



Tennessee Valley Public Power Association NEWS

Vol. 4

NOVEMBER, 1953

No. 11

MANION FOR SELLING TVA

DISTRIBUTION PRACTICES SECTION TO HOLD OPEN MEETING DEC. 11-12

The Distribution Practices Section of the Association is to hold its annual open meeting in Chattanooga, Tennessee, at the Read House, December 11-12. Subjects to be covered are:

"Citizens For TVA, Inc." speaker for which is to be selected; "Secondary Capacities" is to be presented by General Electric Corp.; "Subtransmission and Rural Distribution" is to be presented by an engineer from the Rural Electrification Administration in Washington.

Visit is to be made by all those in attendance to the Southern Electrical Corp. plant in Chattanooga through the courtesy of the management of the plant.

A paper is to be presented on "Tree Trimming Methods and Public Relations" by Leonard R. Raney, supervisor of tree trimming, Nashville Electric Service.

There will be an actual safety demonstration on pole top resuscitation, using a 20 ft. pole, under the direction of W. P. Binks of TVA. There is also to be a short film on safety presented by Mr. Binks.

A paper on "Construction Methods on 4 KV/12KV Conversion" will be presented by James R. Owens, superintendent of electric distribution, Memphis Light, Gas and Water Division.

A paper on "Metering" is to be delivered by E. E. Doudna of the Electric Power Board of Chattanooga.

A banquet will be held on Friday night, as well as a Social Hour, sponsored by the manufacturers' representatives. A list of these names will be published in the next issue of this bulletin.

Make your plans now to be in attendance at this very important meeting.

**EIGHTH ANNUAL
MEETING OF TVPPA
MARCH 29-30, 1954
ANDREW JACKSON
HOTEL
NASHVILLE, TENN.**

TRECA ANNUAL MEETING DEC. 8-9

The annual meeting of the Tennessee Rural Electric Cooperative Association will be held December 8-9, 1953, at the Andrew Jackson Hotel, Nashville, Tennessee. A very fine program has been prepared by the Association and it is hoped that a good number of the power distributors will be in attendance.

ELECTRIC CONSUMERS INFORMATION COMMITTEE MEETS

The Electric Consumers Information Committee held a Working Conference in Washington, D. C., October 26-27, for the express purpose of reviewing the power policies of the present Administration and to work out a program of cooperation between all groups interested in the public power movement.

The first item on the agenda was a report by areas on the activities of that area. C. Girard Davidson, attorney for the National Hells Canyon Association, reported on the Hells Canyon project and what was being done to forestall the Idaho Power Company's proposal.

Mr. P. C. Spowart, assistant superintendent, Seattle City Light, made a very comprehensive report on the Pacific Northwest, highlighting the past power

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Chairman of Commission

The Tennessee Valley Authority is under attack from the chairman of another important commission set up by the administration of President Eisenhower.

In a television network program October 19, Dr. Clarence E. Manion, former dean of Notre Dame University and recently named by President Eisenhower to the chairmanship of the Commission on Intergovernmental Relations, made this blunt statement:

"I think the TVA should be sold to private business."

The Commission on Intergovernmental Relations is delegated to study federal and state functions and advise whether some current federal responsibilities should be shifted to the states. Dr. Manion states emphatically that his commission has nothing whatever to do with TVA. It is rather hard for us to understand how Dr. Manion or Mr. Hoover either can think that they can make a recommendation on government reorganization or intergovernmental relations that would not in some way affect the future of TVA. TVA most certainly is a part of the federal government, and if the reports of these two very important commissions are not going to be taken into account in determining the future of the Authority, then, one wonders just what these two commissions hope to accomplish. These commissions, the Commission on Intergovernmental Relations and the Hoover Commission on Government Reorganization, will most likely make recommendations which may vitally affect the future of TVA and the area it serves so admirably.

Hoover Approves Sale

As is known, former President Herbert Hoover declared in a speech some months ago that steps should be taken

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"ELECTRICAL WORLD"

PREVIEWS TVA'S FUTURE

One of the most interesting comments on our situation comes from a rather unexpected source. Mr. Jesse Mock, in his column, "Washington Comments," (Electrical World, November 2nd issue), goes into the future of TVA in a very thorough and very interesting manner.

