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GEORGE FORT MILTON: THE FIGHT FOR TVA AND THE LOSS OF THE
CHATTANOOGA "NEWS"

Middle Tennessee State University

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GEORGE FORT MILTON: THE FIGHT FOR TVA
AND THE LOSS OF THE CHATTANOOGA NEWS

George Arnold Miller

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GEORGE FORT MILTON: THE FIGHT FOR TVA
AND THE LOSS OF THE CHATTANOOGA NEWS

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ABSTRACT

GEORGE FORT MILTON: THE FIGHT FOR TVA AND THE LOSS OF THE CHATTANOOGA NEWS

by George Arnold Miller

It is the purpose of this dissertation to portray the role of George Fort Milton, a newspaper editor, in Chattanooga's adoption of Tennessee Valley Authority (TVA) power and to discover the effects of his campaign, if any, on his loss of the Chattanooga News. Milton was also a well-known Southern liberal and biographer, and this study provides substantial biographical detail. Milton was a prolific writer. He published four major works on American history and one in political science.

Milton's ancestors had been successful in business and professional enterprises. His father's interest in the Tennessee River, state tax problems, and Chattanooga annexation led the younger Milton to support the Tennessee River Improvement Association and work with the Chamber of Commerce in its annexation effort. The father also left his son a successful newspaper business, the News.

Throughout the late 1920s and the early 1930s George Fort Milton was concerned with such issues as the low wages

of workers, prohibition, and lynching; but the greatest campaign of his career was that in support of the TVA. In the mid-1920s Milton seemed to favor private development of the Muscle Shoals project; but as the chemical, fertilizer, and private power interests squabbled, fought, and seemed to stall any resolution of the Shoals controversy, he changed his mind and began to support the George Norris public power plan.

By 1932 Milton was supporting the Franklin D. Roosevelt presidential campaign through the editorial pages of the News. With a combination of the Roosevelt ideas and the Norris ideas, Milton believed the Tennessee Valley would finally see its proper development. From time to time, Milton was appointed to various positions in the Roosevelt administration. This led to neglect of his newspaper business in Chattanooga. By 1936, the Free Press in Chattanooga was eroding his subscription roster and putting down substantial business roots. Old family animosities combined with Milton's national preoccupations and Chattanooga newspaper competition undermined Milton's control of the News, and in December 1939 the paper was sold by the majority bondholders to Roy McDonald, owner of the Free Press.

This paper is dedicated to my beloved wife, Susan, who has endured patiently the many months of the writer's labors and mini-lectures on George Fort Milton and who has faithfully performed the duties of both mother and father to our nine-year-old son, Brett.

Brett also shares in this dedication, for he has often had to fend alone when his father was buried in ink, paper, and notes.

ACKNOWLEDGEMENTS

The writer wishes to express his gratitude to the many who have contributed to the writing of this paper. Several persons have granted interviews or answered questions by correspondence. Special debt is owed to Alice Warner Milton, wife of George Fort Milton, who gave several hours of her busy schedule to the writer. She was an invaluable aid in the early stages of the research.

The Tennessee Valley Authority (TVA) Technical Library in Chattanooga was helpful in locating texts on the TVA and saved the writer many trips to Nashville and Knoxville. The Tennessee State Library and Archives was also helpful in providing primary sources available nowhere else. The Chattanooga Public Library Local History section as well as the library of the University of Tennessee at Chattanooga provided service beyond the call of duty by making microfilm available and ordering Milton's articles not found in the stacks. The Library of Congress Manuscript Division graciously aided the writer in the use of Milton's correspondence.

Special acknowledgement is given to those men on the writer's committee, who have guided and led yet another

student to success at the graduate level. Without their excellent help this paper would not have been possible. The writer gives a firm thank you to Robert L. Taylor, who has directed the writer through the paper's construction, and to Professors Charles W. Babb, Fred P. Colvin, Robert B. Jones, and Edward M. Kimbrell, who served as readers.

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INTRODUCTION

In the last few years several volumes about Chattanooga have been published, but little has been said of George Fort Milton the younger, editor of the Chattanooga News between 1924 and 1939. According to James A. Hodges, "his career denies his fellow Southern New Dealer Aubrey Williams' comment that in 'the South we have no liberals--only conservatives and radicals.'"¹ W. Brantley Brannon, a Lake City, Florida, attorney, commented in 1935 that Milton was a "consistent Liberal," an "unusual position for a southern editor."² The career of such a figure deserves further exploration.

Milton played a major part in the struggle for Tennessee Valley Authority (TVA) power in Chattanooga. He held progressive views on race relations, particularly on the matter of lynching. He also had prominent friends and admirers. After he lost the Chattanooga News, such notables as George Norris, William Gibbs McAdoo, and Allan Nevins contributed financially to his new publication, the

¹James A. Hodges, "George Fort Milton and the New Deal," Tennessee Historical Quarterly 36 (Fall 1977): 386.

²W. Brantley Brannon letter, no addressee, June 1935, George Fort Milton Papers, Manuscript Division, Library of Congress, Washington, D. C.

Chattanooga Evening Tribune. Finally, he was a biographer of national reputation.

During the 1930s Milton was the most prominent proponent of public power in Chattanooga. He put the News at the forefront of the fight for the TVA and public power in Chattanooga and thereby risked his livelihood. Milton found himself in opposition to the industrial leadership of Chattanooga as represented by the Chamber of Commerce, most of the civic groups in Chattanooga, and the other major paper in the city, the Times.

This study does not attempt to give complete biographical material on Milton, but it does go considerably beyond previous treatments. The dissertation introduces Milton with some of that biographical material and then moves to his editorial approach to TVA, specifically as it related to Chattanooga. The conclusion of the work covers Milton's loss of the News and the death of the News as an independent paper. No attempt is made to give a detailed account of the remaining fifteen years of Milton's life after the sale of the News.

CHAPTER I

BACKGROUND OF GEORGE FORT MILTON AND THE NEWS

The heritage of George Fort Milton extended deep into the bloodlines of middle and upper middle-class Georgians, Alabamians, and Tennesseans and was marked by professional and commercial interests. Milton's paternal grandfather, Harvey Oliver Milton, was a Milledgeville, Georgia, physician who joined the Confederate Army with the rank of captain, in Selma, Alabama, and served with distinction in many North-South conflicts, including the battle of Chickamauga and the battle of Waterloc Plantations on John's Island near Charleston, South Carolina, where he was wounded on July 8, 1864.¹ He remained in the army until the end of the war and left active duty after a term in a hospital in Macon, Georgia.²

At the close of the war Dr. Milton married Sarah Floyd Fort at her home in Macon and set up housekeeping nearby on a large plantation called Opossum Tail. Not

¹Tomlinson Fort to Sarah Fort Milton, April 30, 1907, George Fort Milton Papers, Alice Warner Milton, Lookout Mountain, Tennessee.

²Martha Fort, Memoirs of the Fort and Fannin Families (Chattanooga: MacGowan and Cooke Co., 1903), p. 80.

long after the marriage, the Miltons moved to Macon, where Dr. Milton continued his medical practice. Tomlinson Fort Milton, their first child, was born there November 29, 1865. Traumatcally for the young couple, little Tomlinson died nine months later, on September 14, 1866. Nearly three years later, on July 16, 1869, a second son was born. They named him George Fort Milton, and he became the father of the subject of this paper.³ He was known throughout his life as George F. Milton.

The Fort side of George Fort Milton was larger and wealthier than the Milton family.⁴ Sarah Floyd Fort Milton's lineage extended to Arthur Fort, her grandfather, who migrated from South Carolina and served as a member of the Georgia Committee of Safety during the American Revolutionary period and as a lieutenant in the Georgia colonial militia in 1764. In 1777 he also served as a member of the Executive Committee of Georgia.⁵ His son, Tomlinson Fort, became a physician and served the Milledgeville community for many years with distinction and gained notoriety for various medical texts that he wrote. As his lucrative practice permitted him time to

³Ibid.

⁴Interview with Alice Warner Milton, Chattanooga, Tennessee, March 3, 1982.

⁵Unsigned letter from the National Society of the Colonial Dames of America in Tennessee to Kate Haynes Fort, March 23, 1975, Milton Papers, Lookout Mountain.

pursue outside interests, Dr. Fort became interested in politics and served several terms in the United States House of Representatives.⁶

It was the Fort side of the family that gave the subject of this paper, George Fort Milton, his rich background of literary interest.⁷ Throughout the nineteenth century the Forts invested money in real estate in northern Georgia and southeastern Tennessee and, according to George Fort Milton, successfully pressured for the state-owned Western and Atlantic Railroad to be completed to Chattanooga.⁸ In addition the Forts invested money in coal, minerals, and an iron foundry at the foot of Lookout Mountain. Much iron was extracted from the Dade County, Georgia, mines owned by Fort family interests.⁹

By 1877 George F. Milton had reached the tender age of eight; and his father, Dr. Harvey O. Milton, decided to move the family from Macon, Georgia, to Chattanooga. At that time Chattanooga's population was growing and its industrial and commercial activity was expanding, so it seemed a prudent move to make. George F. Milton attended

⁶Alice Warner Milton interview, March 3, 1982.

⁷Ibid.

⁸George Fort Milton to Ralph Snow, May 1939, George Fort Milton Papers, File 85, Manuscript Division, Library of Congress, Washington, D. C.

⁹Alice Warner Milton interview, March 3, 1982.

both the public and private primary and secondary schools in Chattanooga and received his high school diploma in 1885. Thereafter he attended the University of Chattanooga in 1886 and continued his college education at the University of the South at Sewanee in 1889.¹⁰ He ultimately had to drop out because of eye problems. From that point Milton worked for the People's Bank of Chattanooga in the bookkeeping department until the bank failed in 1893. During the next year various friends, especially W. B. Swaney, persuaded him to establish a monthly journal, called The Taxpayer, that was specifically concerned with tax reform and revision of the state constitution. Milton was particularly concerned with the "business occupation tax" or license tax to do business. He believed that business was already taxed enough and stated that the tax was an "excrecence" or excess on the statute books. He also opposed the annual assessment

¹⁰Sentinel, Knoxville, April 23, 1924, p. 12. Chattanooga's population between 1870 and 1880 increased from 6,903 to 12,892 (Gilbert E. Govan and James W. Livingood, The Chattanooga Country 1540-1976: From Tomahawks to TVA [Knoxville: University of Tennessee Press, 1977], p. 405). According to Alice Warner Milton, the Forts and the Miltons invested in property in the Chattanooga area in the late 1830s after the Cherokees were driven from the territory. As the Indian trails became railroad rights-of-way, the two families saw the potential value of the land. She still owns property in the business center of Chattanooga that the Fort family purchased in the early nineteenth century. In 1878, a year after the Miltons moved to Chattanooga, the city experienced a severe outbreak of yellow fever, and H. O. Milton was one of the few doctors who remained in the Valley to treat the stricken (Alice Warner Milton interview, July 7, 1983).

of real estate and campaigned for a "quadrennial to decennial" assessment, except for personal property which he felt should be left at the yearly period.¹¹ The popularity of Milton's journal propelled him into a seat on Gov. Peter Turney's special Tax Commission to review tax questions in Tennessee.¹²

In 1895, about a year after George Fort Milton was born, his parents, George F. and Caroline, moved to Knoxville to edit the Evening Sentinel for Jerome B. Pound. Over the next seventeen years, Milton edited and finally published the Evening Sentinel and acquired a majority interest in the Chattanooga News.¹³ In 1912 under pressure from the task of editing both the Knoxville and the Chattanooga papers, Milton sold the Evening Sentinel and moved to Chattanooga in order to devote full time to the News. According to Pound, the resentment of Chattanooga over the Knoxville ownership of their afternoon paper precipitated the change in the position of the paper's administration. Milton sold his interest in the Sentinel

¹¹George F. Milton, The Taxpayer, April 1895, p. 1. Only the 1895 issues of The Taxpayer magazine remain, and they are located in the Tennessee State Library and Archives, Nashville, Tennessee.

¹²Fort, Memoirs, p. 112.

¹³W. B. Swaney speech to the Chattanooga Writer's Club, given probably in April 1924, in Milton Papers, File 90, Library of Congress; Jerome B. Pound, Memoirs (Chattanooga: Jerome B. Pound, 1949), p. 182.

to Curtis B. Johnson, and Johnson sold his interest in the News to Milton and Walter B. Johnson, who had been the secretary and treasurer of the News for several years.¹⁴

Birth of the News

The News first appeared in Chattanooga on July 2, 1888, at 21 Market Square.¹⁵ It was started that year by Jerome B. Pound, who, at the age of twenty, had moved his wife and toddler son from Macon, Georgia, to Chattanooga. As soon as Pound arrived in Chattanooga, he approached S. K. Struther, the owner of the afternoon paper, the Chattanooga Sun, and informed him that he wanted to buy his paper, and if the owner would not sell, he would start an afternoon paper in competition with the Sun. Struther told Pound that he had migrated to Chattanooga from Missouri and had been publishing the Sun for about two years and had no intention of selling to Pound or anyone else.¹⁶

As soon as the Chamber of Commerce discovered Pound's plans, its president, John C. Grant, and the secretary, B. L. Goulding, counseled Pound to change his

¹⁴Pound, Memoirs, pp. 182, 183. Curtis B. Johnson and Walter B. Johnson were not relatives.

¹⁵News, Chattanooga, January 1, 1938, p. 1.

¹⁶Pound, Memoirs, p. 38; Commercial, Chattanooga, August 14, 1887.

mind, because many papers had arisen in Chattanooga over the years, and most failed.¹⁷ These men did not know the history or stubbornness of Pound. At age sixteen, with only eight dollars capital, he had founded the Macon Evening News, which he successfully published for about five years until he sold it to E. C. Machen for \$55,000.¹⁸ The day after Pound talked to Struther, he told him he would sell, but Pound felt that the price was "exorbitant" and told him so. Struther then informed Pound to go ahead with his own publishing plans. After Pound canvassed the city and secured 1,800 subscriptions, he approached Struther again, but Struther still refused to sell for what Pound considered a reasonable price. Pound then purchased printing presses and made plans to begin publication. In a few weeks Struther offered to sell at a "greatly reduced price." Pound informed him that it was too late and that he should "pack up" and move back to Missouri. In about two weeks Struther did just that. Pound then published the News for the next twenty years.¹⁹ It was at the end of this twenty-year period that George Fort Milton's father and Walter C. Johnson, the business manager of the Sentinel, with the

¹⁷Pound, Memoirs, p. 38.

¹⁸Ibid., p. 27.

¹⁹Ibid., pp. 38, 39.

financial help of Sarah Fort Milton's brother, Tomlinson Fort, purchased the paper in 1908 from Pound.²⁰

In 1895 Milton had gone to work for Pound in Knoxville and was such a productive employee that Pound had promoted him to the editorship of both the Chattanooga News and the Knoxville Sentinel between 1909 and 1912.²¹ In 1897 Milton had purchased the Sentinel from Pound; therefore, he was well experienced in the newspaper business by the time he and Johnson purchased the News.²²

The Early Reform Activities of the News

During the period 1909 to 1924, Milton established the reputation of the News as a "progressive" paper that espoused such causes as national prohibition, woman suffrage, and peace in Europe.²³ According to Alice Warner Milton, the guiding spirit behind the support of the News for prohibition was Milton's mother, Sarah Fort Milton.²⁴ Sarah Milton was a writer herself and contributed articles to the News until the year of her death in 1932. Both

²⁰Interview with Penelope Johnson Allen, Chattanooga, Tennessee, May 20, 1982; Pound, Memoirs, p. 183; News, December 16, 1939, p. 1.

²¹Swaney speech, April 1924, Milton Papers, File 90, Library of Congress.

²²Pound, Memoirs, p. 182.

²³Swaney speech, April 1924, Milton Papers, File 90, Library of Congress.

²⁴News, July 23, 1982.

George Fort Milton, Senior and Junior, were very fond of Sarah Fort Milton.²⁵

It was with high cost that Milton established the "progressive" reputation of the News. When he became editor in 1909 the stand for prohibition of alcoholic beverages was not popular in Chattanooga. According to Alfred Mynders, who was on the editorial staff of the News from 1914 until 1939, there was a "corrupt alliance" between "liquor interests" and "politics" in Chattanooga. For seven years, 1909 to 1916, the News fought "unremittingly" for prohibition. There were frequent "boycotts" against the paper, and according to the News it suffered the loss of \$85,000 during that period.²⁶ The News was not absolutely opposed to the use of alcohol. In March 1913, the Knoxville Sentinel, formerly owned by Milton, reported that Milton went with a delegation of prominent city leaders of Tennessee to urge Gov. Ben W. Hooper not to press for more laws to control alcohol. They urged the governor to call for more "courage and civic patriotism" among the populace.²⁷

²⁵News, July 23, 1932; Alice Warner Milton interview, July 20, 1982.

²⁶News, December 16, 1939, p. 13. In interview with Abby Crawford Milton, Lookout Mountain, Tennessee, July 29, 1983, who was his second wife, Milton remarked in reference to the "liquor interests" that he "could not compete against that crowd."

²⁷Sentinel, March 17, 1913, Milton Papers, Lookout Mountain. Whether or not Milton Senior was a drinker is in

In 1914 the editor of the News had stated that Americans should limit their intake of such beverages to beer and learn to emulate the "hardy" Germans who drank beer with their meals rather than in "loud and boisterous" manner in saloons.²⁸ The News was very adamant on the prohibition of hard liquor and advocated a law to fine summarily all "county officials" who did not enforce prohibition laws.²⁹ According to Alfred Mynders, Milton was so insistent on the support of prohibition that some on the staff of the News wondered: "Surely there must be some reward richer than rubies which would cause a man to stand all sorts of insults and persecution."³⁰

Although the News was supportive of the woman suffrage movement during the period prior to 1920, it also took a realistic view of the problem. It noted in May 1914 that there was little chance for the women to be given the vote by Congress. Among the forty-eight states, only twelve allowed them voting privileges.³¹ When suffragettes

some dispute. His daughter-in-law, Alice Warner Milton, stated that he was a social drinker while Abby Crawford Milton, now 101 years old and quite lucid, emphatically stated that he was not a "tippler" under any circumstances. Alice Warner Milton interview, June 6, 1982; Abby Crawford Milton interview, July 29, 1983.

²⁸ News, July 1, 1914, p. 4.

²⁹ *Ibid.*, July 14, 1914, p. 4.

³⁰ *Ibid.*, December 16, 1939, p. 13.

³¹ *Ibid.*, May 6, 1914, p. 4.

rioted in Britain, the News referred to them as "wild women" from the Women's Social and Political Union.³² At the same time, the News disagreed with the position of President Wilson that woman suffrage was a state issue, not a Congressional one. The editor wrote that any issue which involved a significant number of people who demanded legislation was a Congressional question.³³

George F. Milton's second wife, Abby Crawford Milton, gave her undivided support to the nineteenth amendment and to the suffragist movement and attended various conventions in the state held by the National American Woman Suffrage Association. She was also personally acquainted with Carrie Chapman Catt, the leader in the American suffragette movement, and entertained Miss Catt in her home in Chattanooga.³⁴ She also made an unsuccessful attempt to win a seat in the Tennessee legislature in 1934.³⁵

The News did help to break the sex barrier in reporting when it hired Nellie Kenyon. She was the first

³²Ibid., May 22, 1914, p. 4.

³³Ibid., July 1, 1914, p. 4.

³⁴Allen interview; Alice Warner Milton interview, August 28, 1982.

³⁵Abby Crawford Milton statement on 1934 legislative campaign, August 3, 1934, Milton Papers, File 90, Library of Congress. She told the writer that, among other things, the reason she lost the election was that TEPCO and others voted for her opponent, because she supported the TVA. Abby Crawford Milton interview.

woman reporter in Chattanooga in the early part of the century and proved to be a wise choice. She wrote many articles for the News and also had a regular series titled "Aviation in Chattanooga," which ran for several years.³⁶ The News also kept up a relentless campaign to find tolerance for "all creeds and all races" during the period 1909 to 1924.³⁷ It also fought a successful campaign to have the commission form of city government established in Chattanooga.³⁸ In connection with this, the News cooperated with the Chamber of Commerce, in a campaign that began in 1921, to move the city limits outward in several directions through a massive annexation program. In 1924, five years short of actual annexation, Milton Senior died; but, without his foundation work, his son's task in the assumption of his place in this activity would certainly have been much more difficult.³⁹

On the state political scene, Milton Senior was influential as a Democratic delegate to state conventions in 1904 and 1910. In the national arena he also served as Democratic delegate in 1904 and 1912. At Henry Ford's

³⁶Telephone interview with Walter C. Johnson, Jr., Chattanooga, Tennessee, July 7, 1982.

³⁷News, December 16, 1939, p. 13.

³⁸Ibid.

³⁹Milton to A. F. Porzelius, October 3, 1929, George Fort Milton Papers, File 149, Chattanooga Public Library, Chattanooga, Tennessee.

invitation, Milton served on the well-intentioned but fruitless Ford peace mission to Europe in 1915. The mission booked passage on Ford's charter ship, the Oscar II.⁴⁰ Milton's efforts in behalf of world peace were further revealed in his support for the League of Nations and the entire Wilson program.⁴¹

Milton's interest in the welfare of the society was demonstrated in his support for compulsory education for the South, woman suffrage, and prohibition. In 1915 the University of the South awarded him an honorary bachelor's degree in literature for his efforts in support of education. In his will he made provision for money to finance two literary prizes: \$2,500 was to go each year to a Southern editor who did the most for international peace, and the same amount was to be awarded to the woman who did the most to advance the cause of lady reporters.⁴²

On February 8, 1893, Milton had married the "gifted" and "beautiful" Caroline Mounger McCall. Caroline McCall

⁴⁰ News, December 26, 1935.

⁴¹ Swaney speech, Milton Papers, File 90, Library of Congress.

⁴² Hamilton County Courthouse, Chattanooga, Tennessee, Wills, 1924, File M128. In 1929 Milton Junior contemplated having the court discontinue the \$5,000 bequest because no one had applied for it. He did not do so, however, because the Southern Newspaper Publisher's Association was in the process of attempting to develop interest in the prizes. Walter C. Johnson, The South and Its Newspapers, 1903-1953 (Chattanooga Southern Newspaper Publisher's Association, 1954), p. 144.

was born in 1870 in Greensboro, Georgia, to James Price and Claudia Winfield McCall. In January 1880 the McCalls moved to Chattanooga and established the first dry goods store there. It was to this union that the subject of this paper, George Fort Milton, was born on November 19, 1894.⁴³ His mother died three years later, on September 3, 1897.⁴⁴ According to Alice Warner Milton, he always suffered because of her death.⁴⁵ Milton's grandfather, Dr. Harvey O. Milton, referred to Caroline as a "delicate" person who had to spend much time in bed.⁴⁶

Seven years later, Milton met the attractive and talented Abby Crawford, daughter of Capt. C. T. Crawford of Milledgeville, Georgia, while they were both attending special classes at the University of Tennessee during the summer of 1903. On September 19, 1904, they were married.⁴⁷

⁴³Interview with John McCall, Chattanooga, Tennessee, August 6, 1982; Fort, Memoirs, p. 112. John McCall is the grand nephew of Caroline McCall.

⁴⁴John Wilson, Chattanooga's Story (Chattanooga: Chattanooga Publishing Co., 1980), p. 313; Arthur Adams, ed., Living Descendants of Blood Royal: World Nobility and Peerages (London: International Publications, 1959), p. 430.

⁴⁵Alice Warner Milton interview, March 3, 1982.

⁴⁶Harvey O. Milton Diary, Friday, November 25, 1904, Milton Papers, Lookout Mountain.

⁴⁷Abby Crawford Milton interview.

They had three daughters, Corinne, Sarah, and Frances.⁴⁸ Abby Crawford's roots extended well into Georgia history as she was a direct descendant of William H. Crawford, United States Senator, Secretary of War, Secretary of the Treasury, and presidential candidate in 1824. Miss Crawford appeared to be a helpful complement to her husband as she shared similar views on prohibition, women's suffrage, politics, and economics.⁴⁹

Early Life

It was during the first eighteen years of his life that George Fort Milton came under the strong influence of his grandparents, especially his grandmother Sarah Fort Milton. While his stepmother stated that she nurtured his literary interests, she was a young Knoxville socialite thirteen years younger than her husband and only nine years older than her stepson. When she married the elder George in 1904, the younger George was already ten years old and was used to the attention and counsel that his grandparents, Harvey O. and Sarah Milton, had given him the past seven

⁴⁸Swaney speech, Milton Papers, File 90, Library of Congress. The three daughters are still living at this writing. Sarah Van Deusen and Frances Walker reside on Lookout Mounain, and Corinne Moore lives in St. Petersburg, Florida.

⁴⁹Allen interview.

years since his mother died.⁵⁰ In forty pages of a diary kept by Harvey O. Milton, practically every other page contained some reference to "little George." His domestic needs were constantly attended to by his grandparents. On Tuesday, November 1, 1904, Dr. Milton wrote in his diary as follows, "There is an epidemic of bad colds. . . . [George's grandmother Sarah] is mopping the Juniors' [sic] throat." On Wednesday, November 2, he recorded, "I selected a pair of shoes for little junior."⁵¹

The inevitable conflict of too many parents arose. On Thursday, November 3, Dr. Milton wrote, "Poor little Junior was ordered to school by his father, who was ignorant of his real condition, he has a bad cold and cough."⁵² As one would expect, young George was somewhat spoiled and constantly doted on by his grandparents.⁵³ On George's tenth birthday, November 19, Dr. Milton recorded, "God bless our darling little boy. . . . Sallie bought George a football, some candy . . . and . . . Grandma McCall [Claudia] sent him a knife, and \$1.00, and I gave him 25 cents."⁵⁴

Milton's literary education began at an early age. His grandmother Sarah was a great influence; she would take

⁵⁰ Alice Warner Milton interview, March 3, 1982.

⁵¹ H. O. Milton diary, Milton Papers, Lookout Mountain.

⁵² Ibid.

him on her knee and tell him stories and read to him by the hour. In the early 1930s, upon the death of his grandmother Sarah, Milton wrote an unsigned note about her. According to him she was of an unusually sweet and delightful character with a keen sense of humor.⁵⁵ She was a "fund of information" and constantly wrote historical sketches, memoirs, and book reviews, up to two weeks prior to her death. She was truly a "lady of the old South."⁵⁶ When only ten years old, Milton, to the dismay of his grandfather, had a tendency to read rather than play. On November 5, Dr. Milton wrote: "The little Junior has been perusing a book all day, hardly taking time to go to his meals. This habit must be broken up and he should take exercise."⁵⁷ Abby Crawford Milton stated that she recognized Milton's talent for literary matters and encouraged his effort as a ten-year-old, his age at the time his father married her, to write his history of the navies of the world.⁵⁸

⁵³Allen interview.

⁵⁴H. O. Milton diary, Milton Papers, Lookout Mountain.

⁵⁵This note's authenticity was confirmed by Alice Warner Milton, and the handwriting appears to be Milton's. Milton Papers, Lookout Mountain.

⁵⁶Alice Warner Milton interview, March 3, 1982.

⁵⁷H. O. Milton diary, November 17, 1904, Milton Papers, Lookout Mountain.

⁵⁸Abby Crawford Milton interview, July 29, 1983.

Two days before his tenth birthday, George displayed a report card average of 95 percent and his grandfather recorded: "We are very proud of his fine standing."⁵⁹ Milton's scholastic talents reappeared in Knoxville's exclusive Baker-Himel secondary school in the form of his editorship of the school paper, the Orange and Purple. No doubt his editorial hand had aid from the school's faculty, yet his first editorial pronouncement demonstrated his literary potential. He wrote that the paper intended to

. . . print all the news, athletic, scholastic or fraternity . . . a good, clean, newsy paper . . . representative of the best in school life in all its phases. . . . Each member of Baker-Himel . . . has a personal . . . interest . . . pledging our best effort and soliciting the earnest cooperation of our reading public, we submit our first number.⁶⁰

Milton's father took him into the business at an early age and gave him a paper route and later small jobs around the News building. This act of parental trust and sharing of responsibility drew them closer together. He later wrote to a friend in Texas that his father, known at the University of the South as "Pinky" because of his red hair, was always a "friend" and shared "common interests and cultural attitudes." Theirs was a "sincere association,"

⁵⁹H. O. Milton diary, November 17, 1904, Milton Papers, Lookout Mountain.

⁶⁰Orange and Purple, Knoxville Baker-Himel School, December 1, 1910, p. 2.

and he hoped the same parallels would exist in his own parent-child relationship with his daughter Alice.⁶¹

In 1912 the Miltons returned to Chattanooga. Milton Junior attended the University of Tennessee in 1912 and 1913 and then transferred to the University of Virginia where he remained to complete his bachelor's degree in 1916.⁶² There he continued his editorial activities as assistant editor of the student paper, the Corks and Curls. He also joined the Kappa Sigma Fraternity as well as several other student associations. After graduation he went to work for the Washington Times, owned by Frank Munsey, as a cub reporter at five dollars per week.⁶³ In a few months he moved to the New York Herald Tribune for further training. While he worked on the Herald he gained invaluable experience as a

⁶¹Milton to Joseph C. Hutcheson, Jr., December 28, 1938, Milton Papers, File 26, Library of Congress.

⁶²John Temple Graves, ed., The Southerner (New Orleans: Southern Editors Association, 1945), p. 294; interview with John Popham, Chattanooga, Tennessee, December 6, 1982. According to Popham, former General Managing Editor of the Chattanooga Times, Milton probably transferred to Virginia because of its fine literary reputation. In the Alice Warner Milton interview, July 1, 1983, she stated that Milton's father had great respect for Virginia and influenced him to attend there. In those days undergraduate degrees from the University of Virginia Liberal Arts College were given no specific discipline title such as History or Math. Janice Rosen to Miller, January 24, 1983, George Miller File, Ooltewah, Tennessee.

⁶³Milton Scrapbook, Milton Papers, File 68, Library of Congress.

correspondent reporting the economic activities on Wall Street.⁶⁴ During that period the specter of United States involvement in World War I became imminent, so Milton returned to Chattanooga to join the army.

While in boot camp he was noticed by Gen. George G. Gatley, who, after observing Milton's efficient distribution of military supplies, made him his aide-de-camp with a lieutenant's rating. In a few weeks he was shipped out with "C" Battery 149th Field Artillery of the 42nd "Rainbow" Division. His unit spent six weeks with the American Expeditionary Forces, which saw action in Challons-Sur-Marne, Chateau-Thierry, St. Mihiel, the Argonne, and Sedan, France. A letter from General Gatley to Milton's father at the time of his discharge in May 1919 was both interesting and significant and is quoted below in its entirety.

HEADQUARTERS, 153rd DEPOT BRIGADE

CAMP DIX, NEW JERSEY

MAY 16, 1919

Dear Mr. Milton:

I was very sorry that the short stay of both of us in New York last month prevented my seeing you for I wanted to re-invoice to you "one son, complete." I wanted to tell you how glad I am that you have him back where he belongs and safe and sound; also how much I regret losing him. He is the only one who went through the whole show with me from cocktails to cigars, in all things. He has more than made good in

⁶⁴Kenneth F. Hogaste to Milton, August 21, 1939, Milton Papers, File 85, Library of Congress.

every way and has left an impression on my heart that will last as long as I do. In order that possible future political or other critics might not be able to accuse him of going through the war in a soft billet, I sent him to a battery of the 149th F. A., for a month. He made good there, too, though he had had no opportunity for training as a battery officer. The captain, major and colonel under who he served that month reported on his conduct and service with them in the highest terms. Of course that was only what was to be expected of him, but unfortunately they do not all measure up to expectations.

This camp is a busy place. The machinery of a year ago is exactly reversed and we are discharging 2000 a day. As fast as these go more come and I imagine that it will keep up at this rate well into the fall.

Please remember me very kindly to George and your good mother and believe me,

Very Sincerely yours,

George G. Gatley⁶⁵

General Gatley's affection for the younger Milton was evidently returned because sometime between 1919 and 1924, while Milton was working as the managing editor for the News, he wrote a 315-page memoir of his World War I experiences and dedicated it to the general. It remains in four unfinished drafts in the Library of Congress.⁶⁶

⁶⁵Unpublished World War Memoirs, Milton Papers, File 32, Library of Congress.

⁶⁶Ibid.

CHAPTER II

MILTON AND THE 1920s AND 1930s

After Milton's departure from the military ranks in the spring of 1919, he returned home at the age of twenty-five to work under his father as managing editor of the News.¹ The next year Milton married seventeen-year-old Alice Warner, daughter of a prominent Chattanooga industrialist. Alice Warner supported him throughout the fight for the Tennessee Valley Authority (TVA) and the loss of the paper. They had one child, a daughter named Alice Fort.²

Milton covered the special session of the Tennessee legislature that ratified the nineteenth amendment in 1920. His ability for perceptive writing was quickly noted by his father. His father allowed him to act as his publicity assistant in the 1924 campaign to get William Gibbs McAdoo nominated as the Democratic candidate for president.³ It

¹Speech on annexation to Chamber of Commerce, September 20, 1928, George Fort Milton Papers, File 149, Chattanooga Public Library, Chattanooga, Tennessee.

²Interview with Penelope Johnson Allen, Chattanooga, Tennessee, May 20, 1982.

³Interview with Alice Warner Milton, Lookout Mountain, Tennessee, March 19, 1982.

was during this rough and tumble affair that Milton's father suddenly collapsed and died at the Jordan Hotel in Murfreesboro, Tennessee, on April 23, 1924, after giving a speech in behalf of McAdoo's candidacy.⁴ The elder Milton was thus spared the Madison Square Garden convention that took 103 ballots to find a candidate. The Democrats settled the fight between Alfred E. Smith and William G. McAdoo by nominating the wealthy New York lawyer, John W. Davis, who was defeated. Following the 1924 campaign, Milton continued to support McAdoo. In 1926 he wrote an article in Century magazine in which he stated that McAdoo was the "hope of liberalism in America" because McAdoo was in favor of prohibition of alcohol, federal tax reform, tariff reduction, and "justice for the average man."⁵

Milton attempted to gather Catholic support for McAdoo, but these efforts failed.⁶ All this came to no avail, as McAdoo wrote Milton a letter in 1927 that was to be made public in his paper and was the announcement of his withdrawal as a presidential candidate. This Milton did.⁷

⁴Sentinel, Knoxville, Tennessee, April 23, 1924.

⁵George Fort Milton, "Democratize the Democratic Party Through Aligning It with Progressive Thought," Century, May 1926, pp. 84, 89, 92.

⁶Dictionary of American Biography, supplement 5 (1951-1955), s.v. "Milton, George Fort," by Hans L. Trefousse.

⁷George Fort Milton, "Progressive Democrats in a Quandry," Independent, October 8, 1927, p. 350.

Milton also wrote that the nomination of Smith would "rekindle racial, sectional, and religious prejudice which would require decades to cool." He saw his nomination as a deterrent to "proper consideration of political issues" and a cause for division in the Democratic Party. Furthermore, he asserted that it would "hurt the Catholic Church" and "resuscitate an almost defunct Ku-Klux Klan." All this would "strengthen the Southern G. O. P., breaking the so-called Solid South in two little pieces."⁸

Milton was so disgusted with the rejection of McAdoo and the "boss rule" of Tammany Hall that he supported the Hoover candidacy in 1928. James A. Hodges has written that Milton "adhered to an old loyalty in partisan politics" in the 1920s and turned to Hoover in 1928 because the Democrats offered no "moderate" candidate such as McAdoo.⁹ In 1928 Milton noted that Smith was basically objectionable because he was a "wet" on the prohibition issue, a "Tammany man," and a "machine politician." He believed that Southerners perceived Smith as a New York City politician with no Southern interests at heart; therefore, he was not a viable candidate for 1928. He did acknowledge that religious

⁸Milton, "Progressive Democrats in a Quandry," p. 351.

⁹James A. Hodges, "George Fort Milton and the New Deal," Tennessee Historical Quarterly 36 (Fall 1977): 386.

bigotry played a role in this view.¹⁰ Milton insisted that his own anti-Smith attitude was not based on religious prejudice and was, in fact, based on Smith's position on prohibition.

Periodicals and Politics

Throughout the 1920s Milton remained faithful to the Democratic Party in Tennessee, yet after 1924 he moved his interests toward the national sphere.¹¹ There was talk that he might move into the United States Senate. Daniel C. Roper, chairman of the Roosevelt Inaugural Ticket Committee, hoped that Milton would succeed Cordell Hull in the Senate and in 1933 told Milton that Hull was "in agreement" with that hope.¹² About two months after Roosevelt appointed Hull Secretary of State, Milton wrote an article praising Hull as a "man . . . not concerned with selfish considerations . . . , master of United States fiscal set up," and

¹⁰George Fort Milton, "Al Smith and the Solid South," North American Review, March 1928, p. 275.

¹¹James David Bennett, Struggle for Power: The Relationship Between the Tennessee Valley Authority and the Private Power Industry, 1933-1939 (Ann Arbor, Mich.: University Microfilms, 1969), p. 181. In 1942 Milton referred to the term "national man" in reference to his own thoughts and feelings. Milton to Fay Brabson, January 5, 1942, Milton Papers, Lookout Mountain.

¹²Daniel C. Roper to Milton, February 21, 1933, George Fort Milton Papers, Manuscript Division, File 12, Library of Congress, Washington, D. C.

the "ablest Democratic legislator regarding economic matters."¹³

During his lifetime Milton published more than fifty articles in magazines, journals, and books. While he had been disappointed in the Democratic Party choices in 1924 and 1928, he did not give up and continued to write and work for the success of the South, the country, and the party. For example, between 1924 and 1928, he wrote several articles on the fate and future of the Democratic Party. His concerns dealt with the major issues of Democratic mainstream politics; the McAdoo dissidents, the party's regional split, the waning power of Tammany Hall, the black vote, the two-thirds rule, and prohibition.¹⁴ Milton was highly incensed over the two-thirds rule as used by the Democratic Party in its nominating process. He did not accept the standard argument that it was supported because of Southern political pressure. He alleged that it was the Midwest that originated the rule and contended that the effect of the rule was to allow one-third of the party

¹³George Fort Milton, "Cordell Hull, Secretary of State," Review of Reviews and World's Work, April 1933, pp. 31-32.

¹⁴See Bibliography for a list of Milton's articles. Even though Milton supported Hoover in 1928, he attended the Democratic National Convention in Houston, Texas. Alice Warner Milton interview, July 1, 1983.

members to dominate the remaining two-thirds, thus destroying the great American principle of majority rule.¹⁵

The Scopes Fiasco

In 1925 the anti-evolution Butler Act was tested in the courts at Dayton in the celebrated "Monkey Trial" case. The News had more than a literary interest in the trial as the Milton family had sustained a long friendship with William Jennings Bryan, the chief prosecutor, and had entertained in their home one of the key reporters of the trial, H. L. Mencken. Alice and George Fort Milton had also spent time in the Chicago home of Clarence Darrow, the chief defense attorney.¹⁶ The News kept a reporter in Dayton during the trial.¹⁷

Milton had indicated in a News editorial that he had opposed the Butler Law passed in March, saying that it was "an outrageous attempt to curb freedom of thought by statute, and . . . that our legislators had made monkeys

¹⁵George Fort Milton, "Exit, the One-Third Rule," New Republic, July 14, 1926, pp. 218-20.

