AUTHENTICATED
U.S. GOVERNMENT
INFORMATION
GPO



[CHAPTER 61]

JOINT RESOLUTION

April 4, 1938
[S. J. Res. 277]
[Pub. Res., No. 83]

Creating a special joint congressional committee to make an investigation of the Tennessee Valley Authority.

Tennessee Valley Authority.
Special joint congressional committee created to make investigation.
Composition.

*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, That for the purpose of obtaining information as a basis for legislation there is hereby created a special joint congressional committee to be composed of five Senators to be appointed by the President of the Senate and five members of the House of Representatives to be appointed by the Speaker of the House of Representatives. A vacancy on the joint committee shall be filled in the same manner as original appointments and shall not affect the power of the remaining members to execute the functions incumbent on the joint committee.

Vacancies.

Matters under investigation.
48 Stat. 58; 49 Stat. 1075.
16 U. S. C., ch. 12a; Supp. III, ch. 12a.

SEC. 2. It shall be the duty of the joint committee to make a full and complete investigation of the administration of the Tennessee Valley Authority Act of 1933, as amended, including the following, but not excluding any other matters pertaining to the administration and policies:

Efficient and economical administration of Act.

(a) The efficient and economical administration of the Act as amended by the Board of Directors of the Tennessee Valley Authority and any of its subordinates.

Total appropriations and allocations.

(a) (2) The total Federal sums appropriated by the Congress or allocated by the President to the Muscle Shoals project and the Tennessee Valley Authority, and also allocations made to power, navigation, flood control or otherwise, and the cost charged to power recoverable to the Treasury of the United States.

Interference of functions by internal dissension.

(b) Any interference or handicaps placed in the way of the prompt, efficient, and economical administration of its functions by internal dissension among members of the Board of Directors of the Tennessee Valley Authority and what effect such dissension, if any, has had upon the work of the Authority.

Holding of office illegally.

(c) Whether any member of said Board has held office or is holding office in violation of the Act creating the Tennessee Valley Authority; and whether any member of said Board has aided or assisted directly or indirectly any private power company or other private interest in the institution or defense of suits and injunctions affecting the administration of the functions of the Tennessee Valley Authority.

Aid to private interests in suits affecting Authority.

Instigation of suits by private interests.
Effect of, upon administration.

(d) Whether, and if so what, suits have been instigated by any private power company or other private interest seeking injunctions against the activities of the Board; and what effect, if any, such injunctions or suits have had upon the administration of the Act according to its terms; what disposition has been made of any such injunction suits and what has been the expense incurred by the Tennessee Valley Authority in defending them; what disposition has been made of such suits in any superior court to which they have been appealed; and what if any has been the loss of revenue to the Authority on account of such suits.

Disposition, expense incurred, etc.

Effect on revenue.

(e) Whether any financial loss has been caused to municipalities or farm organizations by preventing their purchase of electric power from the Tennessee Valley Authority.

Losses to municipalities or farm organizations.

Effect of such suit upon personnel and organization.

(f) What has been the effect, if any, upon the personnel and organization perfected by the Board under said Act by the prosecution of such injunction suits or by the action of any member of the Board in giving aid or assistance to any private power company or other private interest in connection therewith.

Effect of activities of private interests on purchase of power.

(g) What activities there have been, if any, on the part of any private power company or other private interest in attempting by the expenditure of money or otherwise, the institution of legal pro-

ceedings or other means or methods to affect the action or decisions of municipalities or farm organizations in the Tennessee Valley Authority with respect to the purchase of electric power from the Authority.

Efforts of private interests to affect decisions of municipalities, etc.

(h) What efforts, if any, have been made by private power companies or other private interests to affect the decisions or actions of municipalities or farm organizations with respect to the purchase of power from the Authority or acquiring title to their distributing systems.

Extent of injury to public interests by private power companies, etc.

(i) Whether and to what extent, if any, have the public interests been injured or jeopardized by the activities of any private power companies or other private interests in attempting to prevent the Board from executing the provisions of said Act.

Location of principal office, requirement.
48 Stat. 63.
16 U. S. C. § 831g.

(j) Whether or not said Authority has complied with that part of subsection (a) of section 8 of such Act, as amended, which requires that the principal office of the Authority be maintained in the immediate vicinity of Muscle Shoals, Alabama.

Whether certain charges are true.

(k) Whether the charges made by Chairman Arthur E. Morgan that an attempt to defraud the Government of the United States has been made in connection with purchase of certain lands are true; whether the affairs of the Authority had been conducted in a clandestine manner frequently without the knowledge or presence of the Chairman; whether by action of the majority members the Chairman has not had opportunity to present his views before congressional committees.

Whether partiality has been shown.

