4. Lights Across the Countryside: 

The Tennessee Valley Authority

When Franklin D. Roosevelt assumed the presidency, a huge part of the upper South was trapped in an almost medieval poverty. For decades the Tennessee River Valley’s desperately poor farmers had struggled to eke out a living from barren farmland. More than two-thirds could not read or write. Fewer than one in ten of their homes had electricity. The unnavigable Tennessee River routinely flooded its banks, destroying crops and damaging homes. Malaria affected 30 percent of Tennessee River Valley residents.

This underdeveloped forty-one-thousand-square-mile river basin would be the site of the federal government’s first major effort to bring electricity to rural America—the Tennessee Valley Authority (TVA), established in the first hundred days of FDR’s New Deal. By 1934 the TVA’s system of hydroelectric dams and wires was turning on lights in the Tennessee River area. The largest public power company in the United States even today, the TVA was a boon to Southern farms. It increased demand for electricity across the American countryside—and inspired FDR’s 1935 creation of the Rural Electrification Administration (REA) “to carry electricity to as many farms as possible in the shortest possible time and have it used in quantities sufficient to affect rural life.” The REA’s seed loans helped local governments and nonprofits assemble and operate a rural power grid to distribute electricity to even the most isolated farmsteads. By the 1950s, nearly all Americans had access to electricity.

It all started at a place called Muscle Shoals, a stretch of treacherous rapids along the Tennessee River in northeastern Alabama. During World War I, the Woodrow Wilson administration proposed building two nitrate plants, along with a dam to help power them, at Muscle Shoals. The project had got well under way when the war ended and the need for nitrate (an ingredient in many munitions) dropped off. The factories and half-finished dam went idle.
Over the following decade, George Norris, a progressive Republican senator from Nebraska, labored to persuade Congress to complete the works at Muscle Shoals and operate the dam as a hydroelectric plant that would give the Tennessee Valley region the affordable power it needed to climb out of poverty. Two Congresses passed Norris’s bill.

But other voices called for the works to be sold into private hands. Leery of “socialistic” government involvement in a power business that was mostly privately held, Calvin Coolidge and Herbert Hoover vetoed the Norris bill.

**The people’s power**

FDR, on the other hand, believed strongly that the power-generating capacity of American rivers belonged to the American people. When he became president in 1933, FDR not only embraced Norris’s plan, he expanded it into a multifaceted public-works program that would transform the Tennessee Valley.

In conceiving the TVA, FDR was inspired by his lifelong appreciation for the forces of nature and his bond with rural farmers, sensibilities stemming from his youth in Hyde Park, New York, and years recuperating from polio in Georgia. FDR was also powerfully motivated by his disdain for a private power industry dominated by sprawling investor-owned trusts. These holding companies, so complex that regulators could scarcely understand them, much less bring them to heel, controlled the bulk of the nation’s electricity supply. They served mainly urban areas where they could reap substantial profits, and they charged whatever they pleased. The TVA would be the antidote, FDR declared—“a corporation clothed with the power of Government but possessed of the flexibility and initiative of a private enterprise.”

When the powerful private utilities unsuccessfully sued to block the TVA and its cheap power, FDR pushed back. Insisting that “natural hydroelectric power resources belong to the people,” he began an effort to break up the private utility monopolies. This culminated in the Public Utility Holding Company Act of 1935, which restricted companies selling electricity to limited geographical regions.

By the time FDR shifted his attention to World War II, a network of TVA dams had contained flooding waters, decreased soil erosion, and provided power to 40 percent of the region. TVA teams had strung electric wire, manufactured fertilizer, made the river navigable for cargo ships, and provided a worldwide model for public power and long-term community planning.
Tennessee Valley Authority: Franklin D. Roosevelt’s Vision

On April 10, 1933, little more than a month after he took office, Franklin D. Roosevelt told Congress that his plans for the Tennessee Valley Authority (TVA) “transcended mere power development.” Indeed, FDR’s vision for the TVA was a pioneering example of comprehensive, “sustainable” planning; it sought to promote environmental conservation, economic development, and social well-being in a single program.

If executed with proper planning, FDR explained, the TVA could control floods, combat soil erosion and deforestation, protect fragile lands from overcultivation while relocating farmers to healthier farmland, and encourage industrial development.

It could also put people to work, addressing the dire economic and social climate that had long crippled the Tennessee River Valley. “Is it possible,” FDR asked shortly after signing the bill that created the TVA in May 1933, “for us to develop small industries, where people can produce what they use, and where they use what they produce, and, where without dislocating the industry of America, we can absorb a lot of this unemployment, and give a population a sound footing on which it can live . . . soundly, and in a self-supporting way until we can work our way into a new economy?”

The TVA strove mightily to fulfill this ambitious vision. Its seven dams provided electricity to central and eastern Tennessee, Mississippi, and Alabama, and eliminated the scourge of intense annual floods in seven states. Its employees strung transmission wires in areas that private power companies had refused to serve. Engineers, water experts, and thousands of workers dredged the Tennessee River and built a navigable waterway that allowed freight-laden ships to travel from Paducah, Kentucky, to Knoxville, Tennessee.