¹⁶Milton first met Bryan at the Democratic National Convention in Baltimore in 1912. Alice Warner Milton interview, March 3, 1982. Apparently the Mencken friendship had somewhat waned by 1928, for Milton wrote that the South was "not a supporter of that great cynic, H. L. Mencken." George Fort Milton, "Bryan: A Friendly Portrait," Nation, May 6, 1936, p. 588; George Fort Milton, "Southern Progress," Forum, July 1928, p. 155.

¹⁷Milton signed the bond for John Thomas Scopes at the time of his arrest. Times, Chattanooga, Tennessee, November 13, 1955.

of themselves" in making the law.¹⁸ He predicted that the Scopes case would become as significant as Marbury v. Madison and the Dred Scott cases.¹⁹ In World's Work he stated that the "Scopes case was a test of the constitutional right of the State of Tennessee to direct state tax-supported schools to include or omit certain lines of thought in their curricula." He believed the case would bring up questions of whether or not Tennesseans should have knowledge taught in schools that was common in other parts of the country. To him it was a question of "freedom of thought and opinion."²⁰

He was more concerned about the impression the law and the case made on the national public than he was disturbed over the law itself.²¹ He was constantly striving to destroy the myths that ran rampant through the North and

¹⁸George Fort Milton, "A Dayton Postscript," Outlook, August 19, 1925, p. 550.

¹⁹George Fort Milton, "Testing the Monkey Bill, Tennessee's Anti-Evolution Law, and Personal Liberty," Independent, June 13, 1925, p. 661.

²⁰George Fort Milton, "Can Minds Be Closed by Statute?," World's Work, July 1925, pp. 323-24.

²¹Milton, "A Dayton Postscript," p. 550. On July 10, the opening date of the trial, Milton's News stated: "The people of Tennessee, the south, even the world, will become more familiar with the theory of evolution than they ever were before." Quoted in Ray Ginger, Six Days or Forever (New York: Oxford University Press, 1958), p. 100.

misrepresented the South.²² Milton stated that most Americans were fundamentalists and the case could just as well have taken place in "Kansas or Missouri, in Washington, or the State of Maine." He saw no reason why Tennessee should be "crucified on the cross of public opinion as a bog of bigotry." Darrow seemed to dramatize the issue as one of civilization and science versus the State of Tennessee and to portray Tennesseans as ignorant fools.²³ Darrow's actions during the trial seemed to demonstrate the above-mentioned point. Milton wrote after the trial that Darrow's cross-examination of Bryan "was a thing of immense cruelty." As far as he was concerned, Darrow needlessly badgered Bryan, knocked him down, and then unashamedly kicked him. Milton strongly implied that it was no accident that Bryan died of a heart attack on July 26, four days after the trial. He stated that Bryan's death was "martyrdom, a death from an ordeal of faith."²⁴

The evidence was clear that Milton believed the trial incorrectly portrayed Tennesseans as ignorant, depraved, and religiously bigoted. He did admit that Bryan

²²Telephone interview with John Popham, Chattanooga, Tennessee, December 6, 1982.

²³Milton, "A Dayton Postscript," p. 551.

²⁴Ginger, Six Days or Forever, pp. 192-93. Milton claimed to have been the last to talk to Bryan before he died. Milton, "A Dayton Postscript," p. 550.

told him that he was shocked when he first read the Butler Law and saw its "crude wording, its faulty English, the muddy way in which it sought to define the crime" of teaching evolution.²⁵

According to Milton, Bryan had a rare talent for expressing the "burning words, the unexpressed hopes, the secret yearnings of the human heart" found within the masses. Bryan battled for the faith of their fathers, and the jury accepted it.²⁶ The whole trial was a fiasco, according to Milton, just as the law itself was. Just as the Scopes conviction was later reversed, Milton concluded that the law should have been repealed.²⁷ For Milton, the question was this: "Where is the boundary between the right of the state to direct the official actions of its own employees and the individual's guaranties of freedom of thought and of religious worship?" He added: "The question of the wisdom or folly of the law is one for the people, not the courts."²⁸

The Economist

Throughout the 1920s and 1930s Milton was known as an authority on economics. In 1938, while working for the

²⁵Milton, "A Dayton Postscript," p. 551.

²⁶Ibid., p. 552.

²⁷Ginger, Six Days or Forever, p. 209.

²⁸Milton, "A Dayton Postscript," p. 551.

State Department he called himself a "tariff economist."²⁹ This publicity was deservedly gained through the dozens of speeches and editorials and magazine articles that he wrote on the economic problems of Tennessee and the country. Such activity paved his way to an appointment by Hull as a special adviser to the American delegation to the Inter-American Conference at Buenos Aires in 1936, and in 1937 as a special consultant in trade matters to the State Department. At the time of his appointment, Washington "wags" called Milton a "Welsh Rabbit" because the Welsh Rabbit is "neither Welsh nor Rabbit" and likewise they felt Milton knew little about trade and could not advise. "Wiser" men recalled that he was in Washington because of his "old friend" Secretary Hull, and his appointment as trade adviser coincided with State Department plans to remove restrictions on South American farm products. Milton would make a good "contact and publicity" man to "reconcile farmers and agricultural editors to increased imports and new trade agreements."³⁰ In 1939 he was appointed by Sherman Trowbridge, acting chairman of the Independent Committees Section of the Department of Labor, to membership on the Textile Industry Committee No. 8. This committee was set up

²⁹George Fort Milton, "Trade Barriers and Their Consequences," American Academy of Political and Social Science, Annals 18 (July 1938): 43.

³⁰"Dixie Editor," Newsweek, October 11, 1937, p. 16.

under the Wage and Hour Law and dealt with the knitted underwear and commercial knitting industry. The committee also studied the controversial minimum wage idea.³¹ An old friend, Daniel C. Roper, Secretary of Commerce, told Milton that Roosevelt was so impressed with Milton's articles on economics and politics that he took them on fishing trips.³² In 1933 TVA director Harcourt Morgan had written Milton and informed him that the first thing he did after dinner every night was read his editorial page.³³

A major economic concern of Milton was that of freight rates.³⁴ During the nineteenth century, Northern industrialists had, with Interstate Commerce Commission blessing, secured unequal rail rates in the North and South.³⁵ Southerners buying Southern and Northern products paid higher rates than Northerners. For example, pig iron shipped in 1926 from Birmingham, Alabama, cost Chattanooga \$22.00 per ton while Ohio iron facilities were buying the

³¹Sherman Trowbridge to Milton, September 2, 1939, Milton Papers, File 85, Library of Congress.

³²Roper to Milton, July 27, 1935, Milton Papers, File 18, Library of Congress; Alice Warner Milton interview, July 1, 1983.

³³Hodges, "Milton and the New Deal," p. 406.

³⁴Milton, speech to graduating class, Austin Peay Normal School, June 4, 1937, Milton Papers, File 32, Library of Congress.

³⁵Willson Whitman, God's Valley: People Along the Tennessee River (New York: Viking Press, 1939), p. 15.

same iron for \$21.00 per ton.³⁶ The Northern industrialists retorted that crowded rails in the North plus lower Southern wages required higher rates for Southern users.³⁷ By 1933 Milton had become convinced that the only solution to the seemingly unresolvable freight rate squabble was the improvement of Tennessee river navigation through the efforts of the government ownership of the Muscle Shoals project, later to be known as the TVA.³⁸

Annexation and Tax Reform Efforts

Between 1924 and 1935 Milton worked successfully to expand Chattanooga through annexation of the Alton Park, St. Elmo, Riverview, North Chattanooga, and Missionary Ridge areas.³⁹ He became so active with the Chamber of Commerce in the annexation and tax matters that he was constantly called on to make speeches on the Chamber's behalf. In 1929 during a large celebration party for the success of the annexation drive, he was awarded a silver cup for his

³⁶Milton to Charles Howard, July 26, 1926, Milton Papers, File 149, Chattanooga Public Library.

³⁷News, September 5, 1936, p. 4.

³⁸William A. Doran, "Early Hydroelectric Power in Tennessee," Tennessee Historical Quarterly 27 (Spring 1968): 77.

³⁹Mercer Reynolds to Milton, March 23, 1928, Milton Papers, File 149, Chattanooga Public Library.

extensive efforts as chairman of the annexation committee.⁴⁰

The national office of the Chamber of Commerce put him on the National Committee on State and Local Taxation and on the Committee on Highways and Motor Transport in 1931.⁴¹

One of the reasons Milton wanted annexation was his inherited concern for the tax and monetary inequities in Tennessee and its cities and towns. His father had called the attention of the public to these problems in the Taxpayer years earlier. Milton had thus grown up in the vanguard of this fight. Some of the specific issues involved were excise taxes, gasoline taxes, property taxes, and the fee system practiced by law enforcement.⁴² Milton's main objections to the tax policies of the state and local government were that they fell too heavily upon the poor and those least able to pay. He, like his father before him, felt that property taxes were too high and were evaluated upward too often. He felt the yearly evaluation should be widened to a quadrennial or even a decennial period. He thought law enforcement officials should be paid a regular

⁴⁰James W. Livingood, A History of Hamilton County, Tennessee (Memphis: Memphis State University Press, 1981), p. 375.

⁴¹Milton to Morris Edwards, November 13, 1931, Milton Papers, File 149, Chattanooga Public Library.

⁴²Milton to J. Kellam, March 24, 1931, and Milton to William Buttersworth, April 3, 1931, Milton Papers, File 149, Chattanooga Public Library.

and reasonable salary so that the fee system could be abolished. He was also concerned about the lack of adequate state expenditures for education in Tennessee. Among Milton's papers was a report that showed that the State of Tennessee's expenditure on highways in 1915 was \$77.00 per thousand population and increased in 1929 to \$752.00 per thousand, a 900 percent rise. On the other hand, education expenditures went from \$156.00 to \$559.00 per thousand population, an increase of only 300 percent.⁴³

Civil War Biographies

No background on Milton's activities would be complete without mentioning the two books that he wrote during the period covered by the TVA struggle. In 1930 he wrote The Age of Hate: Andrew Johnson and the Radicals and in 1934 he published The Eve of Conflict: Stephen A. Douglas and the Needless War. Milton's work on Johnson was his first attempt at a full-size biography, and it received very positive reviews. The historian Henry Steele Commager said: "Nowhere can we find a more complete or vivid study of the rise of Radicalism during the Lincoln administration." Edwin Mims, of Vanderbilt University, asserted that Milton's book was "the work of a scholar who knows his sources and who has the right valuation of authorities."

⁴³ John O'Conner to Milton, March 29, 1932, Milton Papers, File 149, Chattanooga Public Library.

Diplomat and historian Claude G. Bowers declared that Milton was "known as one of the most liberal and progressive of Southern newspaper men" and rated the book as "a superb biography."⁴⁴

Gilbert Govan, of the University of Chattanooga, reviewed Milton's The Eve of Conflict: Stephen A. Douglas and the Needless War in the Times and praised it for its objectivity and easy reading style and commented that it was uncluttered with footnotes and confusing detail. While the book contributed nothing new, it deserved a "rightful place" in historical biography.⁴⁵ Judging his works by the standards of the day, they seem a bit wordy, yet at the same time interestingly written in just enough places to hold the reader's attention. Milton's work appears to divulge the

⁴⁴Book advertisement flyer, February 16, 1982, Milton Biography File, Chattanooga Public Library. Newsweek recalled that these two works "gained critical applause but not public favor." It was the magazine's opinion that Milton went against the popular vein of thought when he touted Douglas as greater than Lincoln and concluded that the Civil War was an "avoidable war." Milton invested heavily in his literary efforts. Paid researchers did a lot of his "spade work," and his secretaries recorded his dictation of the books. When they were disturbed by visitors, they would complain: "Don't bother us, we're writing a book." Milton himself had little patience with such interruptions. "Dixie Editor," pp. 16-17.

⁴⁵Times, November 23, 1941. The historian North Callahan knew Milton personally and commented to the writer that Milton was a "good historian" and that his books were widely used at Columbia University in the 1930s. Telephone interview with North Callahan, Chattanooga, Tennessee, July 25, 1983.

personal side of history and to give the reader a picture of true reality of the period at hand.

Interestingly enough, in a North Carolina outhouse, Milton did find twenty thousand letters that were thought to have been burned. According to Milton, these letters "filled the great gap" in the existing evidence of the 1850s. He stated that

they threw new light on the motives and techniques by which the ultra minorities in both sections [North and South] manipulated official machinery, and showed that the masses of the people, South and North alike, did not want this politicians' war.⁴⁶

Milton also noted that the correspondence led him to other significant letters of those who were instrumental in Douglas's life. Such people were Gen. John A. McClernand, who was first Douglas's rival then a "staunch" Congressional aide; the editor William H. Lamphier, who was an able supporter; James W. Sheahan, editor of the Chicago Times, which had been established by Douglas--Sheahan had prepared Douglas's campaign biography; George N. Sanders, an "eerie" Kentucky editor who, according to Milton, caused Douglas to lose the presidential nomination and election of 1852.⁴⁷

Not all reviewers were kind. Milton complained to his old friend, Frank Stringfellow Barr, editor of the Virginia Quarterly Review of what he perceived as an unfair

⁴⁶Dale Warren, ed., What Is a Book? Thoughts About Writing (Boston: Houghton-Mifflin Co., 1935), p. 155.

⁴⁷Ibid.

review by "professor Ousley [sic]" of Vanderbilt University's "Young Confederates."⁴⁸ In a letter to his friend Lloyd Lewis, of the educational department of the Chicago Daily News, Milton declared that his books were not accepted by the "out of valley folks" and that they did not like his books because they had that "staid northeastern view." He was apparently sensitive to his lack of graduate education, as he mentioned in the same letter that he was surprised that the "Ph.D. battalian" had not attacked him.⁴⁹ While Milton considered graduate degrees "superfluous," he held a "high respect" for education and supported it constantly throughout his life.⁵⁰ He also approved of professional organizations because he was a member of the American Historical Association from 1929 to 1941 and periodically contributed to its journal.⁵¹

Some aspects of Milton's two literary efforts proved to be interesting. The publicity given his two works, The Age of Hate: Andrew Johnson and the Radicals and The Eve of

⁴⁸Milton to Frank Stringfellow Barr, November 26, 1934, Milton Papers, File 17, Library of Congress.

⁴⁹Milton to Lloyd Lewis, November 26, 1934, Milton Papers, File 17, Library of Congress.

⁵⁰North Callahan, TVA: Bridge Over Troubled Waters (New York: A. S. Barnes & Co., 1980), p. 129.

⁵¹"Personal," American Historical Review 61 (April 1956): 823. Milton, Marquis James, Claude G. Bowers and Allan Nevins, in an obvious light moment, organized "To Hell with Ph.D.'s, Inc." "Dixie Editor," p. 17.

Conflict: Stephen A. Douglas and the Needless War, by the publishers and the scholastic community caused him to be brought to the attention of Elizabeth Ames and George Foster Peabody, directors of the celebrated Yaddo Institute. He subsequently spent a month there in 1935 working on his third book, Conflict: The American Civil War.⁵² Various acquaintances tried to get his books gratis, but Milton curtly refused. When Will R. Poudler, an old acquaintance and an official with the Tennessee Taxpayers Association (TTA), corresponded with Milton and asked for gratis copies of his Johnson and Douglas works for the association library, Milton answered that the association should finance its own library, especially since the headquarters were right across the street from the Stokes and Stockwell bookstore in Nashville, and furthermore heavy Chattanooga donations to the TTA treasury warranted it.⁵³

No doubt one of the high points of Milton's literary efforts was his nomination for the Pulitzer Prize for his work, The Eve of Conflict, in 1935. After several friends discussed the question of such a nomination, Milton indicated that he would indeed be amenable to such an

⁵²Elizabeth Ames to Milton, April 12, 1935, Milton Papers, File 17, Library of Congress. Conflict did not go into print until 1941.

⁵³Milton to Will R. Poudler, November 5, 1934, Milton Papers, File 149, Chattanooga Public Library.

honor.⁵⁴ One Milton supporter, Melrich V. Rosenberg, of Rosenberg's Book Publishers' Trade Representatives, expressed his support in a letter to Milton by noting that he was invited to the Pulitzer Prize banquet and declared emphatically: "I'll be damned if I am going to spend \$3.00 on their foul dinner unless you get it for either history or biography."⁵⁵ Literary luck was not to be with Milton on this prize. He indicated to his publishers, Houghton-Mifflin, that although the Pulitzer Prize advisory committee had nominated his Douglas work, the trustees had overturned them.⁵⁶ According to Milton, the difficult reality was the fact that three of the trustees were his personal friends.⁵⁷ Again Milton cast aspersions on the professional historians

⁵⁴Milton to Alexander Guerry, May 8, 1935, Milton Papers, File 18, Library of Congress.

⁵⁵Melrich V. Rosenberg to Milton, April 18, 1935, Milton Papers, File 18, Library of Congress.

⁵⁶Little information other than Milton's correspondence is available. Robin Kuzen, the assistant to the administrator of the Pulitzer Prizes, stated in a letter, "It is possible that a book by Mr. Milton was entered in the history category that year. . . . I don't have catalogues of the entries that far back." The 1935 prize in history went to Charles McLean Andrews for The Colonial Period of American History and for biography to Douglas Southall Freeman for his R. E. Lee. Robin Kuzen to George Miller, October 15, 1982, George A. Miller File, Ooltewah, Tennessee.

⁵⁷Milton to Ferris Greenslet, May 14, 1935, Milton Papers, File 18, Library of Congress.

by lamenting that he lost the prize because he was not a "member of the club."⁵⁸

Throughout the mid-1920s and the early 1930s, Milton continued to write in favor of the Tennessee Valley as the focal point for the expansion of a new prosperity in the South.⁵⁹ It was during this period that he developed his idea of the "Ruhr Valley" for the South. One of his major concerns was the popular image of the "backward South," and he labored constantly to erase this view.⁶⁰ To Milton, the South was changing in a practical and moderate way "through economic progress."⁶¹ The News supported for more than thirty years the rights of wage earners and was "recognized nationally as a force for social progress in the South and the nation."⁶² In 1929 Milton contributed an article to the New Republic magazine in which he discussed the contemporary textile mill strikes in Elizabethton, Tennessee. While the general tenor of the article was reserved and moderate,

⁵⁸Milton to Guerry, May 8, 1935, Milton Papers, File 18, Library of Congress.

⁵⁹Gilbert E. Govan and James W. Livingood, The Chattanooga Country, 1540-1976: From Tomahawks to TVA, 3rd ed. (Knoxville: University of Tennessee Press, 1977), p. 433.

⁶⁰Hodges, "Milton and the New Deal," p. 385; George Fort Milton, "The South and Muscle Shoals," Independent, January 19, 1924, p. 41.

⁶¹Hodges, "Milton and the New Deal," p. 386.

⁶²News, December 16, 1939, p. 13.

castigating neither management nor labor, he clearly leaned towards labor and outlined his belief that the South would not continue to prosper if management persisted in keeping the worker in a low wage condition. He declared that the working inhabitants of the South did not have enough money for the "necessities of life." He saw no profit for the South in the "exploitation" of labor. Without good wages the worker had no money to spend, to, in turn, "stimulate" business to produce more goods.⁶³

One crusade of the News that began in the 1920s and lasted through the 1930s centered around the plight of the Negro in the South. In 1930 Milton gave a speech to the Phi Beta Kappa Society at the University of the South in which he outlined his position on the Negro in the South. He stated:

There is, for example, the Negro problem, calling for the exercise of real forbearance and common sense. It is peculiarly the South's problem. We must face it, we must solve it, with justice, not prejudice. It is not the fault of the Negro that he is among us to-day. His forefathers were brought here unwillingly, in the stinking holds of ships. . . . When he does equal work with the white man, he is entitled to equal pay. When he goes before a court of law . . . the negro is entitled to justice. . . . And in the realm political, intelligent negroes should have the vote. The Negro is entitled to a square deal.⁶⁴

⁶³George Fort Milton, "The South Fights the Unions," New Republic, July 10, 1929, p. 203.

⁶⁴This was a reprint edition found in Crabtree's Bookstore in Signal Mountain, Tennessee. George Fort Milton, "The Duties of an Educated Southerner," Sewanee Review 38 (January 1930): 8.

Milton had joined the Atlanta based Commission on Inter-racial Cooperation in 1930 and propounded the idea of cooperation between the races. This group studied the problems of race relations with the paternalistic attitude popular at the time.⁶⁵ From 1930 to 1934 he chaired the commission's Bi-racial Committee to study the problem of lynching in the South.⁶⁶ Its findings, according to Milton's introduction to the committee's report, indicated that what was needed was "the reorganization of the social viewpoint of the South, so that Justice . . . rather than fear would prevail."⁶⁷ Milton apparently had long agreed with this finding as he had written three years earlier that "the South said the Negro was not a man and the North said he was not a Negro."⁶⁸ He wrote in 1932 that the practice of lynching was the law of the "jungle" and the result of "frontier" thinking. He noted that in the 1880s and the 1890s there were 176 Negroes lynched and about the

⁶⁵"Southern Leaders Out to Track Down Judge Lynch," Literary Digest, October 18, 1930, p. 24.

⁶⁶George Fort Milton, "What Would Lincoln Do?," Saturday Review of Literature, February 12, 1944, p. 4. Milton also belonged to the Southern Conference on Human Welfare, originated by the University of Alabama physicist, Joseph S. Gelders. George B. Tindall, The Emergence of the New South, 1913-1945 (Baton Rouge: Louisiana State University Press, 1967), p. 636.

⁶⁷Hodges, "Milton and the New Deal," p. 397.

⁶⁸George Fort Milton, "Black Ballots in the White South," Forum, December 1927, p. 908.

same number of whites. He also encouraged white women to "denounce" lynchings as "anti-woman." His influence in this matter led to the formation of the Southern Association of Women for the Prevention of Lynching.⁶⁹

Milton's Personality

Milton seemed to have an ongoing difficulty in "getting along with people." His "lack of the human touch" combined with his "urbane" manner of speaking often left people with the impression of him as the "Remote Publisher."⁷⁰ He often used long words such as "tergiversational," and this led others to the impression that he was out of touch with the ordinary person.⁷¹ An incident that happened to Gordon Gaskill, one of the News writers, is demonstrative of the point. On one occasion Gaskill was in charge of a special edition of the paper to commemorate some special event (which Gaskill indicated he could not remember) at the News and was chosen by the staff to make a short speech and present some flowers to Milton.

⁶⁹George Fort Milton, "The Impeachment of Judge Lynch," Virginia Quarterly Review 8 (April 1932): 247-50.

⁷⁰Gordon Gaskill to Miller, September 23, 1982, George A. Miller File, Ooltewah, Tennessee. Until his retirement in June 1983, Gaskill was a reporter for Reader's Digest for twenty-five years. S. Loeb to George Miller, September 6, 1983, Miller File, Ooltewah, Tennessee. Loeb is Director of Personnel Records for Reader's Digest.

⁷¹Milton to Howard L. Hindley, November 1, 1932, Milton Papers, File 13, Library of Congress.

He recalled that the flowers in question were gladiolus, and he had always heard the name of that particular flower pronounced "glad-ee-OH-lus." He wrote that "my speech said the usual things, and ended with something like, 'therefore, on behalf of the staff . . . these glad-ee-OH-lus.'" Milton "took them and with a thin smile said: 'It's pronounced glad-DYE-o-lus.'" Gaskill stated that "not many people except George Fort Milton could have picked that moment to correct my pronunciation." He stated that after this public "blow" he rushed to a dictionary and discovered to his "horror" that Milton was right about the pronunciation. As he wrote to this writer in 1892, he checked his dictionary, and it showed both pronunciations, with his method first and Milton's second.⁷²

Along with the negative recollections, Gaskill also remembered the positive ones, especially the "rare talks" he had with Milton, who was twenty years his senior. He remembered Milton's excellent breadth of knowledge in the field of economics; his comments on the noted English economist, Graham Wallas; and Milton's broad working vocabulary. Milton complimented him on various articles he had written for the paper and, when Gaskill was a candidate for the Nieman fellowships at Harvard, wrote a very "urbane"

⁷²Gaskill to Miller, September 23, 1982, Miller File, Ooltewah, Tennessee.

letter to Harvard in his behalf, "the kind an Oxford don might have written."⁷³

There were others at the News who felt that Milton's personality contributed to his personal problems. Walter C. Johnson, Jr., remembered him as, at times, "abrasive" and curt. Milton impressed Penelope Allen, a former reporter, as very "pompous."⁷⁴ One composition room worker at the News postulated that he let his pride stand between the public and the paper and did not develop the rapport with the commercial and home subscribers that he should have.⁷⁵ An advertising solicitor for the News remembered Milton as a man who was "great" before a crowd yet had problems in "personal" relations.⁷⁶ Gaskill related that "his personal stubbornness" often led to his dining alone at the exclusive Mountain City Club, where he was a longtime member and stockholder.⁷⁷ Milton himself shed light on this view when he stated in his farewell article on the first page of the last issue of the News that he had "often written too

⁷³ Ibid.

⁷⁴ Telephone interview with Walter C. Johnson, Jr., Chattanooga, Tennessee, July 19, 1982; Allen interview.

⁷⁵ Telephone interview with Charles G. Craig, Chattanooga, Tennessee, August 10, 1982.

⁷⁶ Telephone interview with Virginia Chumley, Chattanooga, Tennessee, August 11, 1982.

⁷⁷ Gordon Gaskill, "A Newspaper Is Killed," New Republic, January 15, 1940, p. 80.

harshly about individuals" and that he had come to realize that he had placed himself "on a tripod above his fellows" and in so doing had made a "great mistake."⁷⁸ This article read as though it revealed the true magnitude of Milton's heart. He admitted that the troubles of the paper had taught him that the task of a "director of a newspaper is to fold its policies in a cloak of charity and understanding" while it laid the facts of truth before the people. He added that neither he nor the News bore "malice toward any" and hoped that whatever errors were made would be forgiven.⁷⁹

There were many who saw the positive side of Milton and recalled his crusading spirit to right the wrongs of the South and to destroy the misconceptions and myths about the South.⁸⁰ Milton wrote his friend Howard Odum, director of the Institute for Research in Social Science at the University of North Carolina, that David Lilienthal, recently appointed TVA board member, was very excited, after a visit to Chattanooga, to note that Southerners actually had "liberal" points of view and wore shoes.⁸¹ Roy

⁷⁸News, December 16, 1939, p. 1.

⁷⁹Ibid.

⁸⁰Telephone interview with James F. Hathcock, Chattanooga, Tennessee, August 10, 1982; Popham interview; see Hodges, "Milton and the New Deal," pp. 383, 385-86.

⁸¹Milton to Howard W. Odum, June 10, 1933, Milton Papers, File 13, Library of Congress.

McDonald, arch enemy of the TVA and owner and editor of the Free Press, remembered him as a "scholarly man."⁸² Penelope Allen agreed that he was an excellent scholar and stated that he was a "great writer, precise, lucid, and easy to follow."⁸³

It was during the late 1920s that Milton began to become disillusioned with the nation's leadership. He condemned Calvin Coolidge as having "the personality of an odorless refrigerator and the vision of Mammoth Cave Fish."⁸⁴ He feared that Hoover's political vision had become "blurred, myopic, out of focus." By 1931 Milton had become so discouraged that he turned from "public works" to literary works. In early 1932 he wrote that he was "disgusted with both parties." As late as October 1932 the News editorials left room for the Hoover administration as the Roosevelt regime entered. On the one hand Milton saw Hoover as admirable yet without clear vision on the solutions of the nation's economic problems. He viewed the Roosevelt win as sign of public disaffection for Hoover and a chance for a new attempt for "rebirth" for the nation's

⁸²Telephone interview with Roy McDonald, Chattanooga, Tennessee, July 19, 1982.

⁸³Allen interview.

⁸⁴Hodges, "Milton and the New Deal," p. 387. In 1926 Milton had disparaged the 1920 Democratic candidate, James M. Cox of Ohio, as the "Cucumber candidate, indigestible." George Fort Milton, "Democracy--Whither Bound," Virginia Quarterly Review 2 (January 1926): 17-30.

problems. The "Hundred Days" made a Roosevelt convert out of Milton. To him the new administration showed courage and revolutionary ardor, and he compared it to the "magic lamp of Aladdin" in its ability to perform. After the Norris Act passed in 1933, the News gave much space to the Roosevelt program and by 1936 it was calling the New Deal the "new Frontier" and Roosevelt the "true social pioneer." For Milton, Roosevelt's expansion of Norris's TVA idea was the "crowning" glory of the New Deal. From 1933 through 1939 Milton's editorials gave constant support for the TVA program.⁸⁵

⁸⁵Hodges, "Milton and the New Deal," pp. 397-407.

CHAPTER III

MUSCLE SHOALS AND THE TENNESSEE VALLEY

AUTHORITY BILL

George Fort Milton's concern for the development of the Tennessee River was not something that was spawned overnight or conceived during the 1932 presidential campaign. In 1898 his father became one of the charter members of the Tennessee River Improvement Association, so Milton grew up with regard for the river as an integral part of family life.¹ In 1937 he reminisced that "we were born sighing for something to be done about our river."² At the same time he recalled that somewhere in his files he had a letter from his great grandfather, Dr. Tomlinson Fort, written to his wife in 1842, that stated, "at last . . . the government in Washington is going to do something about Muscle Shoals."³

Milton reminded his readers in an editorial in 1933 that the problem of what to do with the river had been around for over one hundred years. In 1824, Pres. James

¹Sarah Fort Milton Scrapbook, George Fort Milton Papers, Alice Warner Milton, Lookout Mountain, Tennessee.

²George Fort Milton, "A Consumer's View of TVA," Atlantic Monthly, November 1937, p. 653.

³Ibid.

Monroe had informed Congress that his Secretary of War, John C. Calhoun, had recommended that Muscle Shoals should be surveyed as it represented one of the transportation routes most significant to the United States. About seven years later the State of Alabama attempted to build a sixteen-lock canal around Muscle Shoals, but the project fell through. In 1872 the United States government spent \$4 million on the Alabama canal, yet it was not usable at low water stages. Under the Wilson administration, two nitrate plants and a steam generator plant in conjunction with the proposed Wilson Dam were constructed, which development was valued at \$100 million and was to be second in size to the world's largest hydroelectric plant in Dneiper, Russia.⁴ In 1922 Col. Harold C. Fiske of the Army Corps of Engineers made a survey of the navigation and power capabilities of the Tennessee River and concluded that the job of adequate control of the river was too much for anyone but the Federal government.⁵ When he informed his immediate superior, Gen. Alfred A. Taylor, himself a Tennessean, Taylor told him to squelch such information and "never" mention it again, as it

⁴News, Chattanooga, Tennessee, January 21, 1933, p. 6.

⁵Milton to Judson King, April 13, 1935, George Fort Milton Papers, File 18, Manuscript Division, Library of Congress, Washington, D. C.

was contrary to White House goals.⁶ As early as 1924 Milton had prognosticated the great value of the construction of Wilson Dam. He stated:

It looks upon the progressive industrialization of the Tennessee Valley as assured; with possibility that the Tennessee may rival the Ohio and the Monongahela as the great artery of American trade. It is a fine ⁷ dream; an American Rhine, with a Ruhr in Tennessee.

Milton was not alone in his concern for the improvement of the Tennessee River. For example, between 1921 and 1933, 138 bills were put into the Congressional hopper which dealt generally with the Tennessee River and specifically with Muscle Shoals.⁸ There were also various attempts to lease or rent the Shoals, yet most resulted in failure. When Henry Ford offered to lease the Muscle Shoals complex for \$5 million in the 1920s, Sen. George Norris of Nebraska, chairman of the Committee on Agriculture and Forestry and sponsor of his own bill on the Shoals, strenuously objected. He emphatically stated that the Ford offer was much too low and that the Tennessee River was the "greatest gift since salvation made free."⁹ Norris's

⁶Preston J. Hubbard, Origins of the TVA: The Muscle Shoals Controversy, 1920-1932 (Nashville: Vanderbilt University Press, 1961, p. 53. Milton to King, April 13, 1935, Milton Papers, File 18, Library of Congress.

⁷George Fort Milton, "The South and Muscle Shoals," Independent, January 19, 1924, p. 41.

⁸North Callahan, TVA: Bridge Over Troubled Waters (New York: A. S. Barnes & Co., 1980), p. 24.

⁹Ibid.

supporters were also concerned that it would be "unsafe" to allow a national defense project such as Muscle Shoals to end in the hands of those in the private power sector.¹⁰

Congress Versus the White House

One of the stumbling blocks to the settlement of the Muscle Shoals-Tennessee River improvement problem was the constant tug of war between the White House and the Congress. When George Norris introduced a bill in 1928 and one in 1930, Calvin Coolidge vetoed the first and Herbert Hoover the second. Hoover favored private rather than public development and put forth a plan of his own in late 1931 that allowed Muscle Shoals to be leased primarily for fertilizer research and manufacture.¹¹ Milton had stated in 1925 that the complete development of the Tennessee River by private companies was inevitable because he believed that "sentiment" to support public power projects was not extant.¹² By 1930 Milton had changed his mind, because on April 18 he had predicted that Hoover would sign the recently passed Norris Muscle Shoals bill. According to Milton, the President's October 1928 campaign speech in Elizabethton, Tennessee, hinted that he would do so.¹³

¹⁰ Hubbard, Origins of the TVA, p. 156.

¹¹ News, January 6, 1932, p. 2.

¹² Hubbard, Origins of the TVA, p. 178.

¹³ Ibid., p. 290.

Numerous Chattanooga businesses and organizations agreed with Hoover's view; and on January 18, 1932, the Chattanooga Chamber of Commerce president Mark Senter, United States Senator William Brock, Mayor Edward Bass, and Judge Wilkes T. Thrasher, among others, organized a delegation to go to Washington to lobby Congress to support Hoover's lease plan for Muscle Shoals.¹⁴ Henry Ford heightened tensions further when he withdrew his \$5 million lease offer at this time. He lamented that "a single affair of business which should have been decided by anyone within a week has become a complicated political affair." He had become convinced that the nation was committed to the Federal Water Power Act and would not violate it by accepting his offer.¹⁵ C. Herman Pritchett concluded that Norris had such a comprehensive knowledge of the Muscle Shoals controversy that his remarks had a "devastating" effect against the Ford offer and that any support of the Ford plan by the Agriculture Committee was rendered impossible in the period of the offer.¹⁶

The Senate Agriculture Committee charged that those in favor of private power interests had waged an eight-year

¹⁴News, January 13, 1932, p. 1.

¹⁵Hubbard, Origins of the TVA, p. 138.

¹⁶C. Herman Pritchett, The Tennessee Valley Authority: A Study in Public Administration (Chapel Hill: University of North Carolina Press, 1943), p. 10.

war to prevent government development of Muscle Shoals and that Hoover's emphasis on the development of Muscle Shoals' fertilizer facility was a political ploy aimed at the farmers' vote.¹⁷ Most of Hoover's support came generally from the House side of Congress. For example, Congressman Allen T. Treadway of Massachusetts charged that the Muscle Shoals bill was "simply a raid on the treasury" and curtly stated that the government had no business in the Muscle Shoals project. At the same time Congressman Burnette Chipperfield, a Republican from Illinois, presented a resolution to remove government control of Muscle Shoals.¹⁸ In March, Alabama Congressman Lister Hill introduced a bill to set up a three-man board to negotiate a fifty-year lease to produce fertilizer at profits of no more than eight percent. If no lease were contracted within eighteen months, the board would operate the plant. Under this bill the Cove Creek Dam (later known as Norris Dam) on the Clinch River near Knoxville would not be built until after the fertilizer lease was signed.¹⁹ It was common belief among those who supported the development of the Tennessee River, such as those of the Tennessee River Association, that the Cove Creek Dam was needed to control directly the headwaters

¹⁷ Hubbard, Origins of the TVA, p. 207.

¹⁸ News, March 14, 1932, p. 1.

¹⁹ Ibid., May 5, 1932, p. 1.

of the Tennessee River and thus relieve flood damage on the river. This had been discussed as early as 1921 by the Army Corps of Engineers and was considered a feasible idea.²⁰ Milton commented that Hill's bill did not consider the flood control aspect of the Cove Creek Dam and its positive potential to prevent Chattanooga's yearly devastating floods and that it was simply another attempt to placate the private "power people" in their fight against public power.²¹

By September 1932 the Muscle Shoals debate had gravitated into the presidential election arena, and the News reported that it had become a campaign issue.²² This was not the first time that Muscle Shoals had been involved in presidential politics. On December 16, 1923, Milton had

²⁰ Hubbard, Origins of the TVA, p. 302.

²¹ News, March 25, 1932, p. 6. Milton either wrote or approved the New Deal editorials and those that involved the Tennessee River, especially those that appeared on the right side of the editorial page. Drawing on Lindsay Rogers of Columbia University, who was a personal friend of Milton and had corresponded with him on many occasions, Hodges says that Milton's News "editorials represented his unvarnished opinion" and that "the judgement that Milton wrote most New Deal editorials" rests on their particular position on the page. James A. Hodges, "George Fort Milton and the New Deal," Tennessee Historical Quarterly 36 (Fall 1977): 384.

²² News, March 24, 1932, p. 1. Milton had previously contended that Roosevelt considered the state of affairs concerning Muscle Shoals as a waste of the country's natural resources and a national concern for Americans. Milton had several talks with Roosevelt during the 1932 campaign, and Roosevelt indicated this to him on one of those occasions. Alice Warner Milton interview, July 1, 1983.

pointed out that the Muscle Shoals issue had political clout. He reported that Congress was going to be told by Republican Party leaders to accept the Ford lease offer for the Shoals in order to eliminate Ford as a presidential aspirant.²³

Milton supported Roosevelt almost without equivocation and especially in matters that dealt with the Tennessee River.²⁴ Roosevelt took advantage of this support as demonstrated by an interesting incident that took place in May 1933. According to Alice Milton, Roosevelt's Postmaster General James A. Farley was made to feel uneasy working in the cabinet without benefit of a college degree.²⁵ Marvin H. McIntyre--once city editor of the News, one of Milton's employers at the Washington (D.C.) Times and by then Roosevelt's appointment secretary--contacted Edward J. Hurja, the chairman of the Democratic National Committee; and he, in turn, phoned Milton and stated the problem. He knew that Milton's father was a University of the South alumnus and suggested that Milton could use his influence

²³Hubbard, Origins of the TVA, p. 105.

²⁴Hodges, "Milton and the New Deal," p. 384.

