

*PSF Daniels folder
Subject File 2-44*

THE WHITE HOUSE
WASHINGTON

Confidential April 8, 1944.

MEMORANDUM FOR

HON. JONATHAN DANIELS:

I do not think we had better write to Michael Francis Doyle about this but the fact is that I do not want to take up any church problems with Moscow for six or seven months.

F.D.R.

Memorandum for the President, 3-16-44, from Jonathan Daniels, with attached ltr. 3-13-44 to the President from Michael Francis Doyle, 1900 Rittenhouse Square, Philadelphia, re the desire of the Church to send another Roman Catholic priest to Russia; also attached is ltr. of same date from Mr. Doyle, expressing his views re the Irish situation.

T-357 - - - -

PSF: Jonathan Daniels folder
Subject File 2-44

THE WHITE HOUSE
WASHINGTON

September 3, 1944.

MEMORANDUM FOR

HON. JONATHAN DANIELS:

I have your memorandum of September second. Tell Aiken and Danielian that I approve it. You might tell Aiken that I am not answering his letter as I am away over Labor Day and I am taking this method of thanking him for his letter.

F.D.R.

THE WHITE HOUSE
WASHINGTON
September 2, 1944

MEMORANDUM FOR The President
FROM Jonathan Daniels 

Senator Aiken telephoned me today to say that he had written you the attached letter expressing the hope that Foreign Economic Administration can continue to allow Mr. N. R. Danielian to assist Senator Aiken in connection with the effort to secure authorization for the construction of the St. Lawrence Seaway and Power Project. I believe it would be a good idea for you to support this request.

If you wish, I will be glad to speak to Mr. Leo Crowley about this matter.

GEORGE D. AIKEN
VERMONT

United States Senate

WASHINGTON, D. C.

August 31, 1944.

The President
The White House
Washington, D.C.

Dear Mr. President:-

I have appreciated your support of my Bill, S. 1385, authorizing the construction of the St. Lawrence Seaway and Power Project. Although Senator Overton's sub-committee of the Senate Commerce Committee has delayed holding hearings on the Bill, it is to be hoped that in the near future, with the support of the majority leadership, the Senate will be given an opportunity to discuss and vote on this project on its merits.

I want to express my appreciation also of the support the project has received from Hon. Leo T. Crowley, Foreign Economic Administrator. I have often used his splendid statement in support of the project which he gave to the House Rivers and Harbors Committee in 1941. He has also very kindly made available the services of Mr. N.R. Danielian. You no doubt know that Mr. Danielian's exhaustive reports published by the Department of Commerce are accepted as the standard work on the project. His knowledge of the economics of the project, his contacts and his experience are of great help to me personally and to my colleagues who are working with me on this project. I am very grateful to Mr. Crowley for making this arrangement possible. As Mr. Danielian is inextricably identified with the Federal Government's case in support of the U.S. - Canadian agreement which is now before Congress, it is advisable that this arrangement be continued until such time as the legislation is brought up for a vote, and I hope you will communicate your approval to Mr. Crowley.

I am also receiving excellent cooperation from Major General Thomas M. Robins and Colonel G.R. Goethals of the U.S. Corps of Engineers, Mr. Gerald V. Cruise, Trustee

WASHINGTON, D. C.
United States Senate

GEORGE D. AIKEN
VERMONT

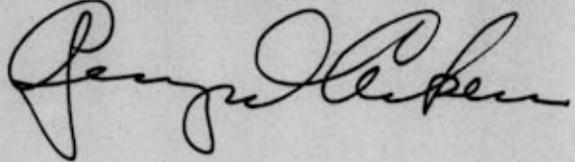
United States Senate
WASHINGTON, D. C.

The President #2

August 31, 1944.

and Mr. Ralph Sucher, Counsel of the New York State
Power Authority, and many individuals and organizations
throughout the country.

