CHAPTER 1

The Promise

DURING the hectic period of the interregnum, President-elect Franklin Roosevelt traveled to Montgomery, Alabama, as part of an inspection tour of the Tennessee valley. Accompanied by congressmen and senators, including Senator George Norris, the chief proponent of valley regional development, Roosevelt expounded on the possibility of using the World War I–era dam facilities at Muscle Shoals as the cornerstone for the development of the region. After paying homage to the ghosts of the capital of the Confederacy, Roosevelt extemporaneously painted a glowing if vague picture of the future role of Muscle Shoals.

> Muscle Shoals is more today than a mere opportunity for the federal government to do a kind turn for the people in one small section of a couple of states. Muscle Shoals gives us the opportunity to accomplish a great purpose for the people of many states and indeed for the whole Union. Because there we have an opportunity of setting an example of planning not just for ourselves, but for the generations to come, tying in industry and agriculture, and forestry and flood prevention, tying them all into a unified whole over a distance of a thousand miles so that we can offer better opportunities and better places for living for millions of yet unborn in the days to come.[1]

Less than three months after his swing through the Tennessee valley, Roosevelt, now the president, sought to transform rhetoric into legislative reality. On 10 April 1933 Roosevelt sent a message to Congress requesting the creation of the Tennessee Valley Authority. Using the terminology of regional planning, Roosevelt outlined a plan for the utilization of the land and waters of forty-two thousand square miles of the Tennessee valley. He included the dam and nitrate plants at Muscle Shoals, unused since World War I, stating, "The continued idleness of a great national investment in

the Tennessee Valley leads me to ask Congress for legislation necessary to enlist this project in the service of the people."[2]

Roosevelt chose to emphasize the broad impact of the projected social and economic programs:

> It is clear that the Muscle Shoals development is but a small part of the potential public usefulness of the entire Tennessee River. Such use, if envisioned in its entirety, transcends mere power development; it enters the wide field of flood control, soil erosion, afforestation, elimination from agricultural use of marginal lands, and distribution and diversification of industry. In short, this power development of war days leads logically to national planning for a complete river watershed involving many states and the future lives and welfare of millions. It touches and gives life to all forms of human concerns.[3]

He also stressed the unique regional planning aspect of the agency. TVA was to be given broad planning functions—functions that had never been granted except in time of war:

> I, therefore, suggest to the Congress legislation to create a Tennessee Valley Authority—a corporation clothed with the power of government but possessed with the flexibility and initiative of a private enterprise. It should be charged with the broadest duty of planning for the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin and its adjoining territory for the general social and economic welfare of the nation. This authority should also be clothed with the necessary power to carry these plans into effect. Its duty should be the rehabilitation of the Muscle Shoals development and the coordination of it with the wider plans.
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> . . . Many hard lessons have taught us the human waste that results from lack of planning. Here and there a few wise cities and counties have looked ahead and planned. But our Nation has "just grown." It is time to extend planning to a wider field, in this instance comprehending in one great project many States directly concerned with the basin of one of our great rivers.[4]

Having warned of the dangers of growth without direction and control, Roosevelt intimated in a later speech that Tennessee river development was the first of many similar projects throughout the country:

> that this element of local value should be given away to private individuals of the vicinage, and at the same time the people of the whole country should be taxed for the local improvement. . . . It seems clear that justice to taxpayers of the country demands that when the government is or may be called upon to improve a strain the improvement should be made to pay for itself, so far as practical.[8]

This pay-as-you-go principle was a precedent that his distant cousin Franklin sought to maintain twenty-eight years later in creating competitive rates for the electricity generated by TVA dams.

In 1916 the National Defense Act authorized the government to develop domestic sources of the nitrates needed for the manufacture of explosives. Subsequently two nitrate plants and a dam to supply hydroelectric power to them were built at Muscle Shoals. The war ended before the plants were operational or the dam completed. No longer needed for munitions, the nitrate plants as well as the incomplete dam were the subjects of controversy throughout the 1920s. The Democrats, led by representatives from Tennessee and Alabama, called for a four-point plan involving the development of the valley, nitrates for national defense, fertilizer for agriculture, and dams for navigation and power. The Republicans, citing waste and the possibility of mismanagement, called for either the leasing or the sale of the federal property to private companies. Reed Smoot of Utah suggested that Wilson Dam be sold for scrap and described the Democratic plan as a conspiracy by southern congressmen to put private utilities out of business. The Republican-controlled Congress defeated appropriations for the completion of Wilson Dam.[9]

In 1921 the Harding administration, tiring of the white elephant, decided to sell the Muscle Shoals complex to the highest bidder. Henry Ford, the automobile magnate, offered to lease the dam and buy the nitrate plants. Several southern congressmen, including Lister Hill of Alabama, supported the Ford bid in fear that the government might never develop the area. Hill called Ford's bid "the greatest offer ever made by a citizen to his government."[10]

Not all welcomed Ford's offer. Conservationists were concerned that a national resource might be turned over to a private company in violation of the federal Water Powers Act, passed in 1920 to prevent just such an arrangement. Others questioned the low price that the government placed on the facility. The most vocal critic of Ford's bid was the progressive Republican senator from Nebraska, George Norris. Norris was concerned that although Ford promised river development, he was only interested in using