²⁵Alice Warner Milton interview, March 3, 1982. Neither of Farley's books mentioned Milton's part in this affair. Farley stated in 1948 in his book that the degree was of "great personal satisfaction" and that it was "pleasing" to him to "become a college man." James A. Farley, Jim Farley's Story: The Roosevelt Years (New York: McGraw-Hill Book Co., 1948), p. 43.

there (or anywhere) to secure an honorary degree for Farley.²⁶ Milton quickly contacted his friend, Bishop Thomas F. Gailor at Sewanee, and discussed the possibility of awarding an honorary degree to the Postmaster General.²⁷ Hurja grew impatient with Milton's activities in the matter and wrote to him on June 2 that "someone is going to jump off the Washington monument if this event does not materialize."²⁸ In the meantime, and without Milton's knowledge, Hurja contacted Milton's personal friend, Thomas P. Martin, director of the Library of Congress Manuscript Division, to get the "low down on Sewanee."²⁹ The degree-granting finally did materialize, and the University of the South awarded the honorary Doctor of Civil Laws to James A. Farley on June 13, 1933.³⁰

During the 1932 presidential campaign, Roosevelt outlined his plan of social experimentation in the Tennessee Valley personally to Milton and during a speech in Portland,

²⁶Milton to Edward J. Hurja, May 20, 1933, Milton Papers, File 13, Library of Congress; Dictionary of American Biography, supplement 5 (1951-1955), s.v. "Milton, George Fort," by Hans L. Trefousse.

²⁷Milton to Hurja, June 1, 1933, Milton Papers, File 13, Library of Congress.

²⁸Hurja to Milton, June 2, 1933, Milton Papers, File 13, Library of Congress.

²⁹Milton to Thomas P. Martin, June 19, 1933, Milton Papers, File 13, Library of Congress.

³⁰Hurja to Milton, June 16, 1933, Milton Papers, File 13, Library of Congress.

Oregon. In his concern for the valley farmer, Roosevelt noted that floods needed to be controlled to allow for the reclamation of farm land.³¹ The News quoted Roosevelt as saying that the river belonged to the people and that its use should be delegated to their best advantage. Furthermore, the river's development would aid the Southern cotton farmer and, in turn, benefit the Northern corn farmer; and indirectly all farmers would be better off if the Tennessee Valley were improved. Agriculture was fundamental to the national economy.³² In a speech in January 1933 at Florence, Alabama, Roosevelt declared that full development of the Muscle Shoals plant would employ about fifty thousand men. After he left, a Florence judge, James Frederick Johnson, of the 11th Judicial Circuit, revealed to newsmen that the president-elect had "big plans" for the Tennessee River Valley."³³

In addition to his interest in flood control and river navigation, Roosevelt was disturbed over high electric rates and lack of power service in much of the valley. The News reported that Roosevelt sympathized with those who

³¹News, September 15, 1932, p. 4; Hubbard, Origins of the TVA, p. 312; Milton to Baxter Jackson, April 13, 1933, George Fort Milton Papers, File 149, Chattanooga Public Library, Chattanooga, Tennessee.

³²News, September 15, 1932, p. 4.

³³Ibid., January 21, 1933, p. 4. The twentieth amendment was not ratified until January 23, 1933, so Roosevelt did not become President until March 4.

complained of rate gouging and neglect by the state public utility commissions and that he stated in his Portland speech that the utility commissions were the "agents of the people," not the arbitrators between the people and the power companies. In addition Roosevelt moralized that public utilities had a duty to protect the consumer against private greed and that one of the serious complaints of consumers was that the method used by power companies to make rates was highly questionable. Milton pointed out that in 1898 the Supreme Court had ruled in the case of *Smyth v. Ames* that rates should be based on the cost required to rebuild power facilities. This enraged the power companies because construction costs were lower in 1898 than in previous years. Therefore, they could not claim that high construction costs were driving rates up. By the 1920s, construction costs had increased and power companies had decided that the Supreme Court's 1898 idea of reproduction costs was reasonable.³⁴ Now they could blame higher rate charges on higher replacement costs. By the 1930s, consumers were angry because rates were higher, and they began to push for what became known as the "prudent investment idea." This meant, in theory at least, that the amount of capital investment was to be an estimate of "what

³⁴ News, September 28, 1932, p. 4; Thomas K. McCraw, TVA and the Power Fight, 1933-1939 (New York: J. B. Lippincott Co., 1971), p. 14.

a prudent businessman would pay for (power) property as a going concern for the production of electricity based primarily on cost per kilowatt of installed capacity," rather than contemporary costs of rebuilding the facilities. This idea was first mentioned by Lilienthal in the 1930s.³⁵ This scheme theoretically allowed for fair compensation for the power company with reasonable rates for the customer. By March 1932, labor and material costs had inflated above 1920 levels and this caused power companies to look with more favor on the prudent investment idea instead of the initial replacement cost method of rate structure. Milton ventured the opinion that rates might decrease if the power companies used the prudent investment method of rate calculation.³⁶

Roosevelt visited Knoxville in October 1932 and commented in a speech that there were four great water systems in America: the St. Lawrence, the Columbia, the Colorado, and the Tennessee rivers. It was the government's duty to develop these waterways as a "yardstick" for power resources to determine a reasonable level for electric

³⁵C. Herman Pritchett, The Tennessee Valley Authority: A Study in Public Administration (Chapel Hill: University of North Carolina Press, 1943), p. 83; McCraw, TVA and the Power Fight, p. 14.

³⁶News, March 3, 1932, p. 4.

rates.³⁷ Milton agreed that this, in turn, would benefit the "small man," the consumer of electricity.³⁸ Two days earlier he had pointed out that Roosevelt had quoted Norris as saying that the major public utilities were over-capitalized by \$520 million, and this cost mushroom was passed to the consumer in higher electric rates. Norris had further noted that the "Insull empire" had poured \$500 thousand into Kentucky's private power industry there, tying consumers to higher-than-necessary rates for generations to come. He also stated that in 1926 Canadians, under the publicly operated Ontario power project, paid 1.85 cents per kilowatt hour while citizens in the United States paid 7.5 cents during the same period under private power; thus they were overcharged \$600 million.³⁹ McCraw has written that "the power business required colossal amounts of capital--more than \$3 of plant investment to produce from customers yearly revenues of \$1." He also noted that the giant holding companies in the decade of 1920-1930 dominated the hydropower scene because they were the ones with access

³⁷Ibid., October 24, 1932, p. 4. Roosevelt was traveling by train; he stopped in Knoxville only fifteen minutes and slept through Chattanooga a few hours later.

³⁸Ibid.

³⁹Ibid., October 22, 1932, p. 4; George W. Norris, "Politics and Muscle Shoals," The New South, July 1927, p. 45.

to large amounts of cash.⁴⁰ Milton gave another example of padded rates demonstrated by the Alabama Power Company which purchased power from the government's Wilson Dam at one-fifth cent per kilowatt, then within 100 yards of the dam charged customers twelve cents for the same amount of power!⁴¹

Why TVA?

Some asked why the Federal government needed to be involved in the production of electric power. Milton wrote prolifically in response. The democratic system of government was to make life easier and to aid in the wise expenditure of money. Only through the Federal government could the public afford to develop large resources such as the Tennessee River for the well-being of the people. Through such a program, small farms would be "intensely cultivated," all means of transportation developed, and floods prevented.⁴² Milton reprinted a Detroit News editorial which concurred that Roosevelt's Tennessee River Valley plans were sound ideas to reconstruct the economy of the Valley region. They were a "great social advance"

⁴⁰ McCraw, TVA and the Power Fight, pp. 7, 9.

⁴¹ News, February 14, 1933, p. 4.

⁴² Ibid., February 3, 1933, p. 6.

characteristic of the "American imagination" and should be spread from "Montana to Minnesota."⁴³

On April 10, 1933, the News headline read in large capitals, "DEVELOPMENT OF TENNESSEE RIVER BASIN INTO RUHR OF AMERICA SEEN AS F. D. [R.] BARES PLAN." It also noted that Roosevelt had sent a special message to Congress to request that a special authority be created to carry out a great program for the Tennessee Valley.⁴⁴ This suggestion was viewed by Milton as a comprehensive outlay as far-reaching as Russia's five-year plan, except that the United States had the wealth to carry it to fruition. He contended that America had all the "sinews" necessary to build a contented "social organization" in the Valley. The Tennessee Valley had been "watered with the blood of pioneers," and now there were "new pioneers" to start a "new frontier" on the river.⁴⁵ Milton subscribed to the theory of regionalism put forth by his friend Howard Odum and others of the University of North Carolina.⁴⁶ North Carolina had become a center in

⁴³Ibid., March 18, 1933, p. 6.

⁴⁴Ibid., April 10, 1933, p. 1. Milton was the first to use the term "Ruhr" as applied to the Tennessee Valley. George Fort Milton, "The Ruhr of America," Independent, June 6, 1925.

⁴⁵News, April 11, 1933, p. 4.

⁴⁶Milton to Odum, May 2, 1933, Milton Papers, File 13, Library of Congress.

the South for the "progressives."⁴⁷ Milton and Odum were numbered among those who came to view the TVA as a chance to improve the economic and social conditions of the South.⁴⁸ Odum's view was best put forth in 1936 in his book, Southern Regions of the United States. In this work he pointed out that the "bigness" of the country, the "culture, motivations," and "technological considerations," required the "regional approach" to successful planning in the United States.⁴⁹

For all those concerned, Roosevelt's April 10 message to Congress was a call for Senator George Norris's bill on Muscle Shoals to be passed.⁵⁰ In an editorial two days after the president's call for action, Milton noted twenty-nine pertinent points in the bill. The major thrust of the bill created the Tennessee Valley Authority, with a three-member controlling board; provided for government possession of Muscle Shoals; allowed for the financing and construction of additional dams and transmission lines, and

⁴⁷William B. Hesseltine and David L. Smiley, The South in American History (Englewood Cliffs: Prentice-Hall, 1960), p. 524.

⁴⁸Milton to Charles H. Judd, May 3, 1933, Milton Papers, File 13, Library of Congress.

⁴⁹Clarence Lewis Hodge, The Tennessee Valley Authority: A National Experiment in Regionalism (Washington, D.C.: American University Press, 1938), p. 7.

⁵⁰William E. Leuchtenburg, Franklin D. Roosevelt and the New Deal, 1932-1940 (New York: Harper & Row, 1963), p. 54.

made provision for flood control, navigation, and reforestration.⁵¹

Politicians in and around Chattanooga quickly lauded Roosevelt's message. House Speaker Joseph W. Byrnes, a Tennessean, supported the Norris bill and speculated that it would pass in a "week to ten days." Third District Congressman Sam D. McReynolds announced his wholehearted support for the bill.⁵² Sen. Kenneth D. McKellar wrote Milton on April 22 that the Norris bill would pass in a few days and that it was a "great thing for Tennessee."⁵³ Even Wendell Willkie, president of the Commonwealth and Southern Holding Company who later fought the TVA with every resource at his disposal, opined, "We are happy over this magnificent development of the Tennessee Valley."⁵⁴

Milton quipped that it was "interesting" how Southern newspapers had recently berated Norris as a "communist of the reddest dye" and were now "singing his praises." Those same editors who wanted to deport him now beheld him as a "shining statesman." There was so much radical discussion it appeared that he had the "worst qualities of a Robespierre . . . and that he had a secret

⁵¹News, April 12, 1933, p. 4.

⁵²Ibid., April 10, 1933, p. 1.

⁵³Kenneth D. McKellar to Milton, April 5, 1933, Milton Papers, File 13, Library of Congress.

⁵⁴News, April 13, 1933, p. 1.

understanding with Trotzky to turn Muscle Shoals over to the Bolsheviks." What was often refused as "radical today" was accepted as "moderate tomorrow."⁵⁵

While there was much applauding and positive rhetoric about the Norris bill, there were those who adamantly opposed it. One Chattanooga Chamber of Commerce speaker sarcastically stated that he would rather see the Norris bill fail than be allowed to push the Tennessee Electric Power Corporation (TEPCO) into "investment loss." This company was controlled by Wendell Willkie through the Commonwealth and Southern Corporation.⁵⁶ Henry I. Harriman, president of the United States Chamber of Commerce and a private power executive, concurred with his local Chattanooga unit when he voiced strong protest against the entire TVA project.⁵⁷

Milton himself was concerned that there were some who were so much in favor of the Norris bill that the present power facilities would be supplanted by new ones, and he considered this a waste. He was particularly upset over the point in Norris's bill that provided for new power transmission lines to be built. He saw no reason to build new ones if the lines already in place were deemed

⁵⁵ News, April 12, 1933, p. 4.

⁵⁶ Ibid., April 14, 1933, p. 6.

⁵⁷ Ibid., April 17, 1933, p. 1. As early as April 10, 1933, the News was using the term "TVA."

usable.⁵⁸ In an April conference with President Roosevelt, Milton discussed all aspects of the TVA project and intimated his hope that the TVA would not die in the flood of controversy continuing to erupt between the Congress and the power companies.⁵⁹ He also wrote on numerous occasions of his concern about the "Klondike psychology" that was invoked by the TVA issue. In a letter to Frank C. Waldrop, managing editor of the Nashville Evening Tennessean, who had earlier described Milton as "the best informed on TVA's plan," Milton expressed the fear that the "get rich quick schemes" running rampant in the streets would detract from the real aims of the TVA to diversify industry, aid small-town development, and make cheap electric power available to all.⁶⁰ In letters to his friend Howard W. Odum and to Arthur E. Morgan, soon to be the first TVA board chairman, Milton presented his belief in the dangers of the "boom psychology" and asked Morgan to do his best to thwart such surface activities.⁶¹ He even took the trouble to mail a real estate brochure to Roosevelt and asked him to make a public statement decrying the "Klondike

⁵⁹ Milton to Jackson, April 17, 1933, Milton Papers, File 13, Library of Congress.

⁶⁰ Milton to Frank C. Waldrop, May 8, 1933, Milton Papers, File 13, Library of Congress.

⁶¹ Milton to Odum, May 23, 1933; Milton to Arthur E. Morgan, May 12, 1933, Milton Papers, File 13, Library of Congress.

psychology" that was demonstrated by its contents.⁶² Henry Ford had contributed to the birth of this problem by his announcement to the Associated Press in January 1922 that if Congress accepted his bid to lease the Shoals he would build a "great city, seventy-five miles long" in the district of Muscle Shoals.⁶³

The major step in the Roosevelt program for the Valley emerged when the House and Senate versions of the Norris bill passed on April 27 and May 3, respectively; the conference report, May 17; and Roosevelt signed the bill on May 18, 1933.⁶⁴ Milton was ecstatic. In an editorial on May 18 he prophesied that there would be a "redistribution" of industry and agriculture and an electrification of the entire valley. There would be a "realignment of modern life" that would prevent "the cares and problems of past years from returning."⁶⁵

The Search for Board Members

During the last months of the Congressional fight over the Norris bill, Roosevelt was looking for candidates

⁶²Milton to Franklin Roosevelt, May 18, 1933, Milton Papers, File 13, Library of Congress.

⁶³Hubbard, Origins of the TVA, p. 39.

⁶⁴Hodge, Tennessee Valley Authority, p. 35; News, May 18, 1933, p. 1.

⁶⁵News, May 18, 1933, p. 4.

to fill the three-man board for which the bill provided. Politics played an obvious part in this problem as each section of the country vied for membership or control of membership on the board. Robert LaFollette and his "west of the river liberal" supporters had for some time plumped for David E. Lilienthal of the Wisconsin Public Utilities Commission.⁶⁶ Northeastern spokesmen pressured for board members sympathetic with private power companies. Southerners wanted at least one member from their region on the board, and Milton insisted on a Tennessean.⁶⁷

In April, Milton heard that Arthur E. Morgan was being considered for appointment to the board, so he wrote a letter to his friend and fellow Tennessean, Cordell Hull, in which he stated that Morgan was a good man for the board and was "highly desirable." He also volunteered for service on Roosevelt's "TVA board study committee" if he were needed.⁶⁸ On May 4, Milton corresponded with Roosevelt's appointment secretary, Marvin H. McIntyre, and again lauded the

⁶⁶Alice Warner Milton interview, April 2, 1982; Edward J. Meeman, editor of the Memphis Press-Scimitar, to Lowell Mellett, editor of the Scripps-Howard Newspaper Alliance, May 27, 1933, Milton Papers, File 13, Library of Congress; Pritchett, Tennessee Valley Authority, p. 150.

⁶⁷Victor H. Hansen to Milton, May 16, 1933, Milton Papers, File 13, Library of Congress. Hansen was publisher of the Birmingham News. Alice Warner Milton interview, April 2, 1982.

⁶⁸Milton to Cordell Hull, April 22, 1933, Milton Papers, File 13, Library of Congress.

qualifications of Arthur E. Morgan for the board.⁶⁹ On May 19, Roosevelt followed the advice of Milton and others and appointed Arthur Morgan as chairman of the three-man TVA board.⁷⁰

Milton wrote his friend Odum that, after Morgan had spent some time in the Milton home, he concluded that Morgan was "rather curious without particular social grace," yet a very practical and interesting person.⁷¹ According to Alice Warner Milton, it was fortunate for Morgan and his supporters that it was not publicly known that he was a vegetarian, as this certainly would have detracted from his real worth.⁷² Morgan's qualifications were solid. He brought administrative talent from his experience in the presidency of Antioch College in Ohio, a school noted for its work-study program, and he had managed over seventy projects in flood control up and down the Mississippi River and had operated his own engineering firm in Memphis in 1910.⁷³

While Milton knew less of David E. Lilienthal than he did of the Morgans, he nevertheless supported him. In

⁶⁹Milton to Marvin H. McIntyre, May 4, 1933, Milton Papers, File 13, Library of Congress.

⁷⁰News, May 19, 1933, p. 1.

⁷¹Milton to Odum, May 27, 1933, Milton Papers, File 13, Library of Congress.

⁷²Alice Warner Milton interview, April 4, 1982.

⁷³News, May 19, 1933, p. 1.

two letters to his friend Odum, he mentioned that Lilienthal was shocked that Milton wore shoes and that he had a "liberal" point of view; yet, in spite of this, Lilienthal had the "Wisconsin point of view."⁷⁴ In a letter to Edward J. Meeman of the Memphis Press-Scimitar, Milton commented that it was significant that while the LaFollette people wanted Lilienthal, Wendell Willkie's Commonwealth and Southern "people" opposed him. Willkie wanted a Southerner sympathetic to private power companies.⁷⁵ Roosevelt overlooked Willkie's wishes and appointed the thirty-four-year-old Harvard educated lawyer to the TVA board as chief counsel and electrical expert.⁷⁶ Lilienthal displayed potential for saying the right things to the right people when he acknowledged Milton's support in a letter on June 8. He told him that he was a "man of influence and responsibility with so clear a picture of the task of our generation."⁷⁷

⁷⁴ Milton to Odum, June 5, 10, 1933, Milton Papers, File 13, Library of Congress. According to Alice Warner Milton, one reason Milton supported Lilienthal was the influence of Robert LaFollette.

⁷⁵ Milton to Edward J. Meeman, May 27, 1933, Milton Papers, File 13, Library of Congress.

⁷⁶ News, June 5, 1933, p. 4.

⁷⁷ Lilienthal to Milton, June 8, 1933, Milton Papers, File 13, Library of Congress; Callahan, TVA: Bridge Over Troubled Waters, p. 40. Lilienthal became the chief unofficial public relations man for the TVA and "enjoyed the contest for public opinion." McCraw, TVA and the Power Fight, p. 123.

On numerous occasions Milton had intimated to Roosevelt, McIntyre, and Hull his desire to have a Tennessean on the board. This desire culminated in the June 5 appointment of Harcourt A. Morgan, president of the University of Tennessee, to the TVA board.⁷⁸ Harcourt A. Morgan was a talented individual. An accomplished entomologist and experienced agriculturalist, he had served as Tennessee Food Administrator in 1919 and so was a fine asset to the agricultural end of TVA.⁷⁹ Sen. Kenneth D. McKellar riled Milton a little when he opposed Harcourt A. Morgan's appointment. On June 10, Milton sent him a telegram politely scolding him for not supporting the May 19 appointment of Morgan and declared that he was "amazed at his opposition."⁸⁰ The same day McKellar replied with his

⁷⁸News, June 5, 1933, p. 4. This was not the first time that a president of the University of Tennessee had served the Federal government. During the Cleveland administration, the noted agricultural chemist, Charles W. Dabney, president of the University of Tennessee, had served as the Secretary of Agriculture. Richard W. Schwarz, John Harvey Kellogg, M.D. (Nashville: Southern Publishing Association, 1970), p. 121. Harcourt A. Morgan had been a Milton family friend since the days when Milton Senior ran the Knoxville Sentinel, and it was he who introduced Arthur E. Morgan to the younger Milton and his wife in early 1933. Alice Warner Milton stated that during 1933 there were so many TVA executives spending time in their home in Fort Wood that she called it the TVA boarding house. Alice Warner Milton interview, July 1, 1983.

⁷⁹News, June 5, 1933, p. 4.

⁸⁰Milton telegram to McKellar, June 10, 1933, Milton Papers, File 13, Library of Congress. Milton did not approve of the Memphis E. H. Crump machine nor of Luke Lea of Nashville. He frequently criticized politicians who

own telegram, apparently convinced; for he said that he agreed with the appointment and was glad that Morgan was confirmed."⁸¹ On June 5 Milton wrote Harcourt A. Morgan, called him "My dear Fess," congratulated him on his appointment, and told him that he was a "credit" to himself and the people of the Tennessee Valley.⁸² With a touch of humor, Milton quipped in a letter to Arthur E. Morgan that

associated with Crump and McKellar as one case in point. Milton was a strong Democrat and at the same time called himself a "liberal" and a prohibitionist. He often found himself aligned with Tennessee "fusionist" "drys" as well as liberal "wets." He did not like to categorize himself, yet he was outspoken on local, state, and national issues. At the same time, he held little hope for the reform powers of state government. According to Alice Warner Milton, McKellar opposed Harcourt A. Morgan because he was from eastern Tennessee. She stated to the author that she personally called McKellar for her husband and talked to him about the Harcourt A. Morgan appointment, but she gave no detailed reasons for McKellar's attitude. Robert Dean Pope's dissertation does not mention this incident nor McKellar's attitude toward Morgan. Pope informed the writer that after his research he could not imagine McKellar's supporting anyone who did not benefit him politically. Since H. A. Morgan did not benefit McKellar, he did not originally support Morgan for the TVA board appointment. Alice Warner Milton interview, June 21, 1982; Robert Dean Pope, Senatorial Baron: The Long Political Career of Kenneth D. McKellar (Ann Arbor: University Microfilms International, 1976); Robert Dean Pope to Miller, George A. Miller File, Ooltewah, Tennessee; Hodges, "Milton and the New Deal," p. 402. The McKellar Papers are in the Memphis-Shelby County Archives.

⁸¹ McKellar telegram to Milton, June 10, 1933, Milton Papers, File 13, Library of Congress.

⁸² Milton to Harcourt A. Morgan, June 5, 1933, Milton Papers, File 13, Library of Congress.

all that Roosevelt needed to do now was to put J. P. Morgan on the board to make it "unanimous."⁸³

In a June 5 editorial titled, "Three Wise Men," Milton exuded an assurance that with the likes of Arthur E. Morgan, Harcourt A. Morgan, and David E. Lillienthal, the Valley would be in the hands of "confident," "competent," and "socially minded men, full of ideas and ambitions for experiment." Just as Harcourt A. Morgan devoted his "heart, soul and spirit to the University of Tennessee," he would do the same for the TVA. The chairman, Arthur E. Morgan, would apply to the TVA the same ambitiousness and industriousness that he used to build and sustain Antioch College in Yellow Springs, Ohio, and the more than seventy-odd flood control projects he was involved in along the Mississippi. Concurrently, David E. Lillienthal's experience in Wisconsin with public service valuation and rate regulation would serve the TVA well.⁸⁴

⁸³Milton to Arthur E. Morgan, June 5, 1933, Milton Papers, File 13, Library of Congress.

⁸⁴News, June 5, 1933, p. 4.

CHAPTER IV

CHATTANOOGA AND TVA EXPANSION

The fact that Roosevelt signed the Norris bill on May 18, 1933, left George Fort Milton with the feeling that all was not well and that now his literary efforts in support of the TVA could end. Until and long after the power bond vote took place in Chattanooga on March 12, 1935, Milton wrote many columns on the TVA. Hodges has written that "no single press release [on the TVA] missed the pages of the News."¹ Topics such as the benefit of the TVA to industry, agriculture, and the workers, cheaper electric rates, improved navigation, and flood control continually appeared.²

Milton was a chronic optimist and constantly looked on the bright side of the Tennessee Valley issue.³ While many of the News' front pages were yellow with gory stories, his editorials and personal papers in the Library of

¹James A. Hodges, "George Fort Milton and the New Deal," Tennessee Historical Quarterly 36 (Fall 1977): 383, 405; Milton to Allen Haden, January 30, 1937, George Fort Milton Papers, File 20, Manuscript Division, Library of Congress, Washington, D.C.

²News, Chattanooga, Tennessee, May 4, 1933, p. 4.

³Milton to Jo Conn Guild, March 30, 1933, Milton Papers, File 13, Library of Congress.

Congress, the Chattanooga Public Library, and the Alice Warner Milton home on Lookout Mountain were packed with clippings of humorous stories and anecdotes that dealt with uplifting ideas and poems of inspirational nature.

Labor and Industry

In May, some five days before Roosevelt signed the TVA bill, Milton wrote an article for the News titled, "Go South, Young Man," in which he predicted that the TVA would add at least \$1 per week to the wages of Southerners. He asserted that this would help balance the \$1 per week less earned by Southern workers as compared to Northern workers. Northern workers averaged about \$23 per week.⁴ In the early 1920s, Tennessee male factory workers labored for as little as \$1 a day, and females were paid as little as seventy-five cents. In 1933, in some of the mountain counties around Norris Dam, the median cash income for tenant farm families for one year was \$100. Families who owned their own land averaged \$155.⁵ By 1935-1936, the average family income in the nation was \$1,622. In the South it was \$1,326, some

⁴Marguerite Owen, The Tennessee Valley Authority (New York: Praeger Publishers, 1973), p. 19.

⁵Willson Whitman, God's Valley: People Along the Tennessee River (New York: Viking Press, 1939), pp. 24, 105, 197; Tennessee Valley Authority Department of Regional Planning Studies: Social and Economic Research Division (Knoxville: Tennessee Valley Authority, 1935), p. 65. These counties included Anderson, Union, Campbell, Claiborne, and Hancock (ibid., 1940, p. 15).

nineteen percent lower.⁶ In the Tennessee Valley, annual income was less than a quarter of the above-mentioned Southern region; it stood at \$317 per family.⁷ According to one estimate, seventy-five percent of the people of the valley were on relief.⁸

Milton did not believe as Roosevelt and others did, that overproduction of manufactured goods and farm products was the cause of economic difficulties in the South, and contended that the TVA would revive the production of the South as the "West" had been revived sixty years earlier.⁹ In spite of Milton's near "lyrical" support of the Roosevelt administration, he was generally in opposition to its plans to balance the budget. He expressed fear that a lot of workers would lose their jobs and good projects would be discontinued. He prognosticated that "the true path to prosperity is [was] the production of more, not less."¹⁰

⁶Joseph Sirera Ransmeier, The Tennessee Valley Authority: A Case Study in the Economics of Multiple Purpose Stream Planning (Nashville: Vanderbilt University Press, 1942), p. 86.

⁷John R. Moore, ed., The Economic Impact of TVA (Knoxville: University of Tennessee Press, 1967), p. 51.

⁸Robert E. Barde, "Arthur E. Morgan, First Chairman of TVA," Tennessee Historical Quarterly 30 (Fall 1971): 307.

⁹Milton to Gilbert H. Perkins, April 17, 1933, Milton Papers, File 13, Library of Congress; News, May 13, 1933, p. 4.

¹⁰Hodges, "Milton and the New Deal," pp. 389, 391, 394.

In June 1933 Milton revealed that his office was bombarded with letters from local industrialists who feared that the TVA would cause wages to skyrocket. The cotton textile industry owners were particularly concerned since they were paying only twenty-five cents per hour and saw no reason to raise wages.¹¹ Milton evidently saw no problem, because in an earlier editorial he had declared that the TVA would probably pay not less than the prevailing wage and that union problems would be arbitrated by the Secretary of Labor.¹² Milton remarked to Harcourt Morgan in the middle of June that it was evident that the influence of the TVA had begun to have an impact on the wages of the area.¹³ Two cement manufacturers in Chattanooga had been awarded \$625 thousand worth of government contracts, and the Reconstruction Finance Corporation had caused wages to increase in Chattanooga. A local tire company chain had increased the wages of its workers, and an overalls plant had doubled its output.¹⁴

¹¹News, June 29, 1933, p. 4.

¹²Ibid., May 17, 1933, p. 4.

¹³Milton to Harcourt A. Morgan, June 15, 1933, Milton Papers, File 13, Library of Congress.

¹⁴News, June 17, 1933, p. 4.

In an interview given to Jonathan Daniels, editor of the Raleigh (North Carolina) News and Observer, Milton alleged that Chattanooga had always been a "low wage" town, particularly since the post-Civil War days, when Northerners moved in and virtually made "wage slaves" of the local people.¹⁵ Toward the end of 1933, Milton predicted that the TVA would upgrade income in the Valley.¹⁶ By 1938, TVA wages had equalled and in some cases surpassed the region's rates, which amounted to forty-five cents an hour for unskilled workers to \$1 per hour for skilled workers.¹⁷

Along with the discussion of the influence of the TVA on the wages of those already employed, Milton often mentioned the issue of the creation of new jobs. By August 23, over fifty thousand people had applied for positions with the TVA according to Lawrence Richmond, director of the TVA employment office in Knoxville.¹⁸ Milton made one of his few negative remarks on the TVA when he criticized as tactless one of the TVA work applications which asked: "In your opinion is the applicant's wife an asset or a

¹⁵Jonathan Daniels, A Southerner Discovers the South (New York: Macmillan, 1938), p. 90.

¹⁶News, December 19, 1933, p. 4.

¹⁷North Callahan, TVA: Bridge Over Troubled Waters (New York: A. S. Barnes & Co., 1980), p. 44.

¹⁸News, August 23, 1933, p. 4.

liability?"¹⁹ In spite of the crude question, Milton hoped that local workers would be hired over "those from afar."²⁰ He, with others such as Gov. A. H. Roberts of Tennessee, was concerned that the upper-level jobs would become "Yankeeized," thus discouraging locals from serving in the TVA.²¹ In the fall of 1934, Milton voiced his concern that many in the Valley had perceived the TVA as an "alien institution" because of the number of high positions in the TVA filled with those from outside Tennessee, but he thought this was not a crucial issue and noted that Harcourt A. Morgan represented Tennessee. He noted further that some ninety percent of the common laborers were locals.²² Ten months later, director Arthur E. Morgan announced that TVA

¹⁹Whitman, God's Valley, p. 132.

²⁰News, August 23, 1933, p. 4.

²¹Clarence Lewis Hodge, Tennessee Valley Authority: A National Experiment in Regionalism (Washington, D.C.: American University Press, 1938), p. 63; Callahan, TVA: Bridge Over Troubled Waters, p. 174.

²²Milton to F. W. Reeves, November 24, 1934, Milton Papers, File 17, Library of Congress. As late as 1937 Milton reminded readers that there were still "lingering traces of localism" and Valley people were "not any too pleased" by the fact that "most of the high-paid" TVA jobs were filled by "Outlanders." He did concede that the practice of hiring people from outside the Valley represented the "national nature" of the TVA, and that such "Outlanders" were "pretty good fellows, even if some of them talk about crick instead of creek." George Fort Milton, "A Consumer's View of TVA," Atlantic Monthly, November 1937, p. 656.

employed nine thousand men, and he expected the number to rise to twenty thousand.²³

Milton noted that the TVA experimental town of Norris, near the dam of that name, was to hire junior class level college men to serve in the city government as policemen and to fill other city posts.²⁴ Not long after this appeared the criticism that the TVA was not hiring blacks. Early in the growth of the TVA it was decided that the race issue would be moderately handled. The directors arranged that blacks would be hired at each project in proportion to their numbers in the local population.²⁵ Milton's attitude on racial matters was advanced for his time and place in the society. During his lifetime he criticized lynching, voting, and judicial inequities between blacks and whites; yet on the question of TVA hiring practices he accepted the TVA proportion policy as one of reason and moderation appropriate for the occasion.²⁶

²³News, June 7, 1934, p. 4.

²⁴Ibid. The TVA supervised twenty Civilian Conservation Corps camps used in the gully control program. C. Herman Pritchett, The Tennessee Valley Authority: A Study in Public Administration (Chapel Hill: University of North Carolina Press, 1943), p. 52.

²⁵E. Francis Brown, "Men of TVA," Commonweal, August 31, 1934, p. 419.

²⁶Hodges, "Milton and the New Deal," pp. 396-98; Alice Warner Milton interview, June 20, 1983. Milton ignored the question of hiring women.

Milton supported most TVA programs that were put forth to aid the Valley. In March 1934 he wrote of his agreement with Harcourt A. Morgan's suggestion that Chattanooga should purchase land and provide a place to grow trees for future needs. This would not only answer future needs; it would also provide jobs for the contemporary society.²⁷ Milton also endorsed the plan of the TVA to install its consumer credit affiliate, the Electric Home and Farm Administration, in Chattanooga. He contended that this organization would "Fordize electricity" through its promotion of electrical motor and appliance sales. Through its activities, the home life of rich and poor alike would benefit by making electricity available on a daily basis. Many low interest loans were made to consumers of the Valley to enable them to purchase electrical appliances.²⁸ By the late 1930s, the agency had been moved to Washington, D.C.²⁹

²⁷ News, March 27, 1934, p. 4. During the early 1930s a process was discovered by the noted Georgia chemist, Charles H. Herty, to enable the soft Southern pine to be used in the paper industry of the South, so Morgan's idea was certainly economically sound. Telephone interview with Walter C. Johnson, Jr., Chattanooga, Tennessee, July 19, 1982; see Walter C. Johnson (senior), The South and Its Newspapers, 1903-1953 (Chattanooga: Southern Newspaper Publisher's Association, 1954), chapter 7, for details on Herty.

²⁸ News, March 28, 1934, p. 4; Thomas K. McCraw, TVA and the Power Fight, 1933-1939 (New York: J. B. Lippincott Co., 1971), p. 124.

²⁹ Whitman, God's Valley, p. 215.

Milton noted that another useful electrical device was to be made available to consumers as indicated by the announcement from the Electroheat Water Heater Company, that it would manufacture and sell water heaters under the "TVA seal of approval." George D. Wilcox, president of the company, stated that the central location of Chattanooga to the TVA project was a prime reason for the upcoming move from Boston, Massachusetts. Wilcox further stated that he saw no reason why every city and farm home should not have electricity.³⁰ In the same editorial, Milton pointed out that, after the Electroheat announcement, Edison General Electric announced that it would build its largest water heater plant in Chattanooga as well as distribute Hotpoint appliances there.³¹ Milton contended that while the Electric Home and Farm Administration (EHFA) would initially offer (financing for) ranges, refrigerators, and water heaters; portable electric motors and water pumps would be added later. Milton assured his readers that the TVA would create its own market. He predicted that "there will be small waste of energy which nature has so bountifully bestowed upon this section of our nation."³²

³⁰News, May 14, 1934, p. 4. This apparently never materialized, as no record of a move by Electroheat to Chattanooga was found.

³¹Ibid.

³²While the News made it sound as though the EHFA marketed home appliances, the EHFA was actually a Federal

TVA Opposition

Throughout the 1933-1934 period, the News continued to support the TVA and to print the arguments of those in favor of, as well as those opposed to, the TVA. Both Milton and Lilienthal agreed that there were numerous forces in the North who objected to the TVA.³³ In a May 1933 editorial, Milton quoted the Detroit Free Press as saying that the government intended to "create a new industrial district" through the TVA which would further "aggravate the economics of the nation by expanding already overproducing plants."³⁴ Milton categorically disagreed and declared that "the economy always had to be geared to use and productivity" and that "the real road to recovery" was "the production of more . . . not less."³⁵ The Chicago Tribune joined in the spirit of the Free Press and claimed that the TVA project drained "forty-eight states for the benefit of seven."³⁶

The next month in a speech in Jackson, Tennessee, Lilienthal spoke to civic leaders and warned them to "refuse

government financing operation that worked through local banks and the power companies, both private and municipal, to aid consumers in the purchase of appliances. News, May 14, 1934, p. 4.

³³Milton to David Lilienthal, November 13, 1934, Milton Papers, File 13, Library of Congress.

³⁴News, May 24, 1933, p. 4.

³⁵Hodges, "Milton and the New Deal," p. 394.

³⁶Whitman, God's Valley, p. 268.

to listen" to the "powerful forces" of those with narrow and "myopic" vision who were attempting to kill the TVA.³⁷ A few days later Milton quoted Lilienthal's assertion that there were "jealous" forces in the East and Midwest that were in continual sponsorship of propaganda against the TVA. The populace must be "on guard against all those who would put stumbling blocks in the way of land acquisition and appliance marketing."³⁸ In a speech in Memphis in October 1934, Lilienthal accused "Tories" and "obstructionists" located in New York and Chicago of "whispering" campaigns against the TVA.³⁹ Such "Tories" were afraid that the average man or woman was going to get a "better chance" to improve and that "tory" interests were not the interests of the people of the Valley.⁴⁰ Wendell Willkie threatened to see that Wall Street investment capital was kept from the Valley if the TVA continued to expand.⁴¹

Milton wrote that some of the most vociferous against the TVA were the coal, gas, and ice "powers."⁴²

³⁷ News, June 22, 1933, p. 1.

³⁸ Ibid., June 25, 1933, p. 4.

³⁹ "War on TVA," Business Week, December 7, 1934, p. 7.

⁴⁰ News, October 22, 1934, p. 4.

⁴¹ James D. Bennett, "Roosevelt, Willkie and the TVA," Tennessee Historical Quarterly 28 (Winter 1969): 390.

⁴² News, November 2, 1934; John Dean Minton, The New Deal in Tennessee, 1932-1938 (New York: Garland Publishing, 1979), p. 191.

The coal associations and the United Mine Workers of America contended the push for hydroelectric power would put them out of business and cause unemployment that would result in a \$6 million wage loss as well as a \$12 million loss in railroad freight revenue.⁴³ Arthur Morgan testified before the Coal Association on October 25 that the displacement of labor was not a reasonable argument because more efficient methods developed within the coal industry itself caused unemployment.⁴⁴ Milton insisted that the TVA would stimulate industry and employment by encouraging the manufacture and use of electrical appliances.⁴⁵

A week later leaders of the Appalachian Coal Association met with Arthur E. Morgan and emphatically informed him the "coal industry was determined to destroy the Tennessee Valley Authority . . . by any means in its power."⁴⁶ Milton had earlier noted the ice and coal people wanted to turn the clock back just as the Northeastern textile mill owners had attempted to do in the 1830s when the idea of reduction in the sixteen-hour work day was put forth.⁴⁷

⁴³ John Oliver, "The TVA Power Program," Current History, May 1958, p. 257; News, November 2, 1934, p. 6.

⁴⁴ Whitman, God's Valley, p. 294.

⁴⁵ News, November 2, 1934, p. 6.

⁴⁶ Ibid., November 8, 1934, p. 4.

