Crossing the river at Selma. Alabama received its name from a wide river used by Indians for food and transportation and later by pioneers to ship cotton. This oil painting, ca. 1853/55, is attributed to William Frye. Courtesy of the Selma–Dallas County Library.

John Melish drew the first map of the Alabama Territory in 1818. The abundant water resources of Alabama are evident, and the early counties show the state's settlement patterns. Courtesy of the Alabama Department of Archives and History.

Chapter One

Nineteenth-century Alabama was an agricultural state, and cotton was the state's most significant commercial crop, which was produced without mechanization until late in the century.

Alabama: Before Alabama Power Company

I suppose I have put the motive power of these streams far below their capacity. With the facilities we would have for getting iron, coal, and building materials, we could build large machine shops, and all machinery cheaper than it could be obtained abroad.

Daniel Pratt, *Southern Statesman*, May 26,1855

The Alabama in which the Alabama Power Company was founded—the world of its culture, geology, geography, politics, and history—profoundly influenced what would become the state's largest stockholder-owned utility. This Alabama world significantly shaped the company's first one hundred years just as the company, in turn, shaped the state. The history of one reflects the history of the other, and their futures are still intertwined.

The Alabama men who worked one hundred years ago to bring Alabama an interconnected generating and transmission system that would provide dependable and inexpensive electricity were all born in the nineteenth century.

Their attitudes and values were formed by the history of their state and the culture around them. The men of northern and midwestern backgrounds who joined Alabamians in the endeavor were sometimes amazed and often puzzled at Alabama's culture, but their dreams of harnessing the energy of the state's rivers, of bringing electricity to drive the machines of industry that would push Alabama into an industrial revolution, were as genuine, if not as missionary-driven, as the state's native-born sons. And in the truest sense of American private-enterprise capitalism, both groups hoped to make the great adventure profitable. Without profit there could be no continued development.

Alabama in the Nineteenth Century

Agriculture, and specifically cotton production, dominated the economic life of Alabama in the nineteenth century. When the century opened in 1800, it had been only nine years since Secretary of the Treasury Alexander Hamilton presented his *Report on Manufacturers* to the nation. Hamilton summarized the state of American industry and advocated that "industrialization was the road from economic colonialism to world power." He believed that northern industries processing southern raw materials could create a strong and powerful nation and that the government should promote manufacturers.[1] But in 1800, Alabama was a long way from any industrial revolution. It was part of the Mississippi Territory, a frontier land with people tracing their ancestry to Native Americans, to French, British, and Spanish adventurers, to Scottish traders, and to African slaves. The clash of three cultures on the Alabama frontier—Native American, European, and African—caused a melding of stories, foods, legends, and tall tales, which created a rich Alabama culture that was nurtured in an agricultural society.[2]

The early settlement patterns were along the state's many rivers, rivers that are the key to the beginning of the story of Alabama Power Company. The histories of most electric utility corporations begin in an urban setting and grow from street railway systems or lighting companies. But Alabama Power begins with a high dam, its history closely tied to the state's abundant rivers and the construction of large hydroelectric dams on sites so isolated that Congress, afraid of high dam failure, was reassured that if a dam should fail only miles of vacant land would be inundated.

There are four main river systems in the state: the mighty Tennessee in the north; the Chattahoochee, which forms the state's boundary with Georgia to the southeast; the Tombigbee and Black Warrior to the west; and the main system, the Alabama, which gave the state its name and includes the Cahaba, Coosa,

The Tallapoosa River's Horseshoe Bend was the site of the historic 1814 battle between Andrew Jackson and the Creek Indians. Alabama Power Company owned much of this land and later gave it to the federal government to establish a military park near Dadeville.

and Tallapoosa Rivers. These rivers were navigable to the fall line that stretches west and south from the shoals called the Muscle Shoals on the Tennessee in a curve southward through Tuscaloosa and Wetumpka to Columbus, Georgia. The Tennessee was navigable on portions of the river above the shoals east of Florence, and the upper Coosa was navigable above the dangerous rapids and falls named the Devil's Staircase and the series of shoals that ran almost to Gadsden.[3]

As the century opened, Scottish-English traders from Charleston settled in the Coosa-Tallapoosa river valleys. A few families emigrated from the Broad River area of Georgia, settling in Huntsville and in the southern area of the territory near the Alabama River. Vast acres of rolling hills and valleys with springs, bubbling creeks, and fertile soil, vacant land for the taking, enticed pioneers. In 1812 the Tennessee militia, the famous Volunteers, came south with Andrew Jackson to fight the Indians. In 1814 the Creek nation was defeated near the banks of the Tallapoosa River at the Battle of Horseshoe Bend. The defeat of the Indians cleared the way for settlement in large areas of Alabama once controlled by the Creeks. Much of the Horseshoe Bend land was later given by Alabama Power Company to the federal government to form the state's first and only national military park.

