

David Lilienthal and the Tennessee Valley Authority

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David Lilienthal's style of leadership emphasized rhetoric, in speech and writing, as the chief means of winning support for and creating cohesion within the organizations he led. He also believed that organizational effectiveness depended upon public support and participation. The "grass-roots democracy" ideal, which Lilienthal developed at the Tennessee Valley Authority, required bureaucracy to carry out its missions with the support and participation of the people it was to serve. His rhetorical style of leadership was a means of articulating the ideal as a basis for support.

This chapter explores how Lilienthal developed his beliefs about organization and leadership and brought both to full expression in his leadership of TVA from 1933 to 1946. His inventiveness at critical junctures in the life of the new organization not only permitted TVA to survive but gave it a stable institutional identity. The TVA experience shaped him as well. He brought his rhetorical style and belief in participatory bureaucracy to the chairmanship of the Atomic Energy Commission, from 1946 to 1950, with disappointing results, because neither the organizational mission nor the politics surrounding that mission were congenial to his leadership. The AEC experience was, in some respects, a negative mirror image of the TVA years for Lilienthal. In the third major phase of his career, he invented an overseas development firm, the Development and Resources Corporation, which gave him the opportunity to repeat the TVA experience in developmental projects around the world. This chapter emphasizes the TVA years.

Lilienthal believed that organizations and publics could be mobilized by ideas. He was a creator of myths by which organizations could live. His books were vehicles for generalizing about such myths, and

he always considered himself a writer as well as an administrator. He kept a regular journal for most of his adult life as a means for reflecting on his practical experience.¹ But he always sought to understand practical experience in terms of generalizations about effective leadership.

A very important part of Lilienthal's makeup was his desire to be unique. When he was eighty he recalled his inventiveness at TVA as an expression "of a creative impulse, wanting to do something that hadn't been done before."² His *Journals* make clear that throughout his life he sought recognition and respect for his uniqueness. He wished to stand apart as one who had made unusual contributions. And the way to do this was to be inventive and creative, in both words and actions.

Lilienthal's habit of keeping a journal gives us vivid clues to his personality as it formed and continued to develop throughout his life. The first entry, dated 17 May, 1917, made when he was a seventeen-year-old freshman at DePauw University in Indiana, records the advice of a young lawyer who "noticed how seriously I was looking at life" and suggested the "amusement and self-cultivation" of a diary as an antidote. But a year later, when he reread what he had written, he commented on its "seriousness."³ One of the themes expressed in that first year was the desire to "write as a career" but also to do "social service" (2). These two ambitions were strong throughout his life. His journal was an intimate record of his activities and a source of reflection on the vocation of leadership.

When a DePauw professor offered to make any of his students a "great man or woman," Lilienthal challenged him to "try it on me" (4-5). He was consciously grooming himself to be a leader. After delivering a well-received talk at a DePauw chapel assembly, he recorded, "I had a taste this morning of what some day may be my customary diet." He had thrown himself into the preparation of the talk with great intensity, working on it for months (6-7). The writing of major speeches and books was to receive similarly intensive treatment. He became a college debator and won the Indiana state oratorical contest and the Midwest interstate contest and tied for second in the national contest in Topeka, Kansas. To his mind, this was preparation for the career ahead, "the expanding influence of the training, the trips, the meeting of people, getting up before every sort of audience from a Quaker congregation to a high school crowd" (7).

He also went out for football at DePauw and recorded his love of "the fighting spirit" (8). But he especially liked boxing. Many years later he told an interviewer that he would not have put himself in so many controversial positions in his career if he had not been a combative person. He recalled how he had learned to box in high school and how while in college he had boxed with a professional lightweight known

as the Tacoma Tiger, whom he could never beat. He was also the boxing coach at DePauw while a student. Lilienthal did not regard boxing as an expression of combativeness for its own sake. "I think I considered competence at defending yourself a means of preserving your personal independence. I learned that from my father. 'Be your own man,' he used to say." Lilienthal went on to add that "there's something missing when you don't have a McKellar laying it on the line any more. The moral equivalent of that for me is taking on challenges, different kinds of McKellar or Tacoma Tigers—maybe the Minerals and Chemicals thing, the D. and R. thing—and trying to meet them."⁴

Ambition, rhetorical skill, and combativeness in behalf of independence served a developing idealism, derived in part from the New Freedom of Woodrow Wilson, which Lilienthal carried into the conservatism of the 1920s.⁵ By 1919 he knew that he wished to be a lawyer in order to study the industrial conditions of labor, become an expert, and write on labor problems. He entered the Harvard Law School in 1920.

He had only been in law school a few months when he confided to his diary the wish that he "could get such a man as [Louis B.] Brandeis or [Frank P.] Walsh interested in me and my ambitions so that I could get some bit of personal guidance and encouragement from them" (13). And, indeed, in early 1921 he wrote Frank P. Walsh, a prominent industrial relations lawyer. His letter described his ambition to be an expert in labor law and led to an extended correspondence.⁶ For the rest of his life Lilienthal was to cultivate important people. It became a vital resource for his leadership, because he had friends who knew of his work and who could help him in his fights, give him advice, persuade others, and give his causes publicity. This was not simply currying favor. One of his close TVA associates caught it: "His obvious qualities of mind impressed the people with whom he dealt. . . . Look at his career as combining idealism and opportunism. He impressed people of great discrimination—Brandeis, Frankfurter, FDR, Acheson. He could take a difficult task and carry it out."⁷ He impressed people with his actions, but he used personal ties as a political resource.

After he graduated from Harvard in 1923, Lilienthal went to work for Chicago labor lawyer Donald Richberg, who was general counsel for the national railroad unions. Richberg was one of a number of labor leaders and lawyers Lilienthal had written and visited.⁸ Felix Frankfurter, his teacher at Harvard, and Walsh had recommended him to Richberg. In the mid-twenties he worked on a number of important labor cases for the Richberg firm. But he also pursued his hopes for a "literary" career by writing articles for the *American Review*, *Outlook*, the *New Republic*, and the *Nation*. He formed his own Chicago firm,

specializing in public utility law. As special counsel to the city of Chicago, Lilienthal helped the city win a refund of \$20 million for telephone company customers. His law review articles on utility issues and his founding editorship of a national information service on utility regulation complemented his practice in bringing him national recognition as a public utility lawyer.⁹

In 1931 the new governor of Wisconsin, Phillip F. LaFollette, appointed Lilienthal to the Wisconsin Railroad Commission, which was renamed the Public Service Commission after Lilienthal, at the governor's request, drafted legislation that strengthened and expanded the commission's regulatory powers.¹⁰ Lilienthal was an aggressive member of the commission who attracted national attention by his advocacy of public utility regulation. One student of regulation in Wisconsin wrote that the young commissioner's accomplishments "must be offset to a degree by the friction and animosity he created in the relations between the utilities and the Commission . . . such an attitude is not completely helpful in the negotiational procedure which characterizes much of the regulatory process."¹¹ Lilienthal's own belief was that too many public-service commissions were captives of the industries they regulated.¹²

References to Lilienthal's combativeness in Wisconsin are appropriate because he was combative at TVA. The few Wisconsin journal entries capture his awareness of his own intensity:

My tendency to overwork and get all intense about phases of my work must be a nuisance [to his wife]. (21)

It is the driving of others and yourself that seems to take the kink out of you. (26)

Lilienthal put heavy pressure on himself and others to get work done, and the intensity of his efforts would periodically bring him to the point of exhaustion, so that he would require rest and vacations. This pattern continued throughout his life.

One can see the elements of a developing leadership style in the young adult years. He was ambitious for achievement and recognition both for himself and for social and political reform. His administrative style involved intensive homework, the combative pressing of advantages and opportunities, and the cultivation of patrons and alliances. He had learned to use rhetoric to good effect in Wisconsin. His appointment to the first board of the new Tennessee Valley Authority would give him the opportunity to fully develop and express his style of leadership as a leader of the most innovative creation of the New Deal.

TVA

Legislation resembling the TVA Act of 1933 had been debated in the Congress for a decade before the election of Roosevelt guaranteed its passage into law. The two previous Republican presidents had vetoed more limited bills. There were two strands to the incipient TVA. The first was the longstanding desire of members of Congress from the Tennessee Valley states to assist the development of southern agriculture through the use of the government-owned nitrate plants at Muscle Shoals, Alabama, for the manufacture of fertilizer. The plants had been built in connection with the construction during World War I of Wilson Dam at Muscle Shoals for the manufacture of munitions. The second strand was the public power tradition represented by Senator George Norris, who hoped that a number of dams could be created along the Tennessee River for the production of electric power. Norris was an opponent of private utilities and an advocate of publicly owned power systems. TVA could have been strictly a power and fertilizer company on the basis of these two conceptions. President-elect Roosevelt added the vision of a multipurpose authority that would develop the natural resources of the region in a comprehensive manner.¹³

The TVA Act gave the authority specific powers to build dams, generate and sell power, improve navigation and flood control, manufacture fertilizer, and assist agricultural development. These were regarded as interrelated missions; for example, dams generate hydroelectric power and facilitate navigation and flood control. The assumption of a decentralized multipurpose authority for natural resource development permeates the Act. Section 22 of the act calls upon TVA to develop plans for regional development, and Section 23 provides that the president may introduce legislation to implement such plans. The mandate to prepare plans is not accompanied by statutory authority to carry them out.