⁴⁷ News, October 18, 1934, p. 4.; George Fort Milton, "Dawn for the Tennessee Valley," Review of Reviews and World's Work, June 1933, p. 32. Milton used an interesting term that must have galled the coal interests

Milton noted without comment that George J. Leahy, chairman of the National Job Saving and Investment Protection Bureau, which was a representative for the United Mine Workers of America and the National Coal Association, offered a unique solution to the power debate. He suggested that the Federal government could spend around \$8 billion and connect all farms with the existing sources of power, and this would increase consumption of electricity and enable rates to be lowered and at the same time save the jobs of miners.⁴⁸

Milton related that another form of opposition to the TVA took the form of debate over the major purpose of the TVA. He mentioned that David Owens, president of the National Dry Goods Association, opposed the TVA because of its employment practices. He exclaimed over the radio and in his trade paper, Retailing, that the original purpose of the TVA was to relieve unemployment.⁴⁹ Milton disagreed with Owen and declared that unemployment relief was not a major purpose of the TVA and that long before the Roosevelt

during the 1930s. He referred to waterpower to make electricity as "white coal."

⁴⁸ News, December 8, 1934, p. 8.

⁴⁹ Ibid., July 24, 1934, p. 4. Arthur Morgan wrote in 1974 that the TVA adjusted work schedules to aid the employment crisis of the depression. For example, work days were usually made of five and one-half hour shifts. In some cases, double shift days were followed; and in others, work continued around the clock. Arthur E. Morgan, The Making of the TVA (Buffalo, N.Y.: Prometheus Books, 1974), p. 123.

presidency he and Norris had discussed a program for the Tennessee River that would be used to light homes, run factories, and "ease the burdens on Valley residents with low cost power."⁵⁰ Milton contended that the TVA was not alone as there were other examples such as the huge Bonneville dam in Oregon and the Grand Coulee dam in Washington, both designed as the TVA was, to provide low cost electric power. In the words of Arthur E. Morgan, as given to the News in an interview, the TVA was "viewed . . . as a means for displaying haphazard . . . industrial developments [in the Tennessee Valley by introducing . . . elements of order, design and forethought" in the manufacture of electric power and construction of factories.⁵¹

As the opposition to the TVA continued in 1934, Milton had a little fun with those who criticized the TVA model town of Norris, built outside Knoxville near Norris

⁵⁰E. Francis Brown, "Men of TVA," Commonweal, August 31, 1934, p. 420. In the mid-1920s, after Milton switched from support of private ownership, he became convinced that private enterprise did not have the interest of consumers at heart and was simply wasting time and money arguing over the Shoals. He and Norris became friends, and Milton became convinced that Norris's approach to public power was the answer to the Valley's energy needs. Between 1926 and 1939, Milton and Norris prolifically corresponded on the power problem in the Valley. Long letters from each are contained in the Milton Papers in the Library of Congress.

⁵¹News, July 24, 1934, p. 4.

Dam. With tongue in cheek he noted that it was downright "treasonous" that the model town had such an efficient arrangement. Its police force, for example, was manned largely by college graduates. Most of the twenty-one officers, including the chief and his assistant, were college graduates. "Tall, athletic and crack shots," they were also skilled in first aid. There was no need for a jail, because there were no murders, no major crimes, and "no votes in their back pockets. What? Downright treasonous!"⁵²

The Tax Problem

In the fall of 1933, as the opposition to the TVA began to materialize, Milton wrote that one of the frequent complaints made was that the TVA would not pay its "fair share" of local taxes as the private power companies did and thus municipal governments would be caught short of revenue funds. Jo Conn Guild, president of the Tennessee Electric Power Company, which monopolized power in Chattanooga and Nashville, commented that it was unfair for his company to pay 12.8 cents on the dollar in taxes in 1931 and 13.4 cents in 1932, while the TVA would be required to pay only five percent of the gross receipts.⁵³ Lillienthal retorted that

⁵² News, October 18, 1934, p. 4.

⁵³ Ibid., October 25, 1933, p. 6; Callahan, TVA: Bridge Over Troubled Waters, p. 59.

he would be willing for the TVA to return money for taxes on a parity basis or pay whatever private power companies had in proportion to dollar amounts of power sold.⁵⁴

Two years later, in 1935, Willkie complained that TVA paid only \$16,900 in taxes and concluded that if the TVA had been a private corporation it would have paid as much as \$10 million.⁵⁵ In a letter to Milton in 1939, Norris declared that any attempt to tax the TVA was an exercise in futility. If the TVA were taxed for electric power, then all of its activities would have to be taxed and there would be no sane and reasonable way to calculate rates for such items as flood control. Furthermore, if the TVA were taxed, then logically government installations such as post offices and court houses would be required to be taxed.⁵⁶

Milton attacked one of the most radical charges made against the TVA over the tax problem which was voiced by Gus Dyer of Vanderbilt University. Dyer told the Council of American Industry in Chicago that the Tennessee Valley experiment was new only in the sense that it was "the first time taxpayer's money was taken without consent," and

⁵⁴Ibid.

⁵⁵Callahan, TVA: Bridge Over Troubled Waters, p. 59.

⁵⁶George Norris to Milton, June 11, 1939, Milton Papers, File 26, Library of Congress.

predicted that the New Deal would "end in collapse."⁵⁷ Dyer had apparently forgotten about colonial America's taxes levied to support churches.⁵⁸ Milton professed surprise that such a noted and highly respected university as Vanderbilt would sponsor such "Paleothenic economic thinking."⁵⁹

Milton wrote of others, such as David Owens and the noted Washington writer David Lawrence, who incorrectly contended that the TVA would pay no taxes. In December 1934 Lawrence stated that \$500 million of the \$662 million total residence electric bills in the United States could be saved if the utilities were absolved from taxes "in the TVA manner." Guild, Willkie, and others declared that they paid taxes and TVA did not; therefore, the TVA was privileged. Milton believed that such complainants forgot that private power companies were having to spend less money to produce power with the government in the power business.⁶⁰

⁵⁷ News, June 26, 1934, p. 4.

⁵⁸ Dan Lacy, The Meaning of the American Revolution (New York: New American Library, 1964), p. 68.

⁵⁹ News, June 26, 1934, p. 4. Milton wrote practically all the News editorials on economics.

⁶⁰ News, December 15, 1934, p. 4. Most tax complaints were subsequently silenced by the Norris-Sparkman amendment of 1940, which allowed "Lulu" payments or payments amounting to ten percent of the revenues to the counties and states which were "injured" by the TVA or which at least lost revenue through the absence of private utility taxes. Pritchett, The Tennessee Valley Authority, p. 114;

Political Pressure

Numerous individuals charged that the government played political favorites with the TVA program. Milton answered that such was not the case. Other geographical areas had already benefited. For example, the government was to provide 100 percent of the funds to build the Grand Coulee Dam in Washington, 30 percent outright and 70 percent through loans--all of this under the aegis of the Secretary of Interior, Harold Ickes.⁶¹

Throughout the 1930s, Milton took the position that politics would not control the TVA, and the evidence confirmed that it did not. In 1974, Arthur Morgan declared that on every occasion when he and Roosevelt talked, it was clear that the President wanted no political interference in the operations of the TVA.⁶² There may have been some weakness in Roosevelt's position, because he arranged for Arthur Morgan to visit with Postmaster General James A. Farley, who was also the chairman of the Democratic National Committee. Farley tried to pressure Morgan into hiring only

Donald Davidson, The Tennessee: The New River, Civil War to TVA, 2 vols. (New York: Rinehart and Co., 1948), 2:271.

⁶¹Callahan, TVA: Bridge Over Troubled Waters, p. 176; News, August 3, 1933, p. 4.

⁶²Morgan, Making of the TVA, p. 9.

Democrats, but Morgan "bluntly" refused.⁶³ According to Robert Dean Pope, Roosevelt "generally" agreed with Morgan but also agreed with Farley that "politically active" Republicans should be excluded from TVA policy-making positions.⁶⁴

A national utility trade magazine, the Electrical World, advised its readers on October 14, 1933, that the "utility business was now in politics so utilities must get involved, take action," support political tickets, and help write platforms.⁶⁵ Milton declared that this was "ingenuous," since the utilities had been in politics all along. He cited a "Mr. Smith" of the Illinois Regulatory Commission, who stated that the utility commissions had accepted large donations from power companies. Furthermore, the Federal Trade Commission's recent investigation had revealed the same.⁶⁶ Milton concluded that the power companies had replaced the railroads as the "dominators of

⁶³ Pritchett, Tennessee Valley Authority, p. 149; Morgan, Making of the TVA, p. 10. Morgan did not say that Roosevelt pressured him to cooperate with Farley, but it was common knowledge that Farley was the chief patronage dispenser for the Roosevelt administration.

⁶⁴ Robert Dean Pope, Senatorial Baron: The Long Political Career of Kenneth D. McKellar (Ann Arbor: University Microfilms International, 1976), p. 235.

⁶⁵ L. W. W. Morrow, ed., "Light up with Politics," Electrical World, October 1933, p. 481.

⁶⁶ News, November 23, 1933, p. 4.

legislators" and that utilities would "destroy themselves" if they persisted in interfering in politics.⁶⁷ Milton was concerned that the Seventy-Second Congress convening in January 1934 would take a critically close look at the TVA and reduce support for it.⁶⁸

The lack of support for public power shown by the "politicians" in Chattanooga had been a real concern of Milton.⁶⁹ On October 14, 1933, his editorial column noted that the failure of Arthur Morgan to mention Chattanooga in a Washington, D. C., speech was significant. It suggested that Morgan knew the "situation" there, so he did not include it with Memphis and other major cities that had indicated a desire for TVA power.⁷⁰ About a week later Milton reminded his readers that the Chattanooga city commission would have before it a resolution to make formal application for TVA power and the editor urged the members to support it.⁷¹ In February 1934, Milton lamented the fact

⁶⁷News, November 23, 1933, p. 4.

⁶⁸Ibid., December 19, 1933, p. 4.

⁶⁹McKellar to Milton, April 5, 1933, Milton Papers, File 13, Library of Congress.

⁷⁰News, October 14, 1933, p. 4.

⁷¹Ibid., October 23, 1933, p. 4.

that Harcourt A. Morgan, in a speech similar to that of Arthur E. Morgan, asserted that Chattanooga "lacked cooperation" and as a consequence had "lost TVA influence to Knoxville."⁷² Milton noted a few days later that the Federal Coordinator of Railroads, Joseph Eastman, had warned a congressional committee that any government management of public utilities should be concerned about the extension of the "spoils system."⁷³ Two years later, in 1935, Norris was so concerned about political pressure on the TVA that he wrote Milton and strongly urged that he influence Tennessee's politicians to keep politics out of the TVA.⁷⁴

In an apparent vindication of the remarks of Harcourt A. Morgan, the race for Hamilton County judge was won by William Cummings in March 1934. Cummings had not mentioned the TVA, while William Chamlee, the loser, strongly supported by the News, had campaigned strongly as a TVA supporter.⁷⁵ In a direct slap at Cummings, Milton declared that no candidate should campaign or be elected without clarifying his stand on the TVA issue and that he should be defeated if such stand were against the TVA.⁷⁶

⁷²Ibid., February 7, 1934, p. 4.

⁷³Ibid., February 12, 1934, p. 4.

⁷⁴Norris to Milton, September 23, 1935, Milton Papers, File 18, Library of Congress.

⁷⁵News, March 16, 1934, p. 6.

⁷⁶Ibid., March 9, 1934, p. 6.

As late as October, "City Hall" was still unwilling to take a definite stand on the TVA. Milton contended that City Hall "politicians" must realize the popularity of TVA among the voters.⁷⁷ It was time for "politicians to stand up and be counted" on the TVA issue.⁷⁸

Milton was disturbed over the attitude of those in city hall toward the TVA. Back in April, Mayor Edward D. Bass and Commissioners W. E. Wilkerson, James Cash, Eugene J. Bryan, Zach Taylor, and city attorney Joe W. Anderson had participated in a two-hour secret meeting with David Lilienthal in Knoxville. At the time, a reporter from the News asked a spokesman at Chattanooga's city hall where the mayor and the commissioners were, and he said that they did not know. When Knoxville reporters confronted Mayor Bass, he first denied that he was Chattanooga's mayor; then when that tactic failed, said he had no comment. When the reporters turned to the commissioners with him, they said to question the mayor.⁷⁹ Milton had stated in numerous editorials that the politicians in city hall were not taking a stand on the TVA, and this was a vivid example of that problem.

⁷⁷Ibid., October 8, 1934, p. 4.

⁷⁸Ibid., November 26, 1934, p. 4.

⁷⁹Ibid., April 5, 1934, p. 4.

As spring 1934 approached, Milton became concerned over the state public utility commission elections and the TVA. The Tennessee State Public Utility and Railroad Commission had two members up for election, and there was no opposition. The editorial column opined that they should have had some competition to force them to put their views on the TVA before the public. As far as Milton was concerned, the state lacked proper control over the commission and the members themselves were more "rubberstamps" for the power companies.⁸⁰

Former state politicians were also having an influence on the TVA issue. Milton quoted the Birmingham News, which had sent a reporter to the Republican state convention held in Chattanooga. The Alabama paper had been "cool" toward the TVA; yet, after hearing a remark by former Tennessee Governor Ben W. Hooper, had decided to reverse its position. It seems that Hooper had emphatically remarked that he would not give "one Tennessee hillbilly for a ten acre field of socialized breeds from other lands."⁸¹

By May, Milton's editorial columns appeared in more optimistic light. They contended that state politicians were finally "perking." United States Senators Nathan L. Bachman, McKellar, Hill McAlister (Democratic Party

⁸⁰Ibid., April 14, 1934, p. 4.

⁸¹Ibid., May 28, 1934, p. 4.

candidate for governor), Representative Gordon Browning, and the "Chancery Bench" candidate, J. L. Foust, favored the TVA.⁸² McKellar had a vacillating relationship with the public power idea. In 1928 he filibustered for twenty-one hours against the Norris Muscle Shoals bill but ardently supported it in 1933.⁸³ In the 1928 filibuster, McKellar complained that the bill did not protect the farmer against the "Fertilizer Trust" and destroyed the principle of "state's rights" in Tennessee. He lamented that the Norris bill would build a dam at Cove Creek, later the site of Norris Dam, an installation not asked for by Tennessee, and he correctly predicted that Coolidge would veto the bill. Norris then rewrote the bill to allow Tennessee and Alabama to have five percent of power sales revenue plus two and one-half percent of additional power that resulted at Wilson Dam because of water impounded behind Cove Creek Dam. McKellar then supported Norris and admitted that the financial changes convinced him to go along with the Norris bill.⁸⁴ Later he reversed his position and fought the TVA in the 1940s and thereafter, because it would not kowtow to

⁸²Ibid., May 19, 1934, p. 4.

⁸³Preston J. Hubbard, Origins of the TVA: The Muscle Shoals Controversy, 1929-1932 (Nashville: Vanderbilt University Press, 1961), pp. 231, 314; McKellar to Milton, April 28, 1933, Milton Papers, File 13, Library of Congress.

⁸⁴Pritchett, Tennessee Valley Authority, p. 149; Whitman, God's Valley, p. 247.

his political pressure to secure TVA jobs for his own patronage activities and because of the TVA's insistence upon the construction of Douglas Dam.⁸⁵ State Senator Fletcher Morgan gave a statement to the News in October that indicated that he would "press" for the TVA in Chattanooga.⁸⁷

"Isms" and the TVA

The specter of the birth of the TVA created some unrest and caused various individuals and groups to equate it with socialism and communism.⁸⁸ Some even attempted to mix religion and politics. For example, an interesting debate took place between Ned Carmack, editor of the Murfreesboro News-Journal, and Ashley Sowell, editor of the Maury Democrat. The basic argument of the debate was whether or not the doctrine of "Jesus Christ" was socialist in foundation. Carmack contended that while Jesus did not name his teachings socialism, the foundation of the socialist creed was found therein. Sowell respectfully disagreed and declared that the doctrine of Christ was equality of opportunity and concern for others, not equality of material.⁸⁹

⁸⁷ Ibid., October 8, 1934, p. 4.

⁸⁸ Minton, New Deal in Tennessee, p. 192.

⁸⁹ News, November 24, 1933, p. 4.

Milton quoted Thomas F. Woodlock, of the usually anti-New Deal Wall Street Journal, who declared that Franklin D. Roosevelt had lifted the American people from "the blackness of despair into a form of socialism parallel in some respects with the French Revolution."⁹⁰ Milton took the positive view of the remark and expounded that as long as Americans believed that they could have a "little more of the pie" they would avoid the "radical" left or right. They would accept the TVA and its mild form of "collectivism" as long as "profit-motive" capitalism remained largely intact throughout the society.⁹¹ Milton and the public power supporters were often called socialists, yet among Milton's papers in the Library of Congress a 1938 letter put forth his belief that the United States was a "middle class country" and that Americans expected only a moderate approach by government dispensed in a spirit of "fair play and fair deal."⁹² Milton quoted Paul Hutchinson, editor of the Christian Century, a magazine that Milton contributed to, who spoke in a tone similar to Woodlock's. He asserted that while some had categorized the TVA with various "isms" the TVA was unfairly treated and should really be called an

⁹⁰ Ibid., March 17, 1934, p. 4.

⁹¹ Ibid.

⁹² Milton to Edward F. Callahan, [1938], Milton Papers, File 26, Library of Congress.

experiment in the satisfactory use of power.⁹³ For the ordinary citizen of Chattanooga, the TVA Act was certainly revolutionary. Private utilities had produced power there for fifty years, so the injection of government into such a tradition was unusual.

Former President Hoover joined the ranks of those who opposed the TVA and simply labeled the TVA "socialism" because it was, in his view, in direct competition with private business.⁹⁴ Milton tersely replied to such comments with: "So what!"⁹⁵ The Chattanooga Free Press, which at this time was a weekly afternoon paper and categorically opposed to the TVA, went the final step beyond Hoover and called the TVA program, "communist activity."⁹⁶ On another occasion, it lambasted the TVA by quoting an editorial from the Kansas City Journal Post. The Post editor accused Roosevelt of being "deluded" and hoped that Congress was not headed for "dictatorship and uncontrolled inflation and ruin." The editor concluded by equating the Roosevelt program with Diocletian's reforms of "284 A.D."⁹⁷ Roy McDonald, owner of the Free Press, agreed with the

⁹⁴David E. Lilienthal, TVA: Democracy on the March (New York: Harper & Row, 1953), p. xiii.

⁹⁵Free Press, Chattanooga, Tennessee, February 28, 1935, p. 4.

⁹⁶Ibid.

⁹⁷Ibid., May 2, 1935.

accusation of "dictatorship" when he wrote in the Free Press that Roosevelt had changed the system that had made the nation the "greatest on the globe" and emphasized that he was in "violation of all principles which founded the country."⁹⁸ Willson Whitman later contended that it did not benefit the TVA to have the nation's leading socialist, Norman Thomas, refer to it as "the only purely socialistic flower in the New Deal garden," nor for the New Republic to compare it to the Russian style of "economic planning."⁹⁹ Milton viewed the charge of socialism as unfairly narrow. He recognized that Roosevelt saw the value in individualism yet believed that "collectivism" had "social usefulness" and that the TVA could provide such a program. Milton saw the Roosevelt thrust into the Valley as making provision for "socialized individualism." Under his program the President was "seeking intelligent moderation along with social change." Through the TVA the South could economically revitalize and reform.¹⁰⁰

Milton castigated a local suburban newspaper, the Open Gate, published just across the state line in Rossville, Georgia, by J. M. Bryan, for propounding "radically" pro-Roosevelt gospel. As far as he was

⁹⁸Ibid., February 28, 1935, p. 4.

⁹⁹Whitman, God's Valley, p. 291.

¹⁰⁰Hodges, "Milton and the New Deal," p. 389.

concerned, Bryan was so "hyperbolized" in "form" that he defeated his own purpose, and no one would listen. For example, Bryan had accused the major newspapers in Chattanooga of being "reactionary" and under the "control of the Chamber of Commerce."¹⁰¹ Milton admitted that the "locals" were not used to the "social approach," especially by politicians, and he feared that serious divisiveness would damage the funding for the TVA in Congress.¹⁰²

The TVA chairman, Arthur Morgan, concluded that the United States was a "mixture of despotism, aristocracy, communism, socialism, and democracy"; and, although the ordinary citizen approved of the "economic despotism of Henry Ford," there should be a "democratic balance" in the attitude of those in leadership positions.¹⁰³ Milton apparently agreed with the latter part of Morgan's statement, because after he visited Russia, Germany, and the Scandinavian countries in the summer and fall of 1936, he was so impressed with their efficient government use of natural resources for power that he published five articles in the News lauding their achievements.¹⁰⁴ Milton had

¹⁰¹News, March 19, 1934, p. 4.

¹⁰²Ibid.

¹⁰³Whitman, God's Valley, p. 139.

¹⁰⁴Hodges, "Milton and the New Deal," p. 392. Milton had been appointed by Cordell Hull to make the trip to gather information for the State Department. While there he apparently had his eye on more than hydroelectric plants,

stated two years earlier that Americans would tolerate the TVA form of "collectivism" as long as capitalism remained intact in the society.¹⁰⁵

Local Support for TVA

In the 1920s and the 1930s, there were three organizations that Milton worked with closely: the Chamber of Commerce, the Kiwanis Club, and the University of Chattanooga. He was a very active and longtime member of the Chamber and had served on many of its key committees. He was especially instrumental as chairman of the Chattanooga Annexation Committee. For outstanding community service as chairman of the Annexation Committee, the Kiwanis Club awarded Milton the annual service award in 1930.¹⁰⁶ Of the three groups, only the University of Chattanooga, now part of the University of Tennessee system, gave real support to the campaign for public power in Chattanooga. The Kiwanis gave nominal support, and individual members of the Chamber gave some support, but the official Chamber

because he wrote his friend Col. Fay Brabson, on active duty with the U. S. Army, that he "got close to a lot of information about the Russian and the German armies." He also added that embassy officials in Moscow had been "impressed" with the "competence and battle efficiency" of the German army. Milton to Fay W. Brabson, October 5, 1936, George Fort Milton Papers, Alice Warner Milton, Lookout Mountain, Tennessee.

¹⁰⁵ News, March 17, 1934, p. 4.

¹⁰⁶ Times, Chattanooga, Tennessee, November 14, 1955, p. 1.

organization campaigned against public power in the city. Milton's connections with the University of Chattanooga were largely made through his personal friends, Pres. Alexander Guerry; and the University of Chattanooga librarian, Gilbert Govan, who acquired his job at the university through the influence of Milton.¹⁰⁷

There were those at the university who opposed public power, but Milton was gratified that the president was not a member of that group. In November 1933, Milton gave a congratulatory editorial message to Guerry, because he had replaced the Institute of Justice with the Tennessee Valley Institute. The main theme of the Institute was the "economic and sociological development of the Tennessee Valley." The first speakers to lecture were the United States Secretary of Labor, Frances Perkins, and TVA director David Lillienthal.¹⁰⁸ Five months later, Milton complimented Guerry's Institute for doing a fine job of acquainting not only the local but the national populace on the activities of the TVA.¹⁰⁹ A few days later, Milton contended that the Kiwanis petition of twenty thousand Chattanooga names sent to Governor McAlister to call a special legislative session to pass an enabling act to provide an election for bonds to

¹⁰⁷ Interview with Alice Warner Milton, Lookout Mountain, Tennessee, April 2, 1982.

¹⁰⁸ News, November 6, 1933, p. 4.

¹⁰⁹ Ibid., April 28, 1934, p. 4.

build a municipal electric power plant in Chattanooga proved that the "locals" were "wide awake" to the advantages of the TVA. Apparently those in city hall could not conduct a local referendum on public power without the special legislation of the state representatives, and the petition was to ask the governor to call a special session. He refused.¹¹⁰

The fact that the governor refused to call a special session did not deter Milton, and he continued to work for public power in Chattanooga. Heavy opposition to public power, both locally and nationally, did not seem to discourage him. He kept the reporters at the News busy with articles concerning the local power issue. In his once-a-month editorial meetings at his home in Fort Wood, the power issue was a major topic of discussion in the post-1933 period. Those who read the News came to think of it as the number one supporter of the TVA and public power in Chattanooga.

¹¹⁰News, May 5, 1934, p. 4.

CHAPTER V

CHATTANOOGA AND THE POWER BOND DEBATE

Background

The central location of the Tennessee River in the State of Tennessee made it a foregone conclusion that the test of the success of the TVA would be made in its four major cities: Memphis, Nashville, Chattanooga, and Knoxville. The electric power sales in those cities were dominated by two giant holding companies. In Memphis and Knoxville, the local power companies were subsidiaries of Electric Bond and Share. In Chattanooga and Nashville, the local power companies were subsidiaries of the Commonwealth and Southern, controlled by the multi-talented Wendell Willkie, a lawyer who worked his way up to head executive position and streamlined the Commonwealth and Southern, making it one of the most efficient power operations in the United States.

The people of Knoxville had a head start on their sister cities after it was decided to put the TVA headquarters in their city. They were also the first to hold a referendum on public power as early as November 1933, only five months after the TVA Act passed in Congress. Public power proponents won the election. After almost five

years of fruitless moves by the Tennessee Power and Light Company, the company agreed to sell its properties in Knoxville for \$7.5 million in September 1938.¹

A similar situation prevailed in Memphis with the exception that a major political power in the form of E. H. "Boss" Crump was a significant supporter of public power. Memphis held a referendum in the fall of 1934 that demonstrated the will of the people for public power. After five years of exhaustive legal manipulations by the Tennessee Public Service Company, the local power company, to prevent the installation of TVA power, and after the city started its own power plant, the company sold its facilities to the city.²

Although the time gap between the public power referendum and the activation of TVA power was not as great in Chattanooga as in Knoxville or Memphis, the bitterness of the conflict was much deeper there. The president of the Tennessee Electric Power Company (TEPCO), Jo Conn Guild, considered his company the "hub" of the power industry in the region. With over twenty years of operation, TEPCO was

¹Thomas K. McCraw, TVA and the Power Fight, 1933-1939 (New York: J. B. Lippincott Co., 1971), pp. 122-27.

²Ibid., pp. 127-28.

not willing to take the question of displacement by TVA power lightly.³

With his usual dry wit, George Fort Milton quipped in a June 1933 editorial that there would be a "little fun" when the "TVA moved to Chattanooga."⁴ There were many in Chattanooga who claimed to support TVA yet did not want public power in the city. Milton and others declared that the central location of the city made it a natural support or focal point for the development of the Tennessee River. This idea took on particular significance in the matter of flood control. The Army Corps of Engineers and the TVA estimated that flood damage in Chattanooga during the "1920s" and the "1930s" amounted to \$1.78 million per year.⁶ Although Milton's primary concern with the TVA was electric power, he did express the belief in 1939 that too much

³Ibid., p. 130.

⁴News, Chattanooga, Tennessee, June 8, 1933, p. 4.

⁵Gordon R. Clapp, The TVA: An Approach to the Development of a Region (Chicago: University of Chicago Press, 1955), p. 51.

⁶C. Herman Pritchett, The Tennessee Valley Authority: A Study in Public Administration (Chapel Hill: University of North Carolina Press, 1943), p. 43; Joseph Sirera Ransmeier, The Tennessee Valley Authority: A Case Study in the Economics of Multiple Purpose Stream Planning (Nashville: Vanderbilt University Press, 1942), p. 286. In the three great floods of 1946, 1947, and 1948, Lillienthal recorded that savings from flood damage loss in Chattanooga had amounted to \$36 million. David E. Lillienthal, TVA: Democracy on the March (New York: Harper & Row, 1953), p. 14.

attention had been given to electric power production and not enough to flood control.⁷ Milton was apparently the first to remark that Chattanooga was the "Hindenburg Line" of the private power companies in the Southeast and that the power companies would do all they could to keep Chattanooga out of the TVA program.⁸ Milton constantly reminded readers of the tremendous power of TEPCO and published a constant editorial barrage to broadcast the idea that the people of Chattanooga needed a chance to vote on the issue of public power. As early as December 2, 1933, only six months after the President signed the TVA bill, Milton called for a "test vote" on the desire of the people for TVA power. At the same time he recognized that the lack of "home rule" government in Chattanooga left the city at the mercy of the Tennessee state legislature. He did advise the city to seek legal counsel and proceed toward the arrangement of a day to vote on the TVA issue.⁹

Milton contended that the TVA had offered Chattanooga the chance to sign a power contract in October

⁷This thought came from an article Milton wrote titled, "The Tennessee Valley: An Experiment in a Way of Life," which was to be part of a public relations book called The Book of the South and co-edited by Milton. See chapter ⁹ for more details.

⁸Milton to Norris, January 26, 1935, George Fort Milton Papers, File 17, Manuscript Division, Library of Congress, Washington, D.C.; McCraw, TVA and the Power Fight, p. 128.

⁹News, December 7, 1933, p. 4.

1933, but City Hall had rejected the opportunity; therefore, the vote of the people must be exercised.¹⁰ Milton agreed with J. M. Bryan, Rossville editor, who stated, in an unusually moderate tone, that Chattanooga had "lost a great opportunity when it turned the cold shoulder on TVA." He expounded further that Chattanooga was "lacking in vision" and controlled by "selfish interests" who were willing to "sacrifice the welfare" of the community to "save their own fortunes." Chattanooga had alienated the Roosevelt administration and suffered economic loss while cities such as Knoxville moved forward.¹¹

Milton was "chagrined" at the indifferent attitude of local officials since the passage of the Norris bill and deplored the "degree of lethargy among those who were supposed to represent Chattanooga's industrial and civic progress."¹² Bryan declared that an industrialist by the name of Theodore Swann had decided to build "million dollar" plants in Sheffield, Alabama, and Franklin, Tennessee, and that Goodyear Tire and Rubber Company had decided to build a plant in Gadsden, Alabama, after talking to local Chattanooga leaders who had apparently discouraged them. He complained that there were "too many committees to hide

¹⁰Ibid., January 8, 1934, p. 4.

¹¹Ibid., March 26, 1934, p. 4.

¹²Ibid., March 28, 1934, p. 4.

leaders."¹³ The News declared that the "intelligence of the people" would see through such attitudes.¹⁴

In April, Milton gave a positive and simple five-step formula for the acquisition of TVA power for Chattanooga. First, the city would need to secure legal permission from the state legislature; second, a reasonable appraisal of the local power company's worth would need to be ascertained; third, a referendum of the "public's will" would have to be held. Honest and sincere public officials would need to be installed. Finally, the owners of the local power company should be made a "fair offer" by the city to purchase its facilities; then if no sale developed, the city should build its own power plant.¹⁵

In 1933 the TVA had signed a contract with TEPCO that had stated that no public power plant would be built in Chattanooga for five years or until three months after Norris Dam had been completed. The completion date was expected to be May 1, 1936, and Milton saw no reason to wait until 1936 to begin work on the acquisition of public power.¹⁶ He also suggested that Chattanooga could consider

¹³Ibid., April 2, 1934, p. 4. This plant was built and as of 1983 was still in operation.

¹⁴Ibid., March 28, 1934, p. 4.

¹⁵Ibid., April 3, 1934, p. 4.

¹⁶Pritchett, Tennessee Valley Authority, p. 39. The dam was completed on March 4, 1936; Marguerite Owen, The Tennessee Valley Authority (New York: Praeger Publishers,

the idea of the cooperative electric power plan then forming in Corinth, Mississippi. This had the advantage of having no required bond issuance.¹⁷ To further emphasize the point that Chattanooga was lagging behind in the acquisition of municipal power, Milton quoted from a TVA report to the President that indicated that Norris Dam was ahead of schedule, that the Electric Home Farm Administration was accomplishing its rural electrification program, and that the transportation and rate studies were well in progress and four more dams were in the planning stage. Yet none of these dams were in Chattanooga.¹⁸

Not long thereafter, Milton further noted editorially that David Lilienthal had suggested that Chattanooga needed to be known as the "Electric City."¹⁹ Lilienthal may or may not have known that it had already carried the phrase, "The Dynamo of Dixie," begun after the completion of the Hale's Bar Dam and probably originated by TEPCO, which had built the dam. Much of Milton's Chamber of Commerce correspondence in the Chattanooga Public Library revealed that the motto had constant usage, especially on

1973), p. 263. The contract prevented TVA power from entering Chattanooga until its expiration date in November 1936; McCraw, TVA and the Power Fight, p. 129.

¹⁷ News, April 7, 1934, p. 4.

¹⁸ Ibid., May 11, 1934, p. 4.

¹⁹ Ibid., May 19, 1934, p. 4.

Chamber letterheads.²⁰ On the same day that Milton used Lilienthal's "Electric City" idea, John H. Abbot, a local citizen, wrote a letter to the editor in which he suggested that every business letter and envelope leaving the city should have the slogan, "Electric City," on it. Milton agreed that it was an ingenious idea and noted that the evening of May 18, O. B. Andrews, president of one of the largest Chattanooga industries, had called upon 150 traveling salesmen at a Chamber of Commerce dinner, to help make Chattanooga the "Electric City" of the Southeast.²¹

Survey for Power

On May 19, Milton noted that the city commission was holding hearings on a possible survey to study the cost of the construction of a municipal power plant.²² Three months later, Milton gave support for the survey by pointing out that the recent conclusions of a survey in Memphis demonstrated that the users of electricity could save fifty percent on their power bills if they installed the TVA system.²³ In 1933, shortly after Roosevelt had appointed Arthur E. Morgan to the chairmanship of the TVA, Milton had

²⁰Chamber of Commerce Correspondence, 1924-1934, George Fort Milton Papers, File 149, Chattanooga Public Library, Chattanooga, Tennessee.

²¹News, May 19, 1934, p. 4.

²²Ibid.

²³Ibid., August 24, 1934.

suggested to Morgan that Chattanooga should have a survey done to indicate the best way to approach the public power question. At that time, Morgan was not supportive of such an idea and stated that "many good projects were killed by surveys."²⁴

By the summer of 1934, the Chattanooga City Commission had made a contract with the Schofield Engineering Company in which Schofield had agreed to conduct a power survey in the fall. This survey was completed in September, and the News printed major portions of it practically word for word.²⁵ Although the report was somewhat ambiguous as far as Milton was concerned, it revealed that Chattanooga could and should have public power. The text of the survey indicated that a complete power distribution system could be built for \$6.1 million plus \$2.2 million borrowed from the Public Works Administration. On the other hand, the report indicated that the most economical way to have power would be to purchase TEPCO and add to it when needed. It did not matter to Milton; either way the city would save taxpayers more than \$49 million based on current electric rates. In

²⁴Arthur E. Morgan to Milton, May 31, 1933, Milton Papers, File 13, Library of Congress.

²⁵News, September 7, 1934, p. 6.

addition, such a system would pay for itself in thirty years.²⁶

According to the Hamilton County Herald, the public was confused about the Schofield report because of its ambiguity.²⁷ The anti-public power and the pro-public power supporters used it to prove their points. At the same time Milton reported that the survey demonstrated public power could save the rate payers \$49 million, the Times reported that it would cause the city debt to rise to \$21 million and would require more than ten percent to be added to the electric rate sale.²⁸

Milton and Norris, who usually agreed on TVA matters, contended that whatever system was used it should be a "monopoly."²⁹ As Joseph Ransmeier stated in 1942, "many students of economics" during the 1920s and 1930s recognized that the very nature of power production and

²⁶Ibid., September 7, 1934, p. 6. In June 1934, the predecessor of the Public Power League, the Citizen's Council, objected to the Schofield Company and complained that it was not qualified to conduct a survey. James David Bennett, Struggle for Power: The Relationship Between the Tennessee Valley Authority and the Private Power Industry, 1933-1939 (Ann Arbor: University Microfilms, 1969), p. 179.

²⁷Hamilton County Herald, Chattanooga, Tennessee, February 22, 1935, p. 1.

²⁸News, February 26, 1935, p. 4; Times, Chattanooga, Tennessee, February 27, 1935, p. 4.

²⁹Preston J. Hubbard, Origins of the TVA: The Muscle Shoals of Controversy, 1920-1932 (Nashville: Vanderbilt University Press, 1956), p. 111.

distribution was monopolistic.³⁰ A good example was the Commonwealth and Southern, which was a holding company for eleven power companies that encompassed practically all Southeastern power suppliers and many in the North. Milton declared further that the future growth of Chattanooga depended on the acquisition of cheaper power. Industry would move to areas where lower power rates were available. Already Andrews Paper Box, a local industry, had enlarged its Knoxville plant instead of the one in Chattanooga. Electricity demands were fifty percent greater in Chattanooga than in Knoxville.³¹ Willson Whitman points out that the two cities in the Tennessee Valley in the 1930s with more than 100,000 population were Chattanooga and Knoxville.³² The TVA took advantage of a long history of competition between the two cities and all three of the directors made pro-TVA speeches in the two cities. In October 1933, Lillienthal announced that Chattanooga would get the Engineering offices of the TVA. Milton constantly reminded Chattanoogaans from November 1933, when Knoxville voted in favor of TVA power, to March 1935, when

³⁰Ransmeier, Tennessee Valley Authority, p. 30.

³¹News, September 7, 1934, p. 6. Even though Knoxville did not see the sale of the private power company until 1938, about a year prior to the TEPCO sale in Chattanooga, the working headquarters for the TVA were set up in Knoxville.

³²Willson Whitman, God's Valley: People Along the Tennessee River (New York: Viking Press, 1939), p. 27.

Chattanooga finally voted for public power, that Chattanooga was lagging behind Knoxville.³³

It was the opinion of one of the city commissioners, Zach Taylor, that the Schofield report was "calculated to discourage public power distribution in Chattanooga." Laura James Wilhoite, president of the recently formed Citizens Council for Public Power, declared the same thing. Wilhoite bemoaned the fact that the report was "crude" and had no index system nor a reasonable summary. Both men stated that they were happy that five hundred copies of the report were to be spread throughout the city.³⁴

As November faded into December, Milton became impatient with those in leadership positions. In a letter to state representative Fletcher Morgan, he asserted that it was "startling" that Chattanooga's leaders were not even discussing the problem of public power.³⁵ Milton complained that the Chamber of Commerce had not offered a policy on the TVA; the local Manufacturer's Association was as "silent as

³³ News, September 15, 1933; October 10, 1933, p. 1.

³⁴ Ibid., November 28, 1934, p. 1.

³⁵ Milton to Fletcher Morgan, January 28, 1935, Milton Papers, File 17, Library of Congress. Milton alleged that County Judge William Cummings was held back by his wife in the matter of public power support and expressed the hope that he would change. No such problem was mentioned in the biography on Cummings written by Fred Hixon. Hixon does record that the judge conducted business every afternoon from his home. His wife was Number One telephone receptionist and "protected" the judge from unwanted calls.

the grave"; City Hall showed no "direction," and affairs were in an "absurd" condition. Soon voters were to exercise their democratic rights at the polls, and they expected their leaders to give helpful advice and consent.³⁶ Milton expressed further concern in a letter to Norris that "politics" was "entrenched" in the city and that because the officers of TEPCO were popular with the "social elite" of the city and with "subterranean techniques in local politics," it would be difficult to win the bond election for public power.³⁷ As a member of the Chamber of Commerce, Milton knew that, with a petition of only twenty members, the Chamber could secure a referendum on the power question. He reminded his readers that the Chamber directors had voted among themselves in favor of the private utilities in 1930.³⁸

Milton frequently castigated Mayor Edward Bass for not taking a strong stand for the TVA in Chattanooga. He hinted that Bass was stalling the power vote by allowing only three copies of the Schofield report to be circulated and by hiding behind the fact that, according to the mayor, Chattanooga was waiting for the state legislature to give

³⁶ News, November 23, 1934, p. 6.

