

One is the value of his property which commences to diminish from his first refusal to accept. The other is the knowledge that without jury trial rights there is little if any chance that the process can go any other way than the way the Authority wants it to go.

These elements have enabled the Authority to post the most favorable V/FC—voluntary to forced conveyance—ratio which can be posted or, for that matter, even imagined.

No other Federal agency acquiring land can come near the Authority in the matter of this ratio. The Authority has boasted of this ratio from the time figures were available to establish such a ratio. According to the Authority:

As of June 30, 1967, 92.7 percent of TVA's total acquisitions of land and land rights had been by voluntary conveyance and only 7.2 percent through the exercise of the right of eminent domain. Less than half of the condemnations resulted from disagreement over price.

Looking at the matter objectively, there are two possible reasons for such a favorable V/FC ratio. One could be that the Authority's estimate of just compensation is so liberal as to cause landowners to accept with joy. The other reason could be, and is in fact the reason for the ratio, that no matter what the offer is, and be it ever so low, they will never get more for their property than the first amount offered and there is every good reason to believe that contesting the offer will get them less in the end.

Landowners are well aware of the set of declining values on their property which are not the result of an objective appraisal which is a function of the absolute value of the property as viewed as part of an area, but is rather a function of the landowner's behavior toward the Authority from the time the Authority makes known its desire to acquire the land.

Let us focus for a moment on this system of declining values for the same piece of property.

Value No. 1: This is the value reached after appraisal and first offered to the landowner. Owners are assured that this is the maximum they will receive for their land.

Value No. 2: This is the value which the owner is told will be assigned to his property should he misbehave and force the Authority to condemn his land by not accepting the Authority's estimate of "liberal compensation."

Value No. 3: This is the amount deposited with the court upon institution of condemnation proceedings and represents a "reasonable amount" which TVA feels the court—its commissioners—will uphold. In practice this amount is usually at least 10 percent less than value No. 1.

It is significant to note that this series of reductions applies not only to the offers made to the owners—first offer and subsequent re-evaluations—but also to the officially approved appraisals upon which the offers were based. There are on file in the offices of Witt, Gaither, Abernathy & Wilson of Chattanooga, Tenn., sworn admissions that two TVA employee-appraisers reduced their first offer appraisals by 50 percent before the trial, not because they had erred, but rather, and solely, because the landowner has refused to accept the original offer at the value No. 1 price.