The First TVA Board

President Roosevelt appointed Arthur E. Morgan, an accomplished conservation engineer and president of Antioch College, as chairman of the first TVA board. FDR stipulated that the other two members of the board be expert in the areas of agriculture and power and left it to Morgan to find nominees to recommend to him. In due course the name of Harcourt A. Morgan, president of the University of Tennessee, was submitted and approved. H. A. Morgan, an expert on the boll weevil, had spent his life working for improvements in southern agriculture. Supreme Court Justice Louis D. Brandeis suggested Lilienthal's name to A. E. Morgan. Lilienthal had used Felix Frankfurter's sponsorship

to call on Brandeis in Washington, and the justice also had had favorable reports on the young reformer from his daughter, who lived in Madison, Wisconsin. After a brief meeting with Lilienthal in Chicago, Morgan sent his name to Roosevelt for nomination to the board.¹⁴

These three men, the two Morgans and Lilienthal, faced an extraordinary challenge. They were to create an organization and decide how it was to implement the language of the TVA Act. The character and mandate of the organization was stipulated only in the most general way. It was to be a government corporation and therefore was not placed under a department. The board was to report directly to the president. But, the most important questions about mission organization and mission were not spelled out. The act authorized TVA to distribute as well as generate hydroelectric power but was silent about the mode of distribution. The question of the relation of TVA to the private utilities of the region was left open. It was expected that TVA would help farmers improve their productivity, but the method for organizing such activities was not stipulated. Section 22 authorized the preparation of plans for the region, but the relation of such plans to the other activities of the authority was unclear. There was no blueprint in the act for the relation of TVA to other federal agencies and state and local governments.

Lilienthal was the articulator of the TVA myth of grass-roots democracy which was to both guide the organization and serve as a defense against opponents. This act of creativity grew, in part, out of his relationship with his two colleagues. They are therefore a key part of this story.

A. E. Morgan was an engineer who joined a belief in technological progress to a commitment to a cooperative society. As chief engineer for the construction of a series of dams on the Little Miami River in Ohio, he had combined extraordinary innovation in dam design with a social experiment that provided housing, schools, and adult education for construction workers and their families.¹⁵ The twin themes of technology and grass-roots experimentation were implicit in his background and beliefs. The TVA statute provided for the appointment of a "chief engineer," and Morgan asked Roosevelt to appoint him to that position, which he used as a basis for insisting that TVA have its own construction force and personnel system, independent of the federal civil service. Two goals of Morgan's were thereby accomplished: (1) TVA engineering and construction could be held to his high technical standards, and (2) the principle of a nonpolitical organization that would not engage in patronage hiring was established.

Morgan also advanced the ideals of integration of functions in a multipurpose authority. For example, the chief TVA architect was lodged in the engineering department rather than the planning department,

which had a positive effect on the aesthetic design of the dams. He also articulated at TVA a long-time practice in his engineering firm of decentralization of professional decisions within the organization, so that many decisions were made at the dam site by those responsible. Morgan's ideas about regional development and social planning were less than comprehensive and often difficult to decipher. He did not wish TVA to develop a master plan for the Valley. Rather, he conceived of the authority as a demonstration agency that would try small model experiments. A TVA engineer who talked often with Morgan remembered: "His conception was artistic and intellectual. TVA would act like a limited scope model that would be so perfect and idealized that the utilities would copy it. No need for large scope. One demonstration farm and one demonstration cooperative and one TVA municipal power company would be enough. The yardstick would exemplify the right way of doing things."¹⁶

Morgan wanted TVA to try experiments of various kinds, most of which were not carried out. The "new town" of Norris, Tennessee, became a reality as a planned community, and it survives in its simplicity today. Other ideas, such as the promotion of handicraft industries, the use of scrip for money in rural communities, that TVA refused to deal with real estate firms that exploited land in order to raise the standards of real estate, and that the authority might take control of land abused by farmers, brought ridicule and undermined his credibility with his fellow directors.¹⁷ Such ideas were tentative and were suggested by Morgan for discussions that never took place because the ideas were not taken seriously. Morgan also believed in the National Recovery Act hope for cooperation between government and industry, and he viewed the competition between TVA and the private utilities in the region as one of efficiency as measured by the yardstick principle. Under that principle, TVA would generate and distribute hydroelectric power to consumers more cheaply and efficiently than the private companies, and once this was realized, the utilities would follow TVA methods. Therefore, in Morgan's view, TVA did not need to displace the private companies in the Valley; it would simply have a distribution area of its own. He did not perceive a deep political struggle between the New Deal and the private companies, as embodied in the creation of TVA, the Rural Electrification Administration, and the Utility Holding Company Act.¹⁸

Morgan did not believe that relationships between principals in government were political. He felt that the three board members would be guided by the facts to agree upon the correct decisions. When they did not do so, he was inclined to attribute disagreement to bad motives on the part of the others.¹⁹

Morgan's experimentalism was rejected by his colleagues, but he left clear legacies, particularly the ideal of technical decision making in a nonpolitical organization with the rationality of professionals as a guiding force. This ideal permeated the TVA organization.

H. A. Morgan was a long-time land grant college administrator and dean of agriculture who had learned a great deal about introducing new ideas and techniques to farmers. He believed that change could not be imposed and that people learned by doing. He liked to stay in the background and encourage others to take initiatives. For example, although he was TVA chairman from 1938 to 1941, he permitted Lilienthal to have the national limelight and to be the organization's *de facto* leader.

He was a "modernizer" of southern agriculture. He believed that it was necessary to pull marginal farmers away from bad habits that were depleting the soil through the regular planting of row crops such as corn, tobacco, and cotton. In the judgment of southern agricultural experts, the nitrate fertilizers used year after year by farmers were injuring the land. Morgan was among those who believed in a change to phosphate fertilizer and greater reliance on clover, hay, grass, and livestock as means of conserving and strengthening the land. This was the progressive view in the southern land grant colleges and among extension service agents at the time.²⁰

His tangible contribution to the development of TVA programs was his insistence that the TVA fertilizer demonstration program be administered by the land grant colleges through the extension service. He was opposed to the development of a system of TVA demonstration farms. Morgan did not idealize these local networks; indeed, he said that the agricultural faculties had "mediocre ideas."²¹ But he thought that using existing institutional links with farmers was the most efficient way to modernize farms. He also favored using the more efficient, and therefore the more prosperous, farms as demonstration sites. Morgan did not justify this strategy on political grounds, although he surely must have realized the political import of his policy. TVA was working with the agricultural establishment of the Valley. In retrospect, Lilienthal suggested that Morgan was trying to avoid having to work directly with the Department of Agriculture bureaucracy in Washington. In Lilienthal's view, Morgan felt that if TVA had to take direction from the Washington bureaucracy, it would be encumbered in dealing directly with farmers.²² So Morgan turned to the grass-roots institutions close at hand to do the job.

This strategy was consistent with Morgan's career-long belief that one could not plan for others but had to find ways to motivate them to change. The viewpoint was clearly expressed in a memorandum sent to his codirectors on 3 October 1933 in which he recommended that all

TVA planning activities undertaken under Section 22 of the TVA Act be carried out in cooperation with state and local governments in the region. TVA should not develop plans of its own for any part of the Valley unless there was no one else to do it. He argued that planning would not be effective without the active participation of agencies representing the people of the region. They would neither recommend nor implement with enthusiasm anything in which they had not had a part. The authority could be a catalyst to promote studies and to help states develop planning capacities, but it should not plan by itself.²³

Morgan's recommendation to the board prevailed, and the precedent was set that in the future all TVA activities that fell broadly under Section 22 rather than under the specific statutory responsibilities of the authority would be conducted in cooperation with other federal agencies, state and local governments, and private groups. This was the basis of the original grass-roots principle. For example, TVA maintained a small forestry staff and sought to stimulate the development of state forestry programs and state park systems. Often such work was done under contract between TVA and other agencies.

H. A. Morgan's philosophy of grass-roots participation was usually couched in vague, general language about the "common mooring" shared by human beings in a world of nature. The idea of common mooring was the straightforward ecological notion that people are dependent upon nature for economic development and are obliged to respect its unity and limits. It was necessary for Lilienthal to extract the grass-roots idea and develop it into a general philosophy, for Morgan would never have done it himself.²⁴

All three TVA board members accepted and implemented A. E. Morgan's conception of TVA as a nonpolitical, professional organization. This provided protection from politicians. They also accepted the logically derivable belief in the importance of interdisciplinary planning and discussions in a multipurpose authority. H. A. Morgan carried the day on the decentralization of the agricultural demonstration program and other programs of technical assistance to states and localities. "A.E." was opposed, but "H.A." had Lilienthal's vote. The chairman thought that TVA should work with subsistence farmers to help them stay on the land and foresaw that TVA reliance on the state agricultural colleges and the U.S. extension service would favor the larger, more efficient farmers.²⁵ H.A. disagreed. He wanted to modernize southern agriculture and thought of subsistence farming as perpetuating a "peasantry."²⁶ By the same token, both H.A. and Lilienthal were critical of A.E.'s ideas for social experiments. They were fearful that talk of reforming the real estate industry to make it more ethical or confiscating the land of farmers who neglected the soil would jeopardize the infant

TVA, which needed all the political support it could get. Lilienthal thought that A.E. was a paternalist who wished to plan for people. In a 1936 talk to TVA employees, Lilienthal ridiculed a number of his ideas, saying, "I have no confidence in progress that comes from plans concocted by supermen and imposed upon the rest of the community for its own good. . . . I don't have much faith in 'uplift.'"²⁷

A gap developed in the first months between A. E. Morgan, on one side, and H. A. Morgan and Lilienthal, on the other. The two board members were concerned about A.E.'s inclination to reserve important decisions for himself as chairman, his somewhat haphazard style of management, and his utopian ideas.²⁸ H.A. and Lilienthal also found that despite an age difference of more than thirty years, they agreed on most things and particularly on the need for TVA to be practical. Their skepticism about A.E. lay behind their August 1933 recommendation that responsibility for the administration of specific TVA programs be divided among the three board members, with policy reserved for the entire board. A.E. would oversee engineering, construction, navigation and flood control, education, training, and housing. H.A. would run the agriculture, fertilizer, and forestry programs. Lilienthal would have charge of the power program and the legal department.²⁹ The chairman had no choice but to acquiesce, and the division of labor continued until it was eliminated by the appointment of a general manager in 1936 as the link between a policy-making board and the program offices. The board members then gave up specific administrative responsibilities.

