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# DREISER DEFENDS NORRIS ON POWER

**Writer Challenges Clapp for  
Statement That Trade Com-  
mission Found No Trust.**

**ATTACKS "CENTRALIZATION"**

**He Declares National Electric Light  
Association Discourages Public  
Ownership Discussion.**

*Special to The New York Times*

WASHINGTON, July 1.—Theodore Dreiser, the novelist, appeared in a new rôle today when the office of Senator Norris, Republican insurgent of Nebraska, made public a reply Mr. Dreiser had written to Paul S. Clapp, managing director of the National Electric Light Association, who last Winter criticized Senator Norris's attack upon "the power trust."

Mr. Dreiser's reply challenged Mr. Clapp for saying that the Federal Trade Commission had been unable to find the existence of a power trust.

"The commission found an undue centralization of systems," Mr. Dreiser asserted. "The five largest utility corporations control 52 per cent of the total electric power; the following three, another 12 per cent, and the next ten companies, an additional 22 per cent. This concentrates 86 per cent of the power in eighteen groups, in many cases financially interlocked.

"Although these peaked holding companies, one owned by another, do not in any particular case own a majority of operating plants, they work infinitely harmful control. A company with less than \$1,000,000 has controlled companies worth several hundred millions. The Standard Gas and Electric, with an investment of \$7,000,000, commands the policies of other concerns valued at \$200,000,000."

Mr. Dreiser supported Mr. Norris's contention that Canadian power users pay much cheaper rates than Americans. He criticized Mr. Clapp's statement that the purchase of newspapers by the International Paper Company was in order to market newsprint, instead of trying to "control freedom of the press."

"I personally question this, because

the International Paper Company is likewise a big utility owner," Mr. Dreiser stated. "The papers which it has bought are in a region where all indications point that this corporation would be likely to enlarge its power holdings.

"To show the extent of the International Paper's present status in the utility field, let me call your attention to the fact that, although 25 per cent of its profits are from newsprint, 54 per cent are from the sale of electricity.

"Now, of course, this would have little or no weight with utilities in general or this one in particular, since they are not at all interested in public opinion for or against government ownership. Not at all, as you may guess!"

Mr. Dreiser quoted A. R. Graustein of the International Paper Company as testifying that his company had deals amounting to an \$8,000,000 investment with newspapers. He also asserted that power utilities obtained publication of propoganda in newspapers through syndicate articles, and that the National Electric Association has "high-powered publicity men all over the United States effectively discouraging government ownership discussion."

Those publicity men, Mr. Dreiser asserted, "were almost universally successful in getting the newspapers, which received \$28,000,000 worth of utility advertising, to print thousands of articles commending utility corporations. I have the details and proofs," he added.