

C O P Y

March 29, 1935

Dr. A. E. Morgan,
Chairman of the Board,
Tennessee Valley Authority,
Knoxville, Tennessee.

Dear Doctor Morgan:-

Since July, 1934, when this department was reorganized and enlarged, conditions have existed which I thought should be brought to your attention. These conditions have continued to grow worse. Wishing to avoid friction, and knowing that the members of the Board were busy with problems of great importance, and on account of other circumstances which I know you will appreciate, I have delayed making any complaint to you.

Recent developments here in connection with the creation of the Pickwick Dam organization, taken in connection with the public statements of you and other members of the Board, and of the President himself, in regard to the activities of the Power Company to bring about the defeat of the purposes of the TVA, have induced me to write and bring to the attention of the Board conditions in this organization, which I cannot believe you would approve.

I enclose copies of correspondence which I think may be of some value to you in considering the statement I will make.

I was given employment by the Authority in November, 1933, and, so far as I know, the work of this department was carried on in a satisfactory manner up to the time of the reorganization in July, 1934. No complaint had ever been made about the efficiency of the organization. We had acquired almost all the right of way for the transmission lines from Wilson Dam to Norris, and from Wilson Dam to Tupelo; had bought approximately 9,000 acres of land in the Wheeler reservoir, and secured clearance contracts on other lands, and had appraised approximately 10,000 acres more in the Wheeler reservoir on which we had not been able to get the Board of Appraisal and Review to make final appraisements. We had communicated with them several times, urging that they come down for that purpose.

At the time of reorganization, we had also appraised all property for which we received requisition to purchase, and had performed other services and rendered aid to different departments in this area. Apparently, the work had been carried on in a satisfactory manner.

A few weeks before Mr. Snyder came to Muscle Shoals to reorganize and enlarge this department, two additional men were needed—one an appraiser, and one a land buyer. The employment of these men was authorized. I employed two men I knew to be well qualified—Mr. C. D. Carter, of Russellville, Alabama, as an appraiser, and Mr. L. M. Parrish, of Florence, Alabama, as a land buyer. Both had been certified by the Personnel Division as eligible to assignment to

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these places. My judgement regarding their ability was confirmed by their work. Mr. Parrish leads the buyers in contracts secured, the acreage involved, and in the value of tracts which have been purchased in the Wheeler area. He also obtained options for almost all the land involved in the Pickwick Dam site. Mr. Carter's services were entirely satisfactory to those with whom he was associated in the Appraisal Department.

Pending the receipt of letters of appointment for these men from the office of Dr. Reeves, Mr. Huff, local director of the Personnel Division, made an appointment to call at my office. Mr. Huff was unable to get an appointment, but sent Mr. Searcy, his assistant, who brought with him his files on the men who had made applications for positions with the Land Department. Apparently, the purpose of his visit was to ascertain why I had not called for interviews with certain men on the eligible list, who had had power company connection and experience. In the general discussion between us, I expressed the view that men who were in sympathy with the purposes of the T V A Act, having the required qualifications, should be given preference over men who had not been in accord with the provisions of the Act, who had been a part of the Power Company organization. Mr. Searcy did not seem to be in accord with this viewpoint. He was rather insistent that we call for interviews with certain men on the eligible list who live in Birmingham, and who had been employed by the Alabama Power Company. He finally requested that I call these men for interviews, even though I had no intention of recommending them for employment. I told him I would do this; that I did not think it right to put the men to the trouble and expense of coming there, when I knew I would not recommend them for appointment. I was unwilling to be a party to such hypocrisy. There were no vacancies at that time in the department, the two men referred to having been recommended for appointment, and having been put to work.