Space will not permit us to reprint the whole article, however, we recommend that you read it all if you have this issue of the "Electrical World" available. The most pertinent part of this article is the concluding paragraphs which are quoted as follows:

Local People United

"While the president and his advisers appear to have a considerable area of disagreement on how to handle TVA, backers of the agency are putting together a coordinated program of support. State and municipal political leaders in the area speak with a single voice in pleading for continued TVA expansion.

Outside Support

"More important, the area leaders appear to be getting a large measure of support from federal power advocates over the country. TVA Chairman Gordon Clapp, a Democratic appointee whose term expires next May, is a backer of TVA expansion and puts his views on record at frequent intervals.

"These backers seem not only ready, but anxious, to meet the issue of TVA expansion head on. A recently formed organization—Citizens For TVA, Inc.—is out to raise \$100,000 to pump for continued expansion. Presumably the new citizens organization will join with the Tennessee Valley Public Power Association to get pro-TVA views across to Congress.

"No doubt the federal power advocates outside the valley would be pleased to pitch their battle on the TVA issue. After all, TVA is fairly widely and favorably known. Its backers are well organized and have a fair block of Congressional support. A victory at this point would rally other segments of the federal power movement.

Responsibility Rests With People

"There is cause to wonder whether the federal power supporters have now chosen the weapons and picked the site for a showdown with the Eisenhower administration. If so, the TVA problem may no longer be unique nor regional. Its implications could be, instead, general and national."

The implications of the above quotation are very plain. There is one thing, however, that stands out above all, and that is the responsibility that the people of the Tennessee Valley have in this situation. Not only do we seem to be in a position of having to protect the economy of the Tennessee Valley, but,

ADMINISTRATION'S POWER POLICY CONFUSING

The power policy (?) statement released several weeks ago by Secretary of Interior Douglas McKay still has the public about as much confused as it did when it was first released. There never has been any doubt of one thing in connection with this policy statement. The Administration could do anything they wanted to and still claim, and probably prove, that it was consistent with the power policy statement released by the genial sales-minded Secretary of the Interior.

State Control?

One of the developments of this power policy statement which has been particularly interesting, if not almost amusing, is the very strenuous effort being made by representatives of the Department of Interior and of the Administration to show that this policy is really built around the theory of state control as opposed to federal control or, in simple terms, that the policy is based on States Rights. This has been stressed on many occasions, especially by Secretary McKay.

In an interview with the U. S. News & World Report, on October 9, the Secretary stated: "We want to see locally owned private utilities and locally managed utilities cooperate to develop power, and the Federal Government do only the things that are necessary, instead of trying to take over the whole field." The emphasis on the locally owned and locally managed utilities has caused us to make some investigations along this line. We know, of course, that the Idaho Power Company, who is trying to grab off the Hells Canyon site on the Snake River, is a Maine corporation and that in no sense is it locally owned by the people of Idaho.

Are Utilities Locally Owned?

In exploring this question of locally owned and locally managed private utilities we recently came across what we would consider a complete expose of the myth that these private utilities are locally owned or even locally managed. The Mississippi Power Company, in releasing its annual report for 1953, stated as follows: "One of the most effective things we have done was a series of regional stockholders' information meetings held in April and May last year. They were held in San Francisco, Los Angeles, Houston, Birmingham, Atlanta, Chicago, Boston, New York, and Philadelphia . . ." It is very interesting to note that, although nine regional meetings were held and that these meetings extended from San Francisco on the west to New York on the east and from Boston on the north to Atlanta on the south, there was not one single meeting held in the State of Mississippi. Is the Mississippi Power Company one of Secretary McKay's locally owned and locally managed private utilities? Does the Secretary really believe that the people of the United States are gullible enough to be misled in such fashion?

in the broader sense, we have a national responsibility. We have long contended that TVA is not a regional issue. We have said on many occasions that it is national in its application.

