

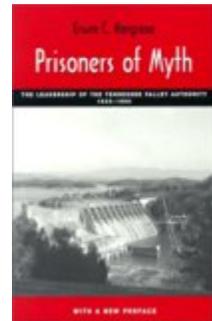
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Erwin C. Hargrove. *Prisoners of Myth: The Leadership of the Tennessee Valley Authority, 1933-1990*. First published by Princeton University Press, 1994. Knoxville: University of Tennessee Press, 2001. xx + 374 pp. \$20.00 (paper), ISBN 978-1-57233-117-4.

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Anatomy of a Corporate Culture in Flux: Standard Study of TVA

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As the word “leadership” in the title makes clear, Erwin C. Hargrove has written his history of the Tennessee Valley Authority from the orientation of those situated at the top. He examines the successive administrations of the men appointed as TVA board members, beginning with the first feuding triumvirate chosen by President Franklin Roosevelt: A. E. Morgan, chairman, and his antagonists, board members David Lilienthal and H. A. Morgan (no relation). Their internal power struggle for control over the direction TVA would take in the 1930s was waged between competing intra-organizational ideologies, which are generally described as Utopian Social Planning (represented by A. E. Morgan) versus the combination of Giant Power (Lilienthal) and Big Agriculture (H. A. Morgan).

A. E. Morgan came to TVA from Antioch College, where he had been the school’s president. He also was an advocate of eugenics and probably the country’s finest hydraulic engineer. Lilienthal, a veteran of the public versus private power fight, had served on the Wisconsin Public Service Commission. A product of Harvard Law School, he championed the anti-monopolist agenda of his mentors, Supreme Court Justices Felix Frankfurter and Louis Brandeis, and had become, arguably, America’s foremost utilities law expert. Though agriculturist H. A. Morgan was Canadian by birth, his presence on the TVA Board expressed Roosevelt’s desire to have lo-

cal/regional interests represented. A former president of the University of Tennessee, H. A. Morgan—who proved to be the Board’s swing vote—implemented policies that favored the Valley’s large-scale farmers and interfaced TVA’s efforts with those of the states’ land-grant colleges and universities (white only, however); extension services; and county agents.

Lilienthal and A. E. Morgan spent the mid-1930s each maneuvering to control TVA’s mission. A. E. Morgan tried to replicate his Antioch success in the Tennessee Valley by building the model community of Norris. Implementing A. E. Morgan’s ideas on a scale larger than a college campus, however, proved impracticable, though he did valuable and lasting work for TVA’s engineering and construction program and also in the area of labor relations. Seizing on the dramatic issue of rural electrification and swaying the decisive vote of H. A. Morgan, Lilienthal gained the advantage early on and never relinquished it, though the eccentric, stubborn chairman refused to recognize defeat and bow out. President Roosevelt removed A. E. Morgan from the Board on March 23, 1938. With the ascendance of Lilienthal—supported by H. A. Morgan, who was named the new chairman—TVA’s priorities were determined. Instead of A. E. Morgan’s vision of regional development inspired by cooperative living and local cottage/craft industries, the Valley pursued power, industrialization, and an agricultural program that relied on the region’s pre-existing institutions. Lilienthal resigned in 1946 to head the Atomic Energy Commission, and H. A. Morgan retired from TVA

in 1948, when his second term expired. Yet the legacy of TVA's original Board of Directors continued as a powerful ideological force within the organization. So much so, Hargrove contends, that their successors became "prisoners of [the] myth" they had created (p. 64).

Much of the TVA literature recounts and interprets this formative feud and its lingering effects on the agency, but Hargrove's research into TVA primary sources is perhaps unequaled. In addition to oral histories, interviews conducted by the author, and numerous original TVA documents—access to some of which required wrangling with the agency's legal division—Hargrove was the first scholar to make use of the "controversial" 1938 pro-A. E. Morgan report by Herman Finer titled *The Administrative History of the Tennessee Valley Authority*. Access to the Finer report (which was stored at the National Archives) was withheld until the death of all three original directors, the last of whom, Lilienthal, died in 1981. Hargrove's book is about much more than merely the first three directors. In fact, recounting their story only takes up about one-third of the narrative, as he gives full treatment to the tenures of subsequent boards and chairmen as well.