The H. A. Morgan-Lilienthal majority of two on the board and the separation of administrative responsibilities meant that agriculture and planning would follow H.A.'s ideas and that A.E. would be able to continue the programs of dam construction, navigation, and worker education and training. The major unresolved question was what TVA would do about the distribution of the electric power that would be generated by its dams. This was the most important question that TVA faced in its first years. Lilienthal was fearful that A. E. Morgan would give the private utility companies an opportunity to permanently stunt TVA's growth by his advocacy of a limited TVA service area. The young director distrusted utility holding companies on the basis of his Wisconsin experience, and he was skeptical that any good would emerge from a TVA effort to cooperate with the southern utilities.³⁰ H. A. Morgan supported Lilienthal on these matters, but the issue was important enough to require presidential decisions, and therefore Lilienthal could not automatically have his way through a vote of the board. He had to fight against A. E. Morgan at the same time that Wendell Willkie, the president of Commonwealth and Southern (C&S), the largest utility

holding company in the Valley region, was gearing up to fight TVA. The "power fight" was thus on two fronts. Its eventual resolution, in Lilienthal's favor, had important consequences for the character of TVA beyond the power program itself. A. E. Morgan was to leave his position in defeat at the request of the president in 1937. Lilienthal was from then on the dominant figure in the authority, and it was his conceptions of TVA, derived in part from the ideas of H. A. Morgan, that prevailed. Therefore, the story of the "power fight" was both a struggle over a particular issue and a fight for the identity of TVA.

The Power Fight

The TVA Act defined the general aims of the power program. TVA was to distribute power to customers "within transmission distance," a vague phrase that theoretically would permit service to a wide region beyond the Tennessee Valley if enough dams were built in the Valley. Preference in service was to be given to nonprofit municipal and rural cooperative customers, with maximum encouragement being given for the use of electricity on farms. There was a caution against duplication of power facilities with private utilities.³¹

This language left the relative roles of TVA and the private companies open to interpretation and negotiation. A. E. Morgan did not want a fight with the power companies, fearing that such conflict might endanger other TVA missions, which he saw as just as important as the power program. Lilienthal did not trust the private companies because, on the basis of his experience, he thought them unalterably opposed to the existence of public power and feared that they would act to destroy TVA if they could. He thought it important that the TVA power program have a presence in several areas in the Valley as a competitive spur to the private companies and as bases of political support for TVA.

Lilienthal saw the competition with the utilities in terms of who would win public support in the Valley and the nation. TVA must get credit with the public for lower rates. He thought that the authority should first work out its own program of power distribution and wholesale and retail rates as a basis for public appeals before it began to negotiate with the utilities. Morgan and Lilienthal were unable to agree on the issue of territorial scope and took the question to Roosevelt. The president brokered a compromise according to which TVA was to operate its power program in a number of subregions of the Valley, adjacent to dams to be constructed, but would not reach beyond the Tennessee River watershed. Efforts would be made to avoid duplication.³²

There were only a few publicly owned power systems near the Wilson Dam at Muscle Shoals, and Lilienthal hoped to buy some properties

in the immediate region from C&S in order to develop a TVA service area. TVA had begun to build its own transmission lines from Muscle Shoals to the Norris Dam, which was under construction further up the Tennessee River, and was thereby creating the possibility of direct competition with private utilities in their Tennessee service areas.

But Lilienthal needed Willkie's cooperation if TVA was to acquire properties. At their first meeting, in Washington on 4 October 1933, Willkie proposed that his companies purchase all of TVA's electricity. In his view, there was no need to expand the energy market. He told Lilienthal that TVA might not survive the New Deal unless it found an outlet for its power. Lilienthal made no commitment, but after the meeting, he and his assistants negotiated an agreement with the publicly owned power company of Tupelo, Mississippi, for TVA to sell power to Tupelo beginning in February 1934. Lilienthal was putting pressure on Willkie by showing that TVA could get into business without C&S cooperation. Construction on the power transmission line from Muscle Shoals to Norris Dam also continued against Willkie's opposition. Lilienthal began to encourage municipalities to apply for funds from the Public Works Administration (PWA) to build their own plants and distribution systems. In the face of these bargaining chips, Willkie agreed to sell TVA properties in northeastern Mississippi, northern Alabama, and eastern Tennessee. As a concession, TVA would promise not to seek further territorial expansion. This agreement, of January 1934, was to last five years or until Norris Dam was completed.³³

But except for the exchange of a few properties in Mississippi, the deal fell through. The Tennessee and Alabama companies placed too high a price on their properties for local public power distributors to buy them. When Lilienthal arranged with Willkie for TVA to buy the properties at a lower cost and then sell them to the communities, a New York bank that held the mortgages set impossibly difficult terms for the sale. A group of preferred stockholders then filed suit in federal court against the North Alabama Power Company and TVA, and the litigation delayed the sale of the Alabama properties.³⁴ When Willkie wrote President Roosevelt to complain that Lilienthal was encouraging communities to file for PWA funds to build their own systems, Lilienthal advised the president to reply to Willkie through Marvin McIntyre, his secretary, that Willkie should honor the original agreement of January 1934 to sell the properties, which McIntyre did.³⁵

The TVA power program was stalled, and there was little forward movement in the acquisition of new properties until 1936, when the stockholders lost their suit. But in 1934 Lilienthal acted quickly to make the most of the few footholds in Mississippi. He turned the fight with the power companies into a public drama. In his public rhetoric Lilien-

thal combined H. A. Morgan's ideas about the necessity for TVA to work with local institutions with his own hostility to utility holding companies derived from his Wisconsin years. Lilienthal's lieutenants of the period describe him as engaging in a concerted strategy to stimulate public interest in wider electric service, cheaper rates, and increased usage, all through the development of new publicly owned companies that would buy electricity from TVA and extend its distribution to wider service areas, especially farmers, at lower rates than the private utilities had ever imagined possible.³⁶

In 1934 Lilienthal and his assistants developed a rate structure for the purchase of electric power that was less than half as high as that offered by private utilities. The figure was really a guess and was based on the assumption that increased usage would follow the lowering of prices.³⁷ Lilienthal had expert help from able young lawyers and engineers in the process of developing the first contracts with local governments. One of them tells the story of Lilienthal and staff assistants working out the legal terms of the Tupelo contract in the car on the drive down to Mississippi for the announcement and ceremony. Lilienthal's injunction was that the contract should require the rates to be as low for consumers as could be justified.³⁸ Rural electric cooperatives were started in Mississippi during the same period by members of Lilienthal's staff. They were based on the concept of amortization so that in time the system would be debt-free.³⁹ The contracts with municipalities did not hold rates to costs. Excess revenues could be used for reinvestment in plant, to pay off bonds, or to build up cash reserves.⁴⁰

Lilienthal also conceived the idea of a consumer credit affiliate called the Electric Home and Farm Authority, which gave low-interest loans for the purchase of appliances and worked with manufacturers to bring cheap appliances onto the market. He went to New York City to talk with the manufacturers of electric appliances about manufacturing simpler and cheaper products.⁴¹ In 1934 he wrote Eleanor Roosevelt a letter describing his success:

The first company to respond to our appeal for totally new design is The General Electric Company. They have designed and will soon have in production a combination electric refrigerator and electric range, which they have agreed that they will sell in the Tennessee Valley area for \$125 for the two units. . . . The equipment is extremely ingenious in design and the price, while substantially lower than prices heretofore prevailing for equivalent service, will afford a small but reasonable margin for the manufacturer and the dealer.⁴²

He invited Mrs. Roosevelt to visit the Valley to inspect the new product at the time of its delivery and told her that one would also be on display

in the Bureau of Home Economics of the Department of Agriculture in Washington.

Lilienthal's boldness produced good results. The combination of low rates and increased opportunities caused the usage of electricity to soar. In Tupelo average consumption went from 49 kilowatt-hours to 178, and the price dropped from 7.40¢ to 1.58¢. In the Alcorn, Mississippi, cooperative, usage increased in three years from 49 kilowatt-hours to 139, and price dropped from 5.37¢ per kilowatt-hour to 1.82¢.⁴³

The young director made sure that TVA, the president, and the New Deal got the maximum political mileage out of these achievements. Regular memos went from Lilienthal to Roosevelt about TVA achievements, not only as reports but as suggested raw material for presidential speeches around the country about public power. Before Roosevelt visited Tupelo in November 1934, Lilienthal supplied him with memoranda containing "Facts about Tupelo" and describing how usage had risen, rates had dropped, and the use of appliances had increased. FDR cited these facts in this Tupelo speech but also talked about what TVA meant for the Tennessee Valley in terms of hope for the future: "The great outstanding thing to me for these past three days has been the change in the looks on people's faces . . . today I see not only hope but I see determination—knowledge that all is well with the country and that we are coming back."⁴⁴

In 1935 and 1936, TVA found itself with an increasing supply of electric power coming from newly constructed dams without market outlets for that power because of the stalemate with the utilities. Lilienthal embarked on a two-pronged strategy: TVA would seek to win its fights in the courts so that the legal and constitutional arguments used by the utilities against selling their properties would be demolished. In the meantime, the hopes of Valley publics about the possibilities of electric power use had to be sustained for the day when a greater market outlet for TVA power could be created. To that end, Lilienthal and his assistants embarked on a sustained campaign of public persuasion up and down the Valley. Governors and state legislatures were lobbied for changes in state law that would facilitate the creation of municipal and cooperative distributors. The few such newly established organizations were carefully nurtured by TVA.⁴⁵

The strongest weapon in the fight was Lilienthal himself. A few pictures survive of the young Lilienthal speaking from the courthouse steps of Corinth, Mississippi, and other communities to attentive audiences of farm families about the wonders of electricity.⁴⁶ He drew on his experience and talents as a debater. One of his close associates remembered that he was not a particularly good speaker; substance and sincerity were the key to his success with audiences.⁴⁷ He himself felt

that his small-town midwestern background helped him to understand the local leadership in the Tennessee Valley and to meet them on their own terms.⁴⁸ The assistant to Lilienthal who wrote many of the first power contracts remembered: "He had enormous gifts of leadership. He was a carpetbagger who was adopted very warmly by the people of the Valley. I don't know of anyone else who could have brought the people of the Valley to accept TVA. . . . He had a good feeling for what they were interested in and knew how to combine economic aspirations with expression of idealism so that following their economic interests would seem comfortable to them."⁴⁹

Lilienthal drew strength from the experience, as an October 1935 entry in his diary about a series of speeches in Alabama reveals: "The most gratifying thing about the whole trip is to see how meeting directly with people out in the field revitalizes you and makes you feel that the program is worth carrying on." He knew that he was striking home. "There is somehow a magic about TVA kilowatts. We have really stirred public imagination about electricity" (53–54).

