this month as promised.

RETURN

BERKELEY L. BUNKER to the **SENATE**

Bunker's Labor Record

MINIMUM WAGE ACTS OF 1937-1939

When the minimum wage act of 1937, which provided for a minimum wage of \$6 per day on state work, was before the Nevada Assembly in 1937, Senator Bunker was recorded as not voting. In 1939 when the same bill again came before the Nevada Assembly, Mr. Bunker was present and again recorded as NOT VOTING. The vote on the Minimum Wage Bill in 1939 was 20 for and 19 against. Had Mr. Bunker voted in favor of the bill in 1939, it would have received a constitutional majority and have passed the Nevada Assembly.

Mr. Bunker, in a political advertisement says: *"The Senator was the speaker of the Assembly at that time and, as such, he rarely voted on any measure."*

In the United States Senate, when the bill to give Senators and Congressmen pensions was before the United States Senate, Mr. Bunker was the presiding officer. He didn't pass his vote then . . . he voted in favor of pensions for Senators and Congressmen
SOME DIFFERENCE!

BUNDLES for BUNKER!

ART PHILLIPS

Paid Political Advertisement.

NEEDED!

United States Senate

COMMITTEE ON EDUCATION AND LABOR

In the last day or two I have chatted with several leaders of the Senate and each one has asked about you. They all seem genuinely interested in you. I consider this a great compliment to you. You have earned their interest and also their appreciation.

Your Committee appointments have been remarkable for a first-term Senator, and the faithful way in which you have performed your Committee duties shows all who study your work what a valuable member of the Senate you have become.

I shall always appreciate the faithful way in which you have supported me as Chairman of the Education and Labor Committee.

I have watched the way you have presided over the Senate, and I have seen the confidence the Senators have in you when you are in the chair. Your voting record shows you to have been among those who have seen the world situation as it is, and you have helped in a constructive way to make America prepared to meet that world situation.

Your work on the Sub-Committee which handled the Federal Aid to Education Bill contributed towards our being able to work out a constructive measure. You have always stood firmly behind the humanitarian bills which we have reported.

Success to you!

Most sincerely yours,

ELBERT D. THOMAS,
Chairman.



UNITED STATES SENATOR

Berkeley L.
BUNKER

INCUMBENT



DEMOCRAT



WITH YEARS TO GO—
FOR ACTION TO COME!

UNDER *No Machine*
UP *With the Times*
ABOVE *Selfish Interests*

MEMBER OF THE EDUCATION AND LABOR COMMITTEE
OF THE UNITED STATES SENATE

SENATOR BUNKER

YES--"Chlorine Will Win the War"-and Poison Political Gas May Lose it

SENATOR BUNKER, On November 23, 1941, at a meeting sponsored by the Las Vegas Junior Chamber of Commerce, attended by more than 200 local business men, you publicly characterized Howard P. Eells, Jr., President of Basic Magnesium, Incorporated, as "a typical all-American fullback," of the business world, who gets things done and who would lead Southern Nevada to a high place in the Industrial world of this nation.

SENATOR BUNKER, you pleaded for COOPERATION AND UNITY. You said, "UNITY IS THE BATTLE CRY OF THE NATION TODAY. THERE IS NO JOB TOO BIG FOR AMERICA IF THERE CAN BE UNITY. THERE IS NO JOB TOO GREAT FOR SOUTHERN NEVADA WHERE UNITY PREVAILS."

SENATOR BUNKER, you said that the possibilities for development in Southern Nevada were unlimited and referring to Basic Magnesium, Incorporated, you said, "THIS DEVELOPMENT IN SOUTHERN NEVADA IS LIKE A DREAM COME TRUE. I REMEMBER THE FIRST AUTOMOBILE WHICH CAME INTO MOAPA VALLEY, AND I REMEMBER THE FIRST RADIO. LAS VEGAS AT THAT TIME WAS NOT A LARGE COMMUNITY."

SENATOR BUNKER, immediately following the nation wide publicity announcing Basic Magnesium, Incorporated, plans for development in Southern Nevada, a number of nationally known manufacturers sent representatives into this territory to survey the possibilities of Southern Nevada. Southern Nevada AT THAT TIME promised to be the "Pittsburgh of the light metal industry," the center of the magnesium industry. One of the nation's great manufacturing centers where payrolls would produce permanent prosperity.