³⁷ Milton to Norris, February 13, 1935, Milton Papers, File 17, Library of Congress.

³⁸ News, November 27, 1934, p. 2. This was an internal resolution to show Chamber support for private utilities.

the city permission for the TVA bond vote.³⁹ The mayor retorted that the city commission had twice petitioned the governor to call a special legislative session, but he refused both times. He noted that the city charter did not give permission for the commission to submit the power question to the people.⁴⁰ He further stated that he would support the "mandate of the people." If they wanted the TVA, then he would support it, but he would not pressure one way or the other. Milton declared that he should have told the people whether he was for or against public power. With a verbal slap at Bass, Milton quoted a United Press dispatch from Greenville, Mississippi, that noted that twenty-one northern Mississippi cities had requested TVA power. Milton wondered why the mayors of these towns had not waited for the "mandate of the people."⁴¹

The fact that Mayor Bass was a former lawyer for TEPCO was not lost on Milton, and this was quickly noted in a December editorial that pointed out the mayor's refusal to take a stand for the TVA. The mayor gave a speech before the Twelfth Ward Business Association in which he stated he had done everything possible to pave the way for TVA power. He also answered Commissioner Zach Taylor's charge against

³⁹Ibid., November 27, 1934, p. 2.

⁴⁰Ibid.

⁴¹Ibid., December 7, 1934, p. 4.

the Schofield company that stated the report was anti-public power with the assertion that the engineering firm was one of "enviable reputation extending over a period of twenty-five years."⁴² The Times defended Bass by declaring that he had no control over the power vote and that this was to be determined in Nashville by the legislature and commended him for his stand not to campaign for the TVA in the city.⁴³

In the letters-to-the-editor section of the News called "Open Forum," Charles W. Hood of Chattanooga poked fun at the mayor and his stand on the TVA issue with the question: "Is Mayor Bass in favor of municipal ownership of power?" Hood answered himself. "Well: He is, but he ain't, but he is, He ain't but he is, but he ain't,---that great if, and, when or but just like Hoover."⁴⁴

The Referendum

Milton believed that under Mayor Bass's leadership the politicians in City Hall were stalling on the matter of selecting a date for the referendum because they did not want TVA power. He further noted that the poll tax was ordinarily collected just prior to the March elections and to have poll tax collections at the unusual time in January would cause numerous voters to miss the tax payment and

⁴²Ibid., December 5, 1934, p. 20.

⁴³Times, January 22, 1935, p. 4.

⁴⁴News, December 6, 1934, p. 4.

thus not be eligible to vote. He also feared this would allow anti-power leaders to have unfair access to control the outcome of the referendum. In addition, he believed that the greater the turnout of voters, the greater the chance for a positive vote for public power in Chattanooga. Commissioner Taylor agreed with Milton's view and put forth the March date as the best time because this would be nomination time for city officials and the largest numbers of voters would be attracted to the polls.⁴⁵ Chattanooga's state senator, Fletcher Morgan, agreed with Taylor on that point.⁴⁶ Toward the last of December, "anti-TVA forces" circulated petitions to have the power referendum on a separate day from the regular March city elections, ostensibly to separate politics from the public power question. Mayor Bass had tried to get the Hamilton County delegation to accept an earlier date for the referendum, but they "wisely" refused, according to the News.⁴⁷ Milton declared that anyone who opposed the holding of the power vote on the same day as the city primary was simply announcing opposition to public power.⁴⁸ He further claimed that it would be more efficient and cheaper to have a

⁴⁵Ibid., November 26, 1934, p. 4; December 26, 1934, p. 4.

⁴⁶Ibid., December 11, 1934, p. 4.

⁴⁷Ibid., December 19, 1934, p. 1.

⁴⁸Ibid., December 22, 1934, p. 4.

combined election and that a larger turnout would be a democratic boon to the community.⁴⁹

Local and state politicians were also divided on the issue. State Representatives Joseph Bean and D. M. Coleman and County Judge William Cummings wanted a separate day while Representative N. R. Patterson was neutral. At the same time State Senator Fletcher Morgan wanted it on the same day as the city elections.⁵⁰ Milton agreed with a comment made by Senator Morgan that the problem in Chattanooga was the "selfish ambitions of a few people" and that leaders and politicians sometimes failed to serve the interest of those who "honor" them with positions of trust.⁵¹

The News reported that employees of TEPCO were organized and given instructions by company executives on how to oppose the public power movement. A further attempt to foil the vote was the rumor spread that reduced electric rates were in the offing in spite of Wendell Willkie's December 18 statement in Chattanooga to the contrary. Influential citizens were visited by anti-TVA forces to persuade them not to vote for public power.⁵² Jo Conn

⁴⁹Ibid., December 26, 1934, p. 4.

⁵⁰Ibid.

⁵¹Ibid., January 4, 1935, p. 4.

⁵²Ibid., December 19, 1934, p. 1.

Guild, the president of TEPCO, indicated that he would oppose the referendum with all the power he possessed.⁵³

In spite of Governor McAlister's refusal to call a special session of the legislature and the pressure of the anti-public power forces in Chattanooga, a committee of prominent local people such as Will F. Chamlee, Henson Schoolfield, Judge Floyd Estill, and former Governor and United States Senator James B. Frazier drew a bill for the legislature that provided for a bond issue vote in order to establish an Electric Power Board and made provision for the issuance of general obligation bonds in an amount of money to be decided later. It allowed for the selection of the first Electric Power Board members by the local legislative delegation; afterwards the board would be chosen by the judges of the circuit, criminal, and chancery courts. The first board members would serve for eight years; the second, for six; and the third, four. Then the successors would serve for complete eight-year terms.⁵⁴ When the state legislators from Chattanooga put this power enabling bill before the Tennessee House of Representatives, it was among eleven others from all sections of the state introduced for similar purposes.⁵⁵

⁵³Ibid., December 18, 1934, p. 1.

⁵⁴Ibid., January 5, 1935, p. 1.

⁵⁵Ibid., January 16, 1935, p. 1.

CHAPTER VI

THE POWER BOND VOTE

While the bill made its way through the state legislature, two organizations formed in 1935 to conduct a bitter and at times comical fight over the bond issue.¹ Those who organized the Public Power League to urge support for municipal power on the TVA side included, among others, George Fort Milton, State Senators Fletcher Morgan and James B. Frazier, University of Chattanooga Professor Paul Palmer, McCallie School Headmaster Spencer J. McCallie, Commissioner Zach H. Taylor, and Laura James Wilhoite, a former TEPCO employee.² It was announced at the outset that they were interested in the suspension of the poll tax for the referendum and in the allowance of a three-day registration period twenty days prior to the bond vote.³ The temporary

¹Thomas K. McCraw, TVA and the Power Fight, 1933-1939 (New York: J. B. Lippincott Co., 1971), p. 128.

²James W. Livingood, A History of Hamilton County, Tennessee (Memphis: Memphis State University Press, 1981), p. 391. Milton was a major organizer in the Public Power League and gave some speeches in favor of public power; however, most of his public speaking involved topics on economics, race and international relations, Chattanooga annexation, and history. Very few dealt with the TVA. Most of his support for the TVA appeared in the editorial columns of the News.

³News, Chattanooga, Tennessee, January 18, 1935, p. 1.

poll tax suspension was granted by the state legislature during the last of February, and the Times lamented that proponents of the no-poll-tax-vote did not want renters to pay their fair share and that property holders were left with the financial burden of the election day.⁴

The Public Power League appealed to the patriotic zeal of the voters by the inclusion of Franklin Roosevelt's name in its application form. The News printed a sample membership card which read:

I believe that active cooperation with the TVA through the public distribution of power and river improvement is for the best interest of the Chattanooga vicinity, and I pledge myself toward getting all citizens to register and vote for cheaper power for our city, and cooperation with our great President, Franklin D. Roosevelt, in his efforts to help our people.⁵

From January until the bond vote on March 12, the Public Power League sponsored various school, church, and other public forums to promote public power in the city.

In a Monday night meeting in January, one of the editorial writers of the News, J. Charles Poe; the Public Power League's president, Laura James Wilhoite; and public power spokesman Courtney Twinam answered some of the stock criticisms of the anti-TVA forces that public power was an "expensive yardstick" and a move toward inefficient

⁴Times, Chattanooga, Tennessee, February 23, 1935, p. 4.

⁵News, February 2, 1935, p. 1.

government that would lead to graft.⁶ Two of the most popular criticisms were that the TVA was an experiment in socialism and government interference in business.⁷ The weekly Free Press, published by Roy McDonald, was categorically against the public power project and predicted that Roosevelt was out to lead the country into dictatorship through its New Deal program in the Valley.⁸ The Times accused the Reverend Thomas B. Cowan, pastor of Chattanooga's Third Presbyterian church, who followed Laura James Wilhoite as head of the Public Power League, of working for the "downfall of the American system" and "mimicing" the socialist program of Norman Thomas.⁹ A spokesman for the Public Power League answered that the charge was a "bugaboo" that had no foundation. After all, the government already owned the navigable streams; and, since the people were the government, they should have the right to control the power distribution systems. The League spokesman continued with the declaration that under municipal systems rates were lowered as investments were paid off, an activity that had

⁶ Ibid., January 22, 1935, p. 5; James David Bennett, Struggle for Power: The Relationship Between the Tennessee Valley Authority and the Private Power Industry, 1933-1939 (Ann Arbor: University Microfilms, 1969), pp. 181, 182.

⁷ John Dean Minton, The New Deal in Tennessee, 1933-1938 (New York: Garland Publishing, 1979), p. 223.

⁸ Free Press, Chattanooga, Tennessee, May 2, 1935.

⁹ Times, March 11, 1935, p. 4.

never been exercised under private power interests.¹⁰ The Times retorted that the idea of the Public Power League that the Tennessee River belonged to the people was a matter of interpretation. It further stated: "If you fill a bucket with water and carry it home nobody objects but if someone else does it for you you can't object to a reasonable charge."¹¹

When some claimed that the city would lose thousands in tax dollars, the News reminded readers that Lilienthal had stated that TVA installations would pay taxes on the same basis as private companies.¹² Much had been said to the effect that industries would pay more than residential users, and this was declared to be not so.¹³ One fault the mayor and the anti-TVA forces found with the Public Power League was its support for the \$8 million in general obligation bonds that would pay for the construction of the municipal power plant. They claimed that it was an unfair shackle around the property owner's neck and that it would increase the city's tax rate.¹⁴

¹⁰News, January 22, 1935, p. 5.

¹¹Times, February 22, 1935, p. 4.

¹²News, January 22, 1935, p. 5.

¹³Times, February 10, 1935, p. 4; News, January 22, 1935, p. 5.

¹⁴News, January 17, 1935, p. 5.

Shortly after the Public Power League was organized, the opposition forces organized the Citizen's and Taxpayer's Association, which was headed by the former city Commissioner of Education, Fred Frazier, assisted by Mrs. Robert DeLuca.¹⁵ DeLuca stated that while the organization was in favor of the TVA, it was opposed to the bond issue.¹⁶ Frazier contended that the main problem of the bond issue was that the city would have to increase its debt from \$12 million to \$21 million.¹⁷ Instead of general obligation bonds, the Citizen's and Taxpayer's Association campaigned for revenue bonds which would involve only the narrow band of utility users rather than the whole city.¹⁸ Public Power League member Courtney Twinam, in a WDDO radio message, quoted "TVA sources" which declared that public power decreased municipal debt rather than increased it and cited the report of the Schofield engineering firm that concluded that Chattanooga would save \$47 million over a thirty-year period.¹⁹

¹⁵Minton, New Deal in Tennessee, p. 222; Times, February 3, 1935, p. 10.

¹⁶News, January 6, 1935, p. 4.

¹⁷Ibid., February 7, 1935, p. 4.

¹⁸Ibid., February 14, 1935, p. 2.

¹⁹Ibid.

As the March 12 bond voting day loomed closer, diversified support for the public power side increased. R. C. Reynolds of the Southern Teacher's Agency in Chattanooga declared that public power would not be a burden on the city and that it would attract industry and earn a million dollars per year for the city.²⁰ John F. Crabtree, a well-known Chattanooga realtor, announced his support for public power and especially for efforts in flood control, navigation, and the reduction of electric rates.²¹ Eugene Bryan, the commissioner of Fire and Police, shocked TEPCO, which had counted on his anti-TVA support, by the announcement of his support for public power. It was his contention that the central location of Chattanooga and its nearness to Knoxville, the home of the TVA, offered great benefits for its people if connected with the TVA.²² A local attorney, Harry Schaeffer, gave his support for TVA and suggested that the very fact that TEPCO was so strongly in opposition to the TVA convinced him that the TVA must have much to offer.²³

²⁰Ibid., February 11, 1935, p. 8. The Southern Teacher's Agency was an employment company that specialized in educational personnel. Telephone interview with Chalmers MacIlwaine, Chattanooga, Tennessee, June 14, 1983.

²¹News, February 15, 1935, p. 1.

²²Ibid., February 13, 1935, p. 2.

²³Ibid., February 16, 1935, p. 2.

Various groups outside the city also began to give public support for municipal power. The Gann Community Business Club in north central Hamilton County passed a resolution to ask Chattanooga to vote in favor of public power because TEPCO had refused to provide electricity for its section of the county.²⁴ A day or two earlier the Hamilton County Young Democrats unanimously adopted a resolution to endorse the Public Power League and the TVA.²⁵ By March 7, five days prior to the bond vote, the Moving Picture Machine Operators Local No. 259 passed a resolution in support of TVA, thus adding one more union to the practically unanimous labor vote on the TVA in Chattanooga.²⁶

About a month before the bond referendum, various charges of vote fraud surfaced. The first dealt with the Negro vote. Milton alleged that Negro voters were being "bought by the TEP" and would unwittingly vote against the TVA and their "own interest."²⁷ Milton dramatically declared that no group had more to gain from the TVA than the Negroes who lived in "slavery of filth and darkness," in "hovels" lighted by "bum coal oil."²⁸

²⁴Ibid., February 15, 1935, . 2.

²⁵Ibid., February 13, 1935, p. 5.

²⁶Ibid., March 7, 1935, p. 9.

²⁷Ibid., February 19, 1935, p. 4.

²⁸Ibid., February 21, 1935, p.4.

As voter registration took place on February 18, 19, and 20, the News reported charges that Negroes had attempted to register outside their precincts under false names and addresses and that additional attempts were being made to register "transients" in the seventh ward."²⁹ The election commission's secretary, J. Mitt Payne, contended that such activity was "suspicious," especially since the ward had shown much higher than usual voter registration.³⁰ Throughout the city, voter registration was extraordinarily high. Over fifty thousand people registered to vote, yet only 27,162 actually voted on March 12, 1935.³¹

Milton commended the Public Power League for its call for an investigation and the honesty of election officials I. B. Merriam, J. Mitt Payne, and Foster Johnson. The editor hoped that such scandals were not statewide in scope.³² Wilhoite warned a group of Negroes gathered at Howard High School that the report that passage of the bond issue would raise their rents was untrue and was a "vicious" appeal to the poor and "unintelligent."³³ Some of the activities of the Public Power League backfired. For

²⁹ Ibid., February 20, 1935, p. 1; February 19, 1935, p. 1.

³⁰ Ibid., February 20, 1935, p. 1.

³¹ Bennett, Struggle for Power, p. 187.

³² News, February 20, 1935, p. 4.

³³ Ibid., February 20, 1935, p. 2.

example, the Times quoted from a local Negro weekly, The Chattanooga Observer, which reported that when Wilhoite stood during the meeting at Howard High School and accused TEPCO of being an unfair monopoly, John R. Patterson, the editor of the Observer, "shut him down" by reminding him of his own Southern Dairies unsuccessful campaign to pass a law to stop the sale of oleomargarine.³⁴ Movies depicting the TVA in a positive light were shown at the conclusion of the Howard High School meeting.³⁵ Two days later, the Times declared that the News was trying to stir "class hatred" against TEPCO.³⁶ Approximately two weeks later, the Times warned its readers not to vote for the \$8 million bond issue because it would cause landlords to raise their rents.³⁷

One of the most dramatic of the alleged voter registration irregularities was the complaint that the News received that 162 people paid \$50 for a lot in the Chattanooga city limits in order to be eligible to vote in the bond referendum.³⁸ According to a News reporter, when Jo Conn Guild, president of TEPCO, was confronted with the

³⁴Times, March 3, 1935, p. 7.

³⁵News, February 20, 1935, p. 2.

³⁶Times, February 22, 1935, p. 4.

³⁷Ibid., March 8, 1935, p.4.

³⁸News, February 22, 1935, p. 1. For a more detailed account of this matter, see Bennett, Struggle for Power, pp. 183-85.

charge that TEPCO had cooperated in the effort to qualify voters through the purchase of a lot in Chattanooga, he categorically denied it and became "abusive" toward the reporter interviewing him.³⁹ I. B. Merriam, the election commissioner, stated that he did not tolerate such activity and that there were laws to control those who perpetrated such deeds. The editor of the News wondered if TEPCO had "purchased" the election and who was supporting the Citizen's and Taxpayer's Association and pressuring the Negro voter and working for the double registration of voters. He concluded by calling for a grand jury investigation.⁴⁰ Milton told the Congressional Investigating Committee that came to Chattanooga in 1938 that the local election commission did hold open hearings the first few days of March in the basement of the courthouse, but no indictments resulted.⁴¹ The Citizen's and Taxpayer's Association was investigated by the Hamilton County Grand Jury and by the Black Committee of the United States Congress, but no charges were filed against it.⁴²

³⁹Bennett, Struggle for Power, p. 185.

⁴⁰News, February 23, 1935, p. 4.

⁴¹Ibid., February 28, 1935, p. 19; U.S., Congress, Joint Committee on the Investigation of the Tennessee Valley Authority, Hearings Before the Joint Committee on the Investigation of the Tennessee Valley Authority, 75th Cong., 3d sess., 1938, p. 2679.

⁴²McCraw, TVA and the Power Fight, p. 129.

In a lengthy letter to Senator Norris two days after the bond referendum victory for municipal power, Milton made charges concerning illegal election efforts and pleaded with Norris to instigate a probe of the bond referendum to answer such charges in Chattanooga.⁴³ The same day, Milton wrote to Lilienthal and urged him to investigate the matter.⁴⁴ Two days later, Norris answered Milton and indicated that the Federal Trade Commission (FTC) should investigate and asked permission of Milton to let the FTC have his letter. He said that the information could have been given to the Senate Committee on Interstate Commerce but did not offer to do anything about it.⁴⁵

The investigation by the Hamilton County Grand Jury indicated that some twenty-four thousand was spent by the "opponents" of TVA. The Commonwealth and Southern spent twenty thousand of that according to witnesses, John C. Costello, a TEPCO vice-president, and Everett Allen, general manager of the Free Press.⁴⁶ Milton related in a letter to

⁴³Milton to Norris, March 14, 1935, George Fort Milton Papers, File 17, Manuscript Division, Library of Congress, Washington, D. C.

⁴⁴Milton to Lilienthal, March 14, 1935, Milton Papers, File 17, Library of Congress.

⁴⁵Norris to Milton, March 16, 1935, Milton Papers, File 17, Library of Congress.

⁴⁶Unsigned letter (probably Milton's) from the Public Power League to (Judge) Ewin Davis, April 18, 1935, Milton Papers, File 17, Library of Congress. According to

Norris's secretary that the grand jury uncovered the fact that TEPCO was not even a Tennessee company. It was chartered in Delaware, so any charges against it probably would have been of little use. He contended that the investigation was "superficial" and that, plus the "do nothing" activities of the FTC, let the "anti-public power forces" go without just punishment.⁴⁷

The News pointed to the scare tactics used in the campaign. The chairman of the Citizen's and Taxpayer's Association, Fred Frazier, announced that Hamilton County teachers would lose salary money if the bond issue passed.⁴⁸ The county Teacher's Federation president, Stanton E. Smith, responded that this "scare" tactic put forth by Frazier would not stop teachers and asserted that teachers had more "sense than to be misled by such tactics."⁴⁹

Harold J. Weeks, of the Citizen's and Taxpayer's Association, told a group of North Chattanooga citizens that to vote for the bond issue would be the same as teaching children "not to pay their debts," and that it would be

McCraw, Willkie contributed the twenty thousand in a successful attempt to "circumvent" the Tennessee law that prohibited companies from contributing to political organizations. McCraw, TVA and the Power Fight, pp. 128-29.

⁴⁷Milton to John P. Robertson, May 8, 1935, Milton Papers, File 17, Library of Congress.

⁴⁸Hamilton County Herald, Chattanooga, Tennessee, March 1, 1935, p. 4.

⁴⁹News, March 2, 1935, p. 1.

better to spend public money on schools and hospitals than on public power projects.⁵⁰ Even local sports promoters attempted to influence the voters. Joe Engel, owner of the Chattanooga Lookout baseball team, declared that he had been living in Chattanooga since 1929 and had not made "one cent" with the ball club and was not in favor of the bond issue because he was sure it meant higher taxes.⁵¹

In an attempt to put oil on the waters of the power referendum controversy, the Highland Park Methodist Episcopal Church's congregation announced that they would use candles at a club reception to demonstrate their neutrality in the matter.⁵² Cowan, the minister of the Third Presbyterian Church, avowed before a group gathered at Lookout Junior High School that the "eyes of the nation" were on them and that if they voted "no" on the bond issue, they would be voting against "FDR" and the TVA. He concluded that the expenditure of money to defeat the TVA was only an example of what had been going on for years.⁵³ E. C. Wareing, pastor of the First Methodist Church and Public Power League member, declared in an interview with the News that TVA power was needed to break the "economic

⁵⁰Times, March 9, 1935, p. 7.

⁵¹Ibid.

⁵²News, February 20, 1935, p. 1.

⁵³Ibid., March 2, 1935, p. 5.

restraints" of private utility companies. He postulated that for the "common good" the voters would have to stand together and vote in "bloc" as "invested capital" had through the years.⁵⁴

A few weeks before the bond referendum, both the Public Power League and the Citizen's and Taxpayer's Association placed several full- and some double-page advertisements in the News and in the Times. They covered the major points of the campaign and tended to demonstrate a propaganda approach. The News asserted during the last of February that the opponents of public power claimed that TVA power rates were so low that the city could not stay in the power business if it reduced rates to match the TVA scale.⁵⁵ At the same time, James A. Longley, general manager of TEPCO, declared that his company would meet TVA rates.⁵⁶ In a Public Power League advertisement, it was charged that ten thousand dollars had been spent by the opposition as of the first of March; that "negro bosses [sic]" had been "purchased" along with other politicians; that voter registration fraud had occurred as well as the mishandling of votes. The advertisement dramatically concluded: "Let those who want to rape the ballot box here

⁵⁴Ibid., January 24, 1935, p. 1.

⁵⁵Ibid., February 28, 1935, p. 4.

⁵⁶Times, February 27, 1935, p. 4.

take warning. If they should steal this election they do so at their peril."⁵⁷

E. Donald Early, statistician for TEPCO, told a small audience at Brainerd Junior High School that the bond issue must be defeated to save \$1 million a year in industry in Chattanooga. Early declared that the city would not be able to borrow money from the Public Works Administration at four percent interest. Furthermore, the city could not distribute public power until the TVA-TEPCO contract ended in 1938 or until three months after Norris Dam was completed. He also accused the Public Power of appealing to emotions and use of "red scare" tactics.⁵⁸ The Times reported that sixty-three members of the Chattanooga Manufacturer's Association had voted on a committee report of municipal power in the city. Sixty indicated that they agreed with the committee's conclusion that there appeared to be no concrete facts to support the idea that electric rates would decrease under municipal power.⁵⁹ J. F. Fisher, owner of Fisher Printing Company in the Eastlake section of Chattanooga, told the News a week prior to the vote that citizens were being "poisoned" by "power company propaganda" and "hoodwinked" by "shady methods" employed

⁵⁷ News, March 1, 1935, p. 4.

⁵⁸ Ibid., March 2, 1935, p. 7.

⁵⁹ Times, March 5, 1935, p. 4; Livingood, History of Hamilton County, p. 391.

by the Citizen's and Taxpayer's Association. He called on voters to vote "yes" on the bond issue to help rid the city of private power company "sinister influence."⁶⁰

On March 6 there were six articles concerning the bond vote on the front page of the News. One of those emphasized the point that much money had been spent by the opposition to defeat public power. Women were paid fifteen dollars to telephone the voters and attempt to persuade them to vote against the bond issue.⁶¹ The very next day the Times reported that a "Mrs. Finley" had complained to the Citizen's and Taxpayer's Association that on two occasions a "young boy" had called her in the "name of TVA" to attempt to persuade her to vote for the bond issue, and she had "hung up." Frazier had complained to David Lillenthal, and the telephone calls had stopped.⁶²

As it became clear that public power might be a reality in Chattanooga and that TEPCO might go out of business, various stockholders began to sell their holdings.

⁶⁰News, March 4, 1935, p. 14.

⁶¹Ibid., March 6, 1935, p. 1.

⁶²Times, March 7, 1935, p. 5. The incident with Lillenthal may have occurred, but it is not probable. McCraw states that the "TVA pointedly took no direct part in the election." When Milton tried to get Roosevelt to congratulate Chattanooga on its 1935 vote for public power, the President refused. McCraw, TVA and the Power Fight, p. 129; Milton telegram to Roosevelt, March 12, 1935, Milton Papers, File 17, Library of Congress; Early to Milton, March 13, 1935, Milton Papers, File 17, Library of Congress.

The News reported that TEPCO stockholders were paid to "hush up" demands for sales of shares. A local minister alleged he was offered \$200 to make a radio speech against TVA power. By March 6 the Citizen's and Taxpayer's Association had spent \$2,151 on advertisements in the News against public power. The Tennessee Attorney General, Peabody Howard, promised an investigation of the charges that illegal voter activity had occurred.⁶³ Both sides used statements of Franklin Roosevelt to bolster their positions. On March 5 and in several other advertisements, the Citizen's and Taxpayer's Association urged voters to support the President and vote against the bonds and quoted Roosevelt statements which insinuated that he was against government ownership of property.⁶⁴ A day later the Public Power League had a similar advertisement and its title was practically identical to the one used by the Citizen's and Taxpayer's Association. Instead of "Stand By the President" as the Citizen's and Taxpayer's Association advertisement

⁶³News, March 6, 1935, p. 1.

⁶⁴Ibid., March 5, 1935, p. 8. The News and the Times each reached about thirty-five thousand people throughout the 1930s with daily and Sunday subscriptions; News, October 2, 1935. This was confirmed by telephone with the Times in 1982. Circulation extended beyond the Chattanooga City limits, but Chattanooga had a population of 119,798. Gilbert E. Govan and James W. Livingood, The Chattanooga Country, 1540-1976: From Tomahawks to TVA. 3rd ed. (Knoxville: University of Tennessee Press, 1977), p. 405.

said, it read: "Let Us Stand By FDR."⁶⁵ When the News reported Senator Norris's statement that if Chattanooga did not vote for municipal power the "entire plan of the TVA" would be "near failure," the Citizen's and Taxpayer's Association put an advertisement in the News that revealed that Norris's hometown of McCook, Nebraska, had voted against a municipal power project.⁶⁶

In the midst of all the accusations, bits of humor appeared. The Times published the list of the members of the Citizen's and Taxpayer's Association, which included Milton's brother-in-law, Porter Warner.⁶⁷ In a letter to Adolph Shelby Ochs, the general manager of the Times, Milton said that Warner was not a member of the Citizen's and Taxpayer's Association, and his name had been used without his permission. He concluded the letter by offering Ochs a bet of one hundred dollars that the Public Power League would win the referendum.⁶⁸ Milton reported in the News that Ochs feared that if his cook, Georgia Cantrell, voted "yes" in the bond referendum, she would "cancel" his "no" vote, so he hired forty secretaries to write five-page

⁶⁵News, March 6, 1935, p. 14.

⁶⁶Ibid., March 5, 1935, p. 11.

⁶⁷Milton to Adolph Shelby Ochs, March 9, 1939, Milton Papers, File 17, Library of Congress.

⁶⁸Milton to Ochs, March 9, 1935, Milton Papers, File 17, Library of Congress.

letters on company stationery to several hundred people. One letter was sent to Milton. The lengthy letters suggested that if the addressees had such "Georgia's" in their kitchens, they should try to persuade them not to "kill" their employer's vote at the polls on March 12.⁶⁹ George Forbes, the Assistant United States Postmaster in Chattanooga, received one of Ochs's letters on Georgia Cantrell and offered her a job if Ochs fired her after the referendum.⁷⁰ The day of the referendum victory for public power, Milton sent Georgia Cantrell a telegram in which he congratulated her for "killing" Ochs's vote as Ochs feared, and he advised her to "cook him a good breakfast to revive his spirits."⁷¹ In one of its few positive statements about the power debate the Times stated that at least the controversy over the bond issue had aroused many voters who ordinarily paid little attention to the activities of the local government.⁷²

The weekly Hamilton County Herald, which was more adamantly opposed to public power than the Times, also managed to publish a little humor during the power debate. The editor, Will Shepard, asserted that he had heard that

⁶⁹News, March 7, 1935, p. 9.

⁷⁰Ibid., March 8, 1935, p. 21.

⁷¹Milton telegram to Georgia Cantrell, March 12, 1935, Milton Papers, File 17, Library of Congress.

⁷²Times, February 3, 1935, p. 10.

if the people of Chattanooga voted "no" on the bond issue, Roosevelt and the TVA would be so angry that they would reroute the Tennessee River by digging a canal around the city. It would start upriver at Dayton, where the TVA was already entrenched, and go through a tunnel in the Cumberland Mountains, form a junction with the Sequatchie River in the Cumberland Valley, and then turn south to the little town of South Pittsburg, below Chattanooga. Shepard quipped that although this was drastic action, it would certainly eliminate the yearly flood problem in Chattanooga.⁷³

One of the issues to surface just prior to the referendum was that of the long-sought-after dam to be built at or near Chattanooga. On February 19, less than a month before the bond vote, the TVA began the survey for the construction of the dam. The News headline read: "TVA SURVEYS CHICKAMAUGA DAM SITE." There were four articles on the TVA on the front page.⁷⁴ The other papers simply mentioned it in short articles. The News made several references to the dam prior to the referendum and suggested that a vote against the bond issue was a vote against the \$28 million Chickamauga Dam and all of its attendant

⁷³Hamilton County Herald, February 22, 1935, p. 11.

⁷⁴News, February 19, 1935, p. 1.

benefits such as job creation, flood prevention, lower freight rates, and cheaper electric power.⁷⁵

The Times avowed the day before the bond vote that the dam was going to be built regardless of how the people of Chattanooga voted on the bond issue.⁷⁶ Work on the dam had already started by the day of the vote, even though actual construction was not authorized until December 31, 1935.⁷⁷ The editor further noted that Lilienthal had stated that the dam was first of all a flood control project, so the bond issue had no bearing on the dam.⁷⁸ The Times had previously challenged Lilienthal to answer the charge that the dam would not be built if the bond issue failed, but it received no answer.⁷⁹ The Hamilton County Herald suggested that the city should wait until the TVA built the dam, then demand that TEPCO meet their rates. If TEPCO could not, the municipal power plant could be built.⁸⁰

Finally the days of the calendar narrowed to the March 12 date the people of Chattanooga had been waiting

⁷⁵Ibid., February 21, 1935, p. 4.

⁷⁶Times, March 11, 1935, p. 4.

⁷⁷Annual Report of the Tennessee Valley Authority for the Fiscal Year Ended June 30, 1938, 2 vols. (Washington, D.C.: Government Printing Office, 1938), 1:24.

⁷⁸Times, March 11, 1935, p. 4.

⁷⁹Ibid., March 5, 1935, p. 4.

⁸⁰Hamilton County Herald March 1, 1935, p. 4.

for. The elements of nature seemed set against the voters, as rain, sleet, and snow fell throughout the day. In spite of the adverse weather, a record number of voters appeared at the polls. On February 18, the News had reported that the election commission had predicted a record turnout of around thirty thousand voters, so the actual figures were close to the projections.⁸¹ The News reported that 27,147 voters made it to the polls, with 19,056 voting for the power bonds and 8,091 against. In spite of the heavy "no" votes of the fourteenth precinct on Missionary Ridge and the sixteenth and seventeenth wards in the Riverview and North Chattanooga areas where many of the TEPCO officials lived, thirty out of thirty-three precincts voted for public power. All predominantly Negro wards voted for the TVA.⁸² The News reported that the election officials had taken flashlights and candles to guard against power "cut offs"; and, in spite of "suspicious action" at the polls and inclement weather, the "public power" forces won a "tremendous victory for the people."⁸³

The afternoon of the bond referendum victory, Milton sent a telegram to Roosevelt in which he stated that the voters of Chattanooga had "struck a mighty blow" for the

⁸¹News, February 18, 1935, p. 1.

⁸²Ibid., March 13, 1935, p. 1.

⁸³Ibid., p. 4.

President's program and for the State of Tennessee. He contended that the three-to-one vote in favor of public power had broken the "Hindenburg Line of private power" in Chattanooga. He urged Roosevelt to send a message to the city to be published in the News.⁸⁴ The next day Milton received a telegram from Roosevelt's assistant secretary, Stephan Early, indicating that the President did "appreciate" the request for a message to Chattanooga but declined to make any comment at that time. He gave Milton no explanation for the President's action.⁸⁵ Milton also sent telegrams to Lilienthal and Norris and declared that in spite of "\$100,000" spent by the "power trust" and the bad weather, the city voted for public power.⁸⁶

During and after the bond vote, Milton received many letters of congratulations for his part in the bond issue campaign. One was from George E. Gresham, the United States District Judge in Chattanooga, who requested that

⁸⁴News, March 13, 1935, p. 4.

⁸⁵Stephan Early telegram to Milton, March 13, 1935, Milton Papers, File 17, Library of Congress. It was Roosevelt's policy not to take sides in local power controversies. McCraw, TVA and the Power Fight, p. 129. Milton must have known of this policy, because on December 19, 1934, he received a letter from Lilienthal telling him of such a policy, particularly in matters relating to the TVA. Lilienthal to Milton, December 19, 1934, Milton Papers, File 17, Library of Congress.

⁸⁶Milton telegram to Lilienthal, March 12, 1935, Milton Papers, File 17, Library of Congress.

Milton not publish the contents of the letter.⁸⁷ Another was from Hamilton County Probate Court Clerk, Jobe Killough, who thanked Milton for his successful efforts for public power and declared that the News was more helpful than "any other agency."⁸⁸ The chairman of the Chattanooga City Planning Committee, R. W. Olmstead, sent a congratulatory message to Milton and thanked him for his "splendid fight" and indicated that the city owed him a "great deal."⁸⁹ L. M. Thomas, of Thomas and Folts law offices, concurred with Killough's appraisal and stated that the News was the "key to victory."⁹⁰

Since the Times was a morning paper, it had the last word before the bond vote. On the morning of the twelfth, the editor, Lapsley G. Walker, had warned readers that the city of Chattanooga was at the "crossroads" and that it would go to the "right and private ownership" with "economic initiative" or the "left" with higher taxes, increased electric rates, and "socialism." He also accused the News of "changing its spots" and reprinted five pages of a 1913

⁸⁷George E. Gresham to Milton, March 13, 1935, Milton Papers, File 17, Library of Congress.

⁸⁸Jobe Killough to Milton, March 13, 1935, Milton Papers, File 17, Library of Congress.

⁸⁹R. W. Olmstead to Milton, March 11, 1935, Milton Papers, File 17, Library of Congress.

⁹⁰L. M. Thomas to Milton, March 13, 1935, Milton Papers, File 17, Library of Congress.

News article which had praised TEPCO and lauded the completion of the Hale's Bar Dam thirty miles downstream from Chattanooga. Now, reported the Times, the News wants to "destroy" TEPCO and its investors.⁹¹ The day after the election, the editorial page carried the laconic message that the vote for the bond issue was the result of a "bitter campaign" and a "great mistake," but the Times called for all to unite to work for a "better Chattanooga."⁹² The Hamilton County Herald charged that the referendum had been controlled by the TVA through "hysteria" and a conspiracy to "force its will on the people." It blamed the TVA for the bitter debate in Chattanooga over where to put TVA headquarters and the offices for the Electric Home Farm Administration and maintained that its decision to begin the survey for the Chickamauga Dam just prior to the election was designed to push the voters into the "TVA camp."⁹³

Milton concluded the bond campaign by congratulating several of those who had aided in the fight. He urged a

⁹¹Times, March 12, 1935, p. 4. Walker served as editor until August 1935, when Julian LaRose Harris, son of the noted writer Joel Chandler Harris, became editor.

⁹²Times, March 13, 1935, p. 4.

⁹³Hamilton County Herald, March 15, 1935, p. 1.

continued effort to provide "a new era of prosperity"
through public power in Chattanooga.⁹⁴

⁹⁴Milton to J. B. Ragon, Jr., March 13, 1935, Milton Papers, File 17, Library of Congress; Milton telegram to Kenneth D. McKellar, March 13, 1935, Milton Papers, File 17, Library of Congress.

CHAPTER VII

THE ARTHUR E. MORGAN CONTROVERSY

After the Chattanooga electorate voted in favor of public power on March 12, 1935, Milton reduced his participation in the power debate. The steady discourse on the narrow issue of public power versus private power gave way to comments on a multitude of problems facing the community. Such problems ran the gamut from Arthur E. Morgan's chairmanship to the probe of the Joint Committee of Congress on the TVA to the sale of TEPCO.

Only eight days after Arthur E. Morgan was named to the chairmanship of the TVA board, a hint of trouble in the future was found in the statement of George Fort Milton to Howard W. Odum of the University of North Carolina in which Milton stated that Morgan was "rather curious about particular social grace."¹ Four days later, Morgan showed a talent for abrasiveness in a letter to Milton in which he curtly disagreed with Milton's idea to "survey" Chattanooga's need for public power. In this laconic note, Morgan informed Milton that he did not care for the idea and

¹Milton to Odum, May 27, 1933, George Fort Milton Papers, File 13, Manuscript Division, Library of Congress, Washington, D. C.

that in his experience he had discovered that "many good projects were killed by surveys."² On another occasion a sign of the TVA chairman's future troubles appeared when Milton lamented Morgan's provocative statement that "half the country's gangsters were from the Tennessee Valley."³ Within four months of his appointment, Morgan had begun to alienate not only Milton but his co-director David E. Lilienthal, the United States Congress, and Franklin D. Roosevelt.⁴

Apparently there was considerable concern that Arthur Morgan was becoming too enthralled with idealistic details in his efforts to utilize the TVA as an instrument of change for the Tennessee Valley. Milton reported that Morgan was more interested "in the souls and table manners of mountaineers" than in the development of the TVA.⁵ Milton also noted that certain congressmen were convinced that Morgan was not cooperating in the TVA effort to install public power and were especially concerned over his tendency to hire experts from outside the Tennessee Valley.⁶ Milton

² Arthur E. Morgan to Milton, May 31, 1933, Milton Papers, File 13, Library of Congress.

³ Milton to Reeves, November 23, 1934, Milton Papers, File 13, Library of Congress.

