

COLUMBIA BASIN PROPOSALS CONFLICT

Two important and far-reaching proposals are now before the citizens of the Pacific Northwest. Both relate to the conservation, development, and use of water resources including power. Both would require Congressional approval, but only one of them can receive it because they are conflicting proposals.

A Columbia Interstate Compact is being sponsored by representatives of seven Pacific Northwest states. Before this plan can go to the Congress it must be ratified by the legislatures of the affected states.

The Columbia River Development Corporation is being promoted by the Northwest Public Power Association and other groups. This plan is patterned after the St. Lawrence Seaway Development Corporation, but much of it is similar to previous Columbia Valley Authority bills.

Under the Interstate Compact, a permanent state-level compact commission would be created. It would promote the comprehensive development use of water resources in the Columbia River Basin. Its theme would be intergovernmental cooperation and partnerships between private enterprise and all levels of government. The right of local initiative by public or private agencies would be preserved. The federal government would be urged to cooperate in projects where there is a recognized need or a definite federal responsibility.

The proposed Development Corporation would have a five-man board of directors appointed by the President, much like the present TVA. The Corporation would take over the power facilities of the federal government in the Pacific Northwest, would build additional facilities, would generate and sell electricity, and would receive the revenue from power sales. Thus, the federal government would be put further into the power business in competition with investor-owned utilities. This could easily lead to a federal monopoly of the power supply of the region.

More complete information on these two proposals is available from the Columbia Interstate Compact Commission, 320 Symons Building, Spokane, Wash., and the Northwest Public Power Association, Vancouver, Wash. In addition, an analysis of the Development Corporation proposal is available from the Pacific Northwest Development Association, 327 Multnomah Hotel, Portland 4, Oregon. Local chambers in the Columbia Basin are urged to send for and study this material in order to keep their members informed.

The National Chamber has long advocated policies which recognize the right of local people to decide how their natural resources should be developed and conserved. Also, the Chamber believes that properly constituted interstate compacts more clearly represent local rights and desires than do government-dominated corporations, agencies, or authorities.

That "Yardstick" Again!

LELAND OLDS, former chairman of the Federal Power Commission, asked Congress to provide for a number of government-owned "yardstick" atomic energy power plants. He did not specify the length of said yardstick.

Obviously, he had the TVA in mind. Privately owned, taxpaying utilities pay over 20 cents in taxes for every dollar they collect from customers.

The publicly-owned utility frequently has innumerable hidden and direct subsidies. The government treasury may do its financing, the attorney general may do the legal work, general engineers may do surveys and planning. If every socialized activity were required to keep its books on a strict cost-accounting basis and show the costs which it escapes because of its preferred treatment, some of the "yardstick" charm would evaporate.

Such a publicly-owned utility frequently charges part of its expenses to other functions such as recreation, mosquito control, beautification, navigation, flood control, etc. Instead of charging off the depreciable property at the normal rate established by the Internal Revenue Bureau for private property, a government enterprise may charge off at half that annual rate. Thereby the books show lower costs!

In short, to argue that the publicly-owned enterprise is a suitable "yardstick" to measure the fairness or equity of the charges of a private enterprise is like expecting a turtle to compete effectively in a horse race. Or like the deadbeat who owes everybody around town but boasts offensively about his shiny new Cadillac!

In this week's letter from Senator Wayne Morse, following the hearings on the Hell's Canyon high dam controversy, we note with mixed feelings his comments on the Cougar and Green Peter dams which are admittedly so essential to the flood control program of the upper Willamette valley. The senior senator from Oregon has consistently opposed the partnership program, under which the Eugene Board would share in the development of Cougar and the Pacific Power and Light in Green Peter.

Particularly do we question his comment "unfortunately, partnership would boost the costs x x x because of many factors such as lower interest rates paid by the Federal government, savings on administrative costs and greater efficiency of integrated operation of the Columbia River Power system."

One doubts very much the over-all effect, in terms of kilowatt hour costs, of the interest rates charged in any of these operations; and to eulogize the savings in administrative costs and greater efficiency of any federal operation is simply absurd.