The veterans of the Creek Indian War returned to Alabama with their families, buying land where they could and becoming squatters where land had not yet been surveyed for sale. These tough pioneers joined others in homesteads scattered from the mountains to the Gulf and in settlements such as

Florence and Montgomery. "Alabama fever" swept across the seaboard South. One North Carolinian wrote that the fever was "contagious," for as soon as a man met a neighbor returning from Alabama with stories of the beautiful land, he made plans to go see for himself.[4] The fertile Black Belt and bottomlands were perfect for cotton, and Alabama rivers provided the means to ship the white gold to market. The race was on to grab the best lands. The area's population exploded. This is why on the first page of her Pulitzer Prize–winning novel, *To Kill a Mockingbird*, Harper Lee has Scout explain that her family history in Alabama "really began with Andrew Jackson."[5]

A number of men who migrated to Alabama were well educated, wealthy, and had leadership experience in national and local governments in other states. Alabama was granted territorial status when Mississippi became a state (1817), and in two years Alabama itself was admitted to statehood. On the Alabama frontier, economic development was hampered by a lack of capital, yet there was deep and pervasive resentment against banks and a hostility toward wealth.[6] Historian Harvey H. Jackson III has noted, "When Alabama first became a state, Israel Pickens demonized the banks. He ran against them, and was elected governor."[7] But commerce needed banks and economic development needed capital, and so the state entered the banking business. Ultimately, this adventure was a disaster and proved that the state of Alabama was no more capable of running an untarnished and efficient banking operation than were private bankers.

Inadequate investment capital continued to be a problem that plagued Alabama throughout the nineteenth century and well into the twentieth. In the early period there simply was not enough surplus specie (gold) to invest and develop the infrastructure of the state, much less to diversify the economy from cotton production. In the nineteenth century the South was not part of the nation's capital market. Interest rates were high and the social and political climate discouraged capital from investing in industry in Alabama.[8] From 1820

Cotton was shipped to market on riverboats powered by steam engines. Later, where rapids and shoals prevented navigation, railroads carried cotton.

to 1860 a cotton culture dominated every aspect of life in Alabama. The soft white fibers in prickly bolls planted and picked by slave labor were the quickest way to make a fortune. But Alabama planters, operating through factors (cotton brokers) in Mobile or Liverpool, rarely accumulated the cash from their cotton that might have been invested in manufacturing. In the 1830s, the last Indian lands in Alabama were acquired by the federal government and opened for settlement and cotton planting; however, some Indian families remained on their farms as their tribes moved west.[9]

Demand for cotton to feed the spindles and looms of textile mills in New England and old England remained strong, and cotton prices were high on international markets. As cotton production increased, wealth in the state grew. Only a very few investors bothered with manufacturing and industrial ventures. Something of a bias against industries held sway, as though agriculture was the way a gentleman made his money. But Daniel Pratt had no such attitude. He was a New Englander by birth, and he became Alabama's most successful antebellum manufacturer. It helped that his first and main product was tied to cotton production. Pratt knew how to make cotton gins. This simple machine, patented by Eli Whitney in 1793, combed seeds from the fibers and made the Cotton Kingdom possible. Pratt went looking for falling water to power his factory and on Alabama's fall line found abundant places where flowing water would turn a wheel. Pratt tried to purchase a site on the falls of the Coosa River at Wetumpka, but the price was too high. He moved west, acquiring land at McNeil's Mill on Autauga Creek across the Alabama River from Montgomery. In 1851 Autauga Creek was described as "a large, fine, never failing stream."[10] There Pratt built Alabama's premier antebellum industrial complex.[11] Eventually he added a textile mill and a window, door, and carriage factory to his industrial village.