His speeches were not made in a political vacuum. The New Deal produced the Utility Company Holding Act in 1935, in Roosevelt's first term, and the Rural Electrification Administration was established in 1935 and strengthened in 1936. Lilienthal astutely linked the future of TVA with the New Deal and, implicitly, with Roosevelt's reelection campaign of 1936. The supposedly nonpolitical government corporation was depicted by Lilienthal as an ornament of the New Deal, and he, in turn, invoked the New Deal and Roosevelt as support for TVA. In a Memphis speech he said,

We are proud to count among our leading enemies the whole Tory crowd concentrated in New York City and Chicago that always fights every move toward giving the average man and woman a better chance. The interests of this crew of reactionaries and your interests are diametrically opposed. There is a conflict here that cannot be reconciled. Either TVA has to be for you or it has to be for this other crowd. When that crowd begins to sing the praises of TVA it is time for you to throw us out.⁵⁰

The Fight in the Courts

In 1934 fourteen preferred stockholders of the Alabama Power Company filed suit in *Ashwander v. TVA* challenging TVA's authority to engage in power generation and distribution at Wilson Dam at Muscle Shoals, Alabama. TVA received a blow when a federal judge decreed that TVA not be permitted to complete parts of the 4 January 1934 agreement with C&S for the sale of utility installations to TVA. This was the first

of many lawsuits against TVA and the beginning of a four-year struggle in the courts for TVA survival. Lilienthal admitted later that at the time he was terribly worried about whether TVA could survive the onslaught. His response was to build up a strong legal department at TVA and to recruit nationally prominent lawyers to represent TVA in the courts.⁵¹ Over the mild protest of the attorney general, and with the president's support, TVA chose to conduct its own legal work rather than to rely on Justice Department lawyers. Lilienthal wished to control the litigation and used the special statutory character of TVA as a government corporation as a justification—not the first or last time that the argument would be used by TVA to protect its autonomy from other parts of the federal government.⁵²

In February 1936 the Supreme Court delivered an opinion in the *Ashwander* case that granted the federal government the right to generate and sell power at Wilson Dam.⁵³ TVA would be able to move ahead to find outlets for its power. However, the 1934 agreement with C&S was going to expire in November 1936, and a dispute developed between A. E. Morgan and his fellow directors about whether a new agreement should set limits on the TVA power service area. Morgan favored such limits, and the other two were opposed. The three board members took the question to Roosevelt in August, but pleading the press of the election, he would not decide, and he suggested that the existing contract be extended briefly.⁵⁴

At this time the idea of a "power pool" emerged and captured Roosevelt's imagination. Lilienthal had spoken to him about it in mid-1936, but other advisers and friends of the president had also suggested such a plan. The idea was that TVA and C&S companies would sell power to a neutral pool organization, which would then sell to distributors, whether public or private. The yardstick principle whereby public power might demonstrate its greater efficiency and lesser cost could be exhibited through pooling, because the pool would buy power from the plants with the lowest production costs, whether public or private.⁵⁵

FDR thought of the plan as a model for the nation. It also promised the possibility of peace between public and private power in an election year. Lilienthal was more skeptical. He had suggested the idea to the president as a short-run expedient to permit TVA to find power outlets, particularly in case of an adverse decision in *Ashwander*. But in the long run he opposed any territorial restriction, and he worried that a pooling arrangement might have that effect. When Willkie offered to sell the entire Tennessee Electric Power Company to TVA on the condition that the authority would expand no further, Lilienthal refused. Lilienthal entered the power pool discussions with the belief that the private utilities would not be cooperative and that this would be revealed

in negotiations. A. E. Morgan had the opposite view and prepared a memorandum that sided with the utilities on most questions. The paper was circulated before the September 1936 White House meeting of TVA and utility executives convened by Roosevelt and served no purpose except to reveal TVA disunity. Lilienthal was furious and pressed Senator Norris and others to point out to FDR the great danger of yielding too much to Willkie and his allies.⁵⁶

As a result of the White House meeting on the power pool, Lilienthal was required to agree to a three-month extension of the 1934 agreement with Willkie. At the time, he was pressing for an agreement with the city of Chattanooga by which that city would purchase C&S properties and buy power from TVA. The extension of the 1934 agreement delayed such action. But Lilienthal and Secretary of the Interior Harold Ickes pushed ahead with PWA loans to communities for the building of transmission lines for public municipal and rural cooperative distributors, never suggesting that such actions were included in any truce about TVA territorial limits. Lilienthal was determined to press every advantage.⁵⁷

In May 1936, nineteen power companies had initiated a suit against TVA charging that its power program was unconstitutional. In December 1936, in the middle of the truce period, a federal district judge, John J. Gore, enjoined TVA not to expand its power program.⁵⁸ Willkie appeared to have gained a victory. Lilienthal immediately wrote the president and urged him to dissolve the power pool negotiations on the grounds that the utilities were not negotiating in good faith because they hoped to win in the courts. The president took the advice.⁵⁹

Willkie and his allies had won a Pyrrhic victory. Five months later a federal court of appeals denied the Gore injunction, and the Supreme Court let the decision stand. Moreover, Roosevelt, fresh from a big election victory, was angry at the utilities and ready to side with public power advocates, including Senator Norris and Lilienthal, against A. E. Morgan, who still had not given up hope of cooperation.⁶⁰

It was apparent that Willkie would have to sell C&S properties, particularly after the Supreme Court upheld the right of the PWA to finance transmission lines for publicly owned distributors. After many months of negotiations, the transfers were made on 15 August 1939. TVA purchased the entire Tennessee Electric Power Company and portions of the Alabama and Mississippi companies. The issue of territorial limits to the TVA service area was implicit in the sense that the authority now had a market for all the electricity it was producing.⁶¹

A. E. Morgan Departs

This narrative has only touched on the several reasons for the deep discord between A. E. Morgan and Lilienthal. Morgan wished for cooperation and abhorred conflict in both social and personal life. Lilienthal was a fighter on the public stage and within the board. Morgan believed that Lilienthal was diverting TVA from its mission to be an experimental organization by directing energy toward the power fight. Lilienthal saw Morgan as naive about the utilities. Morgan favored small-scale demonstrations such as handicraft industries, and Lilienthal recalled that at TVA "I voted for large-scale industry."⁶² The beliefs and personalities of the two men were incompatible. Their political styles were also incompatible. A. E. Morgan believed that reasonable men would agree on correct answers, and he was bewildered when this did not happen. Lilienthal was an ambitious young man who, as he later put it, was "not as moderate" as he might have been, adding, "I liked to fight."⁶³ He did not hesitate to challenge A. E. Morgan, and according to witnesses, many of the board meetings were shouting matches in which Lilienthal baited the chairman while H. A. Morgan maintained a dignified silence that was totally supportive of his younger colleague.⁶⁴ In later years Lilienthal said that the contest with A. E. Morgan over the character of TVA was more important than the fight with the utilities. It was over the issue of whether TVA would plan for people or put tools in their hands and permit them to plan for themselves. He saw Morgan as a paternalistic planner.⁶⁵

It finally became apparent to Roosevelt that the Morgan-Lilienthal conflict was doing great harm to TVA. In 1937, A. E. Morgan began to criticize his two colleagues in magazine articles, making vague charges about improprieties in regard to the use of political patronage in TVA employment and the granting of other favors for political reasons. When Lilienthal and H. A. Morgan complained to Roosevelt, he called all three to a White House meeting and asked the chairman to state specific charges. Upon his refusal to do so and his request for a congressional hearing, Roosevelt dismissed him from the board. A subsequent congressional investigation and report denied Morgan's allegations.⁶⁶ H. A. Morgan became chairman, but Lilienthal was in charge. The older man left all public activities to Lilienthal, including congressional testimony and lobbying. He was primarily interested in agriculture and was happy to give his younger colleague full scope to be the leader of TVA. Former senator James Pope took A. E. Morgan's place on the board, but he was not a strong factor in policy issues.⁶⁷ Lilienthal increasingly became identified in the public mind with TVA, and his accession to the chairmanship in 1941 was virtually a formality.

Lilienthal's Contribution to the Power Fight

Did Lilienthal make a difference in the power fight and thus in the character of TVA? The federal courts would probably have affirmed the authority's right to distribute power whether Lilienthal had been there or not. The actual development of TVA-sponsored distributors by 1937 was perhaps not much greater than what A. E. Morgan originally envisioned for model demonstration areas. It would have been possible to institute rate reductions and increases in usage in one demonstration area. This model might have impressed the utilities with the increase in electricity use and encouraged them to lower their own rates and extend services in response to the TVA example, as they in fact did.⁶⁸ Lilienthal made no technical contribution to the equation: his lieutenants supplied the technical expertise for the contracts written between TVA and electricity distributors. Nor did he invent the idea of low rates and increased usage: Canadian hydroelectric companies had been the pioneers in North America on that score.