POWER BUSINESS

IS PUBLIC BUSINESS

ACCOUNTING SECTION HOLDS SUCCESSFUL MEETING

The Accounting Section of the TVPPA met in Huntsville, Alabama, October 16. There were over 117 in attendance at the meeting, and a very fine program was presented. Mayor Searcy of Huntsville welcomed the group to Huntsville.

W. E. Landers, manager of the Murfreesboro Electric Dept., with personnel from his office, put on an excellent skit, "Making Personal Contacts Count." Mr. Landers and his people have been asked to present this same skit at a number of places throughout the Valley.

J. C. Johnson, of the Arthur Andersen Co. of Atlanta, presented a very fine paper on "Trends in Public Utilities Accounting." This paper is being reproduced and will be supplied to each of the power distributors.

A round table discussion was held on "What are Your Problems." H. B. Matthews of TVA acted as leader, with J. B. Hawkins of TVA, and Guy Rankin, of the Sheffield Power, Water & Gas Dept., chairman of the Section, participating.

K. A. Woltersdorf, manager of the Huntsville Electric System, presented a paper on "TVPPA: Its Aims and Purposes." A. A. Kelly, counsel for the Sequachee Valley Electric Cooperative, South Pittsburg, presented another fine paper, "Legal Aspects of Public Utilities." This paper is also being reproduced to be distributed to the power distributors.

Tenn. Valley Electric Supply Company Sponsors Social Hour

A Social Hour was held from 6:00 to 7:00 p.m. through the courtesy of the Tennessee Valley Electric Supply Company. There were over 100 people in attendance at this Social Hour, and we are much indebted to the Tennessee Valley Electric Supply Company for the courtesy.

Senator John Sparkman of Alabama was the speaker at the banquet. He delivered a very eloquent speech, giving information on the TVA that none of those present had had before.

**FIGHT TB
BUY CHRISTMAS
SEALS NOW**

ECIC

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shortages in that area and what was being planned to forestall any such shortages in the future.

Virgil Hanlon, manager of the East River Electric Power Cooperative, Madison, South Dakota, reported on the Missouri Basin project, bringing out the fact that the new criterion on the Interior Department would hit the co-ops very seriously.

Ernest Wood, chairman of the SPA Advisory Committee, made a report on the Southwest section. Wiley Bowers, executive secretary of the Tennessee Valley Public Power Association, reported on the Tennessee Valley area. Walter Harrison, manager of the Georgia Electric Membership Corporation, made a report on the Southeast section, and brought out the fact that the co-ops in Georgia are petitioning the Interior Department to have them cancel the contract they now have with the Georgia Power Company at Clark's Hill dam, and make a contract with the co-ops for the power generated at Clark's Hill.

Gordon Loveless, vice president of the National Rural Electric Cooperative Association, and C. A. Oliver, president of the American Public Power Association, reported on the St. Lawrence and Niagara projects.

Dick Boke, former regional director of the Bureau of Reclamation, submitted a written report on the California area. In all cases in the report the situation did not have a very bright aspect because of the present policy of cutting down on federal participation in all of these projects.

Program of Action

Reports were made to the Committee by: A. W. Smith, chairman of the CIO Committee on Regional Development and Conservation, outlined "A Program of Action"; Clyde T. Ellis, executive manager of the NRECA, reported on the "National Aspects"; and Leland Olds, former chairman of the FPC, and presently a member of the staff of Public Affairs Institute, made a very excellent report on "Federal Power Policy."

Alex Radin, manager of the American Public Power Association, was chairman of the discussion session on "National Power Policy."

Congressman Robert C. Jones of Alabama, and Senator Mike Mansfield of Montana, addressed the group at a dinner meeting on the 26th.

Dewey Anderson, of the Public Affairs Institute, was chairman of the discussion on "Broadening the Field of Coopera-

tion" between all groups concerned. A very comprehensive "Program of Action" was developed by the group, and this program will be submitted to all participants in the Electric Consumers Information Committee in the very near future.