SENATOR BUNKER, on March 10, 1942, four days after the fire of March 6, 1942, which destroyed Basic Magnesium's administration building, when executives, officials, and employees were working day and night to repair the damage, in order that America's No. 1 War Industry might hold to its schedule, when "UNITY" was the battle cry of Basic Magnesium, when there was a big job to be done for America, when the entire personnel "from the top officials to the man who drove the last nail" had been working day and night under terrific pressure, when nerves were at the breaking point, and employees were exhausted from the efforts they put forth, you, in a paid advertisement, signed by you as a United States Senator, launched a vicious scurrilous and unwarranted attack upon Basic Magnesium, Incorporated.

SENATOR BUNKER, on March 16, 1942, you by insinuation and innuendo, accused officials of Basic Magnesium, Incorporated, of a felony. You charged that records of Basic Magnesium, Incorporated,

"were conveniently burned." You made your charges, you have never substantiated or retracted them — you have permitted this vicious, scurrilous statement to hang in the air.

SENATOR BUNKER, on March 20, 1942, the Fire Companies Adjustment Bureau, after a thorough investigation of the Basic Magnesium fire of March 6, 1942, ANNOUNCED THAT THERE WAS NO INDICATION THAT THE FIRE WAS OF INCENDIARY ORIGIN AND THAT THE INSURANCE COMPANIES WERE PREPARED TO PAY THE LOSS IN FULL.

SENATOR BUNKER, on August 17, 1942, the press announced that the Douglas Aircraft Co., after considering Las Vegas as a site for its new inland factory HAD DECIDED TO LOCATE IN BARSTOW, CALIFORNIA.

SENATOR BUNKER, do you believe that there is any connection between your vicious, vindictive and unwarranted attacks upon Basic Magnesium and the fact that industry has apparently passed Southern Nevada by?

SENATOR BUNKER, you stated on March 23, 1942, that the possibilities were unlimited for Southern Nevada and progress would come through enterprising business men in Las Vegas; prosperity knocked on Southern Nevada's door and apparently sensing the fact that it, too, might be attacked, moved on.

SENATOR BUNKER, just what is your definition of "unity and cooperation"?

SENATOR BUNKER, do you still believe that officials of Basic Magnesium, "conveniently burned the administration building"? If you do, why haven't you taken it to the Federal Bureau of Investigation, the United States Attorney's office, the Federal Grand Jury, the local District Attorney, or the local Grand Jury, for investigation and indictment? If the fire insurance companies are satisfied that the fire was not of incendiary origin, why have you not demanded proof from them or retracted your statement?

SENATOR BUNKER, are you interested politically or patriotically in the future of Southern Nevada?

SENATOR BUNKER, did you make your charges of "convenient" fire to obtain votes for Bunker, or to assist the war effort?

SENATOR BUNKER, have you failed to retract your statement in the face of positive evidence for fear you might lose votes for Bunker?

SENATOR BUNKER, do you believe that as long as you are in the Senate that responsible business interests will invest one penny in Southern Nevada?

UNITY? **AND** Hitler Laughs!

Senator Bunker

YES - "Chlorine Will Win the War" -and poison political gas may lose it

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UNITY? AND Hitler Laughs!

WHAT A TRAGEDY MOTHERS AND FATHERS OF NEVADA

In a paid advertisement in the Las Vegas Review Journal of Wednesday, August 26, on behalf of James G. Scrugham the following appeared:

"This is not the time to encourage youthful ambition or to set a promising career on the high road to success." "Older Men for counsel — younger men for war."

According to this philosophy our sons are only good for cannon fodder.
Remember—young men don't cause wars.

A tire is no better than the tube inside it and our army can be no better than the men behind it.

If young men are good enough to die on the battlefield, they are good enough to live, serve, plan and prosecute a program for self-protection.

Last time younger men won the war --- Older men lost the peace.

This time let us have balanced representation in directing the war and writing the peace

WE CAN BEST DO THIS BY RETURNING

BERKELEY L. BUNKER

AN OUTSTANDING MAN OF COURAGE, ACTION & SOUND JUDGMENT

TO THE UNITED STATES SENATE

8/22/42
**Something
for Democrats
to think about**

*from the pen
of a prominent
Nevada editor*



*Reprinted from an editorial in the Reese River Reveille
and the Austin Sun—Saturday, August 8, 1942.*



**VOTE FOR
and Return**

UNITED STATES

Senator

Berkeley L.