Lilienthal's unique contribution was to provide the political leadership that TVA needed to survive. A small TVA demonstration area for the distribution of electric power might not have been able to survive politically even if the fight had been won in the courts. This would have been even more the case if A. E. Morgan had inaugurated some of his social experiments and treated TVA as an experimental and demonstration organization. There would have been too little popular support for TVA in the Tennessee Valley and much opposition to such experiments. A. E. Morgan lacked any sense of the need for TVA programs to have popular and political support. Lilienthal saw such support as a necessity for survival. His achievement was to mobilize widespread public support for TVA programs. He made sure that TVA was supplying electricity to distributors throughout the Valley, so that potential supporters were widespread. He then mobilized public opinion behind TVA and against the private utilities. Rhetoric was his chief instrument, but he could point to low rates and increased use of electricity. Rural people had little conception of the uses of electric power beyond the light bulb before the 1930s.⁶⁹ Lilienthal understood that fact, and the invention of the Electric Home and Farm Authority was a means to dramatize the many uses of electricity to farmers.⁷⁰ He described his hawking of electricity in a 1939 letter:

I used to make speeches before county crowds with a lot of farm machinery gadgets (grinders for feed, brooders, etc.) set up on a big table in front of me, and would work these into the talk, indicating how some particular farmer somewhere had added to his net income.

when he had these machines (most of which we designed ourselves to meet the problems of these poor farmers). . . .

Well, it was undignified as hell . . . but those farmers listened to every darn word, and came up afterwards and handled the gadgets. . . . And then a cooperative would be formed and the power lines would reach them; but they got more than power; they got a lift to their dragging morale, they got a bit of economic education the only way they could, by a demonstration. (80-81)

It was not all just education; he knew how to identify the enemy:

We kept talking about how money is drained out of the community by those remote-control power setups, and as the figures for community-owned distribution agencies (either public or cooperative) came in, those figures about people and towns that everyone knew about, came alive. (80-81)

He knew the value of a good fight. Writing in 1939, he asked himself why TVA water and agricultural programs had failed to capture the public imagination in the same way as electricity, and answered:

Isn't the answer that all the eloquence about land and water omits two factors almost essential to wide public interest of a lively kind, to wit, emphasis upon human beings and a fight? In my activities 'crusading' on the power issue, when we were surrounded by a 'ring of steel' and the getting of a market presented a problem, indeed, I sensed the crucial importance of stressing the human factors, the concrete picture of men and women, benefiting from low electricity rates, etc. . . . And, of course, the utility companies furnished the 'fight' element. (106-7)

Many years later he recalled: "I'm a fighter. I enjoyed the controversy. I happen to think that conflict is about the only thing that really produces creativity."⁷¹

David Lilienthal was prepared for the challenge furnished by the TVA situation in 1933. His ambitions and talent were well matched for his task as he understood it. His experience as a lawyer and a public service commissioner in Wisconsin had taught him the need to decentralize control of utility holding companies; and H. A. Morgan's grass-roots ideas filled out the picture for TVA and gave Lilienthal a fighting ideology with which to defend both power and agriculture programs. His capacity for rhetoric pushed him to become a missionary for TVA in the Valley and permitted him to establish bonds of confidence with citizens. His aggressiveness and determination to press every advantage, joined to his longstanding ability to create and cultivate alliances

with important people, such as senators and presidents, gave him political support that A. E. Morgan could not understand, much less imitate. The man and the historical opportunity came together.

Without the political leadership that he provided, TVA might never have gotten off the ground. Popular demand for cheap electricity would have been limited. Community leaders and businessmen would not have fallen in line behind TVA as they did. Congress might have been less disposed to finance the construction of TVA dams in the second Roosevelt administration without demonstrations of popular support. Lilienthal's skills at mobilizing opinion, joined to the invention of programs that people could see and experience, enabled TVA to take advantage of legal victories in the power fight.

The Creation of an Organizational Myth

In 1944 Lilienthal published *TVA, Democracy on the March*, in which he presented the TVA idea as an innovative principle of public administration.⁷² The book expressed two complementary ideas. The first was that a government corporation for regional development would be most effective if it operated at the regional level in close contact with the people and resources with which it worked. Efficiency was enhanced by the union of diverse functions in one organization, and the fragmentation of programs across federal agencies was thus avoided. The second idea was that of grass-roots democracy. Lilienthal contended that TVA functions were based upon the principles of grass-roots participation in program implementation. He cited the agricultural demonstration programs for farmers, the decentralized ownership of municipal and rural cooperative power distribution systems, and TVA agreements with other federal agencies and state and local governments for collaboration on a host of problems, such as malaria eradication, forest improvement, and the development of public libraries.

The 1944 book is important as the chief expression of the organizational myth of TVA. A myth is not a fiction but a set of missions and aspirations that guide a bureaucracy and give it legitimacy. Political support for bureaucratic programs cannot rest on achievement alone; too few agencies would meet the test. There must be some accomplishments for there to be support at all, and the myth expresses the hope that the achievements will grow. Organizations are in particular need of myths at their creation and in times of change and adaptation. Myths bind the members of the organization together, give them direction, and foster external support.⁷³ The TVA of the 1930s and 1940s had one of the strongest and most distinctive myths of any American public agency. Lilienthal had more to do with its development and articulation than

anyone else. The myth became a political resource for TVA and expressed the beliefs about bureaucracy that were to guide Lilienthal for the rest of his career.

The Fight with Ickes

In 1939 Lilienthal spent much time in Washington trying to persuade Congress to authorize the TVA purchase of the Tennessee properties of C&S. Hostility to the authority in Congress meant that considerable lobbying on his part was required. He was engaged in the annual request for appropriations at the same time. His summer journal entries reflect restlessness and impatience. He asked himself whether he should resign because he was in a rut; perhaps he had exhausted his usefulness to TVA? He had hoped that he would not have to continue the endless negotiations involved in the transfer of utility properties. He worried about the vitality of TVA as an organization. H. A. Morgan was passive, and "there is a slowing down of new ideas for the very reason that we are catching our breath. . . . It is important that I somehow find time to do the thing I am best at—to stimulate and prod and drive ahead. And that takes time—time to talk things over, time to visit the job and people in the Valley" (116).

Lilienthal found the opportunity he was seeking, but in the form of a fight. Combat was again to stimulate creativity. The Reorganization Act of 1939 authorized the president to issue executive orders placing independent agencies under the authority of departments. A legal opinion prepared for Lilienthal by TVA's chief counsel in September 1939 suggested that TVA could be reorganized out of existence if the president chose.⁷⁴

A clue to the eventual TVA response can be seen in a memorandum written by Earl S. Draper, director of TVA regional planning, in August 1939, in anticipation of the visit to the authority by a number of congressional leaders. The task of persuasion, he told John Blandford, TVA's general manager, was not to present evidence of good work but to go further and

convince them that other agencies to whom such work has previously been entrusted in the national programs could not be as effective as we are. I refer, of course, to the practical results of the regional approach in coordination of programs. If we can convince them that a better job of dam building can be accomplished by a regional agency than could be done by the same engineers employed by a national agency, then I would say we have presented an unanswerable argument for continuation of the regional approach to continuing problems. . . .

If we are successful in putting this viewpoint over, it would have to be by (1) convincing the parties that our relations with other federal, state and local agencies are most effective through our regional approach and (2) that through a regional understanding of all the factors involved we are able to consider aspects of every program that would ordinarily be overlooked in the normal approach to these problems.⁷⁵

H. A. Morgan expressed these ideas in a letter to FDR in September 1939. Morgan wrote in response to a message from the Bureau of the Budget that Secretary of the Interior Harold Ickes was trying to persuade Roosevelt to place TVA and future regional bodies under the authority of the Interior Department. Morgan's letter stated flatly that "if the Authority is to be required to report to the head of one agency having comparable interests, it may with equal justice be directed to review its decisions with several. Then the Tennessee Valley Authority as an independent corporate agency will be destroyed. The experiment will be ended."

Morgan listed TVA's accomplishments under its existing form of administration: the building of dams with its own labor force, the purchase of land and relocation of populations, the promotion of land conservation and crop experimentation, pioneering in the construction of farm machinery, navigation and flood control, the generation of electric power. Such achievements, Morgan wrote, were testimony to the soundness of "a unified, decentralized approach."⁷⁶

Morgan concluded that there was no middle ground. Either TVA must continue as a decentralized regional agency, with the special privileges inherent in its form, or it would vanish. If the authority were placed under one federal agency, it would no longer be possible to make decisions at the grass roots. TVA would be one federal agency among several in the Valley, and its coordinating role would disappear.

By this time Lilienthal had joined the fight. He enlisted the support of Senator Norris, who wrote FDR of his opposition to Ickes's plan. The TVA board members met with Harold Smith, director of the Bureau of the Budget, and won his support. Lilienthal met with Ickes to express his views.⁷⁷ Roosevelt, who had been listening to Ickes, backed off.⁷⁸ Ickes's reach for control had been prompted by his belief that the creation of additional regional authorities in the Pacific Northwest, the Missouri Valley, and other regions would require coordination of national policy from Washington. He continued to press this claim, joining it to attacks on TVA.⁷⁹

The dispute's chief effect on Lilienthal was to revive his interest in leading TVA. He had found a role for himself as the articulator of the

gospel of TVA working at the "grass roots." On 12 November 1939 he recorded his feelings in his journal:

I am all excited these days, excited about TVA and the way it is working out, and by the fascinating place I have in it, the function of keeping it on its toes, eager and on the qui vive.

This is quite in contrast with my feeling of a few months ago. The change has been due to the wholly unexpected effort to put us into the Department of Interior. . . . That aroused my fighting impulses, and made it necessary for me to do some intensive thinking about a particular issue. . . .