At this point, the words of one of the greatest Democrats of all time are most apropos (with a two-fold accent on the word "power")—"The history of liberty is the history of limitations of governmental power, not the increase of it."—Woodrow Wilson.

Pasco (Wash.) Tri-City Herald
April 13, 1955

The (Salem) Oregon Statesman
March 22, 1955

One-Third for Taxes

Idaho Power Co. has been a shining target since it applied for permits to build power plants on the mid-section of Snake River. Even the devil should have his dues, however, so here are some facts gleaned from its 1954 report. Of each dollar of income 33.4 cents went back to government in the form of direct taxes. Presumably that includes such items as payroll taxes which accrue primarily for the benefit of workers. Even so government is taking a big slice of pie when it calls for one-third. Socialism can hardly beat that.

A lot has been said about distribution of its ownership, with the implication that some sin was involved if New Englanders owned the stock. The report states that IP shareholders reside in all 48 states and in eleven territories and foreign countries. The largest number, 39 per cent, reside in Idaho. The largest number of common shares are owned in the Middle Atlantic and New England states, but that may represent largely the holdings of brokerage houses, insurance companies, investment trusts for the benefit of investors all over the country.

Idaho Power is a well-managed private utility which is giving good service to its customers, and returning much more to government than to its shareholders.

Langlie Not Off Base

When Governor Langlie testified in Portland last week in regards to Hells Canyon Dam—the governor's against it—he demonstrated "ignorance of the development resulting in his confusing and misleading statements to the people of the state."

That, at least, is the opinion of the Northwest Washington PUD Commissioners' Association. The association criticized the governor for testifying against the project. It said he showed "complete disregard to the need for maximum and comprehensive regional river basin program."

Now let's analyze if the governor actually does show such a "disregard" for such a comprehensive program.

Here, in part, is what the governor had to say:

"It would appear that the term 'comprehensive' as used in this bill (Sen. Morse's Hells Canyon Bill) is indicative of the narrowness of the point of view of the authors rather than the actual breadth of the program being considered."

"Comprehensive flood control in the Snake River Basin to be effective would necessarily be located on the upper reaches of the Snake and on such tributaries as the Payette and Clearwater rivers, where such storage

would have the multiple-use benefits of irrigation and flood control."

So instead of showing a "disregard" for comprehensive development, as accused, Langlie actually called for a comprehensive program.

What then did he do so wrong in Portland to bring this expected blast from the PUD Commissioners? The answer is quite simple, he testified against Hells Canyon Dam. He called the dam a "phoney" which captions the project very well.

Comprehensive development on the scale the PUD Commissioners would have you think, is not involved at Hells Canyon. Government power advocates are striving frantically to stop a private power firm from constructing dams at the Hells Canyon site. The private power firm needs to expand. Government powermen are trying both to stop this expansion and to move in and compete with the private firm.

Since such "competition" is futile for a tax-paying organization, the aim is to destroy the private power firm.

That's what's involved at Hells Canyon and that's what Langlie is against. All this talk of "comprehensive development" is just so many banners waving in the hydroelectric sun.

4/8/55

Portland Oregon Journal

Albany (Ore.) Democrat Herald 3/25/55

Hells Canyon, Political Football

The Journal long has contended that the Hells Canyon project should be evaluated on a realistic engineering-economic basis. But the project has become so involved in politics and emotion that it has been virtually impossible to do so.

This was never clearer than it became during the so-called "grass-roots" hearings of the subcommittee on interior and insular affairs at Boise, Lewiston, Pasco and Portland this week.

These hearings fairly reeked with emotion and politics.

They produced no new light on the engineering and economic factors on which a high Hells Canyon issue should be judged.

Instead, they gave Democratic proponents—especially Sens. Morse, Neuberger, Murray and friends—another soapbox from which to exploit the public versus private power issue.

It set Democrats against Republicans, reclamationists against public power factions.

