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THE CONGRESSIONAL FRONT
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16th District

TVA. is the alphabetical designation for the Tennessee Valley Authority, a government corporation consisting of three directors appointed by the President to issue and sell bonds, and carry on the work of developing a series of dams on the Tennessee River for the purpose of controlling flood waters, generating and selling electric power and manufacturing fertilizer. This corporation was created by Congress on May 18, 1933 and at once went to work on the project. The Tennessee River is about 650 miles long and extends from Paducah Kentucky, south through Tennessee, thence east across a corner of Mississippi into the northern part of Alabama then north to Knoxville, Tenn. The course of this river is like a horseshoe which runs through country composed of deep red soil which is rich in minerals. During the World War when it appeared that there would be a shortage of nitrates for the manufacture of powder and explosives, the U. S. invested nearly 150 million for nitrate development at Muscle Shoals along this River. Since then approximately 121 millions have been authorized for this project and it is expected that additional millions will be required before the project is completed. The Authority intends to build 6 dams along this river at a cost of 181 million to control flood waters and raise the mean water level for navigation purposes. Recently, the Authority has encountered some adverse court decisions and came to Congress with a request for more money and more authority. A hectic fight ensued on the bill embodying the recommendations of the directors and when the bill finally emerged from the committee, it contained a provision prohibiting them from selling electric power below cost after July 1, 1937 prohibiting it from building transmission lines parallel to lines already in existence, and finally, a provision bringing it's financial affairs under the supervision of the Comptroller of the U. S. on July 11th, the bill passed the House and all of the above provisions were stricken out. All of which prompts the query: What is the difference between killing electric utilities by legislative fiat as in the case of holding companies or killing them with unfair competition.

TREES. "But only God can make a tree" wrote Kilmer the war poet. But man must help. Despite the doubts created when it was proposed last year to check drouth in erosion in the western states by planting a tree belt 100 miles wide from Texas to the Dakotas, the Forest Service has proceeded with the project and this spring, planted 200 million cottonwoods, green ash, red cedar, hackberry ponderosa pine, Chinese elm and other varities in 6800 acres, scattered in 50 different counties. It is reported that from 70% to 90% of the plantings have survived thus far. It will take billions of trees before the socalled shelter belt is completed.

CONFERENCE REPORTS. When the House passes a bill, it goes to the Senate. A Senate Committee considers and debates it and either kills it in Committee or reports it out for action by the Senate. If the Senate inserts any amendments in the bill, it then becomes necessary for both House and Senate to appoint committees of three or five members from each body to sit down in a huddle and try to iron out the differences of the two houses. Sometimes they argue, haggle, bicker and debate for days before they reach an agreement. They give and take and thus compromise their differences. This joint committee then draws up a report, called report of the conferees, which they then submit to their respective Houses for final approval. A statement is usually read showing on what items the House may have yielded and on what items the Senate yielded. The Chairman of the Committee which handled the bill then requests the approval of the conference report or it's rejection as the case may be. Sometimes it requires but 5 minutes to present the report and secure it's adoption. Sometimes it requires an hour or more, depending on how controversial it is and how attentive the members might be. Just now it is a most important matter. The holding company bill as passed by the House contains no "death penalty". As passed by the Senate, the death penalty was retained in the bill. If the House members who are appointed to confer with the Senators in an effort to iron out this disagreement should back down and recommend that the conference report be adopted, it would mean that despite the fact that the House voted to eliminate the death penalty for holding companies, it's action would be defeated by the conferees and the administration would thereby gain a victory. Extreme heat, fatigue and lowered vitality as a result of six months of continuous session, coming as they do toward the end of a session of Congress are a dangerous combination. It is an excellent time to push through a conference report which would undo all the work that was done before.