Meanwhile, TVA fertilizer plants provided the essential nutrients farmers needed to restore their soil—along with thousands of well-paying jobs for cash-strapped residents. TVA advisors taught farmers more effective ways to plant and harvest crops, while TVA employees built schools for valley children, offered literacy and numeracy classes for adults, eradicated malaria, and opened health clinics in communities lacking doctors. They established new playgrounds, ball fields, and picnicking areas. The TVA even offered an installment program, the Electric Home and Farm Plan, to help residents buy hot-water heaters, stoves, refrigerators, and radios.

By 1941 employment and incomes had increased substantially, illiteracy had decreased, public health had improved, and 40 percent of farmers had electricity. The Tennessee River Valley had finally entered the “Electric Age.”

Top: A lineman at work, probably near a Tennessee Valley Authority hydroelectric dam, June 1942. The push for electrification in the 1930s and 1940s increased demand for linemen. The job paid well but required physical stamina and could be dangerous. LOC

Above, left: A view of record flooding from the Mississippi River in 1937, taken from a train near Memphis, Tennessee. Floods were a perennial problem in low-lying regions of the South, damaging land, crops, and buildings. The Tennessee Valley Authority’s system of dams helped stem flooding in the area. LOC

Above, right: A Tennessee mountaineer beside his shanty, served with electricity by the Tennessee Valley Authority (TVA). Franklin D. Roosevelt saw the TVA as a comprehensive program to develop the region and raise the living standard of its rural people—through the judicious use of natural resources, electrification, and increased access to modern appliances, education and training, health clinics, jobs in small industries, and more. LOC
Long before Franklin D. Roosevelt became president, he joined with Nebraska senator George Norris to champion the public's right to produce and distribute hydroelectric power.

In the Senate, Norris watched with increasing concern Henry Ford's 1921 campaign to buy the government-owned nitrate plants and not-yet-completed Wilson Dam at Muscle Shoals and convert the complex into a "little Detroit." Norris helped launch an intense national debate on whether an important corporation could be owned by the public and, conversely, whether private businesses could own a substantial part of the nation's natural resources. The senator insisted that the public owned the nation's rivers and that the best use of the Muscle Shoals facilities would be to produce affordable hydroelectric power for a region that had been in decline since the end of the Civil War. Six times he asked Congress to support his vision. His frustration intensified when Calvin Coolidge and Herbert Hoover vetoed the two bills he managed to get Congress to pass.

As governor of New York, FDR faced similar battles, arduously pushing public electricity generation through a legislature that had resisted it during the tenure of his predecessor, Al Smith. For decades, in fact, public advocates and private interests—the "waterpower barons," as Theodore Roosevelt dubbed them in 1914—had been locked in a ferocious battle over the energy inherent in the mighty Saint Lawrence River. In his inaugural address in 1929, FDR called it "the duty of our legislative bodies" to "see that this power, which belongs to all the people, is transformed into useable electrical energy and distributed to them at the lowest possible cost." Governor Roosevelt deemed it "a milestone" achieved "against great odds" when, in 1930, he got a bill passed creating a commission to study publicly generated power on the Saint Lawrence. In 1931 he signed a bill establishing the New York Power Authority to build publicly owned hydroelectric plants—a plan long delayed in practice, but which he considered a great accomplishment of his governorship.

Like Norris, FDR was committed to building power plants that could be put to multiple uses rather than only providing cheaper electricity. "We have been going at these projects piecemeal ever since the days of [Theodore Roosevelt]," FDR declared. "I believe it is time to tie up all these various developments into one great comprehensive plan."
Franklin D. Roosevelt versus the Utilities
Trust: The Public Utility Holding Company Act

By 1930 a few men controlled a great share of the energy supply so vital to economic development and everyday life in America. They bought and sold utility companies as easily as young children bought and swapped real estate deeds in a Monopoly game. They could charge as steep a price as they wanted for electricity and gas. One businessman—investor alone—Samuel Insull—controlled the price and distribution of energy in thirty-two states.

The utility magnates despised the Tennessee Valley Authority (TVA) as an obvious threat to their private power companies. Franklin D. Roosevelt, in turn, was no fan of the waterpower barons. In his 1935 State of the Union address, he frankly called for “the abolition of the evil features of holding companies.” As the trusts stepped up their suits against the TVA, FDR instructed his advisors to draft legislation to break up the monopolies and foster competition.

It was an intense battle. Wendell Willkie, the charismatic Republican maverick who would oppose FDR in the 1940 election, represented the utility trusts. Willkie argued that in trying to break the trusts, FDR wanted to rob them of their property. Utility lobbyists flooded Congress with fourteen thousand letters ostensibly from “stock-holding” widows and orphans (but in fact written without their consent) proclaiming FDR’s policy would deprive them of income they needed to survive. Indeed, as Senate historian Donald Ritchie had noted, Congress was beset by such a stampede of lobbyists that it was moved to pass its first law regulating lobbying. (It required all lobbyists to register, state their goals, and report their expenses.)