Bunker

INCUMBENT -:- DEMOCRAT



*With Years To Go—
For Action To Come!*

WHEN the announcement was first made that Congressman J. G. Scrugham would seek to secure the Democratic nomination for the seat in the U. S. senate now held by Senator Berkeley L. Bunker, we expressed our opinion that this was a mistake. We are more than ever convinced that this is true. We believe that the candidacy of Congressman Scrugham contains a distinct danger to the Democratic party of this state.

From the viewpoint of the party there is very much more in this primary contest than whether Mr. Bunker shall continue to be senator or be succeeded by Mr. Scrugham; much more than any personal choice.

There is the very vital question of the attitude of the party towards the young people in its ranks.

If the brilliant career of the young senator is now destroyed for no possible reason than to satisfy the personal ambitions of Mr. Scrugham it would put the Nevada Democracy on record as virtually serving notice on the aspiring young men in its ranks that it is useless for them to seek a political future in the Democratic

party. Any opportunities that one of them may achieve is likely to be destroyed and cut off if some professional politician, skilled in vote-getting through years of campaigning covets his position and avails himself of his experience and wide acquaintanceship to wrest it from him.

We believe that this is not the attitude of a majority or even a large number of the Democrats of the state and we believe that when they realize the implications and inevitable effects upon the party that may follow the result of this contest, they will not permit the slaughter of Nevada's junior senator.

The young men and women in the Democratic party of the state, in our opinion, have gained for it its present majority and largely compose such majority. If its success is to continue, it will be through the enthusiasm and efforts of the younger element.

What encouragement would there be to young Democrats to work for the party if they have it proved to them that in it youth has no show whatever if it aspires to something that one of the old satraps of the party wants for himself?

Tomorrow---Douglas and the Fire!

8/24/42
WHAT MORE CAN A MAN DO??

“A PERFECT LABOR RECORD”

—REPRINT—
THE INTERNATIONAL TEAMSTER

(Page 15, Issue August, 1942)

xIndicates new senators who were not serving when all of these measures came up. The records of all of them are perfect for the time they were there, with the exception of O'Daniel of Texas. Thomas of Idaho and, of course, Brooks of Illinois.

The names in bold type are those who voted for labor on the spy bill.

ELLENDER, DEM., LA.	16	Russell, Dem., Ga.	13
MURRAY, DEM., MONT.	15	Bankhead, Dem., Ala.	12
Lee, Dem., Okla.	15	BROWN, DEM., MICH.	11
GREEN, DEM., R. I.	15	Chandler, Dem., Ky.	11
HATCH, DEM., N. M.	15	Bailey, Dem., N. C.	9
Schwartz, Dem., Wyo.	15	Glass, Dem., Va.	9
SMATHERS, DEM., N. J.	15	Bridges, Rep., N. H.	8
HERRING, DEM., IA.	14	Ball Rep., Minn.	7x
HUGHES, DEM., DEL.	14	BUNKER, DEM., NEV.	7x
STEWART, DEM., TENN.	13	White, Rep., Me.	5
NORRIS, IND., NEB.	13	Spencer, Dem., Ark.	4
Johnson, Dem., Col.	4	Doxey, Dem., Miss.	2x
Rosier, Dem., W. Va.	3x	O'Daniel, Dem., Tex.	2x
CAPPER, REP., KAN.	3	Thomas, Rep., Idaho	1
LODGE, REP., MASS.	3	Brooks, Rep., Ill.	Zerox
McNary, Rep., Ore.	3	Bulow, S. D.	It doesn't matter now

We have previously published two excerpts of speeches made by SENATOR BUNKER on the floor of the Senate on behalf of the railroads. Evidently the International Teamsters appreciate him too.

We want men who will stick their necks out; who will stick their necks out for what is right and for what is best. We want them in the government. And we want them in the labor movement, too.—Wisconsin Teamster.

THIS IS BALANCED REPRESENTATION—THIS IS THE DEMOCRATIC WAY

RETURN BERKELEY L. BUNKER
To the UNITED STATES SENATE

(Political Advertisement)

