

March 29, 1935

and while Mr. Snyder was here, it became necessary to secure certain option contracts on the Pickwick Dam site. This matter was referred to Mr. Newman for handling and since that time, all matters relating to Pickwick have been sent direct to Mr. Newman, and without giving me any information as to what was taking place. In so far as Mr. Snyder could control the situation, I was kept ignorant of all matters relating to Pickwick. It is well to take this into consideration in considering the recent action of Mr. Snyder in connection with the selection of the Pickwick organization, and also in connection with some of the correspondence enclosed.

A short time after Mr. Newman came into the organization, steps were taken to create a place for Mr. Rieger, of Missouri, who had been associated with Mr. Newman in their work with the utilities. Since the time of Mr. Rieger's employment, it has been the talk among the office employees that Mr. Newman was to be the executive head of the Pickwick work, and that Mr. Rieger was to succeed him in his present position. The recent order of Mr. Snyder confirms this talk, and also confirms the conviction that the proposed set-up of Mr. Snyder for Pickwick is not of recent origin, but has been contemplated from the beginning. This state of affairs is contrary to the impression created by Mr. Snyder in the second paragraph of his letter to me dated March 20, 1935, a copy of which is enclosed.

In my opinion, neither Mr. Newman nor Mr. Rieger are men of exceptional ability and, in my judgment, are not particularly well suited for the work of acquiring land for the T V A.

I have been informed that Mr. Newman and other members of Mr. Snyder's staff, who have been referred to as having had former power company connections, are all on intimate social terms. It is possible that this congeniality of taste has had some influence in their favorable standing with Mr. Snyder. On the few occasions Mr. Snyder has visited this division, his time has been largely taken up with social and recreational activities with Mr. Newman, and some of the other members of the staff referred to.

In the conduct of the buying of the property, I think Mr. Newman's methods have been rather inefficient and wasteful. We have a number of cases in which one person is the owner of several tracts of land to be purchased. Instead of giving all of these tracts to one man, frequently Mr. Newman gives them to two or three buyers. In other cases, where a number of persons live in the same immediate neighborhood, he has given contracts to different buyers. This necessitates in a number of cases several expensive trips and takes the time of two or three men, when one man might do the work more efficiently. In one case I was informed the land owner owned three tracts. There were three contracts. Each contract was given to a different buyer. When the last buyer approached here she told him that there would be a fourth tract, and to be sure that that was placed in the hands of a fourth buyer. She remarked that they would all get together and have a party and see if they could reach an agreement. In another case, there were two owners to be seen, who live in Florence, and who are well known to Mr. Leonard, one of the land buyers. Florence is fifty miles from this point. Mr. Leonard was given one of the contracts and the other given to another buyer who did not know the land owner. This, of course, necessitated the taking of two long trips and the time of two men, when one trip by one man could better have obtained the same result. When this case was brought

March 29, 1935.

to my attention, I spoke to Mr. Newman and suggested that in future a different policy be followed. Apparently the only effect was to offend Mr. Newman and cause him to be resentful toward the buyer who brought it to my attention. Shortly after this, Mr. Snyder was here. Complaint of my action was evidently made to him. In a talk to the heads of departments of this division he reprimanded me, without calling my name, for having discussed the business of Mr. Newman's office with one of his buyers. He stated that he would not think of doing such a thing and would resent his superior officers taking up with men under his supervision business of the Authority. Of course, he was insincere in this statement, for that day he had long, private conferences with men who were supposedly under my supervision. On this visit, about the time he was ready to depart for Knoxville, he came to me and told me that Mr. Newman and himself at a conference had agreed that it would be advisable to let Mr. Leonard go. He said that Mr. Newman would make such recommendation to me and for me to pass it on to him. I remonstrated with him and urged that Mr. Leonard be retained and be given fair consideration. I told Mr. Newman the same thing. He stated that Mr. Snyder had instructed him to let Mr. Leonard go. I then told him that he could make his recommendation and I would take such action as I thought proper. The weekly report was compiled a day or two after this and it disclosed that Mr. Leonard had secured for that week more contracts, more tracts and more acreage, and of greater value than those secured by any other man on the staff. Mr. Newman then told me he would write a letter to Mr. Snyder, suggesting that the release of Mr. Leonard be deferred. He afterwards showed me a copy of such a letter addressed to Mr. Snyder. Since that time, Mr. Leonard has on many occasions complained to me of the unfair treatment given him and of the partiality to Mr. Rieger. On one occasion I told Mr. Newman of this.

