

# WHY

## THE NIAGARA ISSUE IS IMPORTANT TO YOU!

The Buckley-Lehman bill, now before Congress, provides for tax-avoiding government power supplanting and competing with business-produced power in the fully developed area of New York State. This project concerns the making of electricity only; there is no flood control, irrigation, navigation or any other reason to justify the government in business.

If this principle of government operation is established at Niagara, then every other area is entitled to do the same thing and our American way of life in this country is on its way out. It seems to be largely supported only by those interested in strengthening their political influence.

This decision is now before Congress. The Senate has passed the Lehman Bill and the House is now considering the similar Buckley Bill.

These Bills provide for preference in the sale of tax-free power to groups who also avoid taxes. They allow duplication of facilities, and provide for political regulation of electric rates, rather than under the jurisdiction of the Public Service Commission.

It can only lead to a powerful political tool in the hands of an authority. Steps are being taken to correct similar inequities in other areas of the country. The tendency to expand these evils should be stopped while it exists in only some 20% of the country, where it was justified to stimulate rundown or undeveloped areas. If expanded at Niagara, a pattern is started that cannot be stopped. The time to correct tax avoidance is before it is started, not after it has become woven into the economic fabric of the area.

Earle J. Macchold, president of Niagara-Mohawk Power Corporation, made this statement Monday on behalf of the five New York companies which are ready to continue their development of Niagara.

"The action of the House Public Works Committee on June 29, 1956 reporting on the Buckley-Lehman bill for

State construction and operation of the Niagara River project, with the imposition of the Federal preference policy in the disposition of project power, was a bitter disappointment to our five-company group of New York utility companies. It was no less a disappointment to the people in the project area who had so staunchly supported us in our vigorous efforts over the past six years in opposition to that bill and in support of Congressional authorization for a development by private enterprise.

"In view of the foregoing developments, the five companies are more determined than ever in their vigorous opposition to the Buckley-Lehman bill and in support of construction by private enterprise. We are most confident that notwithstanding the impact of the Schoellkopf plant disaster, the people in the project area who are directly concerned will continue in their enthusiastic support of our position."

### If you believe—

1. That it's time to call a halt to general tax increases,
  2. That government has no place in your business,
  3. That it is unfair to make you pay for someone else's electric bills,
  4. That special privileges should not go to groups who avoid the taxes you have to pay.
- Then, it's time for you to do something about it before it's too late.

### THESE ARE THE FUNDAMENTALS INVOLVED

#### Compare Them

Public Power under the Lehman-Buckley Bill contains these evils:

1. Tax avoidance in the generation of power.
2. Preference in sale of power to certain tax-avoiding political groups who represent less than 5% of the people of the State.
3. Duplication of facilities.
4. Plant built through the sale of tax-exempt bonds which benefit unduly people in the high income tax bracket.
5. Hopeless confusion as a result of electric rates partly under the jurisdiction of the Public Service Commission and also partly under the Power Authority.
6. Electricity at low cost to certain groups paid for by the rest of the taxpayers.
7. No benefit other than tax avoidance which is discriminatory and unfair.

Power is provided by the five companies who stand ready to do this job:

1. People benefited pay for the cost of the benefit.
2. People benefited carrying their fair share of the country's tax burden.
3. Everybody treated the same, no special privilege given to any group.
4. Maximum benefits to all the people of the State, through a reduction in taxes as a result of the payment of rentals to the State for the use of the water.
5. Electric rates regulated by the Public Service Commission in the public interest.
6. Electricity to everyone in the State at the lowest real cost—without discrimination.

#### FURTHER POINTS ON THE ISSUE:

1. There is no shortage of power in the area, nor will there be.
2. The method of carrying out the development is identical whether by Public Authority or by Private Enterprise.
3. The time has come in this country when we should have "Equality of Taxation" and "Equality of Opportunity".
4. At a time when all governments have difficulty in balancing budgets, those in political office should support activities that carry their fair share of taxes, and oppose programs that avoid their fair share of taxes.
5. Hundreds of independent organizations, such as Farm Bureaus, Granges, Labor Unions, Women's Clubs, etc., have endorsed Private Enterprises in this matter, and so far as we can find no independent organization has endorsed Public Development.
6. If the water at Niagara belongs to the people of the State, as claimed by the proponents of Public Power, then all the people of the State should benefit equally and not just a certain few.
7. Government is in enough business already. If not stopped here a principle is established that will be impossible to stop.

It is clearly a case of government in business where private enterprise ready and willing to do the job.

#### AN EFFORT IS BEING MADE TO RUSH THIS LEGISLATION THROUGH BEFORE CONGRESS ADJOURNS.

Two important matters are involved to be handled in this manner. The accident at Niagara Falls has further complicated the picture and the decision should not be made until this whole subject has been thoroughly studied.

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WHAT YOU CAN DO: If you agree with us that Government has no place in Niagara, then the Lehman-Buckley bill should be opposed, and the Private Enterprise Bill sponsored by Congressmen Miller and Dondoro should be approved. Here's what you can do—Write promptly to your Congressman and tell him what you think. (See list at bottom of page.)

#### THE TIME OF DECISION IS NOW. There May Be No Second Chance.

CONGRESSMAN	AREA	DISTRICT
John Tabor House Office Bldg., Rm. 1126 Washington, D. C.	Oatley, Yates, Spess, Cayuga Counties	36th
W. Sterling Cole House Office Bldg., Rm. 1526 Washington, D. C.	Stonewall County	37th
Kenneth B. Keating House Office Bldg., Rm. 1719 Washington, D. C.	Monroe County East of Seneca River—Wayne County	38th
Harold C. Orling House Office Bldg., Rm. 1916 Washington, D. C.	Monroe County West of Seneca River, Wyoming, Seneca, Orleans Counties	39th
Daniel A. Reed House Office Bldg., Rm. 1202 Washington, D. C.	Livestock, Allegany, Cattaraugus Counties	40th

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