RAILROAD PENSIONS. Late in June 1933, the 73rd Congress passed and the President signed a bill to provide retirement pay or annuities for railroad employees after they reach age 65. The money with which to pay such pensions was to be obtained through contributions by the employees and the railroads. The roads were to make contributions equal to twice the amount contributed by the employees. A Retirement Board was given authority to determine the amount of the contributions necessary to carry on and administer such a pension plan. Employee contributions were to be withheld from the monthly pay check and sent to the U. S. Treasury by the railroad company. The plan became effective immediately and contributions were collected without much delay. Then comes the Supreme Court and hold this measure unconstitutional because it contains an unwarranted delegation of legislative authority and because Congress had no power to legislate in this fashion. Experts at once addressed themselves to the job of getting around the Supreme Court's decision. They examined section 8, Article I of the Constitution which says, "The Congress shall have power to lay and collect taxes, duties, imposts and excises, to pay debts and provide for the common defense and general welfare of the United States;....." A series of Court decisions indicated that the taxing power of Congress was almost unlimited. Here was the remedy. Accordingly, the original bill was broken up into two bills. The first one is HR 8651 which provides for pensions on the same basis as in the original act, but takes away from the Retirement Board, the power to assess railroads and employees for contributions with which to create a Retirement Fund. The second bill however, H. R. 8652, creates the fund by levying an income tax on every railroad employee of 2% of his earnings and an excise tax on the railroads equal to 4% of the total wages paid up to $300 per month per employee. The companies are to collect and remit the 2% collected from the employees in the form of an income tax, along with their own 4% to the U. S. Treasury. The Bureau of Internal Revenue becomes the official agency for supervising and collecting these taxes. The net result is that you have the same basic railroad pension act with a different method for raising the money. All of which proves that there are different ways of skinning a cat or killing a tiger.

NEW FRAZIER LEMKE BILL. One bill may hasten adjournment because the administration is seemingly not anxious for it's passage. It is the new Frazier Lemke bill. It provides for refinancing of farm debts by loans from the Farm Credit Administration based on the fair value of the farm plus 75% of the insurable value of the improvements, such loans to bear 1½% interest and to be retired on the basis of 1½% of the principal each year. Other farm debts may be refinanced by loans to be made on livestock on the basis of 3% each year, such chattel loans to run for a year at a time and renewable for ten years provided at least 10% of the loan is paid off annually. Funds to make such loans are to be derived from the sale of bonds by the Farm Credit Administration, such bonds to bear 1½% interest. Such bonds are to be offered for sale to the public generally. National Banks and Federal Reserve Banks, shall after paying dividends to their stockholders, invest their available surplus and net profits in such bonds. If the bonds fail to sell, the Land Bank Commissioner shall present unsold bonds to the Federal Reserve Board and that Board shall issue Federal Reserve notes for them in equal amount. If the amount of Federal Reserve notes (money) placed in circulation by this measure exceeds $25 per capita (about 3¼ billions) the Federal Reserve

Board may retire such notes in an amount equal to whatever principal has been paid in on the loans but in no case to exceed 2% per year. To aid in carrying out the provisions of the measure, there is created a Board of Agriculture consisting of 48 members (1 from each state). The Board is elected by delegates sent to a state convention. Delegates to the state convention are selected by farmers in each county in the state who are indebted and who have indicated their intention to take advantage of this act. This bill has been in committee for many months. It was not reported out. To bring it out, Rep. Lemke filed a petition to bring it to the floor of the House. Such petition requires 217 names of members of Congress. Names of 213 members have been secured. If four more can be obtained, the bill automatically comes to the House for action, and from present appearances might pass. (There is however, the possibility of persuading some of the signers to remove their names. That often happens.)

TID BITS. Twenty seven years ago, Sir Robert Baden Powell of England organized a society of boys for the promotion of citizenship, which, like an acorn, developed a flourishing tree that became known as the Boy Scouts. Today, there are Scouts in 70 nations. Next month, Scouting observes the 25th anniversary of it's founding in the U. S. by an International Scout jamboree in Washington which will be attended by Scouts from all corners of the earth. They will line up on Constitution Avenue and salute the President as he drives by...... Washington telephone directory shows some 300 organizations in the capital that might be considered as lobbys. The Virgin Islands, the government of which by Governor Paul Pearson and Judge T. Webber Wilson, has provoked a bitter controversy between Secretary Ickes and Senator Tydings, were once described as "America's poorhouse." These three islands- St. Thomas, St. John, and St. Croix lie just east of Porto Rico and have a population of about 70,000. They were purchased from Denmark by the U. S. in 1917.