

Hoover Commission Said To Favor Destruction of Public Power, Resulting in Cost Increases

By A. ROBERT SMITH
Mail Tribune Correspondent

Washington (Special)—A major shift in the method of future development of Pacific Northwest hydroelectric dams was recommended to Congress today by the Hoover Commission on government reorganization.

Basically, the commission came out strongly for divesting the federal government of much of its role in developing the Columbia River system, as it has for more than 20 years in building Bonneville, Grand Coulee, McNary, Hungry Horse, Chief Joseph and other major multiple-purpose projects. The commission favored shifting this role generally from the federal to the local level, and to a great extent from public power to private power companies.

The 11-man commission appointed by President Eisenhower and headed by former President Hoover called for:

1. Creation of a regional public corporation with jurisdiction to develop all future power projects needed by the Pacific Northwest from its great Columbia River system. The corporation would have to get congressional authorization of each dam it planned to build, but it would

MEDFORD MAIL TRIBUNE

Second Section MEDFORD, OREGON, THURSDAY, JUNE 30, 1955 Pages 1-6

have authority to sell revenue bonds or other securities to private investors to finance these new projects. This would end the method employed over the years of asking Congress to appropriate the funds needed to build additional dams.

Discontinuance of building government transmission lines and of giving preference to public power agencies, such as rural co-ops, PUDs and municipalities, in delivering the power from federally-built dams. This public preference clause, which the commission wants repealed, has been the keystone of the public power movement for many years.

The commission charged that the public preference clause has caused "serious inequities and discrimination between the citizens of the various states." It pointed out that because of the strong public power movement in Washington state, about 85

per cent of power generated by federal dams in the region goes into Washington and only about 15 per cent into Oregon, where private power companies are more prevalent.

The Hoover recommendations were based generally on findings made by the commission's task force on water and power which held hearings in Portland last June. The Northwest representatives on that task force were Robert W. Sawyer, retired publisher of Bend, Ore., and William D. Shannon, Seattle engineer.

While the task force report was not immediately available, it was understood to have included a recommendation that all existing federal dams be either leased or sold outright to private interests in order to get the government out of the power business expeditiously. The full commission turned thumbs down on this idea, saying that "the problem of ending the present government operations in com-

petition with private enterprise in the power field... cannot be solved by simple recommendation that such activities should cease or be sold."

"We do not entertain the idea of the sale of dams and their power houses," the commission declared. "These dams also perform highly important services to irrigation, navigation and flood control which must remain federal responsibilities."

In a related field, the commission came up with two other proposals bound to stir controversy in the Pacific Northwest. It recommended that Congress impose user charges on ships using the Columbia River and other inland waterways that have been improved for navigation purposes at government expense. Also, the commission recommended increasing the size of land holdings any farmer may own to be eligible for irrigation from federal reclamation proj-

ects. The present limit is 160 acres, designed to give small family sized farms the benefit of reclamation development.

What reaction the Eisenhower administration may have to the Hoover report remains to be seen, for it was sent directly to Congress.

But one aspect of the commission report on power is expected to be greeted favorably by the administration — an open endorsement of the "partnership" power policy. The commission suggested that "private enterprise be offered the opportunity to provide the capital for the electrical component of multiple-purpose dams and dispose of the power through their own systems, but the management of the dams should remain in the federal government."

The Hoover group said times have changed since Hoover dam was built back in the days when such giant undertakings were "beyond the financial and technical strength of private enterprise." Since then, private capital has grown tremendously, the commission reported, so that "financially there is no present or prospective need for federal financing of power activities."

The commission's report made it abundantly clear that it was striving in various ways to reduce what it regarded as an "unfair competitive" position held by public power over private power. In suggesting that the preference clause be knocked out, it made a major move in this direction.

Another major recommendation in this connection would require the federal government to make payments in lieu of taxes

to state and local governments for power facilities in the area that are, of course, not taxable. These payments, the commission said, should be equivalent to the taxes paid by local private power companies. The commission also wanted the interest rate charged by the U.S. Treasury on funds invested by the government in power facilities increased from 2 1/2 to 3 per cent.

Both these recommendations, if followed, would have the ef-

fect of forcing a sharp increase in the power rate charged by Bonneville Power Administration for the kilowatt output of government dams.

Although it did not formally recommend it, the commission spoke favorably of interstate compacts which would invest the states with power to build new power dams. It simply indicated any of these shifts away from federal control would be desirable.