It laid the groundwork for a 1956 race between Sen. Morse, one of the principal sponsors of the Hells Canyon authorization bill, and Gov. Patterson of Oregon, who accepted Morse's challenge by openly and forcefully aligning himself with the Hells Canyon opposition.

And we're quite sure Sens. Morse, Neuberger, Murray and friends planned it that way.

In such an atmosphere, it is impossible to judge S1333, the bill authorizing an all-federal high Hells Canyon project, on a factual basis. And that's too bad for the Northwest, which sorely needs power and which sees the meeting of this need stymied by political horseplay.

To us the preponderance of credible evidence appears to be against a high, all-federal Hells Canyon project, and to that extent in favor of private company, low-dam development of the middle Snake. Here are the reasons:

High Hells Canyon will cost a great deal of money. The two factions can't agree on the exact amount, any more than they can agree on anything else, including the time of day. But it's \$400,000,000 at least—not counting transmission lines or any assistance

Hells Canyon might give the Mountain Home reclamation project in Idaho.

Even if the authorization bill were approved by the congress—and we don't think it could be—what chance do you think we'd have to get federal money for this tremendous and highly controversial project? Virtually none. And even if money were available to start work today, it would be 8 or 10 years before power could be produced.

Before we could get it built, we'd be in the power bind. And for that matter, the 1947 plans for Hells Canyon would be obsolete, as obsolete as the 308 report in which it is included and which is now almost 10 years old. On an engineering basis, the longer it would take to build high Hells Canyon the less valuable it would become. With the advent of more modern steam and nuclear power, its principal value might be for peaking purposes only.

Thus as a practical matter high Hells Canyon is a lost cause. So why beat our brains out over it?

Furthermore, we agree with Gov. Patterson that high Hells Canyon is out of place in the logical timetable of Columbia basin development. Other projects (John Day or Libby, for example) are more urgently needed, projects on which all factions could agree, projects which, frankly speaking, would be more beneficial to Oregon.

Finally, we believe that if storage is the prime consideration at Hells Canyon, as proponents maintain, why not develop it elsewhere, particularly on the upper Columbia or the Clearwater, where it would be more effective and is more urgently needed than on the Snake?

If we had all kinds of federal money and no one else were interested in developing the middle Snake, it might be a different story. But we haven't, and private capital is ready to do the job, and do it promptly. For this reason we hope the federal power commission grants Idaho Power company its permit to build three middle Snake dams.

We could then forget Hells Canyon, the disruptive political issue and get on with the job of producing necessary power. The sooner the better, say we.

Mr. Ellsworth Cites the Facts

Representative Harris Ellsworth is kept pretty busy these days correcting erroneous statements and opinions put forward day after day by devotees of exclusive federal electric power as against local or private or partnership plans of financing reclamation and power projects.

Mr. Ellsworth went over the situation as it affects the Green Peter and Cougar dams, in his own district which are designed for flood control and only incidentally for power production, in a televised talk made in Washington a few days ago and broadcast over a Eugene station. The text of the talk was published in this newspaper Wednesday.

Our congressman noted a statement which puts forth an idea held by too many people; it appeared in a national magazine recently summing up the opposition to the partnership principle, as follows:

"Far from developing natural resources at less cost to the federal government' boasted by the President, partnership over the years will deny to the treasury hundreds of millions of dollars that might otherwise go towards reducing the national debt which so worries many of the President's followers."

(This, incidentally, carries the impression that only the President's followers are much worried about the national debt. We hope this, too, is only a careless statement.)

Mr. Ellsworth cited the Bonneville act of 1937, which provides, merely, that "rate schedules shall be drawn having regard to the recovery of the cost of producing and transmitting such electric energy, including the amortization of the capital investment over a reasonable period of years."

The treasury, Mr. Ellsworth points out, "gets its money back with interest. That is all. . . . It is perfectly clear, therefore, that the statement that hundreds of millions of dollars are to be denied the treasury if the government allows someone else to build the power plants is false." There probably, the congressman conceded, will be a reduction in rates when the amortization charge ends.

Mr. Ellsworth sets forth that Senators Morse and Neuberger and Representative Green say the Green Peter and Cougar dams shall be built by the federal government or not at all.