Very truly yours,



A/b

September 2, 1944

MEMORANDUM FOR The President
FROM Jonathan Daniels

Senator Aiken telephoned me today to say that he had written you the attached letter expressing the hope that Foreign Economic Administration can continue to allow Mr. N. R. Daniellian to assist Senator Aiken in connection with the effort to secure authorization for the construction of the St. Lawrence Seaway and Power Project. I believe it would be a good idea for you to support this request.

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JDaniels:EB

PSF: Jonathan Daniels
Subject File

THE WHITE HOUSE
WASHINGTON

January 22, 1945.

MEMORANDUM FOR

HON. JONATHAN DANIELS

Will you handle this matter
between Ickes and Lilienthal and
try to keep Lilienthal from getting
Ickes mad?

F. D. R.

P.S. Please return correspondence
for our files.

GGT

WASHINGTON
THE WHITE HOUSE

Daniels folder
2-45

THE WHITE HOUSE
WASHINGTON

January 22, 1945.

MEMORANDUM FOR

HON. JONATHAN DANIELS

Will you handle this matter
between Ickes and Lillienthal and
try to keep Lillienthal from getting
Ickes mad?

F. D. R.

**P.S. Please return correspondence
for our files.**

GGT

Letter from Secy. Ickes re article in
Magazine Section of New York Times re
Valley Authorities.



THE SECRETARY OF THE INTERIOR
WASHINGTON

January 13, 1945.

THE WHITE HOUSE
JAN 18 3 12 PM '45
RECEIVED

My dear Mr. President:

That master propagandist, Mr. David E. Lilienthal, had an article in the magazine section of the NEW YORK TIMES of January 7 which I enclose herewith in case you have not seen it and wish to do so.

This is part of Mr. Lilienthal's open campaign to force the adoption of his idea of the TVA model of a valley authority, first for the Missouri and then for other river valleys in the United States. He is shrewd enough not to condemn in explicit terms the Bonneville Administration but that is precisely what he does cleverly and insidiously.

Obviously, Mr. Lilienthal is determined to tear down Bonneville and box you in so that you will have to follow his lead whether you like it or not. My suggestion is that, as soon as you can spare the time, you may want to listen to Mr. Lilienthal's proposals and to any counter or modifying suggestions. Then, you doubtless will make a decision as to policy which members of your Administration will either accept loyally or get out of the Administration for the purpose of opposing.

I cannot sit quiet longer under his covert attacks. There can be no doubt that they are aimed principally at me. Some time ago you issued an admonition to the effect that members of the Administration should not engage in public controversies. While this has not prevented controversies, it has made known your own proper and laudable state of mind.

But what is "engaging in a controversy?" How does a controversy start? If someone heaves a brick through the window of my office, will I be held to have started a controversy by picking it up and heaving it back? It seems to me that the man who throws the first stone starts the controversy. It would be intolerable for a man to be denied the right to defend himself or his ideas after someone else had openly attacked them. That would reward contumacy and disregard of an explicit order. You certainly never could have meant that one of your subordinates should be asserting publicly a disrupting influence while another who is directly affected must continue to be silent. That would not be fair and it would encourage anyone to get off to a fast start in the assurance that no one would dare to question his utterances except at the risk of "starting" in a "controversy."

I suggest that the impropriety of Mr. Lilienthal's course of conduct be called to his attention. I believe that he should be told to stand at ease until you have



announced the policy of the Administration with respect to river valley authorities. If this isn't done and done quickly, with strict compliance on his part, you may find yourself in a situation where you will have to accept Mr. Lilienthal's ideas implicitly even if you should come to the conclusion that a plan can be put into effect which, while taking what is good from the TVA pattern -- and a great deal of it is good -- will improve it where it can be improved.

Sincerely yours,

Harold L. Ickes

Secretary of the Interior.

The President,
The White House.

Enc.

Shall We Have More TVA's?

Yes, says Chairman Lilienthal, if we can
adhere to certain essential principles.

DAVID E. LILIENTHAL

Chairman of the Tennessee Valley Authority

MUSCLE SHOALS, Ala.