Congress withstood this onslaught, passing the Public Utility Holding Company Act in 1935. It required any electricity, oil, or gas company operating across state lines to register with the Securities and Exchange Commission; limited the amount of territory a utility company could serve; and insisted utility companies make financial records public and adhere to state and federal regulations. The law thus broke the trusts’ far-reaching monopolies, preventing absentee managers from controlling operations. The trusts challenged the act, but the Supreme Court upheld it in the 1938 case Electric Bond and Share Co. v. Securities and Exchange Commission.
The Tennessee Valley Authority and African Americans

African Americans did not benefit from the Tennessee Valley Authority (TVA) as much as their white neighbors did. “In the TVA, the South is in the saddle,” as the noted civil rights attorney Charles Houston wrote in a letter to National Association for the Advancement of Colored People Executive Secretary Walter White. Local TVA managers followed local custom, and that custom discriminated against black people.

Norris, Tennessee, the model town TVA constructed for its industrial workers, excluded African Americans. Local postal clerks charged with distributing TVA employment applications did not offer them to African Americans even upon request. When challenged, the clerks handed over the forms but claimed applicants had to commit to four years of service as one would when joining the military.

Some federal officials tried to challenge Jim Crow policies. In 1934 Arthur Morgan, TVA’s director, promised a Knoxville audience that the TVA would “employ black people in about the same proportion that they bear to the population.” But local managers rejected his proposal. TVA agricultural advisors rarely worked with African American small farmers or tenant farmers.

Notwithstanding these stubborn barriers, black farmers and town dwellers did benefit from the TVA’s cheap electricity. They sought care in TVA–established public health clinics. And the TVA–established Electric Home and Farm Authority gave loans to families to buy appliances like refrigerators that saved labor and improved sanitation.
The Tennessee Valley Authority (TVA) achieved nothing less than to bring this vast swath of the upper South into the modern age.

In 1933, 90 percent of the area lacked electricity. Farmers preserved food in cellars and iceboxes. They heated water on wood-burning stoves and lit their homes at night with smoky kerosene lanterns. But by 1945, three-quarters of the area had electrical service, and by the early 1950s, electrification was nearly universal. At the same time, the TVA’s affordable power forced private providers to quickly drop their rates as well, making “the old fear of the electric meter . . . disappear,” as Harper’s magazine gleefully reported.

With the help of TVA loan programs, rural people were able to equip their homes with hot-water heaters and refrigerators. Better sanitation brought improvements in public health, including declines in infant mortality and hookworm infections. The TVA dams, meanwhile, not only stopped floods and controlled soil erosion, but also helped to eliminate the mosquito-borne scourge of malaria with its fevers and convulsions.

The dams and other improvements also controlled the flow of the Tennessee River itself, making it navigable for the first time. Freight traffic on the river increased from twenty-two million tons in 1933 to almost one hundred million tons in 1941. The TVA relocated 13,449 farm families (65 percent of them tenant farmers) from hardscrabble lands where they could scarcely hope to make a living to more fertile territory. Its job training, education, and community-development programs, as well as the wages it paid to workers and the union it promoted, all played key roles in revitalizing a regional economy that had experienced nothing but decline since the Civil War.

Yet the TVA did more than transform the Tennessee River Valley. It inspired other landmark New Deal initiatives, such as the Rural Electrification Administration which provided seed loans to establish the nonprofit rural electric cooperatives that built local distribution systems and, even today, deliver dependable electricity to much of rural America. The TVA also served as a model for electrification projects in Colombia, Mexico, and India.
Franklin D. Roosevelt on Public Power

In 1932, as Franklin D. Roosevelt’s campaign for the presidency entered its final months, he traveled to Portland, Oregon, to give a major speech on his commitment to public power and public ownership of rivers and other waterways. The principles he laid out on September 21, 1932, raised a sharp challenge to the utility trusts that dominated electrical supply in the United States, and set the stage for the Tennessee Valley Authority (TVA).

When a community was not satisfied with a private utility’s service or rates, FDR asserted, it had “the undeniable basic right” to establish “its own governmentally owned and operated service.” Private enterprise, he added, ought to have the opportunity to transmit and distribute the publicly generated power; but again, where “reasonable and good service is refused by private capital,” public entities should step in.

“As an important part of this policy,” FDR said, “the natural hydro-electric power resources belonging to the people of the United States, or the several States, shall remain forever in their possession.”

Above: Construction work at the Tennessee Valley Authority (TVA) facility Douglas Dam, June 1942. “The natural hydro-electric power resources belonging to the people of the United States, or the several States, shall remain forever in their possession,” Franklin D. Roosevelt said in 1932. In the twenty-first century, the TVA remains the largest public power company in the United States. LOC

Right: The Tennessee Valley Authority dams were not the only dam facilities constructed during the 1930s to generate both jobs and public power. Boulder Dam, above, was dedicated by Franklin D. Roosevelt in 1935 but renamed Hoover Dam in 1947 after Herbert Hoover, who had had a hand in its planning and as president had authorized the facility’s construction in December 1928. LOC