Concluding his TV talk, Mr. Ellsworth emphasized that the Santiam and McKenzie projects are for desperately needed flood control and that the amount of power involved is relatively insignificant.

Our Fourth district representative is primarily interested in getting the dams built. It has become evident that federal appropriations for such purposes in the Northwest are going to come harder than in the past. The extreme federal-or-nothing policy espoused by three of his Oregon colleagues may be good political slogan material, but it doesn't appear to be in the interest of the people of this region.

Truman on Public Power Just Truman

Former President Harry Truman spoke at Portland Saturday on the subject of public power and made one of the characteristic Truman speeches full of clamor against the "special interests." In such speeches Truman never bothers about the facts. For example, he charged that the proposed Eisenhower partnership in river development is "a strange partnership" with the people putting up the money for the dams and the private partners "taking all the profit."

That, of course, is a complete misrepresentation. The Eisenhower partnership plan contemplates investment by private interests for power purposes. If the dams are erected for flood control and water storage that part of the bill will be paid by those interested in flood control and water storage—the public.

Sabotage of the "public power program" by the Eisenhower administration is going

on without the President's knowledge, the speaker declared. Much has been lost and vastly more will be, he declared, if the Democrats are not restored to office.

He called the Dixon-Yates contract an attempt to wreck TVA, though he himself negotiated a similar contract with Ohio power companies.

Truman's theory is that if you utter denunciations vigorously enough you do not have to prove the charges.

In somewhat similar vein Sen. Neuberger (D) Or., criticized a forthcoming Hoover Commission report on public power, which he predicted will recommend that public power charges be upped by the amount that a private utility would pay in taxes. This, he declared, would destroy the competitive advantage of the Pacific Northwest. In effect, he thus admits that the taxpayers are subsidizing cheap power for that region.

Heppner (Ore.) Gazette Times 6/2/ Power, Power Power

The Portland Oregonian recently printed a letter from a reader which said, in part: "Is there some way you can divert activities of our 'lust for power' senators away from my piddling little \$5 per month electric bill? . . . Power, power! They are nuts over power which means nothing to the average citizen's problems."

Millions of other people must feel a similar irritation and frustration at all the political talk concerning electric power developments and charges. For electricity is one of the smallest items in the family budget. It costs less now than it did in the pre-war era—which is something that can be said of exceedingly few goods or services. As a household servant it is unmatched—for a few dollars a month it saves countless hours of labor and provides a myraid of conveniences. With few exceptions, its cost is also one of the smallest items in the operating expense of business.

The writer to the Oregonian added that he "appreciate a lift" on his \$60 a month U. S. income tax bill. So would all the rest of us. And the ironical fact is that socialized power development undertaken by the government, has made higher taxes possible. The projects are built with tax money and subsequently subsidized with tax money. In addition, they are wholly or largely tax-free and prevent collection of the heavy taxes that would be paid if private enterprise were carrying on the operations.

The power issue is primarily political—not economic.

All Must Participate

In an informal talk given several days ago before a group of Walla Walla business and professional leaders, President Paul B. McKee of Pacific Power & Light Co. reiterated a point made many times in the past by this newspaper: The power requirements of the Pacific Northwest are growing so rapidly that it is folly to get into arguments over private versus public development.

The plain facts of the matter are that during the next 10 years this region must add roughly five million kilowatts of power generating capacity, or an annual investment of about \$300 million. This is far beyond any amounts spent in the past by the federal government, and there is not the slightest indication that Congress plans to increase its rate of appropriations. To depend upon federal construction to meet our needs would be to head for certain economic disaster.

This being the case—and not even the most ardent federal power advocates have denied it—then it seems obvious that we will need the undivided cooperation of all interests in the region to make certain that the power deficit will be made up in other ways. The private utilities serving the Northwest, as well as a number of the pub-

lic agencies, are now engaged in all-out efforts to get new construction under way. And the projects now on designing boards are of sufficient magnitude to do the job, if too many obstructions are not put in the way.

