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FOR RELEASE

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SPOKANE, Washington, June 3 -- Industrialist Henry J. Kaiser declared today that an impending critical power shortage in the Pacific Northwest makes it imperative to National Defense that new projects be rushed immediately to develop the region's vast hydroelectric resources.

Mr. Kaiser, president of Kaiser Aluminum & Chemical Corporation, addressed a combined civic luncheon of the Spokane Chamber of Commerce, Rotary, Kiwanis, Lions and Exchange Clubs, while here with the company's directors and officers for a special board meeting and inspection of Kaiser Aluminum plants.

"The Northwest is facing a period of acute power shortage after 1960," Mr. Kaiser stated.

He recounted that the building of great Northwest dams gave the Nation an enormous supply of low-cost power that helped turn the tide of World War II, and since the war, hydroelectric energy has been the key to "power-propelling" the Northwest into vital production of light metals, chemicals and atomic products.

"The new and unique pattern of industrialization which the Northwest has only recently entered is already threatened with being seriously curtailed," he said.

"The Northwest's normal demands for electrical energy are increasing faster than the supply.

"Our studies bear out the startling finding that the Northwest at its present rate of growth, will need an additional half million kilowatts of electric power -- the equivalent of a new Bonneville Dam -- every year.

"Yet for the fourth straight year, no appropriations are provided for a major new power project in the Northwest ... The picture beyond 1960 becomes rapidly worse and cannot be improved unless dams are started now.

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"This is far more than a regional problem. The Government has an overriding interest in the development of power ... as a bulwark and necessity for National Defense."

Pointing out that more than 37 per cent or more than 35 million kilowatts of the Nation's potential hydroelectric resources are concentrated in the Northwest -- yet so far only about one-fifth of this has been or is being developed, Mr. Kaiser asked, "Isn't it downright unthinkable that this region that is the richest in undeveloped but usable hydro-power potentialities should go hungry for electrical energy?"

"If there is one thing crystal clear and essential to Northwest power development, it is that the people must be united in all-out efforts. Only by united teamwork can we hope to find a solution fast enough. Bickering will kill anything ....

"When -- instead of just talking -- will we all team up and DO something?"

Mr. Kaiser proposed a five-point program of teamwork action as follows:

- "1. Develop a power program that is adequate to the needs of the National Defense and economy;
- "2. Obtain immediate starts on some of the large Government-programmed dams;
- "3. Stimulate major 'partnership' plans by encouraging private utilities and 'partnerships' -- to the maximum practical extent -- to construct multi-purpose dams, with adequate Federal underwriting of non-power features such as flood control, navigation, etc.
- "4. Assure adequate Federal appropriations to complete -- on schedule -- the dams now under construction.
- "5. Be sure that the over-all program will provide 'job-producing' power ... essential to developing basic industries and creating more jobs."



Mr. Kaiser hailed the U.S. Government's decision recently to push for construction of the great Libby Dam in Montana, which, he said, "will provide more than a million kilowatts of critically needed firm power in the Northwest ... and still more firm power as additional downstream plants are constructed on the Columbia River."

Mr. Kaiser said he found far more challenging opportunities in the Northwest today than when he, as a young man, crossed the country 48 years ago and settled in Spokane to start building his future with the growing West. "We are only at the threshold of greater developments that can be achieved," he said, predicting continued great population, business and industrial gains.

He cited the tremendous strides of the aluminum industry: The number of manufacturing firms producing and fabricating aluminum in the four Northwest states has grown to 511. In Washington State alone, the aluminum production and fabrication industry has been employing 43,587 persons, with annual payrolls totaling \$195,600,000 and with multi-millions spent for local supplies, transportation and services. Kaiser Aluminum's latest \$1,500,000 expansion raises to a total of approximately \$25,000,000 the company's expansion investments in the State since World War II. Forecasts that employment in the Washington aluminum industry will more than double to 107,750 persons by 1960 can be realized, Mr. Kaiser said, if enough power is developed to make the growth possible.

"I am confident that we haven't even begun to see the hundreds of Northwestern manufacturers and businessmen who will capitalize upon the bright opportunities in aluminum," Mr. Kaiser asserted.

"It is my duty to caution that 1954 will be known as a year of critical decisions in the history of the Pacific Northwest.

"Developments as fabulous as the modern upsurges of California and the Gulf Coast and Texas will not just drop in our laps in the Northwest .....

"The Northwest is at the crossroads of converting its traditional raw materials economy into a balanced and diversified economy of its own -- of building its own kind of new Industrial Age around power -- and still retaining and enriching its own enjoyable way of life," he concluded, again emphasizing the Nation's interest in these developments taking place.

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