DURING its far from tranquil existence since June, 1933, a good many words have been used to characterize the TVA. Some have been sulphuric, some extravagantly enthusiastic. But the expression most commonly applied has been "experiment."

Congress and the President did launch the TVA as an experiment, and from the outset we have administered it in that spirit. The chief importance of the TVA, it seems to me, is as a demonstration of a new and distinctive way for a people to develop their natural resources of rivers and waters, land and minerals and forests. After a decade the TVA is now able to throw the light of actual experience—not just theories or talk—upon a fundamental problem of universal concern.

The stakes of such an experiment, in a new way to perform an old task, are high. Few not only in the Tennessee Valley, but in a thousand valleys the world over the hopes and aspirations of all peoples rest upon their natural resources, the universal foundation stones of economic life.

What have TVA's new methods demonstrated? What lessons are there in TVA's story that other valleys and natural regions may profit by? More specifically, does the record of this pilot plant in the Tennessee Valley bespeak the creation of more TVA's?

A substantial body of American opinion seems to think so.

IN the vast Missouri Valley, for example, a region extending from the Mississippi River to the Great Divide, bills to create a "TVA on the Missouri," an MVA, sponsored by a Senator from an upper basin State (Senator James Murray of Montana) and a Congressman from a down-river district (Representative John J. Cochran of St. Louis) have the vigorous support of some of the most influential newspapers of the region, the Farmers Union in seven Missouri Basin States, labor organizations and a number of civic and business leaders.

Support has come from outside the valley as well: *Collier's Magazine* in an editorial "Let's Try an MVA"; *The Washington (D. C.) Post*; *The Christian Science Monitor*, and so on. In a recent editorial entitled "The TVA Principle," *THE NEW YORK TIMES* has stated: "The best argument, in principle, for TVA developments on the Missouri, Arkansas and Columbia Rivers, recommended by the President in a special message to Congress, is the record and present status of the Tennessee Valley Authority."

On April 10, 1933, President Roosevelt, recommending to Congress the creation of TVA, said: "If we are successful here, we can march on, step by step, in a like development of other great natural territory units within our borders." On Sept. 21, 1944, the President, referring to the TVA's record, urged that the time

had come to "march on" in other valleys by the creation of agencies similar to TVA.

Opposition to the idea is equally ardent. And so today, throughout the valley of the Missouri, members of Congress, Governors, civic leaders and newspaper editors are actively studying and debating the TVA and its possible application to their region.

INTEREST in the TVA is not confined to regions of the United States; the Tennessee Valley is being visited these days by a constant stream of men from almost every other part of the world. Sometimes they come for a few intense days; often as resident "students" for a year or more. They come from Brazil and New Zealand, from Poland and Norway and France and Czechoslovakia, from Calcutta and Sydney and Tegucigalpa, from the distant valleys of the Yangtze, the Danube, the Ganges, the Rio Francisco. There are officials and business men, as well as many technicians, covering the score or more special fields within the scope of the TVA's undertaking.

They speak many languages and are from the most diverse points of the globe, but they come to see the Tennessee Valley to try to answer the same question that is in the minds of the men from St. Louis and Billings: Can we adapt the TVA idea to our region?

What is the answer? Will this work elsewhere? Should there be more TVA's?

Without bothering to examine the evidence, the dogmatists of both "left" and "right" have entered a confident verdict of "no." Everyone else will want to appraise the demonstration before reaching a conclusion. An adequate statement, such as I endeavored to make in a recent book, "TVA—Democracy on the March," is of course quite beyond the limits of this article. But for those interested in results rather than abstract doctrine, in judging whether the TVA idea should be and can be adapted elsewhere, I would invite scrutiny and consideration of the following four distinctive and essential characteristics of this undertaking:

I DEVELOPMENT OF NATURAL RESOURCES IN A UNIFIED WAY.

The TVA idea represents a departure in American national policy, in this, that one Federal agency, the TVA, not a dozen or so (as is customary), is responsible for the unified, not the divided, development of resources in a natural region.