You will see from the foregoing that since July, 1934, I have had no voice in the selection or direction of the staff of the department which I was supposed to see functioned properly. I have really had less voice in the selection of the personnel of the department than that exercised by my clerks. If I stated the facts, you will see that Mr. Snyder is insincere in writing the memorandum in July, 1934; and was insincere and hypocritical in his letter to me of March 25, 1935. His request for my views in regard to the appointment of Mr. Rieger, taken in connection with the matters that I have stated, is adding insult to injury. This is made more evident when it is known that Mr. Rieger's appointment and confirmation had been agreed to for about two weeks prior to the date of this letter. I have been informed that such was the case.

In spite of the difficulties enumerated, I think I have been able to render service which was of considerable value to the Authority. I have given advice and aid to the staff, have received and given a hearing to all land owners and other parties who have had business with the Authority in this section, and have done what I could to promote good feeling. At no time has there been any friction of any unpleasantness of any kind between me and those having dealings with the Authority. I have rendered such assistance as I could to other departments of the T V A in this vicinity. I have treated all of the members of this organization with politeness and consideration and have never had an unpleasant word with any of them.

Dr. A. E. Morgan—6

March 29, 1935

Shortly after the reorganization of this department, Mr. Newman and some of his staff wished me to adopt a policy of telling all the land owners that the contracts presented to them were final, and that an interview with the Board of Appraisal and Review would be useless; that neither the price nor the property lines could be changed. I took the position that every man was entitled to a hearing and, if he so desired, should be given an opportunity of discussing with me or with the members of the Board of Appraisal & Review the details of his contract; and if he could show that he was entitled to relief, relief should be given. This policy was followed. When land owners sought to have the severance lines changed on their properties and less land taken, I conferred with the Engineering Service Division, the Board of Appraisal and Review and other members of this department, and, as a result, we have been able to make adjustments which saved the Authority \$57,177.09. There are a dozen or more adjustments now pending which, if satisfactorily completed, will save the Authority several thousand dollars more. By pursuing this policy, we have been able to save the Authority no inconsiderable sum of money and have left the owner better satisfied.

In cases where the owners' desires have been met regarding reduction in land taken, the owner has waived all right to claim damages to that part of the land which was eliminated from the original request of purchase. I also saved the Authority \$2,000.00 in the purchase of the rock quarry property just west of Sheffield.

In addition to the other services rendered by me, I have been able to purchase a number of tracts of land which the buyers were unable to procure, among this number being a tract of over 700 acres owned by J. E. Penney and wife; one of over 1200 acres owned by Hendrick Brothers & Calvin. I also secured contracts from Mr. McCoy, Mrs. Dorothy Dabney Smith and others covering considerable acreage.

I have brought these matters to your attention feeling that it was my duty, and also at the solicitation of a number of the employees of this department.

I hope you will believe me when I say that I do not want to be shown any special favors or any unmerited consideration. It is for you to say what is a fair and just way of handling this situation. It may be that you approve the decision reached by Mr. Snyder in the several matters concerning this organization. However, I feel quite sure that you do not approve of the methods which he has pursued. I say this because you have been uniformly polite and considerate of me in your dealings with this department. You showed this when you sent a man here to investigate the Wheeler properties, and notified me several days in advance that he would come, and that his visit was not to be considered in any way as an interference with my duties. When he did come, he brought a letter of introduction to me, in which it was reiterated that he was not to interfere with me in any way with my work. The other members of the Authority have been equally considerate.

Sincerely yours,
TENNESSEE VALLEY AUTHORITY

AJR-K

CC: Dr. H. A. Morgan
Hon. David E. Lilienthal.

Allen J. Roulhac,
Assistant Director,
Land Acquisition Division.