

New Private vs. Public Power Battle Shaping Over Hearings on Bill for PUHC Exemption

By A. ROBERT SMITH
Mail Tribune Correspondent

Washington — A brand new public vs. private power bill is shaping up in Congress over a bill the utility industry is pushing to exempt certain private utilities, including four in the Pacific Northwest, from the regulation of the 20-year-old public utility holding company act.



Hearings on the bill opened last week before the Senate Interstate Commerce Committee and continue this week with both private and public power forces mustering their strength for an all-out fight.

Two Sections
The bill has two sections, one of them tailor-made to exempt Pacific Power and Light, Washington Water Power, Portland General Electric and Montana Power and Light companies, from coming under the public utility holding company act when their joint subsidiary, Pacific Northwest Power Co., gets into the power business by generating new kilowatts. The other section exempts utilities that join in building atomic power reactors.

Opposing the utility industry on this legislation is the American Power Association and the National Rural Electric Co-operative Association, the two major national public power groups.

As the public utility holding company (PUHC) act now stands, it has never been amended since its enactment by Congress in 1935 in the wake of investigations which disclosed widespread abuses against stock holders and consumers through vast networks of holding companies within the utility industry. The PUHC broke up such holding companies as American Power and Light, which controlled PP&L, Washington Water Power, Montana Power and many other smaller utilities around the country.

Not Subject To Act
Since the break up of many holding companies (only 18 remain subject to the PUHC act), the individual utility companies of the Northwest have not been subject to that act. But when they established jointly two years ago the Pacific Northwest Power Co. for the purpose of teaming up to build new generating and transmission facilities, these utilities edged close to the jurisdiction of the PUHC act as holding companies. It is only because that the new company is still a paper organization that its parent utilities have not come under the act.

Through this joint subsidiary, the companies hope to finance and build two major dams on the Snake river below Hells Canyon—the Mountain Sheep and Pleasant Valley projects—which would put them into business as holding companies.

Why do they want to avoid the PUHC act?
Each of the utilities figures that it would cost them about \$100,000 annually to hire extra employees and prepare the various reports required by the Securities and Exchange Commission, which administers the PUHC act.

Pacific Power and Light also figure it might have to divest itself of some of its holdings in Wyoming which it picked up two years ago in its merger with the now-defunct Mountain States Power Co. The PUHC act stipulates that holding companies must confine their operations to one region geographically.

And Montana Power fears the PUHC act would require it to divest itself of its gas distributing facilities in Montana.

Reverse Said Illustrated
The utilities themselves claim they would not be contributing to the abuses which the PUHC act eliminated from the industry if they were exempted. They argue that the Pacific Northwest Power Co. illustrates the reverse of what the act aimed at, for instead of being one major holding company that owned or controlled many smaller subsidiary utilities this is a case of several individual utilities jointly controlling one subsidiary.

They contend that by pooling their resources they can build dams and steam plants that in cost would be beyond the re-

sources of one utility and will result in more efficient operation and cheaper power.

The Eisenhower administration is divided in its attitude toward the bill now being pushed by the power companies. The Federal Power Commission, grants licenses to utilities for new power projects, favors the bill. So does the Atomic Energy Commission, but it confined its observations to the power reactor section of the bill.

The Securities and Exchange Commission, however, is opposed to the bill. Referring specifically to the Pacific Northwest Power Co. proposal, the SEC said: **Should Comply**

"The Commission believed that the corporate organization, control and financing of a project of this type create the possibility of evils against which the (PUHC) act is designed to guard. The Commission therefore believes that the sponsors of such projects should submit to and comply with the act . . . rather than their being granted a blanket exemption from all provisions of the act. Requiring the sponsors to comply with the holding company act would result in the type of protection which the act was designed to provide with regard to capitalization ratios, non-engagement in other business, absence of interlocks, geographic integration and other matters. Where management is willing to comply, the act promotes rather than hinders growth and development.

Even as late as the end of World War II state highways were dotted with 359 venerable spans made from wood hewn from nearby trees.

Green County still boasts 20 antiquated bridges and Bedford county counts 14.

But since the end of the war the relentless surge of time, floods and termites has doomed the structures until there now are only 142 in the state.

In the judgment of the SEC it would not be wise for Congress to encourage such projects without the safeguards provided by the act."

The FPC argued in its report on the bill that "the holding company act clearly was not intended to prevent the organization of a separate generating company under these circumstances, although the amendment (proposed in the bill) is necessary to make the exemption lawful. The licensing terms of the federal power act are rather strict, and properly so, and it would be difficult for two or more companies effectively to undertake to construct a large water power project under license. This bill would remove legal impediments to the organization of a separate generating company under these circumstances and made a joint venture of this type entirely feasible. Passage of the bill is recommended."