Two significant experiences prompted Hargrove, a political science professor at Vanderbilt University, to articulate his queries concerning institutional mission and organizational change during the sixty-year period of TVA history under scrutiny. His first involvement with the nation's largest public utility came in an advisory capacity in 1979. That year, TVA consulted with him and other social scientists concerning its non-power programs (i.e., agriculture, forestry, community/economic development, recreation, etc.) in accordance with the agency's longstanding, institutionalized belief that it should "be more than a power company" (p. xv). Moreover, Hargrove was profoundly influenced by Phillip Selznick's *TVA and the Grass Roots: A Study in the Sociology of Formal Organization*, to the extent that he writes in *Prisoners of Myth*, "Our two books should be read together" (p. 304).[1] Hargrove does not ask the same questions as Selznick, but he relies on the latter's delineation of TVA myths and sacrosanct corporate beliefs (e.g., lower rates stimulate greater demand for electricity), which would no longer prove effective by the 1970s and 80s. TVA was unable to imbue the construction of nuclear reactors during recent decades with similar "heroic" associations such as those evoked by town planning and dam-building in the 1930s, 40s, and even into the 50s.

Selznick's displacement of TVA's grass-roots myth with his model of "co-optation" has held up well over more than half a century. Selznick calls "co-optation" the "often realistic core of avowedly democratic procedures" and further defines the concept as: "The process of absorbing new elements into the leadership or policy-determining structure of an organization as a means of averting threats to its stability or existence." [2] Therefore, when Lilienthal said "grass-roots," he actually meant "local elites," not the sort of populist groundswell the term tends to evoke. Hargrove points out that Lilienthal's grass-roots rhetoric was so universally accepted that it made the inconsistencies in actual practice, brought to light by Selznick and others, seem merely "academic" (pp. 54-56). The idea that federal programs would be administered locally was quite popular during the Depression, but language that on its surface described a horizontal relationship between federal-local entities often obscured what was, in reality, a vertical one. Selznick's examples of TVA co-optation include the Valley's organized agricultural establishment, discussed above, and its electric power cooperatives.

However, the federal-local power relationship certainly is not one in which TVA holds complete hegemony because the agency also must be responsive to the concerns of its allied interests. For instance, TVA power distributors nearly revolted during the chairmanship of S. David Freeman in the late 1970s, angered by the high visibility he gave the agency's solar energy program. Their fears were unfounded, though, because TVA's main interest in having an alternative energy program was in its value as a showpiece. Echoing Selznick's critique of Lilienthal's grass-roots ideal, Hargrove's assessment of TVA's actual commitment to solar power was that "the reality did not match the rhetoric" (p. 221). Instead, it was essentially a public relations tool aimed at generating favorable public opinion toward TVA as a forward-thinking "energy lab for the nation" (p. 221). In this episode, it is easy to see continuity, as Hargrove does, with the role assumed by TVA in the 1930s as a test case, demonstration area, and "yardstick" by which to measure private electric rates and on which the nation's attention would be focused. Freeman's attempt to revive this historical role for TVA in the context of the 1970s failed not because he was out of step with the times so much as because he was out of touch with TVA's actual constituency.

While Hargrove marshals much sound evidence and research to support his conclusions, these summations sometimes come across as less than earth-shattering. Al-

though the story he recounts is a complex one—involving many personalities and power relationships—Hargrove’s thesis is not complicated, and, to his credit, he expresses it quite simply in the first sentence of the first chapter: “Organizations may fail in their missions when they seek to repeat glories of the past in changed conditions” (p. 3). And his insight that “Personal political skill and a favorable political environment reinforce each other so that each is stronger than it would be alone” (p. xii) essentially restates the old truism about being “the right man at the right time.” Frequently, he adopts the very specialized terminology of organizational theory, explains a specific concept—such as “opportunistic surveillance” (pp. 294-5)—and then applies it to some aspect of TVA history. Overall, there is a good balance between learning the facts behind what one already might have surmised and encountering new jargon. Obfuscation is never Hargrove’s aim. To avoid abstraction, he illustrates his points with examples from the agency’s actual experiences.

Prisoners of Myth was first published in hardback by Princeton University Press in 1994. The release of a paperback edition by The University of Tennessee Press in 2001 was a welcome occurrence and should make Har-

grove’s enduring study even more widely available to scholars and libraries. The only new additional text is a brief “Preface to the Paperback Edition,” in which the author discusses the hybrid nature of his methodological approach—one that combines historical inquiry “with an eye to [political science/organizational] theory” (p. xi)—and also raises some as-yet-unanswered questions for exploration by future researchers. No mention is made about the state of TVA’s leadership during the nearly ten years since Hargrove completed his study. After it was left out of the hardback version, a separate bibliography or bibliographical essay—listed apart from those references found in the notes—would have improved subsequent editions. Unfortunately, once again it has been omitted, but its absence is only a minor annoyance in an otherwise well-written and engaging volume.

Notes

[1]. Philip Selznick, *TVA and the Grass Roots: A Study in the Sociology of Formal Organization* (New York: Harper and Row, 1966).

[2]. Selznick, p. 13.

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