Those new principles of unity of resources and unity of responsibility for their development are now, after more than eleven years of work, written into the very landscape and the life of a resurgent region.

As one concrete result of this new way of doing things, a major river has been made to do what (Continued on Page 40)

Shall We Have More TVA's?

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it is told to do, by a unique control of its waters for the benefit of men.

America for over a century has puttered at the job of developing her rivers; the work has lagged far behind our proud technical standards in almost every other field. Last month when the largest of the TVA's new structures—Furnace Dam and Kentucky Dam—went into service, modern, unified river control became an accomplished fact on an American river—the first river in the world of which this can be said. I venture the assertion that it will not be the last.

THE Tennessee River System has been dealt with by TVA as a comprehensive whole, not as a series of unrelated sites for dams. Each dam was seen as a part of that whole, made to yield all of its potential value—not a navigation channel alone, or flood-control only, or power as a separate asset, or re-creation. The series of TVA dams—the largest job of engineering and construction undertaken by one organization in American history—has made all those assets available from each dam.

By this system of dams, designed and operated almost as if they were one dam, the waters of the Tennessee River system can now be turned on and off from the TVA's central water dispatcher's office with almost the same precision with which you handle vessels of liquid in a laboratory.

When rainfall is heavy and floods threaten, the reservoirs hold back the excess till the crisis is past—and that crisis may be at Cairo on the Ohio River, hundreds of miles away. When the dry season comes in the fall and the water is needed to keep deep-water navigation moving, enough water can be let down to maintain a nine-foot channel. (We have ample rainfall in this valley, so irrigation is not one of the multiple uses made of the water; it could be, if that were needed.)

All water is released from behind the dams, it turns water wheels that produce electric power in great quantities. TVA is today the largest electricity-producing system in the United States, the "paying partner" of the enterprise with an annual gross revenue of over \$35,000,000 from sales of electricity, that (through 120 locally owned and operated distribution systems) serves 550,000 homes, farms and factories in five States. At the levels of the past five years it will take only thirty years to repay Uncle Sam the total power investment, with net income remaining after operating expenses, depreciation, taxes to local agencies and other costs.

The success of the idea of unified development is written not only on the river but on the changed face of the land of the region, and in the forests and woodlots. The land was not dealt

with separately from the river, the customary method. In nature land and streams are a unity. Everyone knows that what farmers do on their land affects the flow of waters both on the land and in the rivers. Minors affect the fertility and hence the water-holding ability of land; the same is true of forests.

The TVA principle required that the same unity of resources that in fact exists in nature should be reflected in the way men develop those resources.

The results of the new method are to be seen on every hand, as one travels through the region. Farmers, many thousands of them, work on their own acres, with the aid of science, to restore the fertility and security of the soil of their farms and the growth of their timber. They are conscientiously paying heed to the oneness, in nature, of land and river, of forests and minerals.

A HALF-DOZEN or more different Government agencies, having separate responsibilities and policies and different sources of authority, could hardly perform such a unified task. In any event, they never have done so. Congress had to create a new kind of Government tool, the TVA. This regional development corporation was to have "the flexibility and initiative of a private enterprise"; so it was not put within any of the old-line Washington departments and bureaus. It was to function under a Congressional charter explicitly defining its duties and prescribing the policies its administrators were to follow.

That charter fixed responsibility for results squarely upon TVA for an entire undertaking of many parts, all interrelated. This was, and still is, almost a revolution in Government administration, though to a manager it seems the plainest sense. In the development of the river, not flood control alone, or navigation or power, but all the water's uses, together, were made the responsibility of one public agency, the TVA. Not water resources in one compartment of government, dealt with separately from soil or forests, nor farming separately from industry, not industry separate from transport and electricity.

THE TVA has responsibility to see that things happen—but no powers of compulsion. We were given no power in 1933 and we want no power in 1944 in issue orders to farmers, owners of forest land, business men—citizens generally—or to local or State Governments. Coercion will not do a democratic job.