⁴ News, Chattanooga, Tennessee, October 6, 1934, p. 6.

⁵ Ibid.

⁶ Ibid.

was not very concerned over the charge. He noted that the TVA directorate included one Southerner, Harcourt A. Morgan (he was actually Canadian by birth), and was hiring many Southern workers in the field. As far as he was concerned, the debate over such a topic distracted people from the real problem of providing cheap electricity in the Valley and from the view that the TVA was a national endeavor, not just a regional one.⁷

Milton had declared in August 1933 that Arthur Morgan's aims from the day of his appointment on May 19, 1933, had been to steer away from a great complex of hydro-electric dams and toward a "new civilization for the Valley," a program of "social and economic planning" to encompass forty-two thousand square miles within seven states.⁸ Morgan was disturbed over conditions in the Valley and stated that the development of the Valley had been guided by a process of rudderless "exploitation" of the natural resources for "private profit." For example, coal and wood were shipped North in such quantities that local people were left without adequate supply. This led to

⁷George Fort Milton, "Dawn for the Tennessee Valley," Review of Reviews and World's Work, June 1933, p. 34; George Fort Milton, "A Consumer's View of TVA," Atlantic Monthly, November 1937, p. 656.

⁸News, August 30, 1933, p. 6.

unemployment, poverty, and "dead towns."⁹ In 1929 the Tennessee Valley per capita income was \$317 per year, and this amounted to forty-five percent of the national average of \$700.¹⁰ Such low income was largely because of a lack of modern methods and the unavailability of electricity. Milton quoted Morgan's statement that there were too many retail merchants and not enough dentists, physicians, or other professionals. In addition there were five times as many counties as were needed, which added unnecessary costs to the local governments. Such monies would be better utilized in vocational training to enable the people better to provide for themselves.¹¹ Morgan declared that the Valley needed a self-contained economy with cooperative businesses, small factories, and its own system of coinage "to prevent large center competition."¹²

Milton poked fun at Morgan's coinage idea and stated that coonskins could be used as the medium of exchange and this would eliminate outside competition. The states of the Valley could periodically have a statewide "coon" hunt and require all boys of draft age to attend. The pelts could be

⁹ Arthur E. Morgan, The Making of the TVA (Buffalo, N.Y.: Prometheus Books, 1974), p. 157.

¹⁰ John R. Moore, ed., The Economic Impact of TVA (Knoxville: University of Tennessee Press, 1967), p. 51.

¹¹ News, August 30, 1933, p. 6.

¹² Ibid., November 11, 1933, p. 1.

tanned at the TVA cooperative tanneries and then stored at the model town at Norris Dam.¹³

In November 1933, in an entire front page dedicated to the TV, Milton's News declared that the "views" of Harcourt A. Morgan and David Lilienthal "were to" replace those of Chairman Arthur E. Morgan. The TVA leadership was to move from an emphasis on the "social and cultural" to that of the "practical."¹⁴ Milton revealed his opinion of the situation in TVA when he wrote that he was glad to see the "folk dance" era conclude.¹⁵ Milton and others ascribed much of the controversy over the goals of the TVA to Arthur Morgan, but Pritchett believes that the "larger" part of the problem was caused by well-meaning "writers, sociologists, professors, and newspaper columnists" who, after rushed trips to Knoxville and Muscle Shoals, attributed utopian aims to the TVA, thus creating misconceptions.¹⁶

Milton noted that Lilienthal outlined the practical aims of the TVA in a speech given in November 1933 in Atlanta. The TVA would work for the wider use of electricity, drastic revision of the rate structure, easier

¹³ Ibid.

¹⁴ Ibid., November 11, 1933, p. 1.

¹⁵ Ibid., November 13, 1933, p. 4.

¹⁶ C. Herman Pritchett, The Tennessee Valley Authority: A Study in Public Administration (Chapel Hill: University of North Carolina Press, 1943), pp. 121-22.

availability of electrical appliances, reduced costs of power operations, and improved public relations on the accessibility of power.¹⁷

According to Alice Warner Milton, all three of the TVA directors visited in the Milton home on numerous occasions during the middle 1930s. She remembers that there was a definite lack of communication among the three, particularly between Lilienthal and Harcourt A. Morgan on the one hand and Arthur Morgan on the other.¹⁸ She maintains that Lilienthal precipitated problems with his forward and outspoken personality, which contrasted with Arthur Morgan's more reserved demeanor.¹⁹ The evidence found in the News and Mr. Milton's correspondence indicates that it was the other way around. In a letter to Sen. Kenneth D. McKellar, Milton stated that Arthur Morgan was a "blundersome old fellow" and a "maladroit" speaker.²⁰ In letters to Lilienthal and Congressman Samuel D. McReynolds, he noted that Arthur Morgan was an "old man who seems to

¹⁷ News, November 13, 1933, p. 4.

¹⁸ Interview with Alice Warner Milton, Lookout Mountain, Tennessee, March 19, 1982.

¹⁹ Ibid.

²⁰ Milton to McKellar, June 29, 1935, Milton Papers, File 18, Library of Congress.

have an extraordinary capacity for stepping off on the wrong foot."²¹

Milton's role was partially demonstrated in the serious row over the early stages of construction on the Chickamauga and Hiwasee dams. Lilienthal, who was in charge of the electrical aspects, clashed with Arthur Morgan, who was in charge of the dam construction. Alice Warner Milton recalls that Lilienthal and Morgan called the Milton home late one night and her husband had a difficult time but did succeed in preventing both men from resigning in protest against each other.²² One of Milton's editors, J. Charles Poe, in an article in the Nation, reported that various mutual friends failed in attempts to mediate their differences.²³ They even squabbled over the use of equipment at the dams. Norris informed Milton that one such incident centered around equipment used in high dam construction such as the Hiwassee project. The equipment was at one point stored at the Chickamauga Dam site, and Morgan could not get Lilienthal to release it. It made no sense to Morgan to hold unused equipment when it could be

²¹Milton to Lilienthal, June 23, 1935, Milton Papers, File 18, Library of Congress; Milton to McReynolds, June 29, 1935, Milton Papers, File 18, Library of Congress.

²²Alice Warner Milton interview, April 2, 1982. No mention is made of this phone call in any of the works by Morgan or Lilienthal.

²³J. Charles Poe, "Morgan-Lilienthal Feud," Nation, October 3, 1936, p. 385.

put into service elsewhere.²⁴ Senator McKellar complained to Milton that Morgan was "most blundersome" in the Hiwassee matter and even though his activities stalled the project, the TVA would "get the dams built in spite of him."²⁵ In one instance, McKellar was so distressed with Morgan that he said that he told him to "get out of town" so Congress could conduct business without his interference.²⁶ Morgan irritated McKellar when Senator Norris failed in an attempt to combat the suits against the TVA through the amendment of the United States Constitution. Norris wrote Milton of his amendment and explained that it would require seven Supreme Court justices to concur before they could declare an act of Congress unconstitutional.²⁷ Milton answered four days later and gave his approval to the amendment and urged Norris to continue to fight for it.²⁸ McKellar complained to Milton that Morgan said he was for the Norris amendment then later stated to other members of McKellar's Committee

²⁴Norris to Milton, July 1, 1935, Milton Papers, File 18, Library of Congress.

²⁵McKellar to Milton, July 2, 1935, Milton Papers, File 18, Library of Congress.

²⁶McKellar to Milton, July 3, 1935, Milton Papers, File 18, Library of Congress.

²⁷Norris to Milton, July 1, 1935, Milton Papers, File 18, Library of Congress.

²⁸Milton to Norris, July 5, 1935, Milton Papers, File 18, Library of Congress.

on the Post Office and Post Roads that he was not.²⁹ Representative McReynolds told Milton that Morgan had a "peculiar mind" and seemed to want to do the "proper thing" but appeared confused as to what the "proper thing" was.³⁰

In the fall of 1935 Milton appeared to defend Morgan when he informed Norris that Arthur Morgan's problems were partially because of the "rugged beginnings" in his life. His materially deprived childhood had developed an independence and "bluntness" characteristic of the "frontier." He stated that Lilienthal and Morgan basically agreed. It was the means to achieve common goals that they differed upon.³¹ About a week later, Norris asked Milton to try to obtain an understanding of Morgan's "real personality."³² Again Milton seemed to defend Morgan, as he indicated that Morgan was a "sincere" and "disinterested" worker who strove for a "better society."³³

²⁹McKellar to Milton, July 2, 1935, Milton Papers, File 18, Library of Congress.

³⁰McReynolds to Milton, July 3, 1935, Milton Papers, File 18, Library of Congress.

³¹Milton to Norris, September 30, 1935, Milton Papers, File 18, Library of Congress.

³²Norris to Milton, October 4, 1935, Milton Papers, File 18, Library of Congress.

³³Milton to Norris, October 8, 1935, Milton Papers, File 18, Library of Congress.

By the spring of 1936 the state of affairs between Arthur Morgan and Lilienthal had fallen into such deterioration that Morgan told Roosevelt at a conference in Warm Springs that he would resign if Lilienthal were reappointed as a TVA director.³⁴ In June 1936, Lilienthal made a speech in which he criticized Morgan's ideas of local handicraft industries, county consolidation, and his ill-conceived plan to confiscate property from farmers who misused their land. Milton congratulated Lilienthal for his "rather frontal thrust" at Morgan and remarked on Morgan's reaction to the speech as "god-like rage."³⁵ Morgan had previously recommended to the President against the reappointment of Lilienthal. When Roosevelt appeared cool to this, Morgan became upset and returned to his home in Norris, a model community built by the TVA outside of Knoxville.³⁶

According to the News, Roosevelt thought the government should show "consistency" before the power companies in the matter of the TVA program, so he reappointed Lilienthal to a full nine-year term on May 18, the last day of the director's term. Originally he had been given a three-year term, the shortest of the three

³⁴Thomas K. McCraw, TVA and the Power Fight, 1933-1939 (New York: J. B. Lippincott Co., 1971), p. 88.

³⁵Thomas K. McCraw, Morgan vs. Lilienthal: The Feud Within the TVA (Chicago: Loyola University Press, 1970), p. 64.

³⁶News, May 16, 1936, p. 1.

directors.³⁷ Morgan wrote in 1974 that Roosevelt called him into his office and told him that "Senator La Follette insisted on the reappointment of Mr. Lilienthal and that since he needed La Follette's support, he would have to reappoint Lilienthal."³⁸

A front page article in the News stated that, when Morgan did not show up for the TVA budget meeting in July, it was believed that he had carried out his threat to resign; but he told reporters he was simply on vacation at his home in Yellow Springs, Ohio, and would return on Monday morning, July 20.³⁹ Milton noted that ten days later Morgan shocked reporters with the statement that he had never worked with a staff more "loyal" or cooperative or with such "initiative." Furthermore, Morgan saw great potential for the TVA and deplored the comments of those who stated there was too much electric power in production.⁴⁰

³⁷ Ibid.

³⁸ Morgan, Making of the TVA, p. 167. Alice Warner Milton stated that she and her husband went to Washington to let Roosevelt know of their support for Lilienthal. On the train back to Chattanooga, Arthur Morgan told them that they had won the fight for Lilienthal but would live to regret it. Morgan was right. When the Miltons lost the News, Lilienthal would have nothing more to do with them. Alice Warner Milton interview, June 4, 1983. McCraw wrote that "Milton delighted in affairs of political intrigue" and corresponded with Roosevelt on Lilienthal's behalf in the reappointment matter. McCraw, Morgan vs. Lilienthal, pp. 49, 54.

³⁹ News, July 15, 1936, p. 1.

⁴⁰ Ibid., July 31, 1936, p. 6.

Arthur Morgan's remarks were the calm before the storm, for less than a month later the directors were involved in a conference with Roosevelt and locked in heavy debate over whether or not to renew the power contract between the TVA and Wendell Willkie's Commonwealth and Southern holding company. The contract was to expire on November 1, 1936, and the new one required the TVA to sell only to the Commonwealth and Southern for the next five years or until three months after Norris Dam was completed. Arthur Morgan supported the new version, but both Lilienthal and Harcourt A. Morgan objected to it. Milton's News stated that Roosevelt sided with Lilienthal and Harcourt Morgan and that it would be tragic if such a contract were signed.⁴¹ It was finally renewed on a short-term basis and every year until power from Chickamauga Dam became available in December 1938.

In the midst of the altercations over the power contract renewal, President Roosevelt suggested that the TVA and the Commonwealth and Southern meet with him in Washington to discuss a "pooling" of electric power. Under this plan, the private power suppliers, municipally owned power companies, and the TVA would sell their power to one organization at the wholesale stage, then the same

⁴¹Ibid., August 13, 1936, p. 15.

organization or "pool" would retail the power to the public at a mutually agreed upon price.⁴²

Roosevelt's pool idea did not prove to be very popular with Milton and other TVA supporters.⁴³ When Arthur Morgan sought advice in the pool matter and called on George W. Hamilton, a consultant for TVA and one-time chief engineer for the Mid West Utility Company, Milton remarked that "TVA had neither office nor stenographic facilities" in New York (the headquarters for Mid West Utility Company), implying that such help was not in the interest of public power and not welcome.⁴⁴ Senator McKellar opposed it and declared that it would put the TVA in a compromised position and make it appear to be a failure.⁴⁵ Milton agreed with McKellar and alluded to the fact that the Norris Act also required the directors to swear an oath to support the TVA and suggested that, since Arthur Morgan obviously did not support the TVA, he should resign.⁴⁶ By February 6,

⁴²Ibid., September 21, 1936, p. 4.

⁴³Ibid., February 1, 1937, p. 4.

⁴⁴McCraw, Morgan vs. Lilienthal, p. 72; throughout the pool controversy, Milton wrote to Norris, Lilienthal, La Follette, and others, criticizing Morgan's use of Hamilton. According to Arthur Morgan, Hamilton was working for Lilienthal during the time that Morgan used him. Morgan, Making of the TVA, p. 180.

⁴⁵News, January 29, 1937, p. 1.

⁴⁶Ibid., February 1, 1937, p. 4. Milton's editorial did not elaborate on this point, but he had already objected to some of Morgan's TVA objectives and attitudes. See footnotes 23, 30, 37, 67, 70.

Roosevelt realized the futility of the pool negotiations and ended them.⁴⁷ Both Wendell Willkie and Lilienthal shared responsibility in the defeat of the pool idea, because both feared that each would overshadow the other and push their own power interests into insignificance.⁴⁸ Morgan contended that the fundamental difference between him and Lilienthal was that Lilienthal believed the TVA should be allowed to occupy territory and sell power anywhere in the Valley area, and he did not agree. Milton shared Lilienthal's attitude in this matter and stated in 1938 that the TVA should be the "sole power source" in the Valley.⁴⁹ With such diverse views, the pool idea never had a chance for success.⁵⁰

As the end of 1937 approached, the trouble between Arthur Morgan and his two fellow directors reached the boiling point. Arthur Morgan began to make serious charges against Harcourt Morgan and David Lilienthal. For example, he charged that Lilienthal and Harcourt A. Morgan had conspired to "juggle" the TVA books to make low electric rates appear to be profitable.⁵¹ Milton pointed out that

⁴⁷ Ibid., February 6, 1937, p. 4.

⁴⁸ McCraw, TVA and the Power Fight, p. 95.

⁴⁹ Memo to Francis Biddle, 1938, Milton Papers, File 26, Library of Congress.

⁵⁰ Morgan, Making of the TVA, pp. 142-43.

⁵¹ News, January 4, 1938, p. 1; George Fort Milton, "The South Do Move," Yale Review 29 (September 1939): 148.

Republican Senator H. Styles Bridges of New Hampshire had joined Arthur Morgan in his attacks on Lilienthal. He vituperatively referred to Lilienthal as the "Hitler of the TVA."⁵²

President Roosevelt finally reached the limit of his patience and ordered the directors to appear at his office on Friday, March 11, 1938. He instructed Arthur Morgan to submit proof of his charges and reminded him that "name calling" was a worthless exercise.⁵³ Milton agreed and contended that Arthur Morgan should offer solid proof of his accusations or resign.⁵⁴ In 1936 Milton had written Norris and, according to McCraw, told him that Morgan "must be gotten out . . . and the sooner he is thrust forth the sooner TVA will have a chance to live."⁵⁵ Milton declared further that personality problems and petty jealousies existed among the directors. According to him, the electric power fight had pushed Lilienthal to the forefront, and this disturbed Arthur Morgan.⁵⁶

At the Friday meeting with Roosevelt, Morgan either would not or could not produce evidence to back his charges,

⁵²News, March 9, 1938, p. 4.

⁵³Ibid.

⁵⁴Ibid.

⁵⁵McCraw, Morgan vs. Lilienthal, p. 85.

⁵⁶News, March 9, 1938, p. 4.

but Roosevelt again urged him to do so.⁵⁷ Senator Norris then demanded that Arthur Morgan resign and threatened to introduce a resolution to remove him if he did not.⁵⁸ After several days of Morgan's refusal to give evidence for his charges, Roosevelt finally sent him a letter of dismissal on March 22, which cited his unsupported libel charges against his colleagues, accused him of obstruction of the work of TVA, and cited his refusal to give the facts of his charges to the President.⁵⁹ Milton agreed with the dismissal and insisted that since Roosevelt had founded the TVA he had the right to fire the chairman. He concluded that the "temperamental" differences among the directors were "irreconcilable" and therefore had been a "disintegrating influence on the TVA."⁶⁰

The Morgan controversy stirred so much ill will that by April 4, 1938, Norris pushed Public Resolution No. 83 through Congress to set up a joint committee to probe the Morgan charges against TVA and charges leveled by Milton of voting irregularities in the Chattanooga power bond

⁵⁷Ibid., March 11, 1938, p. 1.

⁵⁸Ibid., March 12, 1938, p. 4.

⁵⁹Ibid., March 23, 1938, p. 4.

⁶⁰Ibid., March 29, 1938, p. 4.

referendum.⁶¹ After some debate it was agreed that the committee would consist of ten men--three Democrats and two Republicans from each house. According to Pritchett, the most "significant" members of the committee were the chairman, Democratic Senator A. V. Donahey of Ohio, a "weak" Roosevelt supporter; the vice-chairman, Democratic Representative James M. Mead of New York, and four Republican members: Senator Lynn J. Frazier of North Dakota; Representative Charles A. Wolverton of New Jersey, Senator James J. Davis of Pennsylvania, and Representative Thomas A. Jenkins of Ohio. The counsel for the committee was "Roosevelt backer," Francis Biddle, later Attorney General of the United States.⁶²

The committee began the hearings May 25, 1938, in Washington, D. C., and Arthur Morgan was the first witness. He declared that he had not been able to provide Roosevelt with the evidence to back his charges against his fellow directors because TVA records had been denied him.⁶³ He also alleged that his fellow directors had not been honest; for example, they had misrepresented the facts concerning the "Yardstick" rate charges for electricity, and had fought

⁶¹Annual Report of the Tennessee Valley Authority for the Fiscal Year Ended June 30, 1938, 2 vols. (Washington, D.C., Government Printing Office, 1938), 1:417; News, March 15, 1938, p. 4.

⁶²Pritchett, Tennessee Valley Authority, p. 247.

⁶³News, May 18, 1938, p. 1.

against Chickamauga Dam for Chattanooga, claiming that the TVA was producing surplus power already. He also claimed that they were guilty of gross mismanagement.⁶⁴ In addition, he denied the right of the President to fire him and reasoned that Congress had created the TVA, not the President; therefore, only Congress could discharge him.⁶⁵

Milton concluded that Morgan's nebulous charges with no detailed evidence to support them left the committee and the media with a "letdown" feeling.⁶⁶ He noted that months of accusations had built suspense, but Morgan's lack of sensational evidence left him in the "worse position."⁶⁷ Milton complained that Morgan's criticism that the TVA had squelched his attempts to gather evidence to support his position and that the committee's counsel, Francis Biddle, had "spied" on TVA employees interviewed by him resulted in roundabout aid to the "anti-TVA forces."⁶⁸ He concluded that Morgan was "obsessed with delusions of grandeur" and treated his associates as "officeboys."⁶⁹ The committee

⁶⁴ Ibid., May 25, 1938, p. 1; Morgan, Making of the TVA, pp. 145, 148; News, May 25, 1938, p. 1.

⁶⁵ John Dean Minton, The New Deal in Tennessee, 1933-1938 (New York: Garland Publishing, 1979), p. 209; News, May 25, 1938, p. 1.

⁶⁶ News, May 27, 1938, p. 4.

⁶⁷ Ibid., and June 11, 1938, p. 6.

⁶⁸ Ibid., July 25, 1938, p. 4.

⁶⁹ Ibid.

concluded that the charges made by Arthur Morgan were
"without foundation . . . not supported by the evidence
. . . unfair and unwarranted."⁷⁰

⁷⁰Marguerite Owen, The Tennessee Valley Authority
(New York: Praeger Publishers, 1973), p. 56.

CHAPTER VIII

PUBLIC POWER AT LAST

The Investigation

As early as February 1935, Milton had lauded the call by the Public Power League for an investigation into the question of voter registration fraud and questionable activities during the bond campaign for municipal power in Chattanooga.¹ On March 14, only two days after the power bond referendum, Milton had written a lengthy letter to Norris that had included a call for Congress to investigate such matters in Chattanooga.² On August 23, 1938, about a month after hearings in Knoxville concluded, the joint committee moved to the United States District Court in the United States Post Office Building (usually called the Federal Building) in Chattanooga.³ The parade of witnesses before the committee provided testimony to support the voting fraud charges made by Milton in 1935, before, during and after the bond referendum.

¹News, Chattanooga, Tennessee, February 20, 1935, p. 1.

²Milton to Norris, March 14, 1935, George Fort Milton Papers, File 18, Manuscript Division, Library of Congress, Washington, D. C.

³News, August 22, 1938, p. 1.

The hearings themselves were abrasive affairs, and this was revealed in the committee's partisan attitude toward the witnesses. One of the Republican members, Representative Charles A. Wolverton of New Jersey, helped grill the first witness, Laura J. Wilhoite, acting chairman of the Chattanooga Electric Power Board. Over a two-hour period, Wilhoite testified that the Tennessee Electric Power Company, the Chamber of Commerce, and a private citizen, one Harold Humphrey, all attempted to obtain petitions to have the power bond referendum reversed by a new vote of the people. Wolverton then concluded that Chattanooga was "using the big stick" in building a public power plant.⁴ Francis Biddle made the observation that the "anti-public power forces" engaged in the use of "false propaganda" in Chattanooga.⁵

During the hearings, witnesses said that the Tennessee Electric Power Company had paid three employees \$35 to \$55 each to solicit friends and others to vote against the Chattanooga municipal power bonds. One testified that he was told in a company meeting he would lose his job if he did not cooperate in the campaign against

⁴ Milton memo on "Power Situation in Chattanooga," 1938, Milton Papers, File 26, Library of Congress; Gilbert E. Govan and James W. Livingood, The Chattanooga Country, 1540-1976: From Tomahawks to TVA (Knoxville: University of Tennessee Press, 1977), p. 459; News, August 23, 1938, p. 3.

public power. Wolverton saw nothing wrong with that and compared it to politicians who "plead" for votes all the time.⁶ Another TEPCO employee added that TEPCO workers were paid five dollars per day to work at the polls on the bond referendum day.⁷

One TEPCO employee testified that in some cases liquor was used to buy votes in 1935. He testified that arrangements had been made for a case of whiskey to be left behind the TEPCO building; he picked it up and delivered it to the polls. Furthermore, he stated it was common practice to buy votes with whiskey in Chattanooga, except in this instance the whiskey was paid for by the anti-public power committee, the Citizen's and Taxpayer's Association.⁸ He also testified on the lot scandal uncovered by the News in 1935.

One of the most significant revelations of the joint committee probe concerned the amount of money spent during the bond campaign to defeat public power. Wolverton quoted a statement made by Wendell Willkie that his Commonwealth and Southern holding company had spent \$20,000 in Chattanooga to block the activities of the Public Power

⁶Ibid., August 24, 1938, p. 3.

⁷Ibid., p. 1.

⁸Ibid., August 24, 1938, p. 1.

League.⁹ Paul S. Mathes, the treasurer of the Citizen's and Taxpayer's Association, agreed with Wolverton's statement.¹⁰ Further testimony revealed a concerted effort to "influence the Press."¹¹ The joint committee's Democratic counsel, Francis Biddle, discovered that Silas Williams, an attorney for TEPCO, was also an attorney for the Free Press owned by Roy McDonald, one of the staunchest opponents of public power in the city. Everett Allen, general manager of the Free Press, admitted that Williams was the second largest stockholder in the Free Press. His stock was valued at \$10,500. Between October 1936 and November 1937, Williams was paid \$10,000 in legal fees by TEPCO, and he in turn purchased \$10,500 worth of Free Press stock during the same period.¹²

Biddle introduced additional evidence to try to show that "the Tennessee Electric Power Company was subsidizing the Free Press." It showed that TEPCO stopped advertising in

⁹ Ibid., August 24, 1938, p. 3; James David Bennett, Struggle for Power: The Relationship Between the Tennessee Valley Authority and the Private Power Industry, 1933-1939 (Ann Arbor, Mich: University Microfilms, 1969), p. 186.

¹⁰ U.S., Congress, Joint Committee on the Investigation of the Tennessee Valley Authority, Hearings Before the Joint Committee on the Investigation of the Tennessee Valley Authority, 75th Cong., 3d sess., 1938, p. 199; Memo, Milton Papers, 1939, File 85, Library of Congress.

¹¹ News, August 24, 1938, p. 3.

¹² U.S., Congress, Joint Committee, p. 200.

the News after the public power forces won the bond referendum in 1935 and switched the bulk of its advertising to the Free Press when it became a daily in August 1936.¹³ In evidence gathered from John C. Costello, a TEPCO vice president, and Everett Allen, it was revealed that TEPCO paid the Free Press \$1.26 per column inch for advertising space, four times what it had paid the News. According to the News, rates advertised by the Free Press reached only \$1.22 at the peak.¹⁴ Also according to the News, in 1937 TEPCO paid the Free Press \$19,873.34 for advertisements. It paid \$13,229.92 to the Chattanooga Times, and nothing to the News.¹⁵ Jo Conn Guild, president of TEPCO, told Adolph Shelby Ochs, general manager of the Times, that he had planned to advertise in a "big way" in the Free Press and to "do everything legally possible to help it."¹⁶

At the time of the May commencement date of the congressional hearings, TEPCO allowed the Free Press and the McDonald-owned Home Stores, a local grocery chain, to owe

¹³U.S., Congress, Joint Committee, pp. 2815-22, 2815-52, 2913.

¹⁴News, August 25, 1938, p. 1.

¹⁵Ibid.

¹⁶Ibid., August 26, 1938, p. 1. Adolph Shelby Ochs was the nephew of Adolph S. Ochs, the longtime owner of the New York Times and the Chattanooga Times.

\$25,255.79 in electric bills.¹⁷ In November 1938 when the Tennessee Railroad and Public Utilities Commission investigated the circumstances of this debt and ordered the bills to be paid, TEPCO still allowed the five per cent discount even though the bills were more than a year overdue. Any discount was supposed to be good only during a ten-day period after the bill was received.¹⁸

Milton became directly involved in the hearings when Everett Allen testified that Milton had lunched with one of the joint committee members and had suggested that the Free Press books be inspected by the committee.¹⁹ This remark then led to Milton's appearance before the committee. When Milton took the stand, he exuded a "gently ironic" air and seemed to confuse his "inquisitor," Ohio Congressman Jenkins.²⁰ When Jenkins referred to Milton as "Mr. Special Assistant" in reference to Milton's recent State Department service, Milton answered with "Mr. Special Investigator." Jenkins then retorted that he was "just a common

¹⁷ John Dean Minton, The New Deal in Tennessee, 1933-1938 (Knoxville: University of Tennessee Press, 1967), p. 224.

¹⁸ Gordon Gaskill, "A Newspaper is Killed," New Republic, January 15, 1940, p. 81.

¹⁹ News, August 25, 1938, p. 1. This was probably Francis Biddle, since he was a friend of Milton and lunched with him during the hearings. Interview with Alice Warner Milton, Lookout Mountain, Tennessee, June 24, 1983.

²⁰ North Callahan, TVA: Bridge Over Troubled Waters (New York: A. S. Barnes & Co., 1980), p. 111.

congressman," so Milton began his next reply with, "Mr. Common Congressman," and the courtroom gallery exploded in laughter.²¹ After Milton's testimony, the Republican Jenkins concluded that the whole matter in Chattanooga was not worth investigating because it was "just a newspaper fight."²² Roy McDonald apparently agreed with this view, for he told this writer in 1982 that the loss of Milton's control over the paper in 1939 was just "one of those things that have been going on for a 100 years, one gonna survive and the other ain't."²³

The joint committee listened to one hundred witnesses from May 25 to December 4 and recorded six thousand pages of testimony.²⁴ As could be expected, the Democrats on the committee concluded that there had been questionable activity involved in the election in

²¹News, August 26, 1938, p. 4.

²²Ibid., p. 12.

²³Telephone interview with Roy McDonald, Chattanooga, Tennessee, July 19, 1982; Martha Gaither Martin, The Chattanooga News-Free Press (Chattanooga: Chattanooga Publishing Co., 1981), p. 75. This is a master's thesis published in book form by Roy McDonald along with his own material related to a suit against him by the Times in 1967. As quoted by Martin, The Editor and Publisher Yearbook 1942 (New York: The Editor and Publisher Co., 1942) shows the 1942 News-Free Press circulation at 52,952 and the Times at 51,100. The News-Free Press has held the lead since.

²⁴Thomas K. McCraw, TVA and the Power Fight, 1933-1939 (New York: J. B. Lippincott, 1971), p. 132.

Chattanooga and the newspaper business and the Republicans saw the whole affair as a business fight between the News and the Free Press, and subscribed to Jenkins's view. By September the committee had returned to Washington, D. C., and no further action was taken. Milton did not mention his own request for an investigation and concluded that the cause of the investigation had been the "martyr complex of Arthur E. Morgan." He added that Willkie paid \$20,000 to the Citizen's and Taxpayer's Association to defeat public power, that TEPCO paid cash to subsidize the Free Press, and that the Free Press "took thirty pieces of silver" in the "McDonald-Williams" affair.²⁵

The TVA and the Courts

Private power interests noted that the law establishing TVA did not specifically declare that the TVA could produce and sell electricity in competition with them. The extent of their concern was demonstrated by over fifty lawsuits filed between 1934 and 1939 in attempts to halt TVA production and sale of electricity on a commercial basis.²⁶ The first orchestrated attack came from Thomas N. McCarter, the president of the recently organized (1933) political action group, the Edison Electrical Institute, Washington, D. C. McCarter informed the public as early as 1934 that

²⁵News, September 5, 1938, p. 4.

²⁶Minton, New Deal in Tennessee, p. 212.

his organization would question the constitutionality of the TVA. He announced that the Institute's lawyers, Newton D. Baker, former Secretary of War under Wilson, and James M. Beck were confident that the TVA was unconstitutional.²⁷ This organization lobbied for the private power companies across the United States, is currently (1983) called the National Association of Electric Companies, and is still engaged in lobbying activity.

Two of the most significant cases during the period were those instigated by George Ashwander, a stockholder of the Alabama Power Company, and eighteen other power companies in a conglomerate suit against the TVA. The importance of these cases was revealed in the nature of the charges brought by the plaintiffs. In January 1934, the TVA signed a contract with the Alabama Power Company whereby the TVA agreed to purchase transmission lines and related properties for \$1,150,000 and sell surplus power to the Alabama Power Company. Certain disgruntled stockholders of the Alabama company led by George Ashwander filed suit alleging that the contract was in violation of their interests and was based on authority wielded unconstitutionally by the TVA. The ensuing case, known as *George Ashwander v. Tennessee Valley Authority*, was first heard in September 1934 in the Federal District Court in Birmingham,

²⁷"War on TVA," Business Week, December 7, 1934, p. 7.

Alabama.²⁸ Judge William I. Grubb agreed with the stockholders in this case and declared that the TVA directors had misinterpreted the TVA Act which had resulted in the contract to acquire Alabama Power Company property; therefore, the contract was annulled, and any further transfers were enjoined. In addition, it extended the injunction to include municipalities, and stipulated that the TVA had the right to dispose of surplus property but no right "intentionally" to create and sell surplus electricity.²⁹

Milton remarked that while the court did not make the constitutionality of the problem clear, one thing was clear, and that was the fact that people wanted "cheap electricity and would "have it."³⁰ The case was next taken to the United States Circuit Court of Appeals for the Fifth Circuit in New Orleans in July 1935. Here the judges reversed the Birmingham decision and announced that the government was fully within its constitutional rights in the construction of Wilson Dam and in the dispersal of power produced there.³¹ James M. Beck, of the Edison Electrical

²⁸Minton, New Deal in Tennessee, p. 213.

²⁹News, November 29, 1934, p. 4; Minton, New Deal in Tennessee, p. 213; C. Herman Pritchett, The Tennessee Valley Authority: A Study in Public Administration (Chapel Hill: University of North Carolina Press, 1943), p. 61.

³⁰News, November 29, 1934, p. 4.

³¹Ibid., July 18, 1935, p. 4.

Institute, retained as an attorney for the Alabama Power Company, lamented that the decision demonstrated the "revolutionary and socialistic" activities associated with the TVA.³² Milton disagreed with this appraisal and viewed this as a direct appeal to "economic prejudice."³³

Seven months later, in February 1936, the United States Supreme Court heard the Ashwander case and voted eight to one in favor of the TVA. Chief Justice Charles Evans Hughes read the decision, which proclaimed that the TVA had the right to complete Wilson Dam, erect transmission lines, and sell the power.³⁴ It based its decision on the position that the government had constructed Wilson Dam for the purpose of promoting navigation in the interest of national defense, that the electricity produced by the dam was the property of the United States, and that the government had the right to dispose of the power in a manner that best served the public interest.³⁵

Milton speculated that since the Supreme Court justices evidently used the Tenth Amendment to dispose of the Agricultural Adjustment Act (AAA) earlier in 1936, they must have felt it had no "bearing" on the Ashwander case.

³² Ibid., December 21, 1935, p. 4.

³³ Ibid.

³⁵ Callahan, TVA: Bridge Over Troubled Waters, p. 77.

He suggested that some of the justices may have regretted the AAA decision and ruled in favor of the TVA so that they would appear to have a more "defensive position" in the Ashwander case.³⁶

Private power companies were still not ready to give up; and in May 1936 nineteen power companies, led by the Tennessee Electric Power Company, initiated a suit known usually as the Tennessee Electric Power Company et al. v. the Tennessee Valley Authority et al.³⁷ The plaintiffs argued before the Birmingham Federal Circuit Court that the TVA had no constitutional power to construct dams other than Wilson, because such dams were built to generate power. Any connection between new dams and navigation and national defense (as in the case of the Wilson Dam and the Ashwander case) was remote.³⁸ The plaintiffs also contended that the TVA had used "coercion, fraud, and conspiracy" to forward their program in the Valley. Furthermore, they contended

³⁶ News, February 22, 1936, p. 4.

³⁷ McCraw, TVA and the Power Fight, p. 116; Annual Report of the Tennessee Valley Authority for the Fiscal Year Ended June 30, 1938, 2 vols. (Washington, D.C.: Government Printing Office, 1938), 1:405; James D. Bennett, "Roosevelt, Willkie and the TVA," Tennessee Historical Quarterly 30 (Fall 1971): 391.

³⁸ News, May 24, 1936, p. 1; Callahan, TVA: Bridge Over Troubled Waters, p. 78.

that the entire Tennessee Valley Act violated the Constitution.³⁹

On December 14, seven months after the Nineteen Power case began, Federal Judge John J. Gore issued an injunction prohibiting the expansion of the TVA program. Very soon the Circuit Court of Appeals for the Sixth Circuit overruled the injunction and ordered the Nineteen Power case to the Federal District Court in Chattanooga, declaring that the injunction was an "inappropriate method for limiting a Federal project under broad constitutional challenge." Ordinarily this would have sent the case back to Judge Gore, but the 1937 Judiciary Act recently passed by Congress, as a result of Roosevelt's court packing plans, required that cases of "injunction relief" from Federal injunctions must be heard by three judges. On January 21, 1938, Judge Florence Allen read the 49-page decision.⁴⁰ The judges ruled in favor of TVA. They declared that the evidence exhibited no activities of fraudulent or unlawful competition and that the officials of the TVA had engaged only in actions that demonstrated full compliance with the law.⁴¹ In 1939 the case was submitted to the Supreme Court

³⁹Minton, New Deal in Tennessee, p. 214.

⁴⁰News, January 22, 1938, p. 1.

⁴¹Annual Report for 1938, p. 416; Minton, New Deal in Tennessee, p. 214.

of the United States; it agreed with the lower court and held that the power companies had no right to "be immune from competition," a sentiment that had been published by Milton a year earlier.⁴² The court concluded that the TVA was also constitutionally correct in its activities in flood and navigation control and that electric power was part of that program.⁴³ Milton lamented that it was too bad that the court had not given a decision on the constitutionality of the TVA act in the aggregate.⁴⁴

The TVA Acquires TEPCO

The great stumbling block to public power after the favorable municipal power bond vote in Chattanooga was the dilemma over the position of the Tennessee Electric Power Company. As far as Senator Norris was concerned, the TVA was to sell all the power in the area. TEPCO let it be known that it had no intention of leaving the electric utility field. Milton agreed with the Norris view in an editorial as early as July 1934, in which he reported that the purchase of the entire existing TEPCO property was the

⁴²Callahan, TVA; Bridge Over Troubled Waters, p. 78; News, January 22, 1938, p. 1.

⁴³Pritchett, Tennessee Valley Authority, p. 65.

⁴⁴News, January 30, 1939, p. 1; interview with Alice Warner Milton, Lookout Mountain, Tennessee, June 24, 1983.

"best way out."⁴⁵ In letters to Senator McKellar, Secretary Hull, and President Roosevelt a month prior to the passage of the TVA Act, Milton had stated that "whatever their sins" TEPCO had "efficient expensive lines" and in the interest of efficiency and economy the public power facility should use the TEPCO lines then in use.⁴⁶ Wendell Willkie apparently agreed in part with this opinion, as he stated in hearings during the first session of the seventy-third Congress in 1933 that the only thing he objected to in the Norris bill was the government construction of transmission lines.⁴⁷ He later ignored this statement.

In December 1934 Milton urged the Chattanooga city government to initiate negotiations to buy TEPCO.⁴⁸ Between November 1933 and August 1939, while Milton continually called for the city government to move in the direction of public power, there were numerous conferences between

⁴⁵ News, July 18, 1934, p. 4.

⁴⁶ Milton to McKellar, April 2, 1933; Milton to Hull, April 21, 1933; and Milton to Roosevelt, April 21, 1933, Milton Papers, File 13, Library of Congress. In spite of the fact that Milton supported Hull throughout his public career, worked for him in the State Department, and constantly corresponded with him concerning Tennessee-related matters, Hull did not mention him in his two-volume memoirs. Cordell Hull, The Memoirs of Cordell Hull, 2 vols. (New York: Macmillan Co., 1948).

⁴⁷ Joseph Sirera, The Tennessee Valley Authority; A Case Study in the Economics of Multiple Purpose Stream Planning (Nashville: Vanderbilt University Press, 1942), p. 66.