Those in attendance at the meeting were as follows:

Robert I. Kabat, NRECA, Washington, D. C.; Charles A. Robinson, Jr., NRECA, Washington; Clay L. Cochran, NRECA, Washington; Clyde T. Ellis, exec. mgr., NRECA, Washington; William Wise, special counsel, NRECA, Washington; Miss Helen Berthelot, Communication Workers—CIO, Washington; C. B. Blankenship, Communication Workers, CIO, Washington; Angus McDonald, National Farmers Union, Washington; Ron Ross, APPA, Washington; Alex Radin, APPA, Washington; B. E. McLaughlin, APPA, Washington; Walter Harrison, manager, Georgia Electric Membership Corp., Millen, Ga.; Dewey Anderson, exec. dir., Public Affairs Institute, Washington; Ben Stong, Public Affairs Institute, Washington; Leland Olds, Public Affairs Institute, Washington; Wallace Campbell, Cooperative League of the U.S.A., Washington; Jack Jennings, Cooperative League of the U.S.A., Washington.

C. Girard Davidson, attorney, National Hells Canyon Ass'n., Washington; Harry W. Culbreth, Farm Bureau Insurance Co., Columbus, Ohio; John M. Carmody, Washington; A. W. Smith, Congress of Industrial Organization, Washington; P. C. Spowart, Asst. Superintendent, Seattle City Light, Seattle, Wash.; Virgil Hanlon, mgr., East River Electric Power Cooperative, Madison, South Dakota; Ernest C. Wood, chairman, Power Advisory Committee for the Southwest, Chillicothe, Missouri; C. A. Oliver, president, American Public Power Ass'n., Taunton, Mass.; W. E. Hooper, City Power Dept., Sheffield, Ala.; Gordon Loveless, vice pres., NRECA, East Montpelier, Vt.; J. T. Sanders, National Grange, Washington; John Edelman, Textile Workers Union—CIO, Washington.

H. E. Klinefelter, Missouri Farmers Ass'n., Columbia, Missouri; Paul L. Phillips, president, Paper Makers—AFL, Albany, N. Y.; Gerald Fitzgerald, CIO, Washington; Gardner Jackson, CIO, Washington; Don Montgomery, United Auto Workers—CIO, Washington; Barrow Lyons, Judson King Foundation, Washington; William S. Peterson, Dept. of Water and Power, Los Angeles, Calif.; Kenneth Holum, secretary, East River Electric Power Coop., Groton, South Dakota; Julius Helm, executive manager,

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CO-OPS CONTEST GA. POWER CONTRACT AT CLARKS HILL

Because of the Georgia Power Company's refusal to "wheel" power from the Clark Hill Dam on the Savannah River for the Interior Department, the Georgia rural electric cooperatives have dumped the hottest potato of the Federal Power Program into Interior Department's lap. Had it not been for the refusal of the Georgia Power Co. to "wheel" this power, the co-ops would not have been forced to make an issue of it.

Like other dams from which Interior markets power, the non-profit distributors, including rural electric cooperatives, are preferred customers.

The only terms which the Georgia Power Co., is willing to accept for working with Interior and co-ops involves the sale of all Clark Hill's power to the company.

While some of the savings from this low-cost power would be passed on to the co-ops, Georgia Power would reserve 90% of the financial profits for themselves.

The Georgia cooperatives have made the same proposal to the Interior Department that the Georgia Power Co. made. They are requesting that the Interior Department sell to them, as preference customers, the whole output of Clark Hill Dam. The co-ops have hired as their attorney an ex-Governor of the State of Georgia, Ellis Arnall, to represent them at a hearing the Interior Department invited both the Georgia Power Company and the co-operatives to attend.

Mr. Arnall and officials of the co-ops have pointed out that if Georgia Power Co. is given control of Clark Hill Dam hydro output rather than the cooperatives, the legal provision for preferred customers will be violated. Of \$1,460,000 annual benefits from the sale of this power, Mr. Arnall and the co-op officials pointed out that the Georgia Power Co. would pass on only \$151,000 to cooperatives in low rates. Former Interior Secretary Chapman had turned down this ridiculous proposal of the Georgia Power Co. One Co-op official pointed out that the answer of the new Administration to the company's renewed pressure may well set the future pattern for Federal power marketing and delivery contracts.