What we cannot understand is the attitude of some of our political leaders, notably Senators Neuberger and Morse of Oregon, in apparently seeking to make it impossible for the private utilities to provide new power generation. They are opposing nearly every plan that has been advanced by these utilities, even though in every instance the proposals are in complete conformity with the master plan for river development. Their position seems to be that even if the federal government is not going to build the dams for some time to come, they would rather not see them built at all than to see the privately-owned utilities do the job or even participate on a partnership basis.

This attitude, it seems to us, represents a disservice to the people these senators represent in Congress. Carried to its ultimate conclusion, it can only mean that a critically dangerous power shortage will be forced onto the Pacific Northwest for purely ideological and political reasons.

Oregon Journal 6/3/55

Empire State Complains

Let's Not Mess Up Compact

The executive committee of the Columbia Interstate Compact commission, meeting in Missoula the other day, made a wise decision.

It will conduct an aggressive educational campaign designed to sell the legislators and residents of the four states which did not ratify the compact at 1955 sessions.

And it isn't going to be drawn into a bootless argument over amendments, particularly major amendments such as those advocated by State Rep. Charles R. Savage of the Washington state compact delegation.

Savage wants the interstate compact commission—to be made up of Oregon, Washington, Idaho, Montana, Utah, Wyoming and Nevada—to become an action agency, such as the corps of engineers or the bureau of reclamation, with authority to build power projects that others cannot or will not build. He wants broader powers over water and power resources. And he wants some changes in voting powers of the individual states.

Savage's proposal got exactly nowhere in the general compact commission meeting. In fact, he didn't even get a single second. On the contrary, delegates from both downstream states such as Oregon and upstream states such as Montana made it quite clear that they believe the compact legislation (approved by Idaho, Nevada and Utah, but not approved by the other four states) goes as far as it can go as a first step in setting up formulas for equitable allocation of water and power and for screening and recommending projects in the various states.

They point out that some state constitutions preclude the use of

state finances on power projects with or without state boundaries and that if significant changes were made in authorizing legislation, it would be necessary to resubmit the act to all seven legislatures in 1957.

We do not contend that the seven-state interstate compact is perfect or that it should not be amended later as experience proves the need. In fact, if after approval it develops that some regional machinery is needed to build, as well as screen projects, it could be set up under interstate compact agreement. This certainly would be preferable to the federal authority type power corporation proposals made by Gus Norwood of the Northwest Public Power association.

But the need should be proved. And control should be vested firmly in the region, not in some super-federal agency with virtually unlimited bonding authority and veto powers over any local power projects, public or private.

Furthermore, we now have action agencies enough, without duplicating their engineering and technical staffs and their broad experience.

The Columbia Interstate Compact act as drawn makes a good beginning. In fact, it is the most promising agency developed in recent years for regional co-operation on water and power problems and projects.

Let's do a selling job on it before 1957 legislative sessions. Let's not get wound up in another regional fight over drastic amendments. We have lost two years by failure of Oregon, Washington, Montana and Wyoming to ratify the compact, mostly because legislators had not familiarized themselves with the compact's salient features. One such delay is enough. Another might be fatal.

New York State has awakened to the hard fact that a high, government-built Hells Canyon dam in Idaho, as proposed by Sen. Wayne Morse, will cost New Yorkers alone \$69,656,825, while the people of Idaho will pay only \$1,210,222.

The New Yorkers don't like the looks of that, especially since they know a private power company has offered to build the Hells Canyon project for \$133,000,000 without any taxpayers' money, whereas the federal plan calls for \$465,000,000, tax supported. When Illinois and Pennsylvania people discover Morse's project will cost them \$35,000,000 for each state and Californians find out their share will be nearly \$43,000,000 they won't like it either.

In a letter to the Yakima dailies, William A. Mills, executive vice president of the Empire State Chamber of Commerce, put it this way:

"The people of New York should not be forced to subsidize through

federal taxes the power cost of the people of Idaho."