Andy's Vacation Special

6 Piece Set TAPER STYLE LUGGAGE

FULLY LINED, MATCHED INCLUDING 2 WATERPROOF COVERS! & MONOGRAM INITIALS!

You'd expect to pay this price for ONE Case Alone - but

\$1 A WEEK
6 Piece Set COMPLETE
\$29.88
No Extra Charge For Credit



BOTH THE LARGE CASES HAVE RAYON SATIN LININGS

and they're made with wood frames strong enough to sit on

WITH MIRROR AND TRAY

INCLUDED! LUGGAGE COVERS of Waterproof plastic



FOR BOTH LARGE CASES!

YOU GET ALL 6 PIECES COMPLETE!

- 26 INCH PULLMAN CASE
- 21 INCH WEEKENDER
- 14 INCH-OVERNIGHTER
- FITTED TRAIN CASE
- 2 LUGGAGE COVERS

CHOICE OF TWO COLORS: Suntan & Blue

We Give S&H GREEN STAMPS

See Sportscholar KBES-TV Thurs., 7:30 p.m.

ANDY'S

YOUR JEWELER
15 NORTH CENTRAL PHONE 2-2970

PHONE TODAY



PHONE 2-2970

MAIL COUPON NOW OR SHOP IN PERSON!

Andy's—15 N. Central—Medford, Ore. Enclosed find \$1 Down Payment. Please Hold For Me 6-Pc. Luggage Set with 2 Luggage Covers included. All complete with all features as advertised, and all for \$29.88
 Suntan Blue
I agree to pay balance \$1 a week.
Name _____
Address _____
City _____
 Add to my account New Account* Send C.O.D. (If new account, please list references on border)

GRAND VIEW MARKET

Phone 7-8188 and Locker Plant 2330 CRATER LAKE AVENUE

SPECIALS FRIDAY, SATURDAY, JULY 1, 2

A REAL PICNIC SPECIAL!

Nebergall Skinless WIENERS **39c lb.**

Morrell's Picnic Hams 3-lb. 4-oz. Cans **\$2.39 EACH**

ASSORTED LUNCH MEAT

From Nebergall's, a fine selection of good cuts. **39c lb.**

Morrell's Canned Hams Boneless, Skinless, No Shank **\$5.39 EACH**

BETTER PRODUCE SPECIALS

Watermelon

Sweet and So Good Lb. **5c**

Cantaloupe

EXTRA FANCY 36 SIZE BIG ONES! **2 FOR 29c**

Radishes & Green Onions

Local Grown Tender Sweet. **5c BUNCH**

Sunkist Lemons

"It's Time For Lemonade" **15c lb.**

We Have a Fine Selection of Picnic Supplies. SPARKLERS, CAP GUNS by GENE AUTRY



Nalley's Potato Chips

An OREGON Product Delivered Fresh Daily!

7 oz. Bag **33c**

KOOL-AID

ALL FLAVORS

8 pkgs. **25c**

Dried Beef

Red Crown Brand 2 OZ. 4 for **\$1.00**

PERFECT FOR PICNICS!

BLUE BELL TWIN-PAK **49c**

Two big bags of Potato Chips in one sturdy box



CHARMIN PAPER TOWELS REG. 25c NOW ONLY **2/35c**

CHARMIN TOILET TISSUE 4 ROLL PAC KAGE REG. 49c NOW ONLY **35c**

PICNIC JUGS - 1/2 Gallon Size ALL ALUMINUM INSULATED **\$1.49 EACH**

STURDY TV STOOLS ALL METAL **\$1.39 EACH**

TREE TEA

48 bags 59c

1/2 lb. 79c

SEE SPECIAL OFFER... 8 GLASSES AT TEA SECTION



We Give S&H Green Stamps

OREGON TRAIL

Pork & Beans

15 1/2-OZ. CANS **4/49c**

PARTY TIME PINEAPPLE

303 Size—CRUSHED

2 CANS 45c

LIBBY'S

Ripe Olives

Family Size

A Real Holiday Treat

No. 1 TALL CAN

2 CANS 49c



Nalley's

Banquet Dills

For Your Holiday Pleasure From Nalley Valley

24 oz. Jar 29c

OPEN SUNDAY, JULY 3rd
CLOSED MONDAY, JULY 4th

STORE HOURS:
Weekdays... 8:30 a.m.—8:00 p.m.
Sundays... 10:00 a.m.—7:00 p.m.