

*Letter from George Norris  
to Hugh Johnson,  
National Recovery  
Administration (NRA)  
February 1, 1934*

Courtesy Nebraska State Historical Society, RG3298-LETTER-1934a & b

# COPY

H/K

February 1, 1934.

My dear General Johnson:

In the Matter of the Proposed Code to Govern the  
Electric Light and Power Industry:

I most respectfully protest against any code for the electric light industry which will include in such organization the publicly owned electric generating and distributing plants. I submit that it is contrary to and against the social and economic interests of the United States to force, either directly or even by implication, the municipally and other publicly owned electric light and power plants to become members of the proposed code.

The electric light industry is mainly under the control of the Edison Electric Institute. This institute is successor to the National Electric Light Association. It is composed exclusively of representatives of privately owned and operated electric light plants and holding companies, having for its only object the making of profits in the sale of electric current. The Edison Electric Institute was organized by former members of the National Electric Light Association after this Association had lost the confidence of the American public by its utter disregard of the rights of the public, as disclosed by the Federal Trade Commission investigation, which has been going on for several years. The reorganization consisted almost entirely in the change of name. The new organization was and is practically the same as the old organization, with the exception of the elimination from its officers of such men as Samuel and Martin Insull. The municipally and other publicly owned electric light plants have come into existence during the years that have passed, mainly as a result of the unfair practices of the private utilities as exposed by said investigation.

The Edison Electric Institute comprises a vast majority of the private utilities. If the municipally and publicly owned plants are forced into a code with the members of this institute, they will constitute a small minority of the electric light and power industry, and will be outvoted in any controversy that may arise as to the management of said industry. It would, in my judgment, be manifestly unfair to place the municipally and publicly owned plants in an organization thus dominated and controlled.

Honorable Hugh S. Johnson,  
Administrator,  
National Recovery Administration.

Courtesy Nebraska State Historical Society, RG3298-LETTER-1934a & b

COPY

Honorable Hugh S. Johnson #2  
February 1, 1934.

The objectives of the privately owned power plants are in direct conflict with those of the publicly owned plants. The privately owned corporations in this field are organized and are operated solely for private profit. Publicly owned utilities are operated on an entirely different basis. They are operated for service at a minimum cost and without profit. Privately owned plants desire high rates; municipally owned plants desire low rates. Privately owned plants put the rate to the consumer as high as the traffic will bear; publicly owned plants put this rate as low as possible, consistent with the actual cost.

The proposed code submitted by the Edison Electric Institute gives the enemies of publicly owned plants a voice in the control of rates of such publicly owned plants, which is manifestly unjust and unfair to the consumers of electric power generated by such plants.

The publicly owned plants are, I believe, unanimous in their opposition to being forced into a code, the governing board of which shall be in whole or even in the smallest part controlled by interests which are directly opposed to publicly owned plants. They believe, and I think they have ample basis for this belief, that if they are thus forced into the same code with the enemies of publicly owned plants, they are either in whole or in part placing the publicly owned plants under the control and domination of their enemies.

There should not be in said code even the remotest suggestion that the publicly owned plants should in any degree be under the control or domination of privately owned plants. And, therefore, the code should not contain even the provision that the President be requested to call a meeting to be participated in both by the privately owned plants and the publicly owned plants.

If it is deemed advisable that the publicly owned plants should be under the control of a code, it ought to be a new and separate code, independent of, and in no way connected with the code of the privately owned plants.

I, therefore, most respectfully suggest that in the code for the governing of the privately owned industry, no reference should be made, either directly or indirectly, to publicly owned plants.

I have the honor to remain,

Very respectfully yours,

/s/ G. W. MORRIS

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## Transcript

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/s/ G. W. NORRIS