Agriculture so dominated the thinking of Alabama leaders that any other vision was obscured. The men who dreamed of manufacturing had problems raising capital.[12] The state's few entrepreneurs tried to diversify the state's economy, but the strong public prejudice against corporations and accumulations of capital made that difficult. Demagogues such as Williamson R. W. Cobb of Jackson County and Felix Grundy McConnell of Talladega County, both of whom served in the U.S. Congress, campaigned on common-man issues and railed against the domination of wealthy interests.[13] Historian Harvey Jackson explains the task Alabama candidates faced "of divining popular prejudices to discover what was feared or desired, then putting themselves forth as credible champions."[14]

The fundamental distrust of corporations in Alabama was a prejudice that retarded the state's economic development before the Civil War. One antebel-

lum state legislator, expressing his opposition to corporate charters in 1848, charged that corporations were the way "a moneyed aristocracy proposed to govern a confiding people." Historian J. Mills Thornton III, in his study of antebellum Alabama, discusses the strong bias in the state against corporations, pointing out that the legislature was hesitant to charter companies and often rejected applications.[15] Historian Wayne Flynt notes the "resentment of the rich and fear of corporate wealth" and class division as major themes in antebellum Alabama history.[16] Hostility to railroad corporations was particularly common, influenced by the fact that Alabama's most valuable agricultural product was shipped mainly by steamboat. Some planters invested in railroads in order to ship cotton where there were no navigable streams, but there was still widespread distrust of railroads.[17] On February 14, 1855, the *Montgomery Advertiser* advised that railroads were unnecessary for Alabama and the "mania" for them would soon cease, thus protecting the state from being corrupted by combinations of talented men and money who would "debauch the public morals."[18]

The Alabama capitol, which was constructed at the top of Dexter Avenue in 1852 to replace the building that burned in 1849, was featured in a lithograph in *Harper's Weekly*, February 9, 1861, after Alabama voted for secession on January 11. Courtesy of the Alabama Department of Archives and History.

This attitude handicapped the development of the hill country and areas above the fall line not blessed with navigable waterways. The great English geologist Sir Charles Lyell, who traveled through Jefferson and Shelby Counties on his way to Selma in 1846, announced that the true wealth of Alabama was not in the Black Belt, the cotton-producing areas, but in the mineral belt of northern Alabama. Although the first coal was dug from the bed of the Warrior and floated down to Mobile as early as the late 1820s, the development of the region's iron ore was unexploited until Alabama seceded from the Union in 1861 and war came.[19] The nascent iron furnaces of northern Alabama and the industrial development around Selma blossomed with Confederate subsidies for war industries.

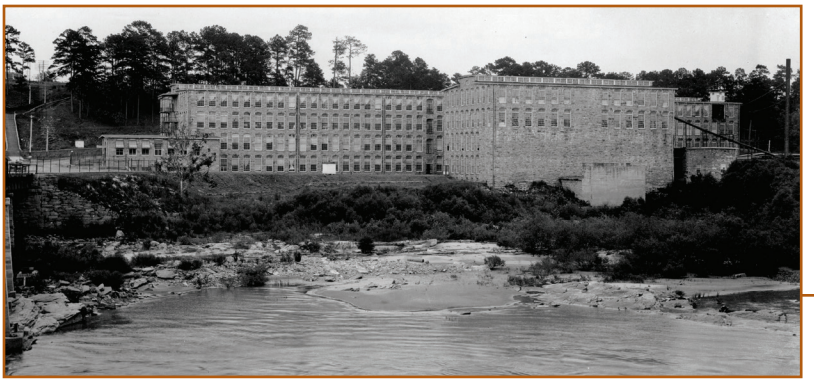
Defeat snuffed the life from these promising beginnings. The Civil War

left Alabama prostrate and poor. Any specie was long gone. Confederate bonds were worthless. Land had no value, but taxes were higher than before the war. People were starving. Years of military occupation and reconstruction left the state exhausted. The relationship between former slaves and former masters was not solved by federal legislation of the period, and civil rights and social adjustments were another one hundred years in coming. Congress and the president soon tired of supervising the South. Discriminatory legislation called "Jim Crow laws" was enacted by southern states, and the black population, along with large numbers of white farmers who had once been independent, fell into tenancy and sharecropping. It was 1880 before the South equaled the cotton exports of 1860.[20]

With war and reconstruction over, the country turned its attention to winning the West and to spreading for peacetime pursuits the industrial might the North had amassed for war. In 1860 the United States ranked fourth in world manufacturing, but by 1894 the nation was in first place. Most of this manufacturing was located in eastern or midwestern states. New South promoter Henry Grady noted in 1889 that the South had abundant natural resources but limited capital for developing them.[21] Alabama was an excellent example of Grady's point, for there was little native capital to invest in manufacturing or improving the infrastructure of the state. In an early survey of the Coosa River, Thomas Pearsall wrote about the river's great Staircase Falls and observed that "more than two-thirds of the real wealth of Alabama" was "in her water power, coal, and minerals," but Pearsall lamented that "of her water power, not one-thousandth part is used for propelling machinery."[22]

In agricultural areas of Alabama there were hostile attitudes against northern and foreign capital, but urban areas joined the South in adopting a New South philosophy based upon industry. This progressive economic creed was evident especially in Birmingham. The "Magic City" and other industrial-based towns such as Gadsden, Anniston, and Fort Payne were examples of a New South that gave hope for the future even though the ownership of industries was likely to be absentee and northern.[23] In northern Alabama there was little interest in where the money came from, just the gratitude that it came, bringing jobs and good salaries. Railroad networks were finally built through the hill country, and technological advances spread across Alabama. Natural resources of coal and iron were developed.