The New York chamber noted that some congressmen want to take Hells Canyon away from the Federal Power Commission because the commission's examiner favors the private company's plan. But in New York state they want to leave Niagara power development in the hands of the commission because there they believe the commission would grant the license to a public agency, the New York State Power Authority.

The New York reaction points up the value of President Eisenhower's partnership power policy, which would use large private investments. Easterners aren't going to help us with tax money when they know power projects can be financed privately or with joint private-federal funds. Westerners must realize this and support the Eisenhower administration, or we'll come out short on power development.

Opportunity for Labor

The Portland Central Labor Council has been asked by metal trades workers affiliated with it to oppose by resolution the Sam Coon bill authorizing local participation in the financing of John Day dam. The motive, of course, is to get the council formally in alignment with the Democratic party line of opposition to the Eisenhower administration's "partnership" power development policy. This may be good party strategy, but is it good from the standpoint of the average Oregon workingman? We think not.

H. R. 5789, now pending in congress, contemplates the building of the \$310,000,000 John Day dam on the Columbia river with an outlay of but \$37,000,000 in federal funds for its navigation and other non-reimbursable facilities. The balance, \$273,000,000, would be put up by local interests. As defined in the bill, such interests could be states or their agencies, PUDs, REAs, municipal power systems or private power companies. Any such group or combination of groups could participate, and their sole reward would be a 50-year contract to distribute a share of John Day's 1,105,000 kilowatts in proportion to the amount of money put up for the dam project. Three private utilities—Pacific Power & Light, Portland General Electric and Washington Water Power—have offered to put up the \$273,000,000 if other groups are not interested.

Labor's stake in this proposal is a big one. Of the total cost of the dam, an estimated \$100,000,000 would go for wages. That's enough to keep 5000 men working at \$2.50 an hour for nearly four years on a 40-hour week basis. Where else can be found the immediate prospect of such a job bonanza, with the secondary prosperity it would bring to suppliers and service industries in the Northwest?

Energy from the completed dam would be integrated into the Northwest Power Pool, with the participating groups eligible to draw from it proportionate amounts of power for sale in their

own distribution areas. The parts of Oregon served by PGE and PP&L thus would benefit from big new blocks of power available to attract new industry and create new jobs.

Why is labor being asked to oppose this meritorious plan? Simply because it does not jibe with the aims of public power forces and their congressional spokesmen from Oregon, Senators Wayne Morse and Richard Neuberger, and Congresswoman Edith Green. They seek all-federal financing for Columbia river basin power projects.

Federal government financing would produce slightly lower cost power, it is true, because the federal government can obtain a lesser rate of interest on money it borrows. But there is a fatal flaw in the public power argument. Even the Democrat-controlled congress is not interested in putting up any more large sums of the taxpayers' money to develop Northwest hydro and lure industries away from other parts of the country to this part. The ideas of the public power advocates make no sense to eastern congressmen, and they never will. Messrs. Morse and Neuberger and Mrs. Green are leading their followers down a long, long lane to eventual and inevitable disappointment.

This newspaper has not been an advocate of the partnership plan as espoused by Interior Secretary Douglas McKay. A better way to finance power projects, we think, would be through a regional corporation which would have the advantage of low interest rates and would not be forever dependent on congressional whims. But such an agency will take time to create, and the need for more power is with us now.

Representative Coon's proposal offers a sound and sensible way to acquire the dam which is the next logical step in Columbia river development, and which would be built, owned and operated by the federal government in the public interest. The workingman who opposes this plan really is working against his own interests.

Would Not Change Method

In connection with a recent analysis made in these columns of the John Day Dam legislation introduced by Rep. Sam Coon of Oregon, we mentioned that the bill would not change the proportion of the cost to be borne by the federal government. This statement was an accurate one, but there was one incorrect aspect of our analysis which we hasten to change.

We said that at the present time the federal government absorbs the proportion of cost on its multi-purpose dams which is allocated to navigation and to fishways. The fact is that the government does absorb all of the cost of navigation facilities, but most of the cost of the fishways is charged to power and is paid off out of power revenues.

