

Canadian Proposal To Siphon Part Of Columbia Seen as Mostly Bluff

By A. ROBERT SMITH
Mail Tribune Correspondent

Washington — There is a growing body of official opinion here that regards the Canadian proposal to siphon off part of the mighty Columbia river as just so much bluff and bluster.

And Gen. A. G. L. McNaughton, the "Canadian MacArthur" who devised this river diversion scheme, is just the blustery character to prolong such a bluff in expectation of winning some grand concessions for Canada in terms of very cheap kilowatts from federal powerhouses in the Pacific Northwest.

McNaughton last week went before the House of Commons External Affairs Committee to urge approval of a billion dollar undertaking which would divert the Kootenay river into the source of the Columbia, and in turn divert the Columbia partly into the Fraser — the same idea he has advanced sporadically for over two years. American officials recognize only two things about this idea: that legally, Canada can do it, but she would have to pay damages to the U.S.; and that it would reduce the power potential of the Columbia for the Northwest substantially. Libby dam, for one, would be out.

Not Economically Feasible

Some competent U. S. engineers have concluded, however, that the Columbia diversion scheme, which involves tunneling through the Monashee mountains, is not economically feasible. After two years of talking about it, McNaughton has yet to produce any results of his own engineering investigations to support his claim that the diversion is feasible, that the benefits would justify the costs.

Moreover, there are these related developments:

1. At last year's meeting of the International Joint Commission, McNaughton, the Canadian head man on that agency, told the American members that he was no longer studying the diversion scheme but had turned the whole matter over to power interests in British Columbia.

Not long ago B. C. Electric Co., the one power company which has most to gain if a diversion were feasible to beef up the hydroelectric potential of the Fraser, turned instead to

building steam plants in a big way — one 100,000 KW plant at Port Mann, B.C., and another of nearly 1,000,000 KW capacity east of Vancouver, B.C. Canada's chief financial newspaper, the Financial Post, called this significant because "it indicates that the company has given up hope of harnessing the Fraser river, one of the continent's last great rivers untapped for hydro. Fishing interests and conservationists apparently have won the fish vs. power battle." The newspaper added:

Many Years Away

"Decision to go ahead with thermal energy was probably based on the belief that a go-ahead to dam the Columbia at Mica Creek (just above the proposed diversion) is many years away. This means that B.C. has now joined the trend to steam power which has recently been underlined by major power plants in the Prairies. . . . It will virtually revolutionize the power picture in the province."

2. At the last meeting of the IJC in October, McNaughton asked that the diversion scheme be added to the list of alternative schemes for study by the IJC's engineering board, composed of U.S. and Canadian engineers. Although B.C. power authorities have apparently eliminated it as a possibility (and power companies don't build \$100 million steam plants if cheap hydro is a possibility), the diversion is thus kept an issue before the IJC by McNaughton. The study will take a year or more.

And yet now McNaughton has gone to Parliament with a ringing request that a billion dollars be approved to make an immediate start on the whole diversion scheme because "if we don't use our resources, we are going to lose them to the United States for all time." American power interests provided his whipping boy.

3. In recent years of negotiations over Libby dam, McNaughton has always put on a big brother act in trying to show Canada's willingness to help the Pacific Northwest avert what he has always described as a severe power shortage. For a price, of course.

When the general gets down to fixing the price, however, the bargaining breaks down. He wants Canada to get the privilege of buying kilowatts from the United States at the present Bonneville rate of about 2 or 3 mills; but the U.S. would pay Canada about 6 mills for the energy benefits the Northwest

would get from such big Canadian storage projects as Mica Creek. McNaughton's logic on this is that if the Northwest doesn't get this Canadian storage, it will have to turn to steam, so the value of Canadian-produced energy is equivalent to the cost of steam, or about 6 mills.

Urgency Slipping Away

Unfortunately for the hard-bargaining general, the urgency of a power shortage in the Northwest keeps slipping away with each new generator that is installed and each new dam that is started in the Columbia basin. The power shortage which used to be predicted for the early 1960s has been pushed back to 1968, and will probably be pushed back further as other dams are started.