(l) Whether the Tennessee Valley Authority has exhibited partiality to large corporations by supplying power at a cheaper rate than available to municipalities and corporations, by contracting for long periods of time a large majority of available hydroelectric power and by including in such industrial contracts provisions tantamount to a secret rebate in that delivery of "secondary" power is provided during the season of the year when only "firm" power is available from Tennessee Valley Authority dams.

Whether allocations of costs were reported January 1, 1937, and in annual report thereafter.
48 Stat. 66.
16 U. S. C. § 831m; Supp. III, § 831m.

(m) Whether the Authority has complied with that part of section 14 of the Tennessee Valley Authority Act, as amended, which requires (a) that the Tennessee Valley Authority should have submitted to Congress on January 1, 1937, its allocation of costs to the various activities under its control up to that time, and (b) that the Tennessee Valley Authority submit in each annual report thereafter its similar allocation of costs for the period covered in its report.

Interference with Comptroller General's audits.

(n) Whether the Authority has interfered with the Comptroller General's audits of the Authority required to be submitted annually to Congress under section 14 of the Act as amended.

Offering of unfair inducements.

(o) Whether it has offered unfair inducements to industrial organizations to leave their established locations to settle within the Tennessee Valley Authority territory.

Forcing of purchases of appliances.

(p) Whether it has forced rural customers to purchase expensive, unnecessary, and undesired electrical appliances under threat of refusing to supply electricity, and actually to have permitted potential customers to make heavy investments in appliances after which service was refused until further purchases were made of unnecessary and undesired electrical appliances.

Whether rates provide honest "yardstick" of equitable rates of private industry.

(q) Whether by accounting methods and cost charges applicable to private industry, the electric rates of the Authority provide a legitimate, honest "yardstick" of equitable rates of private industry.

Dissipation of funds.

(r) Whether extravagance, mismanagement, and illegal conduct, if any, by the Board has dissipated funds appropriated to the Tennessee Valley Authority.

Sodium nitrate production.

(s) Whether sodium nitrate could not be produced by the air reduction method by all Tennessee Valley Authority power plants,

and sold to the farmers of the Nation at a cost less than the present domestic market prices of imported sodium nitrate.

Report and recommendations.

SEC. 3. The committee shall report to the Senate and House of Representatives as soon as practicable but not later than January 3, 1939, the results of its investigation, together with its recommendations, if any, for necessary legislation. If Congress shall not be in session at the time such report shall be made, the report shall be filed with the Secretary of the Senate and the Clerk of the House of Representatives. The committee or any duly authorized subcommittee thereof is hereby authorized to sit at such times and in such places in the District of Columbia or elsewhere as it may deem necessary and proper in the performance of its duties and during recesses and adjournments of Congress, or either House. It is specifically authorized to require the attendance of witnesses by subpoena or otherwise; to require the production of books, papers, and documents; and to employ counsel, experts, clerical and other assistants; and to employ stenographers at the cost not to exceed 25 cents per hundred words.

Sessions.

Powers conferred.

Witnesses; oaths, subpoenas.

The chairman of said committee or any member of a subcommittee may administer oaths to witnesses and sign subpoenas for witnesses which shall be served by any person designated by such chairman or member of a subcommittee.

Printing and binding.

The joint committee is authorized to have such printing and binding done as may be necessary and to make such expenditures as it deems advisable within the appropriation hereby authorized. Every person duly summoned by such joint committee or subcommittee thereof who refuses or fails to obey the summons or who fails to answer the questions pertinent to the investigation shall be punished by law. The provisions of sections 102 to 104, inclusive, of the Revised Statutes (relating to examination and testimony of witnesses) shall apply with respect to any person who is summoned as a witness under authority of this joint resolution.

Failure to obey summons or to testify.

R. S. §§ 102–104.
2 U. S. C. §§ 192–194; Supp. III, § 194.

Division of payment of expenses.

The expenses of such investigation not exceeding in the aggregate of $50,000 shall be paid one-half from the contingent fund of the Senate and one-half from the contingent fund of the House of Representatives upon vouchers approved by the chairman of the joint committee.

Selection of chairman.
Hearings, etc.
Utilization of Government agencies.

The chairman of the joint committee shall be selected by the joint committee. All hearings, orders, or decisions held before or made by the joint committee shall be public. The joint committee is authorized to utilize the services, information, facilities, and personnel of any department or agency in the executive branch of the Government in the performance of its duties.

Approved, April 4, 1938.

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[CHAPTER 62]

AN ACT

April 4, 1938
[H. R. 9181]
[Public, No. 458]

Making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1939, and for other purposes.

District of Columbia.
Appropriations for expenses of, fiscal year 1939, from District revenues and $5,000,000 from the Treasury.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled*, That in order to defray the expenses of the District of Columbia for the fiscal year ending June 30, 1939, any revenue (not including the proportionate share of the United States in any revenue arising as the result of the expenditure of appropriations made for the fiscal year 1924 and prior fiscal years) now required by law to be credited to the District