Up until the Clark Hill Dam started producing power, the Georgia Power Company had a reputation for close harmonious work with the Georgia cooperatives. The company has stubbornly re-

fused to deliver power to Georgia co-ops for the Interior Department under a "wheeling" agreement similar to those other power companies have accepted. Interior officials will have to defend the legality of any agreement based on the Georgia Power Co. proposal. Other commercial power companies see this as an opportunity to seize control and greater benefits from Interior power projects if Interior sets a precedent in the Clark Hill Dam case.

Much pressure is being brought upon the Interior Department for the signing of this proposal with the Georgia Power Company. If the Interior does accept this proposal, it will be a critical blow to the cooperatives and public power throughout the Nation, because the preference clause would be at stake everywhere Interior markets power.

We wish the Georgia cooperatives success in their fight over the Clark Hill Dam power.

MANION

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to take the federal government "out of the business of generating and distributing electric power as soon as possible." It has been brought to our attention that Mr. John Hollister, an attorney associated with former President Hoover, has been having a dispute with Columnists Tom Stokes and Lowell Mellett over the fact that they said that Mr. Hoover advocated the sale of TVA. Mr. Hollister readily admits that Mr. Hoover did say that steps should be taken to get the federal government out of the business as soon as possible. It seems very much to us that the distinction between that statement and the actual sale is a distinction without a difference. It is more probable that Mr. Hoover has been advised of the many practical difficulties that would be in the way of such a sale, and is trying to hedge on a technicality.

Dr. Manion's statement that TVA should be sold to private enterprise and Mr. Hoover's statement about getting the government out of business as soon as possible would make it appear that TVA is in serious danger of being tried by a judge who has rendered his decision before he has heard the facts in the case. In fact, we are reliably informed that one of the strongest TVA supporters is said to have told a very high federal official, "We people down in Tennessee just simply do not like to be tried by a judge who has reached his decision before he has heard the evidence." Add to this situation the fact that Chairman Gordon Clapp and his

two associates, Dr. Paty and Dr. Curtis, have not been invited to come in and make a report to the President since he has been inaugurated. The TVA Act very plainly states that it is the duty of the Board to report to the President of the United States. It would seem to be a perfectly natural thing for the President to call in Mr. Clapp, the chairman of the TVA Board, and ask for his report. Certainly the President could learn more quickly, more economically, and from the best informed source what the true picture of TVA actually is.

It is very hard for us to understand why special commissions should be appointed to report to the President on this question when the legally established source of information has not even been asked for a report. Once again, it looks like the "palace guard," led by Governor Sherman Adams, is trying to becloud the issue and lead the President to believe that he has a bad situation on his hands, without even attempting to get any facts to back up this conclusion.

It is very interesting to note that a few days after Dr. Clarence Manion made his statement on TVA, in his colloquy with Mr. Wm. C. Wise, former administrator of the Rural Electrification Administration, "I think the TVA should be sold to private business," President Eisenhower, at a press conference, described Dr. Manion's comment as a bold assertion of a man who was shooting from the hip. It seems that the President has been given enough information by Governor Clement, Senator Cooper and others, to cause him to wonder whether or not he has been getting unbiased facts about the TVA. That is a most helpful sign. If we can break through the "iron curtain" and get our story direct to the President, our chances of an adequate appropriation will be tremendously improved.

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Mo. State Rural Electrification Ass'n., Jefferson City, Mo.; Sam O'Neal, TVPPA, Washington; Ken Whitaker, adm. asst., Electric Power Board, Chattanooga, Tenn.; M. C. Stewart, president, TVPPA, Fort Payne, Ala.; J. Wiley Bowers, exec. sec'y., TVPPA, Chattanooga, Tenn.

Andrew Biemiller, American Federation of Labor, Washington, and George Brooks, International Brotherhood of Pulp, Sulphite, & Paper Mill Workers, AFL, Washington.

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