



# Flood of Gold Pours Into TVA Projects

**By Arthur Evans**

**I**N THE Tennessee valley the traveler today sees a Utopian dream walking and talking to the tune of hundreds of millions of dollars of federal tax money.

The water-shed is the seat of the New Deal experiment in seeking to arrange society and to regiment industry and agriculture for the 2,242,000 residents of the valley. When the Tennessee Valley Authority, known as the TVA, was set up somewhat more than a year ago, it was hailed by the brain trust as the first large-scale project in social and economic planning ever undertaken by a government outside of soviet Russia.

Over this venture in paternalism is much conflict of opinion. Critics say the dream may become a nightmare when the project has to be paid for later by taxes, collected most largely in the industrial states. Other criticisms are that the TVA is putting the government into private business—in the electrical and fertilizer industries as a starter. As a rival against private enterprise in the power field it is accused of using cutthroat methods and of wielding government funds as a sandbag.

The Tennessee river is formed just above Knoxville, in eastern Tennessee, by the confluence of the French Broad and Holston rivers.

In its length of 652 miles it loops into Alabama, nicks a corner of Mississippi, and flows northward through western Tennessee and Kentucky to Paducah, where it joins the Ohio. In its rambles it has a fall of 498 feet.

The basin of the river embraces 99 counties in seven states, with about 1,000 cities, villages, and towns. It covers some 40,600 square miles. Of its 2,242,000 population 52 per cent is on farms. The basin has 801,000 gainful workers 10 years of age or over. Some 10 per cent of its inhabitants, 238,000, are Negroes.

## Plan New Social Order

Through TVA the New Deal purposes to develop a new social order in the valley through electricity developed from the 498 feet of fall in the river. Hydroelectric energy is to be the basis for the planned society. TVA workers deem the valley the spot where "rugged individualism" will be knocked out of the ring.

As to the cost, money is nothing to worry about, not with the federal treasury as angel. While the Tennessee river, turbid with silt, rolls its ribbon of golden mud down to Knoxville, from TVA headquarters in that city surges forth a flood of gold from the United States treasury. Knoxville itself has the air of a mining camp that has just struck pay dirt.

Expense is mounting to keep pace with the

but IVA, now 17 months old, has made commitments for the first 50 millions and has been given 40 millions more by congress and expects 8 millions more this year.

The cost is to run \$310,000,000 over a five-year period for the water power development end alone of the project, as figured by TVA.

At present water power stands out as the main thing. Socialization of the inhabitants and the planning of their work and economic lives are to come later.

Norris dam, on the Clinch river, formerly called the Cove Creek dam, some 25 miles northwest of Knoxville, is the great center of activities just now. It is to cost 34 million dollars. About \$3,234,000 has been spent this year.

One dam follows another dam. As the Utopian dream is now unfolded it has become a seven-dam project. The Wilson dam at Muscle Shoals, Alabama, which with its hydroelectric equipment cost the government 47 million dollars, is not profitable without Norris dam. So TVA says.

Wilson and Norris dams in turn need other dams. So the Wheeler dam is being built 15 miles above the Wilson dam. It will create a reservoir some 80 miles long and 100 square miles in area.

Wheeler dam is to cost 38 million dollars, of which about 4 million has been spent. Up to July the expenditures of TVA up and down the valley were placed at \$17,789,000.

Four other dams are to be started with the 40 million dollars recently given by congress, according to the testimony a few weeks ago at Washington of Dr. Arthur E. Morgan, head of TVA. One dam is to be on the Hiwassee river not far from Chattanooga. Another is to be on the French Broad river above Asheville, N. C., and this proposal has got the inhabitants of the Henderson valley up in arms against it. These two streams are tributaries of the Tennessee, and the dams are for storage of water to be let out when water is low at Muscle Shoals.

## Hundreds of Millions

Some 42 miles above Paducah, Ky., a dam is projected for Aurora Landing at a cost of 42 million dollars. It will form a pool 150 miles long and 2 or 3 miles wide. At Pickwick Landing, near Shiloh national military park and cemetery, another dam is to cost 39 millions.

The cost of the water power development as gathered from the Washington hearings is as follows:

Six dams:	
Norris .....	\$34,000,000
Wheeler .....	38,000,000
Hiwassee .....	13,000,000
French Broad .....	30,000,000
Aura .....	42,000,000
Pickwick Landing .....	39,000,000
Bridges put out of use .....	4,000,000
	<b>\$200,000,000</b>
Power distributing system	100,000,000
Fertilizer plants .....	10,000,000

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	\$310,000,000

This expenditure, it is figured, will develop the

Tennessee water-shed power resources as an integrated system, although there is a private dam near Chattanooga which the engineers deem ought to be absorbed.

Add 37 millions already spent on Wilson dam at Muscle Shoals—10 million of the 47 million cost being chalked off for navigation—and the power development, it seems, will cost the government around \$350,000,000. TVA estimates 30 per cent should be knocked off as spent for navigation purposes.

The TVA directors say the program ought to pay for itself within 25 years after it gets on its feet, but this is met with skepticism.

The seven-dam \$350,000,000 project is expected to develop 2 million kilowatts of installed power, of which 750,000 kilowatts will be primary or all-year-around power. With all this expensive program, the valley now furnishes no adequate market. David E. Lilienthal, power director of TVA, has been quoted as saying the region now has 30 to 35 per cent more generating capacity than the market absorbs. The power companies say their rated generating capacity is one billion kilowatts, hours more than is now being marketed.

What TVA emphasizes is that the power development will furnish a yardstick to measure relative costs of private and public operation. On this strong diversities of opinion have sprung up. Foremost is the old controversy between engineering experts as to whether in a given region power can be developed as cheaply from water as from generating stations fueled by coal.

Chairman Morgan, himself a noted engineer, concedes this is a matter of technological dispute.

*(Continued on Center Pages)*