

Costello Decision on Hells Canyon Shock To Both Sides; Shows High Dam Better

By A. ROBERT SMITH
Mail Tribune Correspondent

Washington (Special) — The Hells Canyon decision of Examiner William J. Costello came as a stunning surprise to both sides that have made the controversy over a high federal dam vs. three low private dams a hot political issue here and in the Pacific Northwest.

Costello's written opinion, 79 pages of fine print based on his summation of the facts presented in the case during the FPC hearings that began nearly two years ago, contained two fundamental and distinctive findings.

1. An engineering finding that the high dam offers a superior plan for development of the water resources of the middle Snake River.

2. A political finding that the high dam can't be built in the foreseeable future due to heavy political opposition within Congress and the Eisenhower administration.

Costello concluded from these findings that Idaho Power Co. should be given a license for one dam without prejudice to later approval of the other two projects.

This surprised Idaho Power officials who were confident of winning but expected to get licenses for all three dams instead of just the Brownlee project. It was equally surprising to National Hells Canyon Association attorneys who assumed that if Costello agreed with their contention that the high dam was superior, he would reject the private utility plan and recommend the federal dam to Congress.

Costello reached his engineering finding after 55 pages devoted mostly to analyzing both schemes as to cost of power, power benefits, effect on irrigation, flood control and navigation—in short, all the technical aspects of the two plans that have been so bewildering to the layman, if not to the politician.

In the process, Costello demolished favorite arguments of Idaho Power backers about the high dam. These arguments and Costello's findings were:

Argument No. 1: There isn't enough water in the Snake to fill the high dam reservoir and allow for future irrigation needs in southern Idaho.

Costello's finding: "With ample allowance for all foreseeable upstream irrigation water uses, a dependable water supply can reasonably be expected for the efficient and economic operation of the high dam project during its (50 year) payout period."

Argument No. 2: The high dam would be so expensive that Bonneville power rates would be forced up or the federal investment in Hells Canyon could never be repaid.

Costello's findings: "For the high dam project, the unit cost per kilowatt of salable firm power would be approximately \$23.80 . . . this cost would not result in affecting the current Bonneville rate of \$17.50, since all revenue and costs of the project would be pooled with the revenues and costs of the existing BPA system."

Argument No. 3: Because Idaho Power's dam could be

built faster, they would supply a large block of power to the power-starved states of Oregon and Washington.

Costello's finding: "The prospects, as reflected in this record, for the sale in the Northwest of the large amount of excess power that would be available from the three projects at rates which would equal the cost of the power (6.6 mills) are so feeble as to be worthy of no consideration." (It was for this reason that Costello ordered only one dam built at a time, as its power output could be consumed in Idaho where power rates are higher than in the Bonneville-served area.)

Argument No. 4: The high dam would be a "monument to government stupidity," as Washington Gov. Arthur B. Langlie once put it, conceived by an empire-building bureaucracy.

Costello's finding: "The high dam project would stimulate throughout the Pacific Northwest (a) power-load development, (b) greater utilization of power in industry, agriculture, commerce and community and service activities, (c) new business and employment opportunities, (d) expansion of production and productivity, (e) development of minerals and other materials important to the regional and national economy and to national security, (f) strengthening of the regional and national economy."

Having weighed each scheme to make his engineering finding, Costello reached the vital point of decision—whether to recommend the high dam to Congress and reject the Idaho Power application, or to grant a license to the company and thereby preclude federal construction of the high dam. He declared:

"I do not feel that this is a proper instance . . . (for recommending federal development to Congress) even though the facts seem to point to the inescapable conclusion that with the marked and substantial advantage of the government's credit, the high dam would be dollar for dollar the better investment and the more nearly ideal development of the middle Snake."

Why not? Costello gave as his main reason the Roanoke Rapids case, a federal vs. private power dispute in Virginia which the FPC granted a license on grounds there was little or no prospect of federal development of the river. The Supreme Court upheld it.