As early as 1869 the state of Alabama gave tax exemptions to "infant industries" for one year. This included furnaces, mills, foundries, and tanneries. In 1897 Governor Joseph F. Johnston signed a bill to give tax exemptions to cotton textile mills for five years. During the legislative session of 1898–99, the question of tax exemptions was debated, and Governor Johnston vetoed a bill that would extend the tax exemption to ten years.[24] In 1880 Alabama



Tallassee Mills was one of the few antebellum textile mills in Alabama. It produced strong fabrics for the Confederate army utilizing waterpower at Tallassee Falls.

had $9.6 million invested in manufacturing. That figure rose to $46 million in 1890, to $70.3 million in 1900, and more than $173 million in 1909.[25] In 1900, the number of companies engaged in manufacturing in Alabama was almost triple the number in 1880.[26]

Before the Civil War, Alabama had a small cotton textile mill industry with only 36 active spindles. In the late nineteenth century, textile mills, once wedded to New England, began to move south to take advantage of low taxes, cheap labor, and proximity to raw materials. Between 1880 and 1900 the total number of spindles in Alabama, Georgia, North and South Carolina increased from 422,807 to 1,195,256. Alabama spindles rose to 886 active spindles in 1909 and by 1919 had reached 1,107.[27] Capital investment in cotton mills in the last decade of the century increased 131.4 percent in the South compared to only 12.1 percent in New England.[28] Yet at the turn of the century, Alabama had only 4,880 electric motors in its textile industry compared to 68,696 in South Carolina and 46,279 in North Carolina.[29]

But within the prosperous American nation, there were pockets of poverty. Many Americans were bypassed by the abundance exhibited in what is called the Gilded Age, and they resented the way that titans such as John D. Rockefeller, J. Pierpont Morgan, and Andrew Carnegie ran their empires. Southerners, and especially Alabamians, struggled to make a living and feed their families. Midwestern farmers were the first to organize because they were not sharing in the prosperity of industrial America. The grievances voiced by the nationwide Farmers Alliance were the fuel for the Populist Revolt. Common men of the Midwest and Plains joined to use the political process to take back their governments. In Alabama, farmers perceived that their state government was dominated by men with no concern for their problems. Poverty was the thread that tied poor black and white farmers together despite racial differences. By their political activities in the late 1880s and early '90s, this combination of black and white poor threatened the status quo of Jim Crow legislation that legalized

segregation. Anti-Populist factions in Alabama united to follow Mississippi, which in 1890 adopted a new constitution that disfranchised black voters. For eleven years the move in Alabama was thwarted, but in 1901 it succeeded. A constitutional convention met and wrote a document that disfranchised the state's black voters and many, many poor white men as well. The election that ratified the document is generally recognized as fraudulent.[30]

In Alabama, the last decade of the nineteenth century was stormy both economically and politically. Not only were there political fights centered on economics and race, but a national depression struck hard at the nascent industries of the state. The Panic of 1893 shut down the new iron furnaces in Birmingham, sent hundreds of men into the ranks of the unemployed, and lengthened bread lines at charities and churches. Many families who had moved to the city for a better life returned to the farm to live with relatives.

The beginning of the Spanish-American War in 1898 finally sparked the economy, and as the century turned, prosperity was on the way back. In 1900, the population of Alabama was 1.8 million, and the percentage of people living in rural areas was just over 88 percent. Cotton was still king, the main and most valuable agricultural product. At the beginning of the twentieth century, the value of Alabama farms was almost twice the value of manufacturing capital, despite thirty years of development in the Birmingham mineral district.[31] Thomas W. Martin, who would serve as leader of Alabama Power Company for more than forty years, explained Alabama's lack of industrial development: "we southern people were too prone to be prisoners of our own past and were locked in it."[32]

Electricity Comes to America and to Alabama

In the two decades following the end of the Civil War there was an explosion of inventions that changed the world. At the 1870 Centennial Exposition in Philadelphia, devices as diverse as a button-hole machine and a giant steam engine shared the stage with George Westinghouse's air brakes for trains. In 1876 Alexander Graham Bell introduced the telephone. Charles F. Brush had invented the arc lamp and an improved dynamo, and Thomas A. Edison perfected the incandescent electric lightbulb in 1879. Edison's biographer observed that these were exciting times and "America was on the threshold of an era of unrivaled material progress."[33] As these technological advancements began to reach the market, they changed American society and the way people lived their lives.[34] The one that most transformed the nation and Alabama was electricity.