⁴⁸ News, December 3, 1934, p. 4.

Willkie and Lilienthal to find agreement on the terms of the sale of TEPCO. On several occasions, Harold C. Fiske, the chairman of the Chattanooga Electric Power Board, attempted to have conferences set up with president Guild of TEPCO, but the News reported that Guild ignored all entreaties and declared that Willkie spoke for TEPCO.⁴⁹ There is no evidence that Willkie disagreed with the position held by Guild. On at least six occasions, the Electric Power Board offered to negotiate with Willkie, but nothing resulted from these offers.⁵⁰

The most serious debate over the sale of TEPCO involved the issue of price. Three weeks after the Chattanooga bond issue passed, Willkie indicated he would not sell for less than \$100 million, and that was for the Chattanooga plant exclusive of the Nashville operation. This figure was twice what Lilienthal had offered.⁵¹ TEPCO constantly refused to negotiate and claimed that a separate sale was impossible. Three years later, in 1938, Willkie was still stalling the negotiations in the hope that Congressional elections and suit decisions would favor private power interests.⁵² At that time, he announced his

⁴⁹Ibid., April 20, 1937, p. 1.

⁵⁰Bennett, Struggle for Power, pp. 194-95.

⁵¹News, April 4, 1935, p. 1.

⁵²Bennett, Struggle for Power, pp. 202-203.

agreement with TEPCO president Guild that he could not sell the Chattanooga operation separately from the Nashville branch, because it would damage the eastern Tennessee Commonwealth and Southern power network.⁵³ Willkie then spent the next twenty-two months in successful moves to prevent the sale of TEPCO or any part of it to the TVA.⁵⁴

One of the reasons for the tremendous gap in the prices tendered by both sides was the perception of value of the assets of TEPCO. Representative Samuel D. McReynolds and Milton were concerned that TEPCO had "watered stock" in an attempt to "gouge" the TVA in any sale proposition.⁵⁵ Much of the problem became complicated with semantics. Lilienthal said at one point that he wanted the sale at "actual legitimate cost" while Willkie espoused the phrase that TEPCO should be priced as a "going concern."⁵⁶ Neither Lilienthal nor Willkie ever explained these terms.

Another serious hindrance to the sale negotiations was that of personality conflict. In September 1938, Milton had a personal conversation with Roosevelt and noted in a memo that Willkie had lost credibility with Roosevelt. The

⁵³ McCraw, TVA and the Power Fight, p. 130; News, February 6, 1939, p. 1.

⁵⁴ News, February 6, 1939, p. 1.

⁵⁵ McReynolds to Milton, January 28, 1935, Milton Papers, File 17, Library of Congress.

⁵⁶ News, March 21, 1938, p. 4.

President told Milton that Willkie claimed he had had trouble with business expansion because of TVA competition and other government "stuff" that kept him from "floating bonds." Roosevelt told Willkie that he (Roosevelt) would get the money he needed. In addition, he would obtain "some parchment" and sign it and obtain the signatures of Cordell Hull, John Nance Garner, and the leaders of both houses of Congress; then Willkie could sell stock in Michigan or "anywhere else" that he wanted to. Five days after this Roosevelt conversation, Willkie made a speech in Michigan in which he "wept" for his properties there and lamented that the Commonwealth and Southern could not compete nor secure expansion funds because of government competition through TVA. Milton wrote that Roosevelt alleged to him about Willkie: "The man simply lied. He knew the reverse five days earlier. He is a double dealer. I can have no more to do with him."⁵⁷ Roosevelt then confided to Milton that Willkie should not get more than \$81 million minus "depreciation" for TEPCO.⁵⁸ In a letter to Lilienthal in 1939, Milton recalled that "Willkie showed a sulky, slimy,

⁵⁷Memo of Milton conversation with Roosevelt, September 28, 1938, Milton Papers, File 85, Library of Congress. The writer was not able to ascertain Hull's position in this matter.

⁵⁸Memo of Milton conversation with Roosevelt, September 28, 1938, Milton Papers, File 85, Library of Congress.

complaining disposition in the Tennessee matter" of the TVA.⁵⁹

On October 13, 1938, two weeks after Roosevelt talked to Milton and at the request of William Stix Wasserman, a prominent Philadelphia investment broker, and strong Roosevelt supporter, Milton met with Willkie in his New York City office and asked him if he would accept Roosevelt's suggestion of a fair price or that of a man appointed by Roosevelt. Willkie had earlier suggested that he would be willing to accept a third party to go between his office and the White House.⁶⁰ At first Willkie evaded the question; then when Milton persisted, Willkie said he wanted to negotiate "personally" with Roosevelt. Milton told him that was not a likely possibility and finally persuaded him to revert to his earlier position and consider a Roosevelt negotiator. Willkie then complained that he probably would not see "thirty or forty million" dollars from a Roosevelt negotiator. Milton said that he retorted that such a statement was ridiculous, as he already had a figure in the amount of \$74 million "authorized"

⁵⁹Milton to Lilienthal, August 17, 1939, Milton Papers, File 85, Library of Congress.

⁶⁰Memo of Milton conversation with Wendell Willkie sent to Roosevelt, October 14, 1938, Milton Papers, File 26, Library of Congress.

by Roosevelt.⁶¹ Milton then suggested to Willkie a format for a Willkie-Roosevelt conference through a third party designated by Roosevelt and approved by Willkie and the next day sent a copy to Roosevelt. In this suggestion, Milton called Roosevelt's attention to Willkie's expression of "great desire" to settle the TEPCO sale problem.⁶² Although Milton was successful in persuading Willkie to accept a method of negotiation, he was not successful in convincing Willkie to negotiate in October of 1938.⁶³

After several weeks of delay, Willkie finally agreed to negotiate with Julius A. Krug and Joseph Swidler, both of the legal division of the TVA, and Harcourt Morgan.⁶⁴ This group then met in Willkie's Washington, D. C., office on Thursday, January 26, 1939, and ironed out the differences

⁶¹Memo of Milton conversation with Wendell Willkie, October 13, 1938, Milton Papers, File 26, Library of Congress.

⁶²Memo of Milton conversation with Wendell Willkie sent to Roosevelt, October 14, 1938, Milton Papers, File 26, Library of Congress. Norris corresponded with Milton before the sale of TEPCO in 1939. He stated he regretted that Willkie had been so stubborn with Milton and told Milton he agreed with his view that the purchase of the TEPCO was much wiser than the duplication of the power facilities. Norris to Milton, January 14, 1939, Milton Papers, File 26, Library of Congress.

⁶³Norris to Milton, January 14, 1939, Milton Papers, File 26, Library of Congress; Bennett, Struggle for Power, p. 200.

⁶⁴McCraw, TVA and the Power Fight, pp. 135, 136. Krug was appointed Secretary of the Interior by President Truman in 1946.

between TEPCO and TVA. Krug suggested that Willkie call S. R. Finley and Laura J. Wilhoite, both members of the Chattanooga Electric Power Board, and invite them to Washington. After they arrived, the atmosphere became somewhat strained when Willkie indicated that he did not like the \$72 million offer for TEPCO. When Willkie suggested a postponement of the meeting, the Chattanoogaans told him that they had experienced a long and difficult train ride and really wanted to settle.⁶⁵ Willkie relented and agreed to meet on Sunday. This meeting proved fruitful and the negotiators shook hands over an oral agreement which stipulated that the TVA would pay \$78 million and the Chattanooga Electric Power Board would pay \$10 million.⁶⁶ No evidence was found to indicate that Milton had any direct hand in the final sale; and if he felt disappointment, it did not show, for he wrote his friend Henry F. Grady of his delight that the agreement finally took place.⁶⁷ According to the News, the TEPCO investors were not left with a financial loss. In 1932 TEPCO stock had been selling for \$24 a share, and by 1939 it was going for \$96.⁶⁸ TEPCO

⁶⁵ Willkie did not indicate how long he wanted to postpone the meeting. Milton to Robert L. Buell, February 8, 1939, Milton Papers, File 26, Library of Congress.

⁶⁶ News, February 6, 1939, p. 1.

⁶⁷ Milton to Henry F. Grady, August 3, 1939, Milton Papers, File 85, Library of Congress. Grady was vice-chairman of the United States Tariff Commission.

⁶⁸ News, February 6, 1939, p. 1.

president Jo Conn Guild agreed with Milton and assured investors that the final transfer of property would guarantee that stockholders would get back "every penny invested."⁶⁹

One of the first positive results of the settlement was the lampooning of the old warning that those employed by TEPCO would be turned to the unemployment lines if TEPCO sold out. It was announced in June that the Electric Power Board had pledged, in writing, to keep TEPCO workers on the job after the sale.⁷⁰ Practically to the last man TEPCO workers were rehired by the Electric Power Board. Jo Conn Guild and others formed a new company called the Tennessee Utilities Corporation, which operated the street car and bus lines in Chattanooga and Nashville for many years.⁷¹ The News reported that the Electric Power Board had agreed to set aside \$378,000 to pay city, county, and state taxes then paid by TEPCO, thus putting to rest the cry that the TVA would not pay local taxes.⁷²

Milton informed McAdoo that on July 15, 1939, Senator Norris had succeeded in pushing the bond bill through Congress to finance the purchase of TEPCO and the

⁶⁹Ibid., May 24, 1939, p. 1.

⁷⁰Ibid., June 19, 1939, p. 1.

⁷¹Times, April 18, 1939, p. 1.

⁷²News, February 7, 1939, p. 1.

final papers were signed by Willkie and the TVA representatives on August 15, 1939.⁷³ The TVA paid more than the assessed price of TEPCO minus what the TVA considered as depreciation. The TVA share amounted to \$4,949,400, and Chattanooga's share came to about \$11,000,000.⁷⁴ According to Willkie, the real value of TEPCO was \$100 million and had been sold at eighty per cent of value.⁷⁵ As Willkie accepted the check from Lilienthal in front of whirring cameras, he quipped that "this is a lot of money for a couple of Indiana farmers to be kicking around."⁷⁶

In a never-say-die attitude, Willkie purchased an advertisement in the News the very day of the closing of the sale, which announced that private power was still the "best way"; that while TEPCO had paid \$2,800,000 in taxes as of June 30, 1939, it was a "relief to turn tax headaches over to TVA." He noted that the Commonwealth and Southern still had holdings in Michigan, Illinois, Indiana, Ohio, Pennsylvania, Alabama, Georgia, Florida, Mississippi, and

⁷³Milton to William Gibbs McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress; News, August 15, 1939, p. 4.

⁷⁴Callahan, TVA: Bridge Over Troubled Waters, p. 140.

⁷⁵News, August 15, 1939, p. 3; McCraw states that the final sale price was a "compromise" figure yet a "symbolic victory" for Willkie, "even though the sale was a substantive loss." McCraw, TVA and the Power Fight, p. 136.

⁷⁶Callahan, TVA: Bridge Over Troubled Waters, p. 140.

South Carolina. The advertisement was signed by Wendell Willkie.⁷⁷

Milton's editorial for August 18 quoted Lilienthal, who announced that "there is no more power controversy. The propaganda period is over. It is now time for performance."⁷⁸ That performance was already well under way. The first Chattanooga person to benefit from TVA power was G. I. Alverson of 2708 Citico Avenue. On January 23, 1939, his home had been connected to the power provided by the trunk line erected between Wilson and Norris dams.⁷⁹ By 1940, the Chickamauga Dam Power Project had begun to supply power to the city of Chattanooga.⁸⁰

Milton continued to cover the activities of the TVA and to laud its accomplishments in the Tennessee Valley. But the attention of the News toward the TVA was soon diverted by the proxy fight in the Milton family over the ownership of the News.

⁷⁷ News, August 15, 1939, p. 3.

⁷⁸ Ibid., August 18, 1939, p. 4.

⁷⁹ Ibid., January 23, 1939, p. 1.

⁸⁰ Callahan, TVA: Bridge Over Troubled Waters, p. 123.

CHAPTER IX

THE LOSS OF THE PAPER

Background

The year 1939 was both rewarding and catastrophic in the life of George Fort Milton. In that year he saw the long-sought-after public power project for Chattanooga evolve into reality and had the tragic experience of losing the News, the mainstay of his livelihood, and one of the most respected and well-established papers in the state. The very instrument which he had used to catapult the TVA into the public eye in Chattanooga was now taken from him. Like the great Pacific Salmon which swims upstream to spawn to enable life to begin anew, then die, the News espoused the spawning of the TVA in Chattanooga to enable economic life to revive, then it died.

George Fort Milton Takes Over

The troubles of the News had taken a serious turn when George F. Milton, Senior, died at age fifty-five. Certain positions held by Milton and the News caused much controversy, yet his popularity was demonstrated in 1925 by the Tennessee legislature. Milton had financed a project to develop a song for the State of Tennessee, and the year

after his death in 1924 the state legislature adopted a song published by I. R. Summers, with the music and the words written respectively by Roy Lamont Smith and Nell Grayson Taylor. It was titled "My Homeland Tennessee" and was dedicated to the memory of George F. Milton.¹

The will that Milton left gave instructions for the paper to be divided among various individuals within and without the Milton family. This approach ultimately spelled the doom of the paper through the precipitation of a family feud that did not end until the death of the News in 1939 and the death of George Fort Milton in 1955. According to the provisions of the will, the majority of the income went to Abby Crawford Milton and the management control to George Fort Milton. There were 2,345 shares in the News company, and 1,228 were to go to Abby Crawford Milton and her three daughters, Corinne, Sarah, and Frances. George Fort and Alice Warner Milton were to receive 500 shares. In addition, George Fort Milton was to act as trustee for 300 shares for Abby and her children and to continue a literary prize for the Southern editor who did the most for peace and the reporter who did the most for the profession. The remaining shares were willed to others: the longtime business manager of the News, Walter C. Johnson, received

¹Sheet music and undated memo of incident, George Fort Milton Papers, Alice Warner Milton, Lookout Mountain, Tennessee.

ten and the rest were given in single lots to various News employees who had accrued ten years or more tenure in the company.² This distribution of the assets of the paper came as a genuine shock to all concerned, especially to Abby Crawford Milton, who had expected complete control of the paper.³ The will directed that George Fort Milton would manage and edit the paper, while Abby Crawford Milton and her immediate family were to collect a comfortable income. Alice Warner Milton and Abby Crawford Milton remember the probate of the will as a "very ugly situation." George Fort Milton, though not happy with the terms of the will, seemed to become involved in his work and adjusted reasonably well.⁴

As time progressed, considerable deterioration in family relations developed. Milton loved to entertain and constantly invited guests to his home for formal and informal occasions. Alice Milton remembers that Abby Milton pushed her aside at the formal events. She recalls that at one gala event the Miltons had twenty-four for dinner and 500 for a reception, and Abby Milton dominated the house as

²Hamilton County Courthouse, Chattanooga, Tennessee, Wills, 1924, File M128.

³Telephone interview with Sarah Van Deusen, Chattanooga, Tennessee, August 4, 1982; interview with Abby Crawford Milton, Lookout Mountain, Tennessee, July 29, 1983.

⁴Alice Warner Milton interview, March 3, 1982.

though it were her own.⁵ For a time, George Fort Milton; his wife, Alice; Milton's grandmother Sarah Milton; Abby Milton and her three daughters, Corinne, Sarah, and Frances, all lived under the same roof. Tension was inevitable.⁶

George Fort Milton's feelings toward his stepmother were graphically illustrated by an episode in 1935. Milton had for several years subscribed to Burrelle's Press Clipping Bureau of New York City. In April, the Bureau apparently thought that it was fulfilling its proper obligations by sending him clippings about his stepmother, Abby Crawford Milton. When Milton discovered this, he instructed his secretary to pack everything and return the clippings with a note to the company reminding it that it had sent clippings on "a Mrs. Milton who was the second wife of my father" and concluded with the laconic demand: "Do not send me any further clippings about her."⁷ As late as 1950, the year that Milton discovered that he had fatal Alzheimer's disease, he refused to take a long-distance telephone call from Abby Crawford Milton and stated that he would not talk to her "under any circumstances."⁸

⁵Alice Warner Milton interview, March 19, 1982.

⁶Ibid.

⁷Milton to Burrelle's Clipping Bureau, April 15, 1935, George Fort Milton's Papers, Manuscript Division, File 18, Library of Congress, Washington, D. C.

⁸Telephone interview with Helen Slentz Milton, Washington, D.C., July 26, 1982.

The very day that the senior Milton passed away, his son took the management and literary reins of the paper and wrote an editorial that indicated he would carry on the traditions of the paper. He dramatically stated:

We are believers in true democracy and shall lend our strength to its advocacy. The News is a public institution which should, must and will be conducted for the benefit of the people. It shall be my constant endeavor go far as in me lies to keep the faith of this heritage.

In 1928, Milton received word that his stepmother was going to contest her husband's will in order to oust him from the paper and gain control for herself. It was further believed that she then planned to sell the paper to Luke Lea, the Nashville wheeler-dealer who owned the Nashville Tennessean, the Memphis Commercial Appeal, and the Knoxville Journal. Milton was so concerned that he would lose the paper that he rushed into a financial agreement that overburdened him. He and the News business manager, Walter C. Johnson, agreed to purchase the paper from Abby Milton for \$295 per share, almost three times the 1924 value; a considerable piece of property; and personal notes for

⁹News, Chattanooga, Tennessee, December 16, 1939.

\$270,000.¹⁰ Milton later regretted this "unwise" three-way agreement.¹¹

There was also an effort at this time from the former owner of the News, Jerome B. Pound, to interfere in the operation of the paper. In the spring of 1928, Pound had completed a large and beautiful new home called Stonedged on the eastern brow of Lookout Mountain. He conceived the idea that if he could persuade President Coolidge to use this home as a summer White House, this would be of "tremendous [economic] benefit to Chattanooga." He convinced Mayor Edward Bass to put together a delegation to visit the President to present the idea to him. Pound arranged for Tennessee's governor, Henry H. Horton, and various Congressmen from throughout the state to be included in the delegation.¹² It was the makeup of the delegation that caused friction with Milton. Pound irritated Milton when he wrote two letters in which he emphatically

¹⁰Gordon Gaskill, "A Newspaper is Killed," New Republic, January 15, 1940, p. 80; Robert Dean Pope, Senatorial Baron: The Long Political Career of Kenneth D. McKellar (Ann Arbor: University Microfilms International, 1976), p. 88; Hamilton County Courthouse, Wills.

¹¹News, December 16, 1939, p. 1. Milton to Sam J. McAllester, January 30, 1938, File 26; Milton to Lindsey Rogers, May 30, 1938, File 26; and Milton to Lee Barker, October 5, 1938, Milton Papers, File 27, Library of Congress.

¹²Jerome B. Pound, Memoirs (Chattanooga: Jerome B. Pound, 1949), p. 159.

instructed Milton to allow Nellie Kenyon, a News reporter and personal friend of his, to join the delegation to visit Coolidge.¹³ Milton refused and informed Pound that he saw no need to send Kenyon, as he already had a salaried correspondent in Washington, D. C., who would convey the story.¹⁴ Milton had previously followed one of Pound's instructions when he had sent a telegram to Coolidge in the interest of Pound in which he had invited the President to Chattanooga.¹⁵

By 1933, Milton confessed that the paper's financial position was suffering from the ill effects of the depression. In January, he confided to a friend that the paper was "down to half revenue" and that the "terrible task" of working under the circumstances of the depression was affecting his memory.¹⁶ In May he acknowledged to another that "things were really tough due to Chattanooga National bank closing" in Chattanooga. He added that financial conditions at the paper were so shaky that he had

¹³Pound to Milton, April 10 and 11, 1928, George Fort Milton Papers, File 149, Chattanooga Public Library, Chattanooga, Tennessee.

¹⁴Milton to Pound, April 11, 1928, Milton Papers, File 149, Chattanooga Public Library.

¹⁵Milton telegram to President Coolidge, March 24, 1928, George Fort Milton Papers, File 149, Chattanooga Public Library, Chattanooga, Tennessee.

¹⁶Milton to Emanuel Hertz, January 16, 1933, Milton Papers, File 13, Library of Congress.

to suspend work on his biography of Stephen A. Douglas for two and a half months.¹⁷

With all the negative aspects came words of encouragement. An old friend of Milton's, Dean Beardsley Ruml of the Division of Social Science at the University of Chicago, sent Milton a letter in which he said: "You have a bright and intelligent newspaper and should be congratulated on it."¹⁸

Milton tried to get his stepmother to agree to a "weakening" of the financial burden for the paper until after the depression had "resolved itself," but she refused.¹⁹ In spite of his stepmother's intractable attitude and by pinching every penny the paper had, Milton managed to pay Abby Crawford Milton about \$400,000 of the \$691,775 owed between 1928 and 1936. All of this was done with a circulation that fluctuated between 22,000 and 40,000.²⁰ Milton must have found some respite from the financial woes of the depression period, for it was during

¹⁷Milton to Daniel C. Cady, May 8, 1933, Milton Papers, File 13, Library of Congress.

¹⁸Beardsley Ruml to Milton, May 12, 1933, Milton Papers, File 13, Library of Congress.

¹⁹Gaskill, "A Newspaper is Killed," p. 80. In the telephone interview with Sarah Van Deusen on July 30, 1982, she stated that her mother was concerned about the welfare of her three "fatherless" daughters and constantly worked for their "financial security."

²⁰Gaskill, "A Newspaper is Killed," p. 80.

this time that he finished the two books on the Civil War which helped him become known as an "encyclopedic" source of information.²¹ In 1930 he published his biography of Andrew Johnson, The Age of Hate: Andrew Johnson and the Radicals, and in 1934 he published his biography of Stephen A. Douglas, The Eve of Conflict: Stephen A. Douglas and the Needless War. As Hodges has observed, these works were "favorably accepted by academic historians" and enabled him to carry on a "correspondence with the leading 'middle-period' historians of his time."²² Milton even found time for sports, for he noted in a letter to a Washington, D. C., acquaintance that he was still enjoying his doubles tennis matches.²³ Milton also held quite an interest in baseball, because an electrified board was mounted on the outside front of the News building, and games sent over the Western Union wires were relayed through flashing lights on the boards in play-by-play fashion.²⁴ People could stop by on

²¹Times, November 14, 1955; Hans L. Trefousse wrote that his work had a "definite impact on history." Dictionary of American Biography, Supplement 5 (1951-1955), s.v. "Milton, George Fort," by Hans L. Trefousse.

²²James A. Hodges, "Milton and the New Deal," Tennessee Historical Quarterly 36 (Fall 1977): 385.

²³Milton to Brabson, July 25, 1935, Milton Papers, File 18, Library of Congress. During interview with Sarah Van Deusen on July 30, 1982, she said that his tennis skill was phenomenal in light of his portly physique.

the sidewalk and watch the lighted game action.²⁵ In addition to writing and sports activities, he was in such demand as a speaker that he had to sign with Colston Leigh Lectures, a professional speaker's booking agency, to keep track of his many appointments.²⁶

In the early part of 1936, the corporate secretary for the News, Sam McAllester, also attorney for Abby Milton and former Roy McDonald attorney, suggested a plan that divested Milton and Walter Johnson of their personal debt to the paper. A new company was formed; and the bonds were increased from \$120,000 to \$320,000, and its preferred stock issue increased from \$100,000 to \$150,000. Most of the new securities went to Abby Crawford Milton and her three daughters, Sarah, Corinne, and Frances. This lightened the burden on Milton and Johnson yet left them in shaky financial position, because if the bond payments became delinquent, Abby Crawford Milton, the majority stockholder, could foreclose.²⁷ With the paper now financially reorganized, Milton turned to national economic interests, which, along with the operation of the paper, occupied much

²⁵Telephone interview with George Short, Chattanooga, Tennessee, August 10, 1982.

²⁶Memo to Colston Leigh Lectures, 1934, Milton Papers, File 16, Library of Congress.

²⁷Gaskill, "A Newspaper is Killed," p. 80.

of his time. In 1936, Milton visited the Scandinavian countries as well as Germany and Russia to view their hydro power programs and on Roosevelt's appointment served as an economic adviser with the United States delegation to the Inter-American Conference at Buenos Aires.²⁸

In January 1937, Milton continued his busy schedule of writing a column per day for the News and at times becoming embroiled in "local political squabbles." He made at least one trip to Washington to "straighten out some kinks in TVA policy and personnel."²⁹ In October he was given a farewell party by the News staff and left for Washington to accept a six-month appointment by Cordell Hull to be his Special Assistant in the Trade Agreements Division on "various special problems of importance."³⁰ A News reporter commented that no change in the paper's editorial policy would ensue.³¹ Milton was sworn in on October 2, and the News reported that he was to be the "General Assistant to the Secretary in all matters arising in portfolio."³² Milton immediately began to work on trade agreements with the

²⁸Hodges, "Milton and the New Deal," p. 383.

²⁹Milton to Allen Haden, January 30, 1937, Milton Papers, File 19, Library of Congress.

³⁰News, September 30, 1937, p. 51; Dictionary of American Biography.

³¹Ibid.

³²News, October 2, 1937, p. 1.

United Kingdom and Canada.³³ In 1938, Milton was appointed to work as a member of the Industry Commission Number 1 under the Fair Labor Standards Act.³⁴

Apparently, while Milton was busy working for the Federal government in Washington, D. C., and traveling the far corners of the globe, the paper fell into dire financial straits.³⁵ In May 1938, Milton resigned his government post in order to return to Chattanooga to manage the faltering News.³⁶ It was in the course of this year that differences between Milton and Walter C. Johnson, his business manager and part owner of the News, came to a head. The will left by Milton's father had instructed that Walter C. Johnson was to be "retained as general manager" and was to "be consulted in all matters concerned with the News" and that his "bonus and net earnings were to be increased by five percent."³⁷ There was undoubtedly some friction between Milton and Johnson left from the days when Johnson, who was Milton's

³³Ibid., March 1, 1938, p. 1.

³⁴Dictionary of American Biography.

³⁵Ibid.

³⁶Milton to Lindsay Rogers, May 30, 1939, Milton Papers, File 26, Library of Congress.

³⁷Hamilton County Courthouse, Wills.

senior by several years, worked for Milton's father.³⁸ There had been some friction with Johnson in 1935 when Milton hired his own brother-in-law, Porter Warner, to be the national advertising director for the paper.³⁹

Shortly after Milton returned from Washington, Johnson requested that Milton sign an agreement to release the 390 shares of the News that belonged to him, thus separating them from Milton's. Milton and Johnson later called the contract that put them in this position unfortunate.⁴⁰ Not long after Milton returned to Chattanooga, he attempted to "get rid" of Johnson.⁴¹ He later referred to him as one "that I should never have permitted to stay here during the good old days of a two paper field."⁴² Milton informed his old friend William G. McAdoo that soon after he returned to Chattanooga in 1938 he had

³⁹Milton to J. Harkie Wilkinson, Jr., January 17, 1935, Milton Papers, File 18, Library of Congress; Porter Warner had been working since 1929 in the classified advertisement department of the News. Telephone interview with Porter Warner, Chattanooga, Tennessee, August 21, 1983.

⁴⁰Milton to Sam J. McAllester, June 30, 1938, Milton Papers, File 26, Library of Congress; telephone interview with Walter C. Johnson, Jr., Chattanooga, Tennessee, July 19, 1982.

⁴¹Milton to Rogers, May 30, 1939, Milton Papers, File 26, Library of Congress.

⁴²Milton to Lee Barker, October 5, 1939, Milton Papers, File 27, Library of Congress.

to "fire" his business Manager, Walter C. Johnson, and his "advertising man," Hubert Johnson, Walter's brother.⁴³

There were those who worked on the paper who shared Milton's view of Walter C. Johnson, but a larger number of workers disagreed and indicated that Johnson was a plus for the News. A former saleslady of the News contended that Johnson was the "personal relations" for the paper. She concluded that Milton was "great in a crowd" but had "problems" in "personal relations."⁴⁴ By March 27, 1939, Milton had relieved Johnson of active duty as general business manager of the News.⁴⁵ Johnson did not take this lightly, according to his son Walter, Jr., and accused Milton of a "high and mighty" attitude in the operation of the paper and in his dealings with those connected with the paper.⁴⁶

In addition to troubles with other executives, Milton also had problems with some of the staff and shop workers. During the period September through October 10, 1938, he was constantly struggling to avert a strike at the paper. Milton wrote to his friend Raymond L. Buell,

⁴³Milton to McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress.

⁴⁴Telephone interview with Virginia Chumley, Chattanooga, Tennessee, August 11, 1982.

⁴⁵News, March 27, 1939.

⁴⁶Johnson interview, July 19, 1982.

president of the Foreign Policy Association, that the Newspaper Guild workers were particularly upset over his release of an office worker in an effort to reduce expenses.⁴⁷ Milton managed to avoid a strike confrontation with the Guild until the Monday evening of May 22, 1939.⁴⁸ That evening the Guild began a strike over demands for a "closed shop" and "job security." The Guild alleged that C. H. "Bus" Anderson, a copy boy, had been fired for joining the Newspaper Guild and taking part in its activities. Milton purported that the dismissal was done solely as an economy measure and from the standpoint of good business management.⁴⁹ The News employed around 154 workers at the time of the five-day strike but only twenty-one went on strike. Milton referred to those who did not strike as "loyal."⁵⁰ During the strike the News went ahead with its three regular Tuesday editions--home, city, and final--with its peach-colored stocks and sports sections.⁵¹

Gordon Gaskill, who until June 1983 worked as a roving reporter for the Reader's Digest, was Milton's copy

⁴⁷Milton to Raymond L. Buell, October 10, 1938, Milton Papers, File 26, Library of Congress.

⁴⁸News, May 24, 1939, p. 1.

⁴⁹Ibid.

⁵⁰Milton to Buell, May 29, 1939, Milton Papers, File 26, Library of Congress.

⁵¹News, May 24, 1939, p. 1.

editor in 1939.⁵² He related that he had joined the Newspaper Guild as a "matter of course" when the local was formed. It was only when Milton fired the grievance committee after it left a conference in his office that he felt there was nothing left to do but strike. He pointed out that he "played" his "part" by allowing the Guild to place a huge placard on the grill of his Ford that read in "huge" letters: "CANCEL YOUR SUBSCRIPTION TO THE NEWS." This was especially irksome to Milton, because Gaskill parked it every night right in front of his home, which was right across the street from the Milton home in the fashionable Fort Wood section of town. The saddest part of the strike was the aftermath. Gaskill recollected that the "friendly atmosphere" of the News was gone. There were "cold" feelings between the groups of strikers and nonstrikers. He was no longer "handed" his check in "gratitude." Instead, he was given it in "contempt."⁵³

On Saturday, May 27, 1939, Milton partially placated the Guild and ended the strike by rehiring Anderson for his old position. The Guild did not get a Guild shop nor any of

⁵²S. Loeb to Miller, September 6, 1933, George A. Miller File, Ooltewah, Tennessee. S. Loeb represents Reader's Digest Personnel Records Office.

⁵³Gaskill to Miller, September 23, 1982, Miller File, Ooltewah, Tennessee.

their "job security" demands.⁵⁴ Embers that had continued to smolder erupted into flame a few days later in the first two weeks of June. In May he wrote Buell that "fools and radicals" then causing trouble on the paper had done so in 1930.⁵⁵ In a letter to his former editorial writer, J. Charles Poe, then on the staff of the Tennessee Department of Conservation, Milton referred to the Guild members of his editorial staff as the "screwballs here" who filed charges against the News with the United States "Labor Board." He noted that the group was led by:

. . . Schneider, because he works one day a week in the slot; Wyche because [he] no longer does the movie column; Mrs. Stallings because she was not given a department head position; Bus Anderson, God only knows; Gordon Gaskill probably has to work over two hours a day.⁵⁶

Milton concluded the letter by lamenting that the "Department of Labor man is here, what a sorry lot it is!"

Milton later wrote to his longtime friend McAadoo that his entire "editorial department was in the grip of the guild."⁵⁷

⁵⁴ News, May 27, 1939, p. 1.

⁵⁵ Milton to Buell, May 29, 1939, Milton Papers, File 26, Library of Congress.

⁵⁶ Milton to J. Charles Poe, June 13, 1939, Milton Papers, File 85, Library of Congress.

⁵⁷ Milton to McAadoo, August 21, 1939, Milton Papers, File 85, Library of Congress.

Financial Distresses

From the early days of its history, the News had developed a reputation as a sound financial enterprise. It was not until 1909 when Milton's father bought the News from Jerome B. Pound that it began to lose money, not because of poor management, but because of its unpopular support of prohibition. During the period 1909 to 1916, it lost around \$85,000 through advertising and subscription depletions, yet managed to stay afloat with the subscriptions that remained. From 1909 to 1924, there were "frequent" boycotts against the paper, and "bankruptcy" appeared to loom just over the horizon.⁵⁸ There were those who predicted that the paper was headed for financial trouble before George Fort Milton inherited it from his father in 1924. One contemporary of Milton stated that both Miltons published editorials that were "too liberal" and "ahead of their time" and this caused readership slowly to dwindle to a local level.⁵⁹ Milton himself stated that by 1936 his own survey showed that only twenty percent of the subscribers read his

⁵⁸News, December 16, 1939, p. 13.

⁵⁹Telephone interview with Margaret Bright, Chattanooga, Tennessee, July 30, 1982; telephone interview with James W. Livingood, Chattanooga, Tennessee, October 24, 1982.

editorials.⁶⁰ One contemporary of Milton's, Margaret Bright, stated that Milton continued the crusading editorial policies of his father and that damaged the circulation of the paper.⁶¹ Another remembered that in 1936 the "talk" around the "shop" of the News was that the paper was in serious trouble and might fail.⁶² Yet in 1936 Milton remained active in public affairs. The News ran a contest to name the twenty-five most "progressive" citizens in Chattanooga, and he was chosen as a winner. Among other things, the News lauded his position outside the paper as chairman of the "Committee of 100" to abolish "fee grabbing" in Tennessee."⁶³

As the depression gained momentum in the early 1930s, Milton told Morris Edwards, president of the United States Chamber of Commerce, that he was taking his mind off his financial troubles by writing history. His two most noted works were the biographies of Andrew Johnson and Stephen A. Douglas.⁶⁴ According to Alice Warner Milton, the

⁶⁰Hodges, "Milton and the New Deal," p. 383. In October 1935, the News was selling 35,869 copies per day. News, October 2, 1935.

⁶¹Bright interview, July 10, 1982; Livingood interview, October 24, 1982.

⁶²Telephine interview with Wallace J. Denton, Chattanooga, Tennessee, August 11, 1982.

⁶³News, July 30, 1936, p. 4-B.

⁶⁴Milton to Morris Edwards, October 12, 1934, Milton Papers, File 149, Chattanooga Public Library.

books were written, first of all, because of George Fort Milton's love of history; and, secondly, to aid the financial burdens of the News.⁶⁵ While these literary efforts moved forward, Milton endured various financial pressures. Coward-McCann, the publisher of his Andrew Johnson work, threatened to sue because he took his second work, the Douglas biography, to Houghton Mifflin.⁶⁶ Signs of financial need appeared in two letters to rare book stores in New York and California to which he attempted to sell various books and documents in his possession that had been accumulated during the composition of the biographies.⁶⁷ Milton wrote to a friend in April 1933 that "things were going along, though not too nicely. Any man having to run a business these days has a fearful amount of grief."⁶⁸

In 1935 the first major interruption in the commercial financial support of the News occurred. During the campaign in support of the Public Power League, advertising began to be reduced. Those opposed to public power, led by the Citizen's and Taxpayer's Association,

⁶⁵Alice Warner Milton interview, August 26, 1983.

⁶⁶Thomas R. Corvan to Milton, March 9, 1933, Milton Papers, File 13, Library of Congress.

⁶⁷Milton to Daniel H. Newhall, File 13; and Milton to Arthur Clark, Milton Papers, File 13, Library of Congress.

⁶⁸Milton to Charlie M. Anderson, April 22, 1933, Milton Papes, File 149, Chattanooga Public Library.

spent \$4,500 in the Times for advertisements while spending only \$3,317.80 in the News.⁶⁹ The largest contract for advertising in the News was that held by TEPCO. In February 1935, the contract ran out, and TEPCO did not renew it.⁷⁰ A witness during the 1938 Congressional investigations defended TEPCO's decision not to renew by avowing that the "common talk in town" was that the circulation of the News had fallen to "5,000-6,000" and that the advertisements had actually continued until March 19, one week after the election.⁷¹ Milton complained in 1939 to Laura James Wilhoite of the Electric Power Board that TEPCO had not renewed the advertising contract in an attempt to exert "punishment" on the paper for the support for public power in Chattanooga.⁷² One thing that really irritated Milton was the fact that the Electric Power Board minutes of

⁶⁹Milton to Norris, March 14, 1935, Milton Papers, File 13, Library of Congress. See also James David Bennett, Struggle for Power: The Relationship Between the Tennessee Valley Authority and the Private Power Industry, 1933-1939 (Ann Arbor, Mich: University Microfilms, 1969), p. 172.

⁷⁰News, August 25, 1938, p. 1.

⁷¹Ibid.

⁷²Milton to Laura J. Wilhoite, September 12, 1939, Milton Papers, File 85, Library of Congress. One source concluded that after the people of Chattanooga voted in favor of public power, TEPCO decided to "get Milton by whatever means it could." "Willkie and the TVA," New Republic, September 2, 1940, p. 322.

August 21, 1939, stated that no newspaper advertisement discrimination existed in Chattanooga.⁷³

Signs of serious cracks in the financial plaster of the paper continued to appear. In September 1938, Milton contacted the Commercial Mutual Life Insurance Company and asked about a loan on his policy.⁷⁴ He had gotten behind in his premium payments and sent them a check in partial payment on August 15.⁷⁶ On September 10, he had contacted the Prudential Insurance Company of America and informed them that "economic difficulties" forced him to cancel one policy for \$5,000 and to cash in another for a "few hundred dollars."⁷⁷ The cashier of National Life Insurance Company, Candis Hixon, had reminded Milton that he had an outstanding debt of \$2,466 pending against his insurance policy.⁷⁸ In September, Milton reassigned ten insurance policies totaling \$90,000 to Hamilton National Bank, one of the bondholders of

⁷³Milton to Wilhoite, September 12, 1939, Milton Papers, File 85, Library of Congress.

⁷⁴Milton to John L. McElfresh, September 8, 1938, Milton Papers, File 26, Library of Congress.

⁷⁵Ida V. Lyons to Milton, September 15, 1938, Milton Papers, File 26, Library of Congress.

⁷⁶Milton to McElfresh, September 8, 1938, Milton Papers, File 26, Library of Congress.

⁷⁷Milton to Prudential Insurance Company of America, September 10, 1938, Milton Papers, File 26, Library of Congress.