All of this has been exhilarating. It has been great to touch off other people, to argue and match ideas, especially if it involved a field of thinking which is relatively fresh, not only to me but to anyone. (142)

He described in his journal the warm reception accorded to a speech given on 10 November to the Southern Political Science Association in Knoxville on the topic "The TVA: An Experiment in the 'Grass Roots' Administration of Federal Functions." The speech was the product of the thinking that he had been doing in the efforts to defeat Ickes and justify TVA autonomy. He added that the talk had stimulated internal morale and that he hoped that it would stir up controversy in Washington.⁸⁰

Lilienthal regarded the conflict with Ickes as having stimulated him to think through the idea of grass-roots democracy. It was part of Lilienthal's uniqueness that he sought to derive ideas from conflict. He could realize his youthful ambition to be a man of action and a writer. He saw the speech to the Southern Political Science Association as an act of creativity. It was the basis for his 1944 book. But what did Lilienthal add to the stock of ideas in TVA about a decentralized, autonomous regional corporation? Had not Draper and H. A. Morgan expressed a commonly held TVA ideology? The answer is surely yes. Government corporations can lay claim to the appeal of professional, nonpolitical, decentralized, and comprehensive decision making.⁸¹ But Lilienthal added the ideal of grass-roots democracy. The grass-roots gospel was drawn from concrete TVA operational experience, as Lilienthal understood it, mediated by the tutelage of Harcourt Morgan. The older man never tried to articulate the grass-roots idea. Lilienthal drew on Morgan's belief in self-help in agricultural development and joined it to the TVA experience with decentralized agriculture, power, forestry, and community development programs to express the ideal of grass-roots democracy as a principle of administration. A journal entry in 1935 makes clear that he was thinking in these terms in the early years:

I am constantly impressed with the difficulties of administration as we go along in this job. The difficulties seem to be inherent in any large-scale undertaking and are probably accentuated in any enterprise that has elements of novelty and elements of pioneering. This problem of whether we can organize community activities or even industrial activities so as to make them work is a central problem of the TVA job. In fact, it may be that when we are further along we will conclude that the chief problem we are attacking is whether the people can so organize themselves as to perform some of the functions which we are trying to perform. (49-50)

Lilienthal told a friend that the agricultural test demonstration program "brought H.A. and me together in a relationship which is the best thing I have gotten out of this job" (81). He believed that H. A. Morgan's preaching of the relation between human and natural resources was the key to TVA effectiveness. The central idea, as discerned by Lilienthal, was that TVA would make natural resources available for use by providing water, electricity, and fertilizer, but only the people of the Valley could develop those uses; TVA could not do it for them. Many years later he recalled visiting the small town of Decatur, Alabama, located on the Tennessee River near Muscle Shoals and Wilson Dam. Decatur was suffering terribly from the Depression. A group of businessmen asked Lilienthal what TVA would do for Decatur. He answered that TVA would do nothing for them; they must do it for themselves. And, indeed, the businessmen of Decatur did develop new enterprises based on their location on the river, in concert with TVA navigation programs.⁸²

Lilienthal was a realist about grass-roots democracy. He knew that there were few such traditions in the American South. In February 1939 he wrote a friend about the need for TVA to show tangible results early in its fight for existence so that local leaders would support it no matter what happened in Washington: "The support of as many middle-class small business and professional men as possible was essential, for organized labor in the South was at that time almost a negligible factor, and of course farm organization, while it has made great headway in the past five years, was almost nil" (80). One close associate of Lilienthal's remembered that by "grass roots" H. A. Morgan meant "the power structure, not ten farmers."⁸³ Morgan's reliance on successful farmers for the test demonstration program was akin to Lilienthal's belief that the boards of municipal electric companies should consist of prominent local businessmen.

Lilienthal's rhetoric about the grass roots, in the 1939 speech and even more so in his 1944 book, as well as in countless public speeches

across the nation, described and idealized TVA grass-roots practices as the embodiment of altogether new precepts of democratic public administration. Lilienthal presented this case in the Knoxville speech to the Southern Political Science Association. He drew the distinction between centralized government, with the authority to make policy, and decentralized administration. A strong central government was necessary because of the need for policy decisions about national problems, but if the problems of a region were to be addressed systematically, government administration in that region must be integrated. The TVA as a multipurpose authority for regional development illustrated the thesis. The grass-roots principle provided the method of operation within this decentralized framework.

Lilienthal presented TVA's use of the agricultural extension service county agents to stage test demonstrations for the use of fertilizer and new techniques of cultivation and soil conservation as the prime grass-roots model. The test demonstration farms were chosen by the farmers themselves in meetings, and the eventual dissemination of results to the farmers in a region came from their observation. Lilienthal emphasized that TVA lacked the power to compel farmers to adopt new strategies. He also described TVA's work with state engineering schools to develop an experimental plan to quick-freeze strawberries as an illustration of the TVA role in introducing new crops to the Valley; again, the final decisions rested with farmers. Another example of the grass-roots principle was the decentralized system of power distribution, in which TVA sold electric power to rural and municipal distributors. TVA controlled the generation and transmission of power and insisted on uniformity of contracts in regard to rates, but ownership and management were local, as were possibilities for high efficiency and service. Finally, he described agreements between TVA and federal and state agencies for cooperation in fish and game development around TVA lakes and cooperation with the Public Health Service and local health agencies for malaria control in areas behind dams.⁸⁴

These ideas form the framework of the TVA myth. They state organizational missions and modes of operating that are part reality and part aspirations to be achieved. Lilienthal's rhetoric did not draw sharp distinctions between ideal and reality, but that is the nature of myth.

Uses of the Myth

Lilienthal used the grass-roots speech in the fight against Ickes. He sent a copy to Harold Smith, director of the Bureau of the Budget, who, according to Marguerite Owen, head of TVA's Washington office, was so impressed that he made it required reading for his staff.⁸⁵ The grass-

roots ideal became the standard TVA defensive argument against the encroachments of federal agencies on TVA missions.

Another use of the myth was as propaganda. TVA had a strong public relations program from the beginning, A. E. Morgan and Lilienthal made frequent talks around the country and regularly wrote articles for magazines. The annual reports were often written by professional journalists. Movies were made about taming the river and reclaiming the land. TVA photographers built an impressive archive of pictures about the grass roots that were featured in magazines and culminated in a TVA show at the Museum of Modern Art in 1941. There were TVA exhibits at world fairs and for high schools throughout the nation. Thousands of foreign visitors to Knoxville were given well-staged tours.⁸⁶ Visiting writers received special treatment. For example, Lilienthal cultivated Scripps-Howard writer Raymond Clapper, inviting him to tour TVA facilities on a visit to the Valley. A series of Clapper columns followed that were favorable to TVA and the grass-roots ideal.⁸⁷

Such activities were perhaps inherent in a new enterprise of experimental character. But Lilienthal gave special attention to the grass-roots theme in his public rhetoric. In a 1938 letter to Dr. Alvin Johnson, of the New School for Social Research, he responded to an invitation to speak at the New School about the grass-roots idea more than a year before his speech to the political scientists: "There is a very important chapter in the work of the TVA, particularly as a demonstration in democratic method, that has never been told in any unified way, and that I am very keen to do, with the collaboration of some of our technical people."⁸⁸

After the Knoxville grass-roots speech, he began a national campaign to spread the TVA idea across the nation. He recorded in his journal in late December that "I have become excited over the prospect of thinking through the meaning of TVA . . . and of trying to set it out so clearly and simply that everyone in the country can understand it, what the results we now have to point to mean to the average man and woman" (149). This campaign, which continued until he left TVA in 1946, was carried on through speeches before all kinds of audiences, from universities to Rotary Clubs. He engaged in extensive correspondence with scholars and professional people. His journal notes the enthusiasm of John Gaus, of the University of Wisconsin, and other "students of regionalism" for the grass-roots speech (146). After a speech at Columbia University in 1940 he talked with the historian Charles Beard about the grass-roots idea for three hours.⁸⁹

Lilienthal explicitly sought to influence public thinking about the organization of new regional authorities. For example, in 1941 he asked

the National Planning Association to revise a study of TVA that avoided the issue of how such authorities should be organized. TVA should be the model, he argued.⁹⁰

The two parts of the myth were firmly united in Lilienthal's mind. The autonomy of a decentralized corporation also implied grass-roots participation. There is no necessary logical connection between the two ideas. To what degree was Lilienthal expressing aspirations about popular participation rather than reality?

The Myth Examined

Philip Selznick's *TVA and the Grass Roots* challenged the accuracy of Lilienthal's descriptions of popular participation in TVA programs.⁹¹ Selznick's primary focus was on the program of test demonstration farms which TVA delegated to the land grant college-agricultural extension service system. In Selznick's view, this was an organized constituency that, by virtue of its delegated authority, strengthened TVA and influenced its programmatic direction. The authority was strengthened because through delegation it acquired the support, in the Valley and in Washington, of an administratively and politically strong constituency. But TVA thereby handed significant control over the development of the agricultural program to the agricultural "establishment." Large, productive farmers were helped more than small, marginal farmers. The black agricultural colleges and black farmers were helped very little. TVA and the land grant colleges waged a struggle to keep the Soil Conservation Service and its programs out of the Valley because it was seen as a competitive force.⁹² Lilienthal had described the selection of the test demonstration farms as being made by the farmers themselves through democratic processes overseen by the county agent.⁹³ Selznick thought this description overdid the democracy part and underplayed the degree to which county agents selected the test farmers and managed the process.⁹⁴

A subordinate analysis in Selznick's study describes TVA domination of municipal and rural distributors of electricity. Lilienthal had characterized the relationship as democratic in the sense that the distributors were governed by locally appointed boards and were responsive to the rate payers for efficient service. TVA supplied the power within a necessarily uniform rate structure. Selznick saw domination rather than democracy. There was no element of cooptation of TVA by private groups, as in agriculture. TVA set the rates through contracts, resisted state regulation of rates or the creation of state regulatory bodies, and insisted that the distributor boards consist of nonpolitical appointees. TVA strongly opposed the presence of elected politicians on these boards because of its own nonpolitical character. This had the effect of denying

the distributor boards political roots and constituencies, at least in their first generation.⁹⁵

Victor Hobday's careful analysis of the relation of the boards to TVA in the postwar years supports Selznick's analysis. The distributors were individually weak in relation to TVA as an organization. They were cut off from local governments. Citizen participation was nonexistent. The real feat of public administration was TVA's achievement in welding together 160 diverse distributorships as a unified system through standardized power service contracts. In Hobday's view, the rhetoric about partnership was overblown. He concluded that the TVA power program was not run by the TVA board but by the authority's engineers, backed by TVA lawyers. The goals of cheap rates and increasing production of power were thus firmly institutionalized.⁹⁶

Hobday reported that TVA engineers originally wanted to create an organization to carry electricity, but the board refused because Lilienthal believed that the public lack of confidence in the utility industry was due to its bigness and remoteness of control. Hobday concluded that despite its limitations, the partnership idea was sound because of TVA's need for local support for its programs, as seen in the popular support Lilienthal mobilized in the Valley during the power fight. TVA might not have survived politically if it had assumed the distribution function and had not managed the creation of local institutions.⁹⁷

Selznick and Hobday saw institutional reality as more complex than Lilienthal depicted. Whatever Lilienthal's private view, he romanticized the facts of participation and local control in his public words. But an analytic and critical focus on participation and cooptation also missed a reality that Lilienthal perhaps understood from his experience. There had been a genuine popular mobilization of opinion in the Tennessee Valley in which Lilienthal's preaching had been matched by the creation of new programs in agriculture, power, and natural resource and community development. The Decatur, Alabama, story was the real one for him. He had told the city leaders that TVA would give them opportunities but that they would have to make the most of them. Formal notions of cooptation, in either form, were academic when set next to the reality of increased mobilization of grass-roots activity in the region in response to TVA programs.