In a word, the immediate crisis pictured by McNaughton as the justifying climate for American acceptance of his lopsided power terms has been only a mirage. He sees it in the distance but can't reach it.

When American officials met at Ottawa in October with McNaughton and urged consideration of the issue of Libby dam once more, the general figuratively stalked away from it and declined discussion.

From his declarations of last week, it would appear that his last resource is bluff and bluster. If this should be a comfort to the Northwest, in fear of losing some of the Columbia's energy, it should be a challenge to the diplomatic skill of the Eisenhower administration, if the general's bluff is to be called and a plan developed for mutual sharing in the Columbia's untapped energy resources.

Three County People Attend Conference

Portland—Action to improve all areas of teaching in Oregon schools was proposed by the Oregon Education association at a meeting of chairmen of the 33 departments and sections of the association in Portland recently.

The group will reexamine and reevaluate the direction and goals of the profession. Dr. Frank Bennett, president of Eastern Oregon college, was speaker. The meeting was sponsored by the organization's professional services committee.

Dr. Bennett asked the group to reexamine the education of teachers to give greater stress on the subject of pupil mastery and to dedicate themselves through their work.

Jackson county representatives were Mrs. Ivah D. Murray, Medford, and Mrs. Rae Richardson, Central Point. Retired Teachers association; and Alf B. Mekvold, Medford, association of county school superintendents.

4-H CLUB NEWS

Antelope 4-H Sewing Club

The Antelope 4-H Sewing club held a recent meeting at Nyla Murray's home.

We planned a money raising project for early next year.

Miss Marylou Garner was a guest at our meeting.

Thirty-two of the members and mothers enjoyed a Christmas party which was held at Phyllis and Carol Jaffery's home.

The next meeting will be Jan. 11, at Donna Geren's home.

Karen Jossy, Reporter

Branching Out By Medium-Size Firms Declared Necessary

By ELMER C. WALZER
United Press Financial Editor

New York — Medium-sized businesses must branch out into profitable lines and steer away from single line products if they are to make money, according to Martin H. Benedek, chairman of General Instrument Corp.

His company has done just that—veered away from being an exclusive supplier for the radio and television industry into a broader field of electronics, including military, computers, heat-sealing equipment, meteorological equipment and many others.

The company still is a big factor in the radio and television business, but that branch is only a fraction of its former position. Benedek doesn't believe 1958 will be the year of color television. He says that as long as only one out of 50 persons has color TV there will be no rush to buy sets. Once the percentage dwindles down to where not owning a color set marks off the person, there'll be a spurt in sales of color.

Rise Predicted
Benedek predicts a rise in his company's sales for the fiscal year ending next Feb. 28. In the first six months sales rose and earnings were up sharply.

Like many another business man, Benedek is puzzled at the behavior of his stock in the market. It is listed on the New York Stock Exchange. The price was high when earnings were poorer than they are today, he noted, and the current price is down sharply, with earnings higher.

General Instrument's backlog of defense work is about seven times as high as it was a year ago.

According to Benedek, General Instrument plans, without in any way diminishing its position as a supplier of TV and radio components, to lessen dependence on the vagaries of the radio-TV market, "which in recent years has been notable mainly for its fluctuations, and to develop a broader, more solid foundation from which to operate profitably."

New Company Acquired
The company recently acquired Radio Receptor Company and expanded its development, engineering and production efforts in industrial and military electronics and in the field of semi-conductor devices.

Radio Receptor Company operations are expected to show substantial losses but General Instrument has discounted them in advance by setting up reserves which will amply cover the deficit, according to Benedek.

The company is planning new ventures into profitable lines and its leaders hold that method is the principal one they suggest for all small and medium business to get away from too much reliance on one line, which might be good or bad as the public's whims vary.