In the case of the McNary project, for example, the sum of \$22.5 million for cost of fishways was allocated on a "joint use" basis. These and other joint costs, in turn, were allocated on the basis of 97.5 per cent to power and only 2.5 per cent to navigation. Thus the power revenues will repay substantially all of the cost of the fishway installations.

However, and here is the significant point with respect to the Coon bill: Exactly the same method of allocating costs would be applied in the case of the John Day

Dam. All exclusive power costs would be paid for by power users; all exclusive navigation costs would be paid by the federal government; and joint costs such as fishways and other facilities common to the various uses would be allocated according to accepted principles. Since the John Day project is similar to McNary in all of its essential aspects, it may be assumed that costs will be allocated on substantially the same basis.

In other words, power would pay for all costs of the dam except for those which are allocated specifically to navigation, just as in the case of projects which have already been built by the federal government on the Columbia River. There would be no additional expense to the federal government, whether it is built as an all-federal project as originally planned or whether it is built under a partnership arrangement as contemplated in the Coon bill.

The point is important in view of Senator Neuberger's sweeping criticism of Coon's proposals for building John Day as a partnership project. The Oregon Senator has sought to give the impression that the partnership plan would increase the non-reimbursable costs to be borne by the government. Such is not the case, as he must be well aware

Heppner (Ore.) Gazette Times 4/28/55

Both Sides Should Be Satisfied With Coon's John Day Dam Bill

Congressman Sam Coon brought the wrath of Senators Morse and Neuberger and numerous other public power advocates down upon him recently when he introduced his bill in Congress calling for immediate construction of the John Day dam with money put up largely by private power companies in this area.

Immediately the old cry of "give away" and similar epithets were hurled at Coon, but from his statement which is given below, it would appear to us that the federal development boys were hollering before they were hurt.

Here is Sam Coon's own explanation of his John Day dam bill as explained in a letter we received this week from the Congressman:

"AS YOU KNOW from the press I have introduced a bill calling for construction of the multi-purpose John Day Dam on the Columbia River NOW. It has taken a lot of work, thought, and time to draw this piece of legislation which, in my opinion, is as important as any that will be before the 84th Congress. However, I did not introduce it until after I had seen thousands of the completed questionnaires which I sent out. A big majority of a good cross section of the voters of Eastern Oregon were unhesitating in their answers to the question concerning the John Day multi-purpose dam. THEY WANT IT BUILT NOW. The John Day Dam, under my bill, H. R. 5789, will be a FEDERAL DAM. It will be owned, built, controlled, and operated entirely by the Federal government at all times. At no time will the government have any partner in this project.

"As you know, and as I have pointed out, in previous newsletters and broadcasts, the John Day project has been authorized since 1950. However, and I want you to keep this in your mind, authori-

zation of a project does not mean construction can begin. For instance, if the present Hells Canyon bill passes this Congress, it would not mean that work would start on Hells Canyon. It takes hundreds of millions of dollars to build a dam and that money must be raised by the federal government.

"Under my John Day bill the government will sell the power, to be generated, before the dam is built, and with this money, from power sales, the government will pay the construction cost. It is as simple as that. When the government raises the money by having Congress appropriate it, it is taken from the general tax fund and is paid back with the money received from the sale of the power. In that way your tax money is used, the budget is increased, and so, naturally, taxes are higher until the money is paid back by marketing the power. Under my bill the process is reversed, your tax money is not used, the budget is not increased and naturally, taxes are not raised. In other words, instead of borrowing to build, and then paying back out of our returns from power sales, we are selling in advance, and using the money received in order to get the dam under construction. So you see that we not only save years of time, under my John Day bill, but we actually save ourselves the burden of added taxes."

The measure would make it possible for the private power companies to put up most of the money for the dam, and in return for this money, would be guaranteed a fair percentage of the power generated by it for a period of 50 years. The dam, however, would be built, owned and operated by Uncle Sam, according to Coon.

If the federal development advocates are sincere in their statements that they want immediate starts on new "Government Owned" dams on the Columbia and its tributaries, they would do well to get behind Representative Coon's bill and try to get it through congress at the earliest possible date.