Lilienthal also recognized that TVA could not be effective if it lacked popular support. His rhetoric helped create that support. For example, when TVA wanted to build the Douglas Dam in 1941, against the opposition of Tennessee senator McKellar, delegations of farmers and townspeople favoring the dam visited Washington to plead for it.⁹⁸ Of course, this was an instance of TVA's manipulating public opinion against politicians on its own behalf. It was difficult to tell popular mobilization

of opinion from organizational propaganda in practice, a distinction about which Lilienthal was not concerned.

Lilienthal's strenuous and enthusiastic appeals to the people of the Valley during the power fight appear to have persuaded him that the grass roots was a reality. He was, in fact, mobilizing the public behind TVA in ways that he could see. At the same time, new municipal power companies and rural electric cooperatives were being created, and he could also see the public excitement about cheap electricity and what it could do for them. The core of the grass-roots ideology may have been forming in his mind for a long time, long before he articulated it as an ideology. In 1947 he wrote: "It is a basic notion of mine that it is only when one deliberately puts himself out on a limb that he gets anything done. Thus, in TVA I took a public position on decentralization . . . before I knew at all fully what this meant or how we would come through. By being on the spot, by my own voluntary and deliberate action, I had to come through—and pretty well did, both in act and in further statements of the philosophy."⁹⁹

The Institutionalization of Myth

Rhetorical leaders, who create the myths by which organizations live, are succeeded by maintaining leaders, who institutionalize those myths.¹⁰⁰ Lilienthal himself contributed to the creation of TVA's organizational culture by his continuous preaching to TVA employees and to the public at large about the virtues of the TVA organizational ideal as embodied in a regional authority. He was succeeded in the leadership of TVA by expert public administrators who maintained the twin myths of technological autonomy and grass-roots participation as guides to action and for defense against efforts at external control. After World War II, TVA used its technological autonomy to become the power company for the Valley, with first steam and then nuclear power installation. The original grass-roots missions of agricultural development and technical assistance to states and communities for natural resource and economic development, once achieved, were succeeded by new recreation and economic development projects in efforts to fulfill the grass-roots ideal. Somewhere along the way, however, the myth became confused with reality within TVA, and the canons of the myth were invoked to defend TVA against criticism of the people whom it was supposed to serve.¹⁰¹

In the 1970s and 1980s, TVA lost the support of publics in the Valley. The authority foundered in response to the challenges of environmentalists and rate payers. The organizational autonomy of the first half of the myth seemed to be at odds with the grass-roots ideal as citizens complained about the high cost of electricity, juggling of cost-benefit estimates to justify water projects, and the pollution of the en-

vironment by TVA smokestacks. S. David Freeman, the board chairman from 1977 to 1981, deliberately sought to develop new grass-roots missions and participation as an antidote, thereby confirming Lilienthal's belief that TVA's effectiveness depended upon popular support.¹⁰² Both the creativity of articulating the TVA myth and the necessary institutionalization of myth and later organizational rigidity were Lilienthal's legacies to TVA.

TVA's Influence on Lilienthal

Just as Lilienthal shaped the organization, so that experience shaped him. He carried two legacies for the rest of his career: mature skills of rhetorical leadership were forged in the power fight and in the popularization of the myth, and a belief in the necessity of democratic roots for bureaucracy guided his rhetorical style of leadership. For the rest of his life, he preached that the public had to understand, accept, and participate in bureaucratic programs if they were to work.

Lilienthal brought these skills and beliefs to the leadership of the newly created Atomic Energy Commission (AEC) in 1946. But his four years there were frustrating. The mission of the AEC was to oversee the military and peaceful applications of atomic energy through research and development. The military, which had administered the Manhattan Project for the development of the atomic bomb in World War II, was the AEC's chief consumer but was uneasy with the principle of civilian control. Lilienthal sought to apply the lessons learned at TVA but was disappointed. He thought it important that the American people understand the uses and dangers of atomic energy and continually emphasized that without public understanding, intelligent policy could not be developed. He therefore devoted much time and energy to giving talks about atomic energy around the country. But it was difficult to dramatize or hold out much hope for peacetime applications with such a meager base of research and development. And pressures for secrecy on behalf of military security caused much congressional criticism of his candor. He encouraged decentralization of the operations of the AEC and sought to delegate administrative discretion to the heads of regional laboratories. But again, concerns about secrecy and national security made it difficult to operate a decentralized bureaucracy. Perhaps most important, Lilienthal was increasingly uncomfortable with the AEC mission to manufacture atomic weapons. His TVA experience had caused him to conceive of technology in the service of humanity. As hopes for arms control agreements between the United States and the Soviet Union faded, Lilienthal found himself at odds with national policy. His last major action as a public official was to oppose the development of

the hydrogen bomb in 1950. By then he was tired and dispirited and wanted only to leave government service.¹⁰³

Five years in private business as an investment banker, from 1950 to 1955, did not give Lilienthal the personal satisfactions he had derived from public service. His journal entries for those years reveal a fascination with the workings of the world of business but frustration at the limiting nature of the work.¹⁰⁴ He wrote a book celebrating the virtues of "big business" in much the same way that he had praised TVA.¹⁰⁵ But he later recalled, "I was quite lost at Lazard Freres, one of the unhappiest, dullest periods of my life."¹⁰⁶

In 1955 Lilienthal invented a nonbureaucratic organization that would permit him to express his skills and beliefs. The Development and Resources Corporation was an overseas development firm directed by a small staff in New York, with major operations decentralized around the world, in Latin America, Africa, and Iran.¹⁰⁷ It was a perfect vehicle for Lilienthal's skills and beliefs. He was able to preach the virtues of economic development at the grass roots to client governments. It was not a public arena, but he used his rhetorical skills in his work and continued to speak to and write for American audiences until his death in 1981.

There is a final irony, however. The corporation was forced to liquidate its assets after the 1979 revolution in Iran. Most of its overseas work in the preceding years had been in Iran; Lilienthal had preached the grass-roots ideology to the Shah and other Iranian leaders. But the technology of dam building could be transmitted across cultures more easily than the ideologies of American democracy. His wife recalled the impact of the Iranian revolution on Lilienthal: "His [journal] entries in this period, 1978-79, do not adequately reflect the bitterness he felt; so depressed was he by the events in Iran that for weeks at a time he would say nothing to me on the subject."¹⁰⁸

David Lilienthal was a rhetorical administrative leader. The characteristics of such leadership are rhetoric, the use of organizational myths as the basis for action, and the development of mechanisms of popular control to temper bureaucracy. The strength of such leadership is in its rhetorical power and organizational inventiveness. The weakness is a danger of confusing rhetoric and myths with reality.

Notes

1. *The Journals of David E. Lilienthal*, 7 vols. (New York: Harper & Row, 1964-84).
2. *The Journals of David E. Lilienthal*, vol. 7, *Unfinished Business, 1968-1981* (New York: Harper & Row, 1984), 782.

3. *The Journals of David E. Lilienthal*, vol. 1, *The TVA Years, 1939-1945* (New York: Harper & Row, 1964), 7; page numbers for subsequent quotations from *The TVA Years* are cited parenthetically in the text.

4. John Brooks, "A Second Sort of Life," *Business Adventures* (New York: Weybright & Talley, 1969), 273. Tennessee Senator Kenneth McKellar often opposed Lilienthal and TVA in later years. Lilienthal's mention of "Minerals and Chemicals" refers to the firm that he put on sound financial footing for Lazard Freres, the investment banking firm for which he worked from 1950 to 1955. "D. and R." was the Development and Resources Corporation, which he founded in 1955 and headed until it was dissolved in 1979.

5. Henry Steele Commager, Introduction to Lilienthal, *The TVA Years*, xvi.

6. Lilienthal, *The TVA Years*, 13.

7. Joseph C. Swidler, interview with author, Washington, D.C., 4 July 1981. Swidler wrote the early power contracts with municipalities and was later TVA general counsel.

8. Lilienthal, *The TVA Years*, 14.

9. *Ibid.*, 14-15, 16-17.

10. *Ibid.*, 16-17.

11. Eli W. Clemens, "Public Utility Regulation in Wisconsin since the Reorganization of the Commission in 1931" (Ph.D. diss., University of Wisconsin, 1940), 11.

12. Lilienthal, *The TVA Years*, 16-17.

13. Paul K. Conkin, "Intellectual and Political Roots," in *TVA: Fifty Years of Grass Roots Bureaucracy*, ed. Erwin C. Hargrove and Paul K. Conkin (Urbana: University of Illinois Press, 1983), 22-23.