The fact is that the changes one sees in this valley are chiefly due to TVA's record in successfully enlisting the active participation of the people, their private enterprises and their local and State public institutions. That federation of interests was achieved and is held together by a common understanding, one that is growing in this valley—

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Shall We Have More TVA's?

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and to me this is more impressive than the massive dams or even the new green-clad slopes. That understanding is this: that our natural resources are the region's entire capital, and their development must be in accordance with the unity of those resources in the plan of nature.

II

THE INCREASE OF INDEPENDENT ACTIVITY AND ENTERPRISE BY PRIVATE CITIZENS.

In the early days of the TVA a notable adversary said over and over again that private business would decline in the Tennessee Valley because business men and investors would fear and avoid a region where Government played so important an economic role.

The contrary has been the case. What TVA has accomplished in stimulating and encouraging private undertakings in manufacturing, commerce, farming, transportation, forestry and other fields is now widely known. As *The Baltimore Sun* said editorially on Nov. 16, 1944, "Far from withering private enterprise, TVA has afforded the means for a variety of new businesses to spring up in the valley."

BY the presence of abundant low-cost electricity and a new 600-mile waterway, by industrial research in new uses of the region's raw materials in private industry, by protection from floods that damage business, and by making available facts about resources in a form that business men require for their decisions, there has developed in this region a unique relation between TVA and small and large business. This has been expressed in large private investments and plans for continued expansion.

Since TVA was created, the figures show that private enterprise in this region has made greater progress than in the United States as a whole during the same period—whether the measure of progress be increase in retail sales, number of new manufacturing establishments, bank deposits, value added by manufacture and persons engaged therein, or any other index. *The New York Times* summarized the matter in accordance with the facts when it said editorially recently: "There is abundant evidence in big as well as little businesses in the Tennessee Valley that private initiative has been encouraged, not stamped out."

THAT Government activity can nourish and encourage the expansion of industry, commerce and agriculture is no new idea, of course. But in the Tennessee Valley the demonstration affects so many varied kinds of business activity and has resulted in such huge permanent private investment that with the fair-minded it should lay to rest any notion that public investment and public

technical leadership necessarily exclude private investment and initiative.

The important question is: what kind of public activity? It is now clear to most observers that the TVA is the kind that helps and multiplies private activity, investment, initiative and profit.

III

A METHOD OF ACHIEVING GENUINE DECENTRALIZATION OF THE FEDERAL GOVERNMENT'S ROLE IN RESOURCE DEVELOPMENT.

Congress and the President created TVA as an autonomous corporation, rooted in a region rather than as a remote bureau of a Washington department. This is the first major exception in more than fifty years to the trend toward centralized administration of Federal functions.

TVA's administrators, engineers and technicians were selected from all parts of the country. But they live and work in the Tennessee Valley. That is where the problems of the people are; that is where the decisions are made. Local delegations don't have to go to Washington to get an answer where the TVA is involved. The men they want to see are right in the valley.

This experiment in government in the open air has developed a body of experience of general usefulness. The TVA has shown, under none too easy circumstances that, in the field of resource development, there is an alternative to ever larger departments in Washington and to cumbersome, top-heavy, over-centralized government.

THIS decentralization from Washington has made it possible for TVA in turn to decentralize within the region. To that end we have entered into scores of contracts with State and local agencies and private groups. As a consequence of this deliberate policy, most of the changes wrought in this valley are not effected directly by TVA at all.

They result from the combined efforts of hundreds of local, State and private agencies, such as farmers' associations, State universities, rural electric cooperatives and city power boards, State and community planning boards, State and local conservation agencies. It is this aspect of the TVA, this citizen partnership and participation, that strongly impresses visitors who are, wisely, fearful of "bureaucratic domination."

IV

A DEMONSTRATION THAT POLITICS CAN BE KEPT OUT OF THE ADMINISTRATION OF AN IMPORTANT PUBLIC ENTERPRISE.