⁷⁸Candis Hixon to Milton, September 13, 1938, Milton Papers, File 26, Library of Congress.

the News.⁷⁹ A few weeks later, on October 19, he signed a note to have advertising money from Miller Brothers department store, one of his major advertising accounts, sent directly to Hamilton National Bank for the next twelve months.⁸⁰ In December, Milton noted to his friend McAdoo that the mortgages on the paper were heavy. The American Trust and Bank, Chattanooga National Bank, Commercial National Bank, and Hamilton National Bank all held mortgages on the News; the total debt amounted to \$29,000 plus 428 shares of stock.⁸¹ The News' bondholders included Interstate Life, Volunteer State Life, Provident Life and Accidental insurance companies of Chattanooga, and National Life and Accident Insurance Company of Nashville.⁸²

In July 1938, Milton had appealed to his friends in the Roosevelt administration for support in attempts to get financial aid from the Federal government, but he had had no success. In an August letter to McAdoo, Milton stated that "Tom" Corcoran of the Reconstruction Finance Corporation (RFC) "talked sweet" about a loan and Roosevelt's aide,

⁷⁹Contract with Hamilton National Bank, September 1938, Milton Papers, File 26, Library of Congress.

⁸⁰Contract with Hamilton National Bank, October 19, 1938, Milton Papers, File 26, Library of Congress.

⁸¹Milton to McAdoo, December 31, 1938, Milton Papers, File 26, Library of Congress.

⁸²News, October 8, 1938, p. 4.

"Steve" Early, declared that they wanted to help. He complained that "Jesse Jones and Emil Schram" of the "RFC kept me dangling on the hooks from July to June" 1939. He lamented that they "would loan money to anti-ND folks but not to me--Great White Father's crowd no help."⁸³ He further complained that the "RFC" told him that it was against its policy to make loans to newspapers; yet his competition, the Free Press, admitted to the "free" use of Federal money.⁸⁴ Jesse Jones, director of the RFC, stated Roosevelt mentioned to him (Jones did not say when) that Milton wanted a loan. When he told Roosevelt it was not RFC policy to loan money to newspapers because the RFC wanted to protect first amendment rights, Roosevelt replied, "What the devil, Jess!" "They are good friends of ours and we ought to help them." Jones did not make the loan.⁸⁵

Since Milton failed to secure Federal government help, he took another approach. Early in 1939, he

⁸³Milton to McAdoo, August 21, 1939, Milton Papers, File 26, Library of Congress.

⁸⁴Milton to Will L. Clayton, February 1939; and Milton to Sam E. Whitaker, July 27, 1939, Milton Papers, File 26, Library of Congress. Roy McDonald denies flatly any use of Federal money. He remembers that "the Free Press was so consistently anti-New Deal that I cannot imagine any possibility of such a loan." McDonald to Miller, August 25, 1983, Miller File, Ooltewah, Tennessee.

⁸⁵Jesse H. Jones and Edward Angly, Fifty Billion Dollars: My Thirteen Years with the RFC (1932-1945) (New York: Macmillan Co., 1951), p. 233.

reorganized the paper and formed a new company which became legal in March.⁸⁶ He installed his wife, Alice, as treasurer, and a short time later promoted Porter Warner to executive assistant to the editor. He then reduced the total outflow of money by cutting his own salary from \$15,000 to \$6,000 and by cutting \$5,000 in "operating personnel."⁸⁷ About this time he also mortgaged his large three-story home at 500 Fort Wood Place for \$19,000; his Francis Fort Brown Realty Company; dismissed his chauffeur, George T. Burke; sold his car; and prevailed upon his wife to borrow money from her relatives.⁸⁸ The mortgage of the Francis Port Brown Realty property was a singular blow to Milton as he had inherited it, through his father, from his

⁸⁶Milton to McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress.

⁸⁷Telephone interview with Porter Warner, Chattanooga, Tennessee, August 21, 1983. Milton to Warner, July 27, 1939, File 85; Warner to Milton, July 27, 1939, File 85; Milton to J. H. Knox, May 3, 1939, File 26; and Milton to McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress.

⁸⁸Financial statement, December 31, 1938, File 96; and Milton to John F. Crabtree, July 31, 1939, File 26, Library of Congress. In Abby Crawford Milton interview, she stated her attorney disclosed that Milton was drawing "several salaries" from the paper, thus weakening financially the News company. Examination of the News financial statements for the period 1937-1939 revealed no such evidence (News financial statements, 1937-1939, George Fort Milton Papers, Alice Warner Milton, Lookout Mountain, Tennessee).

beloved grandmother Sarah Fort Milton.⁸⁹ On December 13, Milton sold all of his stock in the realty company to a fellow stockholder, George Berke.⁹⁰ On December 11, 1939, he had sought to escape the demands of creditors by putting all his assets in his wife's name.⁹¹ His total liabilities, which included the News, equalled almost \$500,000.⁹² Milton now began to sound forlorn, a position out of character for him. To his friend Buell he wrote, "the world . . . seems upside down," and to his friend Judge Chamblis he resorted to the rare phrase, at least his correspondence indicates the rarity, "don't give a dam" anymore, and quoted from Virgil in both Latin and English: "Oppressed myself by misfortunes, I have learned to feel for the unfortunate."⁹³ Various individuals allege that the troubles and trials of the paper drove Milton beyond the "social drinker" level and

⁸⁹Milton to W. E. Harrell, May 18, 1939, Milton Papers, File 26, Library of Congress.

⁹⁰Milton to E. H. Ellis, December 13, 1939, Milton Papers, File 27, Library of Congress.

⁹¹Milton to James O. Jones, December 11, 1939, Milton Papers, File 27, Library of Congress. The Fort Wood area is an historic district and is slowly being rehabilitated through the efforts of individual homeowners.

⁹²Financial statement, December 31, 1938, Milton Papers, File 96, Library of Congress.

⁹³Milton to Buell, July 31, 1939, File 26; and Milton to A. W. Chamblis, October 27, 1939, Milton Papers, File 27, Library of Congress. The Lookout Mountain Milton Papers contain various folders filled with newspaper clippings of positive stories and anecdotes.

led him to acquire the habits of a "tippler."⁹⁴ Alice Milton insists that he was only a social drinker.⁹⁵ In addition to the above-mentioned troubles, the Chattanooga National Bank went bankrupt; and Milton, a lienholder, was left without financial compensation.⁹⁶ Milton declared to McAdoo that

every type of pressure, prejudice, rumor or other ill that could be thrown against the News was used in the effort to bring us to bankruptcy and bring my own career to a decisive close. The last year and a half has seen the departure from me of all the people I once thought near and dear to me. Bankers turned against me, community leaders circulated rumors of the folding of the News.⁹⁷

McAdoo had written from California and offered his help five

⁹⁴Telephone interview with Glen Hudson, Chattanooga, Tennessee, August 10, 1982; telephone interview with Jack Chamblis, Chattanooga, Tennessee, October 24, 1982; Allen interview; and telephone interview with Charles G. Craig, Chattanooga, Tennessee, August 10, 1982.

⁹⁵Alice Warner Milton interview, June 17, 1982. Evidence that Milton was at least a social drinker appeared in several sources. In a letter to Fay Brabson, Milton stated the hope that a mutual acquaintance had "a good table and bar." One writer stated that he enjoyed "Tennessee Mountain Whiskey." Milton to Brabson, Milton Papers, May 20, 1942; "Dixie Editor," Newsweek, October 11, 1937, p. 16.

⁹⁶Milton to Carl Cartinhour, November 27, 1939, Milton Papes, File 27, Library of Congress.

⁹⁷Milton to McAdoo, August 21, 1939, Milton Papers, File 85. In the Alice Warner Milton interview, June 24, 1983, she said that Milton and his paper were used by TVA supporters and the Roosevelt administration and when the paper and their money were lost, their friends left.

days earlier; so not all of Milton's friends had rejected him.⁹⁸

Shortly after the beginning of 1939 and after he reorganized the staff of the paper, Milton took another step which was out of character for him; he began to contact his friends to ask their financial support in the interest of the paper. In February, he asked William L. Clayton, a member of the RFC Board and later Assistant Secretary of Commerce, if he would purchase fifty shares of preferred stock, and Clayton did later make the purchase.⁹⁹ To McAdoo, he mentioned that W. W. Waymack, editor of the Des Moines Register and Tribune, had purchased stock in the new corporation.¹⁰⁰ In July, he corresponded with "Sam" E. Whitaker and asked him to buy \$1,000 worth of preferred stock on "6% quarterly." He pointed out that "Sam's" brother "Phil" Whitaker had invested in the preferred stock and so had Hamilton County Judge "Will" Cummings," "Jim" Lynch, and Laura J. Wilhoite of the Electric Power Board. Francis Biddle had also invested. So far, he had raised \$20,000 of the \$50,000 needed to sustain the company and had \$10,000 in pledges. He added that the News had made a

⁹⁸McAdoo to Milton, August 16, 1939, Milton Papers, File 85, Library of Congress.

⁹⁹Milton to William L. Clayton, February 1939, File 26; and Milton to McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress.

¹⁰⁰Ibid.

\$1,600 profit during the period, March through June, and was the "only paper in the black," and asserted that the financial "struggle" was almost over.¹⁰¹ In August, he wrote another letter to "Sam" Whitaker and mentioned that "Judge Cummings" had been "working hard" to sell shares in the News.¹⁰² To Lee Barker of Houghton Mifflin Publishers, he wrote that his wife, Alice, was now the treasurer and had demonstrated that she was a "splendid business woman" and that they were now realizing a slight profit and were attempting to "repair" their advertising volume.¹⁰³

In 1937, the News had lost \$12,000; in 1938, \$18,000; and in January and February 1939, losses were reduced to \$8,500.¹⁰⁴ In letters to former Republican presidential candidate Alfred M. Landon and to Lon P. McFarland of the Tennessee Railroad and Public Utilities Commission, Milton declared that advertisements were improving.¹⁰⁵ He also informed McFarland that he had just

¹⁰¹Milton to Samuel E. Whitaker, July 29, 1939, Milton Papers, File 26, Library of Congress.

¹⁰²Milton to Whitaker, August 21, 1939, Milton Papers, File 27, Library of Congress.

¹⁰³Milton to Barker, October 5, 1939, Milton Papers, File 27, Library of Congress.

¹⁰⁴Milton to McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress.

¹⁰⁵Milton to Alfred M. Landon, November 20, 1939, File 85; and Milton to Lon P. McFarland, December 2, 1939, Milton Papers, File 85, Library of Congress.

received a three-and-a-half-page advertisement from the new "Kauffman" department store in Chattanooga and added that Estes Kefauver, the Third District Congressman, was "fighting to save the paper."¹⁰⁶ On numerous occasions, Milton had aided Kefauver in the advancement of his career; now the tables were turned.¹⁰⁷ Milton had contacted his friend Buell in an effort to solicit funds, but Buell declined on the basis of lack of investment capital at that time.¹⁰⁸

One thing that really bothered Milton at this time was the interruption by his business troubles of his latest editorial writing project. Apparently he and two friends--Ralph McGill, executive editor of the Atlanta Constitution, and John Temple Graves, editor of the Birmingham Age Herald--were working on a book of short biographies of Southern editors, businessmen, and other prominent Southerners as well as articles of interest on the South.¹⁰⁹ This work was to be titled The Book of the South

¹⁰⁶Milton to McFarland, December 2, 1939, Milton Papers, File 85, Library of Congress.

¹⁰⁷Milton to Hull, July 13, 1935, Milton Papers, File 18, Library of Congress.

¹⁰⁸Buell to Milton, March 2, 1939, Milton Papers, File 26, Library of Congress.

¹⁰⁹Milton to Harcourt A. Morgan, November 13, 1939, File 27; Milton to Lillienthal, November 21, 1939, File 27; and Milton to Ed T. McMillan, October 31, 1939, Milton Papers, File 27, Library of Congress.

and was to be placed in newspaper and Chambers of Commerce offices and in libraries throughout the South as a public relations project.¹¹⁰

¹¹⁰Milton to Ralph McGill, August 21, 1939, Milton Papers, File 27, Library of Congress. To the knowledge of the writer, The Book of the South was never published nor are any manuscripts of the book known to exist. Mary Lynn McGill Morgan to Miller, November 28, 1982, Miller File, Ooltewah, Tennessee.

CHAPTER X

THE FREE PRESS AND THE END OF THE NEWS

It was during the years 1938 and 1939 that Milton came to the realization of just how serious his financial and business problems were. He made eleven serious charges throughout the period as to the cause of the strangulation and death of the News. In Milton's view, the greatest enemy of the paper was the combination of the Free Press with the TEPCO, which he believed conspired to "destroy the News."¹ Milton informed McAdoo of his belief that the "so-called" Free Press had been "subsidized" by "Power magnates," had been given free electric power, had accepted money from TEPCO advertisements above real costs of the advertisements, and had conspired with relatives of Milton and News' management to ruin him.² It was true, according to Abby

¹Milton to Buell, November 19, 1939, George Fort Milton Papers, Manuscript Division, File 26, Library of Congress, Washington, D.C. Milton believed that Wendell Willkie purposely supported the Free Press in order to destroy the News. Milton to Brabson, January 5, 1942, George Fort Milton Papers, Alice Warner Milton, Lookout Mountain, Tennessee.

²Milton to McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress. The charges concerning the Free Press and TEPCO were published in the News, as the Congressional Committee held hearings in Chattanooga in August, 1938. See also Gordon Gaskill, "Death of a

Crawford Milton, that she sent her personal attorney, Sam J. McAllester, to investigate the finances of the News and he, in turn, discussed his findings with Roy McDonald, editor of the Free Press and staunch enemy of the News.³

In 1933, McDonald was the owner of a small chain of grocery stores in Chattanooga called the Home Stores. In an effort to publicize his business, he and Benjamin Sosland, a recently "fired advertising director" for the Times, started a throw-away "newspaper" to "run the others [shopper's guides] out of business."⁴ By the middle of 1933, sixty-five thousand copies of the Free Press advertiser were being distributed throughout the Home Store localities. The Free Press was distributed free from May 1933 to April 1936. The first paid advertising appeared in April when advertisements were sold to a "Mr. McBrien" of Lookout Furniture Company. Soon McDonald became interested in "syndicated news features" and found that he could not get them without a subscription charge; he therefore decided to publish a

Newspaper," New Republic, September 23, 1940, p. 412; and "Willkie and the TVA," New Republic, September 2, 1940, pp. 321-324.

³Interview with Abby Crawford Milton, Lookout Mountain, Tennessee, July 29, 1983.

⁴J. B. Collins, Life of Roy McDonald: Eighty Years, 1901-1981 (Chattanooga: Chattanooga Publishing Co., 1981), pp. 3-4. This is a magazine style booklet. McDonald is still living.

a Sunday paper and distribute it for five cents a copy.⁵ McDonald rented a building on Chestnut Street and after the purchase of a well-worn press from the Chicago Tribune, an old enemy of public power, began the Sunday issue on April 22, 1936. The way was then opened for him to subscribe to the Hearst Press Service.⁶

The Times published morning and Sunday papers at the time. The News was an afternoon paper. Because the Sunday paper was "never a good seller," McDonald decided to start publishing an afternoon daily beginning on August 31, 1936. In 1935, the Free Press had presented its opposition to the bond referendum and public power and had thus clashed directly with the view of Milton and the News. In a letter to McAdoo, Milton used the phrase "rabid Republican" in reference to McDonald and his opposition to the News and its pro-TVA stand.⁷ McDonald's Free Press editorials demonstrated that this view was accurate. One editorial example was that of May 2, 1935, which postulated that the New Deal was a patent road to dictatorship with Roosevelt slated for the leadership position in such an event.⁸

⁵Ibid.

⁶Martha Gaither Martin, The Chattanooga News-Free Press (Chattanooga: Chattanooga Publishing Co., 1981), p. 6.

⁷Milton to McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress.

⁸Free Press, Chattanooga, Tennessee, May 2, 1935.

As for the charges by Milton that there were questionable financial activities that occurred between the Free Press and TEPCO, the Congressional investigation of 1938 revealed there had indeed been very friendly transactions involving the two parties.⁹ In a letter to Milton, Lilienthal called TEPCO the "sugar daddy" of the Free Press.¹⁰

Milton believed that McDonald had three sources of income: credit from his grocery Home Store chain, money contributed by the "Republicans" of Chattanooga, and "subsidy" money from TEPCO.¹¹ McDonald said that the reason Milton lost the paper was that "he did not know how to owe money: I did."¹² On another occasion, he claimed that he made a successful business career using everybody else's money.¹³ Ironically, while McDonald boasted of making money on a credit basis, he has said that his father taught him never to give credit to others.¹⁴ His good fortune with borrowing was once demonstrated when he applied for a loan

⁹Chapter 7 gives details on this matter.

¹⁰Lilienthal to Milton, September 8, 1939, Milton Papers, File 85, Library of Congress.

¹¹Milton to McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress.

¹²Martin, Chattanooga News-Free Press, p. 7.

¹³Ibid.

¹⁴Ibid.

at Pioneer Bank. A bank official stated that the bank had better give "Roy" the money he wanted or else "this whole cockeyed town would come unglued with only the Times."¹⁵

McDonald declared that another reason Milton had financial troubles was that "he did not know how to scrounge."¹⁶ There was evidence that McDonald had a legitimate point. One of Milton's advertising solicitors alleged that the last day of the paper's publication and after Milton had asked the employees to help with the company's finances, a waiter was seen carrying Milton's lunch on a silver platter from the Patten Hotel, and this did not sit well with the employees.¹⁷ Milton was raised at the level of society that offered fine homes, cars with chauffeurs, and excellent educational and work opportunities, and he probably did not realize the anomaly of his position at the time.¹⁸

¹⁵Collins, Life of Roy McDonald, p. 37.

¹⁶Martin, Chattanooga News-Free Press, p. 7.

¹⁷Telephone interview with James L. Mooney, Jr., Chattanooga, Tennessee, August 6, 1982; telephone interview with Charles West, Jr., Chattanooga, Tennessee, August 10, 1982.

¹⁸Telephone interview with Virginia Chumley, Chattanooga, Tennessee, August 10, 1982; Alice Warner Milton interview, June 17, 1982. Milton wore expensive New York tailored clothes and smoked large numbers of high-priced and hard-to-find Virginia Straight cigarettes. He also liked the simple pleasure of "peanuts doused in soda pop." "Dixie Editor," Newsweek, October 11, 1937, p. 16.

For a while in the middle and late 1930s, Milton thought McDonald was "getting desperate" and was in such poor financial shape that he referred to the McDonald paper as a "kept press" and thought he might buy the Free Press and eliminate the competition.¹⁹ Milton obtained a Dun and Bradstreet report for 1938 that showed the Free Press in "heavy financial" condition with "increased indebtedness" and its net working capital reduced as a result of cash advances. It also showed that a relative of Roy McDonald, Frank M. McDonald, signed bank notes for the Free Press in the amount of five figures.²⁰ Also, after the Tennessee Utilities Commission and Congressional investigations took place, Milton informed his friend Buell that the "local effect of disclosures on the Free Press were disastrous to that propoganda sheet."²¹ Buell was apparently concerned that Milton was not fully aware of the danger his own paper was in and warned him that the "Free Press will put you out of business if you don't do something."²²

¹⁹ Milton to Will Cummings, September 27, 1939, File 85; Milton to W. W. Waymack, 1938, File 26; and Milton to Buell, February 8, 1939, Milton Papers, File 26, Library of Congress.

²⁰ Dun and Bradstreet report, 1938, Milton Papers, File 26, Library of Congress.

²¹ Milton to Buell, November 19, 1939, Milton Papers, File 26, Library of Congress.

²² Buell to Milton, November 15, 1939, and November 30, 1939, Milton Papers, File 26, Library of Congress.

In July 1939, Milton was told by a source not mentioned by him that the Free Press was obtaining newsprint free of charge and it was believed that a power company connected with a paper company conspired in this effort.²³ Milton suspected that there was a conspiracy among Niagara-Hudson Power, Commonwealth and Southern Holding, and the St. Regis Paper companies to aid the Free Press financially. In July he wrote attorney Wilfred Goodwyn, Jr., in Washington, D. C., and asked him to check into that suspicion.²⁴ Goodwyn answered three days later and gave Milton some interesting information. He stated that while no direct connection existed between Niagara-Hudson and the Commonwealth and Southern, F. L. Carlisle, the chairman of the board of St. Regis Paper Company, was also the chairman of the board of the Niagara Power Company. In addition, he was a director of the United Corporation, which owned 2,351,000 shares of Niagara-Hudson Power Company stock and 1,798,000 shares of Commonwealth and Southern stock.²⁵

In August 1938, an editorial in the News reported that an investigation by the Federal Trade Commission ten

²³Milton to Whitaker, July 27, 1939, Milton Papers, File 26, Library of Congress.

²⁴Milton to Wilfred Goodwyn, Jr., July 18, 1939, Milton Papers, File 85, Library of Congress.

²⁵Goodwyn to Milton, July 21, 1939, Milton Papers, File 85, Library of Congress. If this information went beyond Milton, the writer was not able to ascertain it.

years earlier had revealed that the South had been a special target of paper companies to "control" public opinion through the "corruption" of the press. It had been uncovered that the International Paper Company had attempted to purchase seven newspapers: the Augusta Chronicle, the Columbia (South Carolina) Record, the Spartanburg Herald-Journal, the Atlanta Constitution, the Macon Telegraph, the Ashville Times, and the Cleveland Plain Dealer, but had failed to do so. In all, it had poured \$25 million into an attempt to control the press.²⁶

Throughout 1938 and 1939, the News published a full contingent of editions in spite of the loss of TEPCO and other large accounts and constantly published full-page advertisements boasting of increased lineage of advertisement. In January 1939, it disclosed that 44,012 new lines of advertisements were published by the News.²⁷ By October, it claimed 710,000 new lines had been added in the past eleven months, while the "other pm" (reference to Free Press) paper had lost 275,000 lines.²⁸ In spite of this optimistic front the executives knew of the paper's

²⁶News, December 14, 1939, p. 1.

²⁷Ibid., January 3, 1939, p. 9.

²⁸Ibid., October 7, 1939, p. 8.

troubles, while many of the shop workers lived in ignorance of the true impending financial disaster.²⁹

Just exactly how the beginning of the end occurred is unclear. Probably only Milton knew for a certainty. When Milton reorganized the paper in 1928, a clause was contained in the contract which Milton was aware of and which stated that if the payments to a "sinking fund" ran into default, the majority of the stockholders, with a ninety-day notice, could foreclose on the paper.³⁰ In the summer of 1939, the News fell behind in its mortgage payments, and Milton contacted his insurance companies in order to work out a financial "moratorium."³¹ Actually, he had defaulted in July but had not realized it. Hamilton National Bank had sent an unregistered letter instructing Milton to comply with the sinking fund clause, but he did not respond because he claimed that he never received the notice.³²

In October, Milton heard that the Free Press and its supporters were trying to convince his bondholders and members of his staff to foreclose on the News.³³ One of

²⁹Telephone interview with Wallace J. Denton, Chattanooga, Tennessee, August 11, 1939.

³⁰News, Decvember 14, 1939, p. 1.

³¹Gaskill, "A Newspaper is Killed," p. 81.

³²Ibid., p. 82.

³³Ibid., p. 81.

those bondholders was the News' own corporation secretary and legal counsel, Sam McAllester, who was also legal counsel for Abby Crawford Milton and TEPCO.³⁴ According to Milton's half sister, Sarah Van Deusen, McAllester told Roy McDonald that if he waited a few months he could have the paper, but McDonald indicated that he wanted to pay a "fair price" for it.³⁵ In September, Milton wrote to County Judge Cummings that there had been a "renewed effort by McDonald to kill the paper by operating on Hamilton National Bank, the insurance companies and the other bondholders." He also contended that McDonald was pressuring one of his major advertising accounts, Miller Brothers Department Store, to "shy away" from the News.³⁶

On Wednesday, November 29, McDonald's idea of a "fair price" was offered to Milton through attorney McAllester. The offer amounted to \$50,000, along with bonds and preferred stock in a new corporation subject to a moratorium in three years. The offer was shown to Milton by McAllester at 5:15 P.M. and was to expire at 6:00 P.M. Milton did not respect to this Wednesday offer because he remembered that the deed of trust required a ninety-day time

³⁴News, December 14, 1939, p. 1.

³⁵Ibid.

³⁶Milton to Cummings, September 27, 1939, Milton Papers, File 85, Library of Congress.

lapse after formal notice of foreclosure and, not realizing the significance of the July date, he believed no such demand had been made.³⁷

On Friday, December 1, Milton called all the employees into his office and informed them of the pending foreclosure. Milton then suggested that if they would agree to pay cuts totaling \$700 per week, the News could continue to operate. This they agreed to do. Milton then informed the bondholders that they would get \$25,000 and that he would soon have \$15,000 in working capital. While the insurance companies were impressed, the majority bondholders who represented Abby Crawford Milton refused to accept his \$25,000 proposal.³⁸ The next day Milton again called the employees in and informed them that the company was still in need of \$15,000 and that he had mortgaged everything he owned. The employees then decided to collect the money themselves.³⁹ Various workers began to mortgage their homes and cars and deplete their bank accounts in order to raise the \$15,000.⁴⁰ Edward Baker of the Advertising Department

³⁷Milton to Cummings, September 27, 1939, Milton Papers, File 85, Library of Congress.

³⁸Ibid.

³⁹Telephone interview with Charles West, Chattanooga, Tennessee, August 10, 1982.

⁴⁰Gaskill, "A Newspaper is Killed," p. 81.

said he put in \$50.⁴¹ Some borrowed on their insurance, appealed to friends, and "touched news sources on their beats." Two newsboys contributed \$100 each from their savings.⁴²

Saturday night, December 2, the employees, led by James L. Mooney, Jr., a photographer from the editorial room, paraded in an automobile caravan to the home of Reid Moore, Abby Crawford Milton's son-in-law, on Lookout Mountain, to plead with Abby Crawford Milton to accept their monetary offers.⁴³ During the meeting, she said that her "heartfelt sympathies" were with them but that the "matter was out of her hands."⁴⁴ Moore added: "We will do everything we can." Ten minutes later the group moved on to the home of the corporate secretary of the News, Sam McAllester. He shocked them by saying that "the deal was closed and complete" and that there was not a "vestige of hope" since "Mrs. Milton, Mr. Moore, and other majority bondholders had already agreed to sell the paper to McDonald for \$150,000."⁴⁵ Not yet ready to give up, the employees

⁴¹Telephone interview with Edward Baker, Chattanooga, Tennessee, August 8, 1982.

⁴²Gaskill, "A Newspaper is Killed," p. 81.

⁴³News, December 14, 1939, p. 2; telephone interview with James L. Mooney, Chattanooga, Tennessee, August 6, 1982.

⁴⁴Gaskill, "A Newspaper is Killed," p. 81.

⁴⁵News, December 14, 1939, p. 2; "Chattanooga's Milton," Time, April 8, 1940, p. 66.

continued to raise the \$15,000, and by the morning of December 6, accomplished their goal and gave the money to Milton. He took the money that afternoon to the trustee, Hamilton National Bank, but Abby Crawford Milton's representatives refused the offer and "demanded" that Hamilton National Bank take "immediate physical possession of the News."⁴⁶

It was at this point that Milton was awakened to the realization of the July notice of delinquency by his attorneys, J. J. Lynch and Phillip E. Whitaker. They advised him that a notice of the May 1 default had been sent on July 1.⁴⁷ Even though Milton insisted he had never received it, they emphasized the point that he could no longer resist. In spite of the fact that he had reorganized the paper on March 1 and had been showing a profit, there seemed to be no hope.⁴⁸ Three specific attempts to save the paper had fallen on deaf ears. On December 1, Milton had offered \$25,000; on December 2, \$50,000; and on the same date the employees had offered \$15,000 of their own money, but Abby Crawford Milton had refused.⁴⁹ On Saturday, December 16, the News published its last edition after

⁴⁶Gaskill, "A Newspaper is Killed," p. 82.

⁴⁷News-Free Press, Chattanooga, Tennessee, January 21, 1940, p. 1.

⁴⁸News, December 16, 1939, p. 1.

⁴⁹News, December 15, 1939, p. 4.

fifty-two years of continuous publication as one of the most respected papers in the South.⁵⁰ Strangely enough, the paper had lost only about \$390 since January and would "probably" have finished the year in the "black" with Christmas advertising considered. Gaskill stated that the paper did not die; it was "done to death."⁵¹

The activity in the pressroom was fairly close to typical on the last day. The presses rolled through two of their usual three editions, a copy boy punched the clock as he left work, and a "crap game" progressed just as though the next day would proceed as usual. At 3:23 P.M., Milton walked to the great Web press, quietly shaking hands with the workers in the various departments. When the pressmen gave the signal, Milton pushed the button to "kill" the "run" at 19,000. Milton took the last issue and walked silently away. It was not a time for words.⁵²

Roy McDonald had correctly surmised that Milton would not give up and a few hours prior to the printing of the last issue had offered Milton \$15,000 if he would agree not to publish a newspaper in Chattanooga. Milton had refused even though he was hopelessly in debt and

⁵⁰Cecil Holland to Milton, December 5, 1939, File 85; and James P. Pope to Milton, December 22, 1939, Milton Papers, File 27, Library of Congress.

⁵¹Gaskill, "A Newspaper is Killed," p. 82.

⁵²Ibid.

unemployed.⁵³ McDonald then appropriated the News name to prevent Milton from using it, and the Free Press became the News-Free Press.⁵⁴

Milton was greatly concerned about the 150 workers that were now unemployed and advertised in the last issue in the hope that local employers would know of the plight of the workers. He also opened a new office to facilitate the last administrative needs of the employees.⁵⁵

Milton was not yet through with the newspaper business, and on March 25, 1940, began publishing a new paper called the Evening Tribune. In about one hundred days he had gathered \$25,000 from 675 friends and acquaintances from as far away as San Francisco and Oxford, England. Over 600 were in the Chattanooga area and included all levels of society--taxi drivers, electricians, physicians, lawyers, historians, bankers, and newspapermen. Some of those who invested were George Norris, Kenneth D. McKellar, William Gibbs McAdoo, and the historian Allan Nevins.⁵⁶ With congratulatory letters from many friends, including

⁵³ Ibid.

⁵⁴ Collins, Life of Roy McDonald, p. 5.

⁵⁵ News, December 16, 1939.

⁵⁶ Evening Tribune, March 25, 1940, p. 25; North Callahan, TVA: Bridge Over Troubled Waters (New York: A. S. Barnes & Co., 1980), p. 131.

President Roosevelt, the newspaper, more compact and concise than the News, forged ahead as a strong supporter of Roosevelt's foreign policy.⁵⁷ Milton had stated in September 1939 that "people want war news not local," and the Evening Tribune followed this line of thought.⁵⁸ Three years earlier, in 1936, he had delivered a speech before the Rotary Club of Chattanooga and had prognosticated that the "newspaper of tomorrow will be smaller, have less advertising, and be higher priced" because of the popularity of the radio and television.⁵⁹

In September 1940, the Evening Tribune discontinued publication for part of the reasons that the News did.⁶⁰ One of those reasons was Roy McDonald of the Free Press. Between the discontinuance of the News in December 1939, and the rise of the Evening Tribune in March 1940, McDonald put a clause in the contracts of those who advertised in the News-Free Press that prohibited them from advertising in any other afternoon paper. In fear of lawsuits for breach of

⁵⁸ Milton to Cummings, September 22, 1939, Milton PAPERS, File 85, Library of Congress.

⁵⁹ This item was a historical note in the Rotary Club Bulletin, June 29, 1978. For more details, see George Fort Milton, "The Newspaper of Tomorrow," American Scholar 5 (May 1936): 300-311; George Fort Milton, "The Responsibility of the Press in a Democracy," American Political Science Review 30 (August 1936): 681-91.

⁶⁰ Martin, Chattanooga News-Free Press p. 8; James David Bennett, Struggle for Power: The Relationship Between the Tennessee Valley Authority and the Private Power Industry, 1933-1939 (Ann Arbor, Mich: University Microfilms, 1969), p. 191.

contract, none would advertise in Milton's new paper. Soon this information was brought to the attention of the Assistant Attorney General, Thurman Arnold. After investigators informed Arnold of the situation in Chattanooga, he filed a criminal complaint against McDonald under the Clayton Anti-Trust Act in late June. McDonald apparently realized his legal danger and withdrew the "exclusive" clause from the advertiser's contracts. Shortly thereafter those same advertisers began to "patronize" the Evening Tribune, but it was too late; the paper was damaged so seriously that it could no longer function.⁶¹

Milton was devastated by this latest defeat and left Chattanooga the last of September 1940. Not longer after this, he and his wife of twenty years were divorced.⁶² He accepted a position in the Bureau of the Budget, secured for him by his friend Cordell Hull.⁶³ In this position he worked on a per diem basis two weeks a month. He served with the National Resources Planning Board and the Treasury Department the remaining weeks. During this period, he also

⁶¹Gaskill, "Death of a Newspaper," p. 412.

⁶²Callahan, Bridge Over Troubled Waters, p. 131.

⁶³Gaskill, "A Newspaper is Killed," p. 32; Milton to Hull, November 29, 1939, Milton Papers, File 85, Library of Congress. Milton returned to Chattanooga twice after this, once in 1940 to ride in the Presidential parade to the Chickamauga Dam dedication ceremony, and in 1955 to visit his family six months prior to his death. Alice Warner Milton interview, July 1, 1983.

wrote his last three books: Conflict: The American Civil War, Abraham Lincoln and the Fifth Column, and The Use of Presidential Power: 1769-1943.⁶⁴ At this time Milton found himself in dire financial straits, and his twenty-three-year membership in Masonic Temple Lodge No. 430 in Chattanooga was allowed to lapse because he could not afford the dues.⁶⁵

From 1944 to 1950 he wrote editorials for the St. Louis Post Dispatch and the Buffalo Evening News, both edited by old friends. In 1950 he moved back to Washington. While there, physicians at the Johns Hopkins hospital discovered that he had incurable Alzheimer's disease.⁶⁶ He died five years later, on November 12, 1955, just seven days before his sixty-first birthday.⁶⁷

⁶⁴The army was so impressed with his last two works on the Civil War that it secured permission from the publishers to reprint them in paperback in lots of 100,000. It reprinted Abraham Lincoln and the Fifth Column in 1943. Milton to Brabson, December 20, 1942, George Fort Milton Papers, Alice Warner Milton, Lookout Mountain, Tennessee.

⁶⁵John R. Stracener to Miller, April 4, 1983, George A. Miller File, Ooltewah, Tennessee. Stracener is the Tennessee secretary for the Masons.

⁶⁶Telephone interview with Helen Slentz Milton, Washington, D.C., July 26, 1982. Helen Slentz became Milton's second wife in 1944.

⁶⁷Dictionary of American Biography, Supplement 5 (1951-1955), s.v. "Milton, George Fort," by Hans L. Trefousse. Milton is buried in Arlington National Cemetery.

CHAPTER XI

CONCLUSIONS

The great tragedy in the life of Milton was the loss of the News. Radio-Keith Orpheum General production company was so impressed with the story that it bought the movie rights from Gordon Gaskill, who had published a long article in the New Republic in 1940. There are numerous reasons for the loss of the News in 1939. During the bond fight in Chattanooga to secure money to build a municipal power plant, the most serious opponent of public power was TEPCO, headed by Jo Conn Guild. Guild indirectly threatened the life of the News by withdrawing its advertisements a week after the referendum and giving them to Roy McDonald of the newly formed Free Press and pledging to do all he could to guarantee the survival of the weekly Free Press in 1935.¹

One would think that since the vast majority of the voters elected to favor the TVA on March 12, 1935, they would have supported the News, yet Milton noted that his own survey revealed that only about twenty percent of the News' subscribers read the editorial page. Milton's earlier

¹Milton to McAdoo, August 21, 1939, George Fort Milton Papers, Manuscript Division, File 85, Library of Congress, Washington, D.C.

efforts for labor and his anti-lynching campaign won few friends for him in Chattanooga. James W. Livingood, an historian who arrived in Chattanooga in 1937 and who taught at the University of Tennessee at Chattanooga, stated to this writer that Milton was just "too liberal" for the people of the area, and many flocked to the Free Press.² Both the Times and the News were Democratic papers, and the Free Press filled the gap of no Republican paper.

Milton's half sister, Sarah Van Deusen, and his stepmother, Abby Crawford Milton, both declared that Milton spent too much time writing about national politics and the Civil War and in making speeches throughout the nation and the South. They contend that he should have stayed in Chattanooga and kept business fences mended.³ Between 1936 and 1938, he was constantly on the road and in some cases traveling in Europe. Probably the straw that broke the camel's back in the loss of the paper was Milton's relationship with his stepmother, Abby Crawford Milton. She

²Telephone interview with James W. Livingood, Chattanooga, Tennessee, August 11, 1982.

³Telephone interview with Sarah Van Deusen, Washington, D.C., August 4, 1982; interview with Abby Crawford Milton, Lookout Mountain, Tennessee, July 29, 1983.

⁴In the Abby Crawford Milton interview, she informed the writer that the will was arranged this way because her husband wanted to provide for his wife and three daughters and because he trusted his son to operate the paper.

held the majority of the stock but management of the paper was left to her stepson, and this greatly frustrated her as well as Milton.⁴ Each held one end of a commercial rope with the News balanced in the middle, and neither could agree on which way to pull. They constantly pulled against each other. It was clear that much of Milton's troubles were the result of his personality, which often left the impression that he was above the ordinary person. Such temperament made it difficult to maintain helpful public relations for the News. Milton put too much of the paper's daily operation on the back of its executive staff while he traveled and worked in Washington; and this, combined with the frustration of Abby Crawford Milton over her lack of control, spelled disaster for the paper. Milton believed that his stepmother determined that if she could have all of the paper she would see that he lost his portion of it.⁵ The evidence supports Milton's belief in this matter.

It must be concluded that Milton was more than just a newspaperman. His interests were too complex for the everyday, mundane activities of the editorial room or the more dismal details of the bookkeeping and other business aspects. In 1942, he stated that the business end of the

⁵ Milton to McAdoo, August 21, 1939, Milton Papers, File 85, Library of Congress; Gordon Gaskill, "A Newspaper is Killed," New Republic, January 15, 1940, pp. 80-82; Gaskill to Miller, September 23, 1982, George A. Miller File, Ooltewah, Tennessee.

News was "pretty bad poison" to his system and that it stifled his capacity to "think and feel as a national man."⁶ A crucial question is: Could Milton have sustained the paper if the TVA-public power battle had not occurred? The answer is "no." The combined troubles of Milton and the News led to the loss of Milton's newspaper in 1939, but while the independent News would have lasted longer without the power fight, the other troubles would have precipitated his loss of it at some later date. Milton stated in 1941 that "it is almost never the case in the life of man upon this planet that there is but a single cause for any . . . event."⁷

Milton's loss of the News was unfortunate for Chattanooga journalism. The McDonald Free Press became the News-Free Press, and the almost intellectual quality of the News gave way to a pictorial affair with shallow, anti-Federal government editorials printed in large type.

Milton had attempted to improve the daily lives and conditions of the masses of the South at the risk of clashing head-on with the monied classes, who preferred much slower social change, if any at all. He drove away a major

⁶Milton to Brabson, January 5, 1942, Milton Papers, Miller File, Coltewah, Tennessee.

⁷George Fort Milton, Conflict: The American Civil War (New York: Coward-McCann, 1941), p. 5.

advertiser, TEPCO, and hastened his own financial doom. He deserves to be remembered as one who thought more, in the long run, of the public's needs than of his own.

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