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The following goods belonging to one Opal Demmer, last known address to be General Delivery, Medford, Oregon, will be sold at Public Auction at Davis Transfer & Storage Company, 40 South Fir Street, Medford, Oregon on May 10, 1956, sale beginning at 10:00 A. M. until such lien is satisfied:
4 Cartons—Contents Unknown
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Medford, Oregon
Phone 2-6273

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1 Refrigerator
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1 Trunk—Contents unknown
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10 cartons, contents unknown, 1 box 1 Elect. Sweeper & Parts, 1 Smoking stand, 1 Iron Board, 8 pictures, 1 Devono, Hassock, 1 Card Table, 1 Clothes Rack, 1 Floor lamp & shade, 1 Radio Comb, 1 Arm Chair, 1 Rug, 1 Sewing Machine, 1 Secretary, 1 Headboard, 2 Steel Springs, 1 Steel Frame, 4 Bed Ends, 2 Bed Rails, 2 Mattresses, 1 Box Spring, 1 Cot Pad, 1 Vanity Base, 1 Mirror, 1 Stove, 1 Refrigerator
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Back Stairs: Curious Complications

By MERRIMAN SMITH
United Press White House Writer
Washington — (U.P.) — Back stairs at the White House:

Every presidential campaign year produces curious complications which frequently escape the public until they burst upon the electorate as drum-beating news stories.

For example, because of President Eisenhower's illness last fall, his doctor's plan to issue another extensive report on his health before the campaign gets under way in earnest.

A similar report was issued on Mr. Eisenhower at the start of the 1952 campaign, long before anyone dreamed of his having a heart condition.

Which brings up this question: Will the Democratic nominee undergo a similar examination and make it public?

Think of the complications

that might develop if the Democratic nominee turned out to have a higher blood pressure than Mr. Eisenhower's.

The health issue could then become a snarl of confusion and a battle of medical statements. For a time at least, it could take precedence over discussions of such issues as farm, taxes and foreign policy.

Another factor in the President's effort to win reelection is how far he should go in projecting himself as a personality and still preserve some form of private life.

It is difficult to get across one's personality to the voters merely by making speeches and waving to crowds from a passing automobile. Yet the President is determined to do as little barnstorming as possible.

Mr. Eisenhower, however, may do a good bit more campaigning than originally envisioned when he announced in February that he was available for another term.

Mr. Eisenhower likes his privacy and intends to retain as much of it as he possibly can. For the present, his campaign aides are more than willing to go along, because they believe their man is just about as well known as it is possible to make him.

Mr. Eisenhower attracted an unusual crowd when he left Augusta, Ga., last week. He has made so many trips to Augusta since his election, that the people frequently take him in stride much as the people in Washington. Thus they usually turn out for him only in small numbers.

But this most recent occasion

Knights of Columbus Plan Convention Here

Medford will play host for the first time to Oregon's Knights of Columbus at the group's annual state convention May 18-20.

This will be the first Oregon convention to be visited by a supreme knight. Luke Hart, supreme knight from New Haven, Conn., will be in attendance. R. J. Batzer is grand knight of the local council.

The Medford council is made up of about 175 members. About 100 delegates and their wives are expected to attend and others to make a total of approximately 300 persons will be at the convention, according to Dave Walsh, general state convention chairman. Election of officers is on the convention agenda.

His committees are made up of Frank DeSouza, registrations; Mike Altobello, reservations; Lee Meeker, finance; James McGowan, food; John Hochstatter, convention hall; Harold Lumsden, publicity; Lewell Dupray, programs; and Ernest Flakus, women's program events.

Registrations will be held at the Medford hotel and other meetings will be held at St. Mary's gymnasium and the Carpenters union hall.



RESCUED from coal mine cave-in after being buried for 40 hours, Lavell Goiding reads own obituary in newspaper at Sunnyside, Utah. Hope had almost been abandoned when workers reached four victims. (International)

Covered Bridges Erased by Time

Waynesburg, Pa.—(U.P.)—Time, termites and floods are erasing covered wooden bridges from the Pennsylvania landscape.

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Four Vacant Houses Destroyed at Clifton

Astoria — (U.P.) — Fire broke out in the little Columbia river town of Clifton yesterday afternoon destroyed four vacant houses with damage estimated at \$5,000.

Fire crews from several neighboring towns answered the alarm shortly after 1 p.m. yesterday and controlled the blaze before it could spread to a dockside warehouse that contained about \$100,000 worth of fishing equipment.

Clifton is the site of a fish receiving plant and is located about 24 miles upstream from here.

Bull Fight Being Planned for Rainier

Pollensa, Island of Mau Jorca — (U.P.) — Friends of Prince Rainier and Princess Grace of Monaco said today efforts were being made to stage a bull fight for the Prince at Palma De Alorca next Thursday.

The royal couple apparently have decided to spend the next two weeks of their honeymoon near the Balearic Islands and the Spanish mainland, their friends said.

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One Each Hour	THE FURY DIES THE SPIRIT IS TO WANE	8:15 A.M. — Grocerteria
Until	I STAND AS BUT A SYMBOL I OWN NAUGHT BUT MY NAME	12:50 P.M. — Western Thrift
Gone		

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