14. Lilienthal, *The TVA Years*, 102; Thomas K. McCraw, *TVA and the Power Fight, 1933-1939* (Philadelphia: J. B. Lippincott, 1971), 44.

15. Erwin C. Hargrove, "The Task of Leadership: The Board Chairmen," in Hargrove and Conkin, *TVA*, 90-95.

16. Ed Falck, interview with author, Washington, D.C., 21 July 1981. Falck was a young engineer who worked with Joseph Swidler to develop the first power contracts.

17. Hargrove, "The Task of Leadership," 90-95.

18. McCraw, *The Power Fight*, 54-55.

19. Hargrove, "The Task of Leadership," 90-95.

20. Vernon W. Ruttan, "The TVA and Regional Development," in Hargrove and Conkin, *TVA*, 153.

21. Hargrove, "The Task of Leadership," 95.

22. Lilienthal, interview with Charles Crawford, 6 February 1970, Princeton, N.J., TVA Oral History Project, Memphis State University, Memphis, Tenn.

23. Memo, Harcourt A. Morgan to Arthur E. Morgan and David E. Lilienthal, "Proposed Statement of Policy in the Planning Activities of the Tennessee Valley Authority," 3 October 1933, Administrative Files, TVA Technical Library, Knoxville, Tenn., vol. 49, file D54.

24. Hargrove, "The Task of Leadership," 95-98.

25. Harry Wiersma, interview with author, Knoxville, Tenn., 28 May 1981; and Neal Bass, interview with author, Nashville, Tenn., 20 May 1981. Wiersma was an assistant to A. E. Morgan in the early TVA years, and Bass was an assistant to H. A. Morgan and the first TVA chief conservation engineer.

26. Harcourt A. Morgan, Oral History Transcripts, spool 5, Harcourt A. Morgan Papers, University of Tennessee Library, Knoxville, Tenn.

27. Thomas K. McCraw, *Morgan vs. Lilienthal: The Feud within TVA* (Chicago: Loyola University Press, 1970), 63-64.
28. Ibid.
29. David E. Lilienthal and Harcourt A. Morgan, "Memorandum on Organization," 3 August 1933, Curtis-Morgan-Morgan Files, TVA Technical Library.
30. McCraw, *Morgan vs. Lilienthal*, 22.
31. McCraw, *The Power Fight*, 53.
32. Ibid., 54-58; Swidler interview, 4 July 1981.
33. McCraw, *The Power Fight*, 63-66.
34. Ibid., 67-70.
35. Wendell Willkie to President Roosevelt, 14 December 1934 (two letters); Marvin McIntyre to Lilienthal, 19 December 1934; memo, Lilienthal to McIntyre, 1 January 1935; McIntyre to Willkie, n.d., all in David E. Lilienthal Papers, TVA Technical Library.
36. Swidler interview, 4 July 1981; Falck interview, 21 July 1981.
37. McCraw, *The Power Fight*, 61; Lilienthal, interview with Ross Spears (for the film "The Electric Valley"), Princeton, N.J., May 1980.
38. Swidler interview, 4 July 1981.
39. Falck interview, 21 July 1981.
40. Swidler interview, 4 July 1981.
41. Lilienthal, interview with Spears, May 1980.
42. Lilienthal to Eleanor Roosevelt, 2 June 1934, Lilienthal Papers.
43. McCraw, *The Power Fight*, 74.
44. Memo, Lilienthal to President Roosevelt, "Facts about Tupelo," 16 November 1934; Roosevelt speech in Tupelo, Miss., 10 November 1934, both in Lilienthal Papers.
45. McCraw, *The Power Fight*, 122-23.
46. Lilienthal, *The TVA Years*, following 286.
47. Former TVA official, interview with author, Washington, D.C., 21 July 1981.
48. Lilienthal, interview with Crawford, 6 February 1970.
49. Swidler interview, 4 July 1981.
50. McCraw, *The Power Fight*, 124.
51. Lilienthal, interview with Spears, May 1980.
52. U.S. Attorney General Homer Cummings to President Roosevelt, 28 February 1935, Lilienthal Papers.
53. Ashwander v. TVA, 297 U.S. 288 (1936).
54. President Roosevelt to TVA board members, 25 August 1936, Lilienthal Papers; McCraw, *Morgan vs. Lilienthal*, 65-66.
55. McCraw, *Morgan vs. Lilienthal*, 68-71.
56. McCraw, *The Power Fight*, 95, 98-99.
57. Ibid., 101-83.
58. Richard Lowitt, "The TVA: 1933-45," in Hargrove and Conkin, *TVA*, 42.
59. Memo, Lilienthal to President Roosevelt, 12 January 1937, "Power Transmission Pool Negotiation"; and President Roosevelt to Lilienthal and other participants in the power transmission pool negotiations, 25 January 1937, both in Lilienthal Papers.
60. McCraw, *The Power Fight*, 133-38.
61. Lilienthal, *The TVA Years*, 119-20.
62. Brooks, "A Second Sort of Life," 268.
63. Lilienthal, interview with Spears, May 1980.
64. Bass interview, 20 May 1981; Mrs. Ruth Falck, interview with author, Washington, D.C., 22 July 1981. Mrs. Falck was A. E. Morgan's secretary.

65. Lilienthal, interview with Spears, May 1980.
66. McCraw, *The Power Fight*, 131-32.
67. Hargrove, "The Task of Leadership," 95-98.
68. McCraw, *The Power Fight*, 65, 74.
69. Robert A. Caro, *The Years of Lyndon Johnson: The Paths to Power* (New York: Knopf, 1982), chaps. 27, 28.
70. Lilienthal, interview with Spears, May 1980.
71. Ibid.
72. David E. Lilienthal, *TVA, Democracy on the March* (New York: Harper & Brothers, 1944).
73. Philip Selznick, *Leadership in Administration: A Sociological Interpretation* (New York: Harper & Row, 1957), 17-19, 138-40, 150-52.
74. Memo, William C. Fitts, Jr., to Lilienthal, 7 September 1939, Lilienthal Papers.
75. Memo, Earl S. Draper to John B. Blandford, Jr., August 1939, ibid.
76. Memo, Harcourt A. Morgan to President Roosevelt, 23 September 1939, ibid.
77. Lilienthal, *The TVA Years*, 123, 125, 136-38; Memo for record by Gordon Clapp, 3 November 1939, Administrative Files, TVA Technical Library.
78. McCraw, *The Power Fight*, 158.
79. Lilienthal, *The TVA Years*, 667.
80. Ibid., 142.
81. The Port of New York Authority has historically claimed to be a nonpolitical, decentralized government corporation (communication to the author from Jameson Doig).
82. Lilienthal, interview with Spears, May 1980.
83. Swidler interview, 4 July 1981.
84. David E. Lilienthal, "The TVA: An Experiment in the Grass-Roots Administration of Federal Functions" (Address delivered to the Southern Political Science Association, Knoxville, Tenn., 10 November 1939), Lilienthal Papers.
85. Lilienthal, *The TVA Years*, 146.
86. McCraw, *The Power Fight*, 146-48.
87. Lilienthal to Raymond Clapper, 19, 21 September, 4, 9 October 1940, Lilienthal Papers.
88. Lilienthal to Dr. Alvin Johnson, 29 October 1938, ibid.
89. Lilienthal, *The TVA Years*, 155.
90. Lilienthal to E. J. Coil, 13 July 1942; Coil to Lilienthal, 17, 27 July, and 1 August 1942; Alvin Hansen to Lilienthal, 3 July 1942; Lilienthal to Hansen, 15 July 1942, all in Lilienthal Papers.
91. Philip Selznick, *TVA and the Grass Roots: A Study in the Sociology of Formal Organization* (Berkeley: University of California Press, 1949; New York: Harper & Row, 1966), 47-59.
92. Ibid., 3, 4, and 5.
93. Lilienthal, *TVA, Democracy on the March*, 60-81.
94. Selznick, *TVA and the Grass Roots*, chap. 4.
95. Ibid., 238-42.
96. Victor C. Hobday, *Sparks at the Grass Roots: Municipal Distribution of TVA Electricity in Tennessee* (Knoxville: University of Tennessee Press, 1969), 38-50, 60, 71, 233, 240.
97. Ibid., 32-33, 236.
98. Lilienthal, *The TVA Years*, 392.

99. *The Journals of David E. Lilienthal*, vol. 2, *The Atomic Energy Years, 1945-1950* (New York: Harper & Row, 1964), 187.
100. James G. March and Herbert A. Simon, *Organizations* (New York: John Wiley & Son, 1958), 187.
101. *Ibid.*, 37-40; Hargrove, "The Task of Leadership," 101-18.
102. Hargrove, "The Task of Leadership," 113-17; William Bruce Wheeler and Michael J. McDonald, "The 'New Mission' and the Tellico Project, 1945-70," in Hargrove and Conkin, *TVA*, 167-93; Richard A. Couto, "New Seeds at the Grass Roots: The Politics of the TVA Power Program since World War II," *ibid.*, 230-60.
103. Lilienthal, *The Atomic Energy Years*; Richard G. Hewlett and Francis Duncan, *A History of the United States Atomic Energy Commission*, vol. 2, *Atomic Shield, 1947-1952* (University Park and London: Pennsylvania State University Press, 1969), chaps. 11 and 12.
104. *The Journals of David E. Lilienthal*, vol. 3, *Venturesome Years, 1950-1955* (New York: Harper & Row, 1966); Brooks, "A Second Sort of Life," 266-67.
105. David E. Lilienthal, *Big Business: A New Era* (New York: Harper & Row, 1953).
106. Lilienthal, *Unfinished Business*, 790.
107. Lilienthal, *Venturesome Years*.
108. Helen M. Lilienthal, "Editors' Note," in Lilienthal, *Unfinished Business*, xiii; see the excellent paper by Steven M. Neuse, of the University of Arkansas political science department, on the tension between Lilienthal's ideals and reality: "David E. Lilienthal and Public Purpose: A Critical Perspective" (1985).