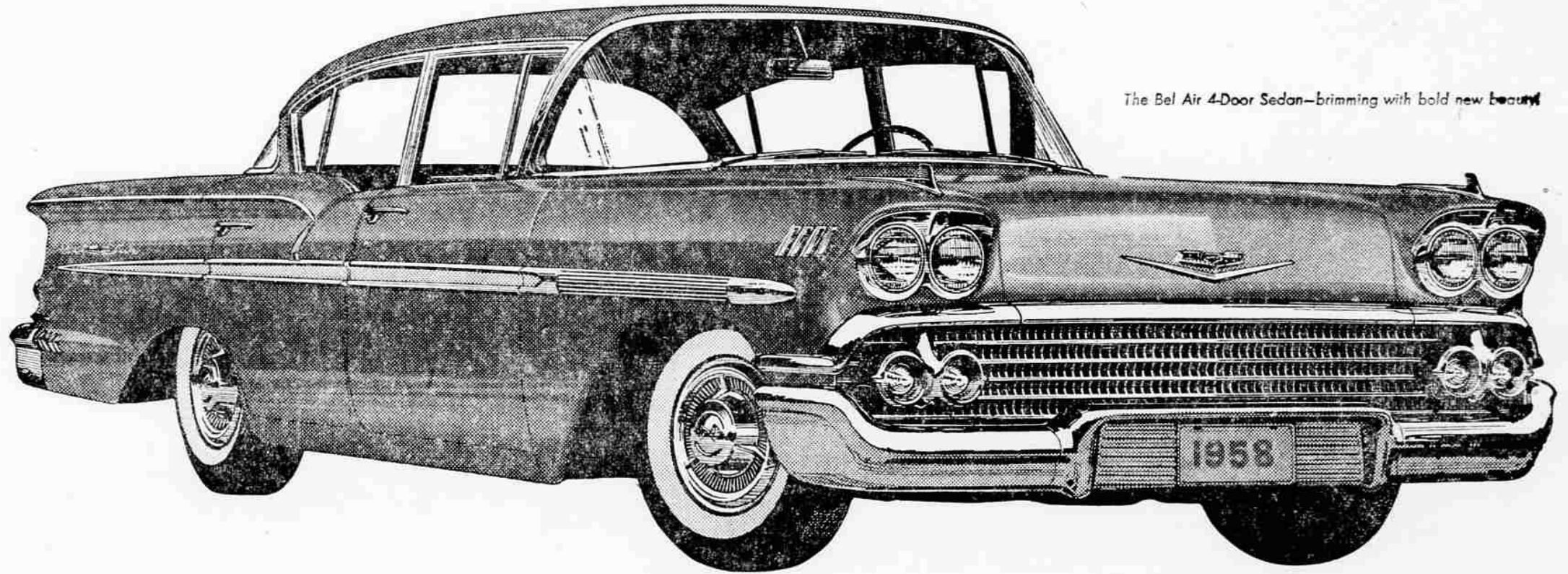
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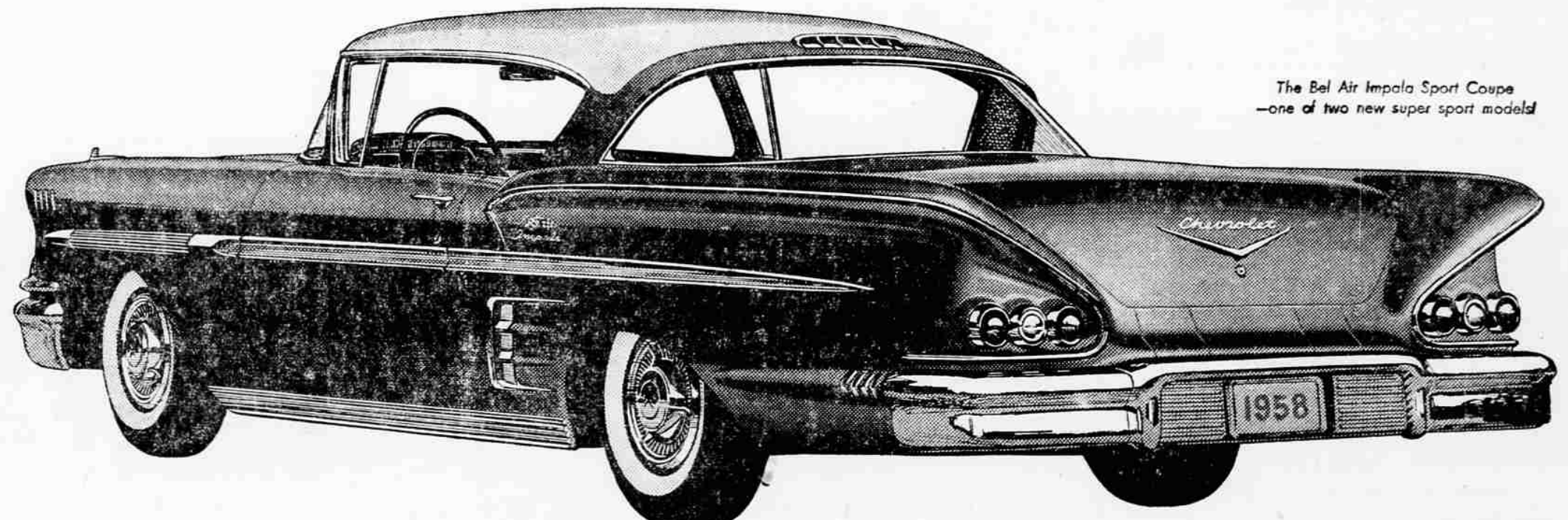
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CHEVROLET