A short time after my talk with Mr. Searcy, I talked with Mr. Snyder, in which conversation he stated that he thought it was desirable to employ men who had had experience with the Power Company. On another occasion, a short time later, he expressed the same views. In this connection, it is noteworthy that Mr. Snyder has appointed to important and key positions in the Land Acquisition Division Messrs. Cowley, Newman Batten and Rieger among others, all of whom have had years of experience with Stone & Webster and other power company organizations. In addition to his other employment, I understand that at one time Mr. Cowley was employed as a lobbyist for utilities in Florida, and perhaps in other states.

In July, 1934, a short time after the above-mentioned occurrences, Mr. Snyder, accompanied by Mr. Todd and other members of his staff, came to Muscle Shoals, bringing with them a number of people who were to be employed in this organization, and proceeded to reorganize and enlarge the personnel of the division of which I was the head, and to move our offices, first to Nitrate Plant No. 2, and then to Decatur. I had not been consulted nor advised with regarding this reorganization and was merely an onlooker, as the job of reorganizing proceeded. On its completion, I found myself the nominal head of an organization, most of whom I did not know. All the new employees had been selected without asking for my advice, or without consulting me. I had to get acquainted with them as best I could.

At the time of the reorganization Mr. Leonard, land buyer, who had been employed before I became connected with the Authority, was suffering from a

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severe case of malaria. Mr. Snyder spoke rather disparagingly of him and intimated that he had been too friendly to General Cooper. Previously, I had been informed that Mr. Leonard had been employed by General Cooper on the recommendation of Mr. Lewellyn Evans, of the Authority, and his local friends, and had never known General Cooper before. He had never seen General Cooper, except on his visits to Muscle Shoals in connection with his official duties with the T V A. I told Mr. Snyder that I thought that Mr. Leonard should be retained and given a fair chance to show what he could do. I told him of Mr. Leonard's record as a loyal supporter of the principles of the T V A and as a supporter of its policies, and also of his energetic and faithful discharge of his duties as an employee. Mr. Leonard had long been a supporter of the effort to have Muscle Shoals and the Tennessee River power utilized for the benefit of the public, and not exclusively for the profit and benefit of the power trust. At times it had taken considerable courage on his part to maintain such a position.

After the reorganization had been completed, I had a talk with Mr. Snyder. He stated to me that I would have complete charge of the organization and that the responsibility was mine to see that it functioned properly; that he would look to me as the department head, and would conduct all business which he had with this division through me. After this conversation, he wrote me a memorandum to the same effect. After the memorandum was received by me I had another conversation with Mr. Snyder, in which I told him that in view of the manner in which the reorganization had taken place, I thought he should address a memorandum to each of the departments, setting out the policy which he had covered in the memorandum to me. Complying with this request, he wrote a memorandum which was addressed to Messrs. J. W. Newman, Chief Land Buyer, J. K. Brockman, Chief Title Closer, and H. C. Underwood, Chief Land Appraiser. Quotation from this memo. is made in my letter of March 23, 1935, addressed to Mr. Snyder, a copy of which is herewith enclosed.

Mr. Snyder never at any time carried out this agreement. On the contrary, since July, 1934, the time of the reorganization, most of his communications have been addressed to other members of this organization; except to reply to some inquiry from me, he has seldom communicated with me, and has in the main completely ignored me in directing the business of this division. The files in this office and the record of his telephone calls to this division will confirm this statement. In a number of cases recently he has failed to make any reply to my communications. At times members of his staff have visited this office, have made changes in the organization, and have done other things affecting the work of this department without consulting me in any way. I found myself practically ignored by the Knoxville office. I enclose a copy of a memorandum from Mr. Todd addressed to Mr. Rankin, Chief Clerk, dated October 8, 1934, which shows how completely Mr. Snyder's office sought to take from me any authority in determining the status of the personnel.

In the reorganization which was effected in July, 1934, Mr. J. W. Newman, formerly of Stone & Webster, was made Chief Land Buyer. In utter disregard of the memorandum heretofore referred to, Mr. Snyder constantly sought to have all business of this department pass through the hands of Mr. Newman, rather than through me. About the time Mr. Newman came to the organization,