POWER ISSUE SEEN TAKING NEW TURN

Labor Now Is Veering Away From Support of Program

Pushed by Government

By THOMAS P. SWIFT

A new and highly significant note has been injected into the controversy of private vs. public ownership of the nation's electric power facilities.

Labor is beginning to take a much more interested attitude in the outcome of the struggle between private enterprise and Federal, state and local governments in the development of new sources of electric power throughout the United States.

Several bills are pending before Congress as to the most effective and economical means of harnessing the nation's rivers for the generation of additional hydroelectric power. For the most part, these bills seek Congressional approval of appropriations designed to increase public ownership interest in the $20,000,000,000 industry. Labor, in the past, has made little, if any, attempt to block the nationalization of one of the country's most important industries. Today, the story takes on a different hue.

Labor Withdraws Support

Frank W. Jacobs, vice president of the International Brotherhood of Electrical Workers, American Federation of Labor, has just thrown the issue into bold relief by dissociating the union's former support of a public power program declaring that it has gone "far beyond the plans of its initial sponsors." The program of public power, he said, "has been extended step by step to the point of peril to legitimate free enterprise and free labor. The I. B. E. W. has learned through bitter experience that the fine-sounding slogan of 'public power' does not serve to safeguard labor's rights and interests.

At top of this outspoken statement was the action taken by the Chicago Federation of Labor, comprising some 600 local unions with a membership of close to 600,000. That body recently repealed Section 15 of its constitution which advocated public ownership and operation of power, gas, water, telephone and local transport facilities.

"We are for free enterprise from top to bottom." William Lee, president

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Sponsored by Senator Herbert H. Lehman and Franklin D. Roosevelt Jr. This bill proposes that the Federal Government construct the project from public funds. It contains provisions for eventual transfer of the development to an agency of New York State. It also provides for installation of Government transmission facilities.

2. The Ives-Cole Bill. This bill proposes the construction and operation of the project under the jurisdiction of New York State, with the funds to be raised through the issuance of tax-free bonds. New York State Power Authority would control the rates to be charged to the ultimate consumer.

Ready to Go Ahead

Representatives of the five privately owned utilities assert they are prepared to go ahead with the project and thus assure the most possible delivery of needed additional power to the people of New York State. Altogether, these companies serve an area of about 43,000 square miles, containing some 12,000,000 people—approximately 90 per cent of both the state's land area and its population.

In 1950 these five companies paid $135,000,000 in Federal, state and local taxes. If permitted to develop the Niagara Power project, it is estimated they will pay an additional $25,000,000 in taxes annually. The Federal and state proposals for developing additional Niagara Power power is, it is argued by supporters of the two bills, would produce little, if anything, in the way of taxes.