Costello said the "similarity lies in the lack of likelihood of any foreseeable action by Congress on the high dam proposal within any foreseeable time, as demonstrated by the withering of the (Hells Canyon dam) proposals in the previous sessions of Congress, even when sponsored and rigorously promoted by the then secretary of the Interior, in a political climate more favorable to acceptance of such proposals."

To support his evaluation of the current "political climate" which he implied is unfavorable to federal power development, Costello cited the Eisenhower administration's insistence on the Dixon-Yates contract for private rather than federal development of additional power in the TVA area. Other factors contributing to this climate are Secretary of Interior Douglas McKay's expressed opposition to the high dam and the possibility of a presidential veto of high dam legislation if Congress should pass it.

Costello concluded that it would be a "useless action" to recommend the high dam, even though engineering-wise he found it superior, for in this "political climate" the recommendation "would serve only to freeze the middle Snake River for hydroelectric development for an indeterminate period in the future."

Since it would not be in the public interest to "freeze" the Snake in view of Idaho Power's need for more kilowatts, the examiner arrived at his decision to grant a license to the utility. He added—in what appeared to be an oblique challenge to congressional proponents of the high dam—that if Congress wishes to insist on federal development of the Snake, it has the power to suspend the FPC's authority to issue a license to Idaho Power. Costello said this has happened twice before in history, in 1921 and 1928.

Any change in the "political climate" as result of Costello's engineering finding that the high dam is superior is considered doubtful, unless the four Pacific Northwest Democratic senators are successful in pushing their high dam authorization bill through the Senate before Congress adjourns for the summer.

Meanwhile, the five-man Federal Power Commission will decide whether to uphold or change its examiner's opinion. Its final decision in the long case is expected by August. Backers of the high dam say they will take the case to court if the FPC approves a license for the power company.

Either way, it looks like the Hells canyon dispute will continue in Congress, in the federal courts or on the political stump in the Pacific Northwest for many months to come, all of which would at least "freeze" the middle Snake River for hydroelectric development for an indeterminate period in the future.

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JOAN CRAWFORD—Ten years of life alone end for actress Joan Crawford, 47 (left), when she eloped with Alfred N. Steele, 54 (right), president of Pepsi-Cola Co. An after-dinner flight in Steele's private plane from Hollywood ended up in Las Vegas where they were wed in a quiet ceremony.

Fire Damages Market South of Ashland

Ashland, Ore. — (U.P.)—Fire Thursday night destroyed the storeroom and caused between \$7000 and \$8000 damage to the 99 Market one mile south of here. Firemen said the blaze started in cardboard boxes placed next to a stove. Mrs. Grace Gibble, owner, said most of the loss was covered by insurance.

TURTLE-BACK

New Bedford, Mass. — (U.P.) — Mrs. Eleanor B. Pierce, now 100, says that as an infant aboard the ship of her whaling captain father, her carriage was a box fastened to the back of a huge turtle.

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SUNDAY, MAY 15 — 7:00 O'CLOCK

PROGRAM OF THE WEEK

DATE	LECTURE	MOTION PICTURE
Wed., May 18	"THE SECRET OF A HAPPY MARRIAGE"	"INVITATION TO THE WEDDING"
Fri., May 20	"ROBBING GOD"	"FORWARD WITH CHRIST"
Sat., May 21	"BAPTISM AND YOUR ENTRY INTO THE KINGDOM OF GOD"	"STANLEY AND LIVINGSTONE"
Sun., May 22	"WILL ATHEISM'S CRUSADE CRUSH THE CROSS?"	"STANLEY AND LIVINGSTONE"

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HAND OF VICTIM (arrow), protrudes from wreckage of Coliseum Building, New York, part of which collapsed, as priest and fellow workers pray for him. Joseph Lombardi, 55, was only one of 52 workers periled by crash to lose life. (International)

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