Congress itself, in a rare provision of law, prohibited politics in the administration of TVA. We took that direction literally. Furthermore, we have observed

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(on back)

Shall We Have More TVA's?

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the corollary—that we of TVA keep strictly out of politics.

No technical enterprise can possibly succeed on any other basis. It is more than a matter of "patronage"; the integrity of every decision on a technical or business question would be in doubt were any other rule observed.

THE significant thing in the TVA's experience is that the public has fought off any attempt to tamper with TVA's uncompromising position on this matter of politics. Whenever someone, however powerful, seeks to infect political considerations into TVA's operations, there are widespread public expressions of protest from almost every quarter. The people understand the issue: TVA's broad policies are matters for Congress and political institutions; but they don't want political administration of their business.

The general assumption of public apathy concerning the conduct of public business we have not found to be true; quite the contrary.

It will be apparent that all TVA's accomplishments are due to the distinctive methods it has employed. It is coming to be recognized in many parts of the world that it is these methods that embody what is known as "the TVA idea."

After eleven and a half years of observation it is my opinion that these methods, adapted wisely to the variety of circumstances in a thousand regions of the world, can be made to work elsewhere.

It is obvious, of course, that the TVA pattern is no cookie cutter, not something to be copied. The TVA idea will be useful elsewhere by the process of intelligent adaptation.

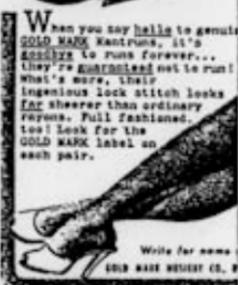
THE results in the Tennessee Valley led The Wall Street Journal to observe a few days ago: "President Roosevelt's proposal for TVA in every important watershed in the country has a certain logical foundation—no doubt about that. If TVA has been a 'good thing' for the Tennessee River region, it should be a good thing for every other river region."

Similar developments elsewhere will be a "good thing" only if it is clearly recognized that the distinguishing features of TVA that I have here summarized are essential: one agency doing a unified job; that agency decentralized, adapted to stimulate private development at the grass roots and free from politics. These essential characteristics are not dependent upon the physical circumstances peculiar or distinctive to the Tennessee Valley. They can be adapted to other regions, and other problems.



On to Berlin!—thrills
to anticipate victory
brilliantly color

Edgar C. Hyman Co., 485 Fifth



VERMONT NATIVES
BRIDGEWATER-VERNON



PSF; Jonathan Daniels, folder 2-45
Subject File

THE WHITE HOUSE
WASHINGTON

March 20, 1945

MEMORANDUM FOR THE PRESIDENT:

Up to now the American civilian in this war has been eating more than ever before. In 1944 the civilian per capita consumption was 109% of the 1935-39 average although millions of our most voracious eaters were in the Armed Forces. If we take into account the fact that these heavy eaters were no longer among civilians, it is estimated that the balance of the civilians were in 1944 eating at the rate of 115% of the rate they ate in the pre-war period.

In 1944 we had our biggest food production year, 37% increase over the 1935-39 average.

In that year 14.4% of our production went to the armed forces, 5.7% to lend-lease and 1.5% to commercial exports and shipments.

Thus there was still left for civilian consumption more food than ever before though the number of civilians had decreased and the proportion of old people and children among them had increased. In 1944 the civilians ate 15% more than they did in 1935-39.

The truth is that in the war so far almost the greatest drain — if you can call it that — on our food supply has been that millions of Americans have been eating well who did not eat well before. This increased civilian consumption has been only slightly less than military requirements.

Of course, with the very large increase in purchasing power, civilians would have been willing and able to buy more of certain foods than they got. However, there have been no dangerous shortages in the American diet.

This year the situation will not be so good. Military takings are up. More is going to relief feeding than last year though this amount is quite inadequate to meet the need. Unless the good Lord blesses us with exceptionally good weather again, we can not expect a repetition of the most bounteous food production of 1944.

However, there are no indications of any food shortages which would seriously affect the civilian diet.

JONATHAN DANIELS