USA Doing Quite Well Economically, Writer Discovers During Trip

By FRED J. GREEN
United Press Correspondent

Los Angeles — **UP** — A drive across the country covering 3,400 miles, at this Christmas time, reveals the USA to be doing quite well, despite any rumors to the contrary.

I have been going ten days on that drive, and from New York to Roanoke, to Tuscaloosa, New Orleans, San Antonio, Phoenix, Los Angeles and all way points the impression is to a robust, creative energy reflected in building, growth, ideas and spirit.

This is not new but is of the America I have known for more decades than I shall mention. We still have it, and we have found new outlets for it.

We have in common both an amazing variety and a wide uniformity. At this time of year the evidence of Christmas is everywhere in the land; in the hamlet, the city, the church, the farmhouse, the service station. Some of it is commercial, some of it is superficial but most of it is an expression of faith; a religious faith and the faith of a people in themselves.

Plain People

I talked with a lot of people; plain people. You don't meet many financiers, statesmen and news commentators at motels on Highways 11 and 90.

The car radio blared the accusations and alibis of politicians and the doleful pronouncements of scientists that we may all be blown to hell any minute. I observed no resulting panic or pessimism with people, but to the contrary a confidence that we can take care of the situation and let's get on with the job.

One side of my face is a fine bronze shade, the other it's cus-

tomary pallor. That's from driving for ten days going west at this time of year when the sun is to the southward, on the driver's side.

A Closeup Look

You really get an understanding of the wealth and potential of this country when you cross it and get a close up look, day after day.

The rich Shenandoah Valley of Virginia, the pine forests of Mississippi, the sugar cane land on the delta near New Orleans, the dynamic industrial cities like Birmingham and Houston, the vast spread of Texas that takes three days to drive across, the deserts of Arizona producing cotton, the miles of motels at Phoenix, the trailers, trucks and cars and farm machinery and most of all the people, and the land itself—here is the material and the challenge to many a generation of Americans to come.

Perhaps this is all obvious, but somehow I have an old fashioned feeling that it is always new and wonderful. If that be corny then let it be corny.

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Action Planned Against Infestation of Mice

Salem — **UP** — Oregon Agriculture Director Robert Steward today promised "vigorous and coordinated" action to stem an infestation of mice in the southern part of the state.

WRONG NIGHT

St. Johnsbury, Vt. — **UP** — Firemen were called to put out a blaze of rubbish, wood and debris that was to mark a football rally when the park was ignited the night before it was scheduled to be burned.

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