Almost a century before Edison, the electrical experiments of Benjamin Franklin had stimulated interest in atmospheric electricity. Various scientists

and inventors in the United States, Canada, and Europe began studying the phenomenon to determine how it might be harnessed and how it could be used. In America, Edison was the leader in discovering how to generate and deliver electricity. In 1878 he secured financing for experiments and the next year demonstrated his first incandescent lamp. He announced plans to generate electricity and transmit it underground to his laboratory at Menlo Park. This he did by the end of 1879. A flood of curious night visitors came to Menlo Park.[35] Orders followed from private individuals and cities that wanted electrical systems installed. In April 1881, the city of New York granted Edison the right to build an underground distribution system and a central station on Pearl Street to provide electricity to a small area of the city.[36] Edison's "goal was to make electricity so cheap that only the rich could afford candles."[37]

Before Edison was able to install lights in New York City, an Alabama mill community had electric lights. The Woodstock Iron Company in Anniston, Alabama, used one of its furnaces to power a dynamo to light its furnace operations and a few streetlights in its mill village. The *Selma Times Journal* reported on April 29, 1882, that the lights were "not dazzling nor brilliant, fitful nor glaring, but soft, gentle, harmonious."[38] Edison's system in New York began operations on September 4, 1882, when lights came on in J. Pierpont Morgan's office on Wall Street. The *New York Herald* reported there "was a strange glow last night" which was "a steady glare, bright and mellow" that "illuminated interiors and shone through windows fixed and unwavering." These "glowing incandescent lamps of Edison," which were being used for the first time, vindicated the scientist.[39] By January 1883 Montgomery had a Brush dynamo lighting thirty-one streetlights. Two years later, after Birmingham's city government refused to pay for an electric operation, the Elyton Land Company, which had founded the city in 1871, agreed to finance a plant and purchase equipment from Thomson Houston Electric Company.[40] In 1885 Capital City Railway Company petitioned Montgomery for permission to run its cars by electricity, and the next year electric lights came on in Selma.[41] For Alabama, it was the beginning of a new era.

Changes occurred beyond electric streetlights and industrial operations lighting as street railways moved from mule-drawn cars to steam "dummy lines" to electrification. Montgomery was the first city in the nation to electrify its street railway system, and on April 15, 1886, the cars first ran on what citizens of the capital city called the "Lightning Route."[42] The *Electrical World* deemed the Montgomery system "the largest electric railway plant in the world."[43] In Birmingham talk circulated in 1888 that the street railway cars might be electrified. The *Birmingham Evening News* wrote an editorial opposing

Montgomery, Alabama, had one of the first and largest electric street railway systems in the nation. When it began operation on April 15, 1886, citizens called it the "Lightning Route."

such a foolish step, writing that "overhead electrically charged wires to propel dummy trains are deemed more deadly and dangerous in a luckless city than yellow jack [yellow fever] in a town that opens trenches and graveyards in its midst in mid-summer." The company vehemently denied it was considering electricity, but at the same time it was quietly investigating the possibility. In the city rumors flew that the Montgomery mayor's horse had been electrocuted when it stepped on a track joint. The first electric cars in Birmingham finally came to the Highlands line on October 10, 1891.[44]

Through the last decade of the nineteenth century, many Alabama cities developed small municipal electric operations and financed them in different ways. Dynamos were very expensive, and many towns went without electricity because governing bodies could not afford the indebtedness. Fort Deposit probably had the most unique means of financing its electrical system: the city established its own whiskey store and used the profits to build its plant and transmission lines. Each municipality had its own problems with its electricity. Some operated on a "moonlight schedule," turning on the electricity only when the moon was not shining. Sometimes current would be off during the day, except on Fridays when women ironed clothes. Dadeville was served by a hydro plant on Big Sandy Creek, but heavy rains always filled the flume with sand and volunteers had to shovel it out. At Goodwater, spring rains brought hundreds of eels down Hatchett Creek, clogging the turbine and causing interruptions. Service, of course, depended upon the water flow in the creeks, and dry weather meant no electricity. These operations were isolated. There were no back-up systems and no interconnecting lines that would allow the transfer of power from one system to another, from one system working with surplus power to another system with a malfunctioning plant. Rates were high, and service was undependable. Electricity was a luxury available only for those few who could afford it.[45]

In Alabama, all of this would begin to change in 1912.