

TVA IS UPHELD BY 8-1 RULING BY HIGH COURT

New Deal Is Victorious on All Points of Legal Test.

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ever, by upholding the fundamental principles of the TVA, the court assured that the vast New Deal experiment could go forward at present without essential legal hindrance.

Hughes Sets Out Case

Chief Justice Hughes' majority opinion in the court's ruling said, in part:

"On Jan. 4, 1934, the TVA, an agency of the Federal government, entered into a contract with the Alabama Power Co. providing,

1. For the purchase by the authority from the power company of certain transmission lines, substations and auxiliary properties for \$1,000,000.

2. For the purchase by the authority from the power company of certain real property for \$150,000.

3. For an interchange of hydro-electric energy and in addition for the sale by the authority to the power company of its "surplus power" on stated terms, and

4. For mutual restriction as to the areas to be served in the sale of power.

Finds No Distinctions

"The Circuit Court of Appeals limited its discussion to the precise issue to the effect and validity of the contract of Jan. 4, 1934.

"We think that they (decisions in the past) should be followed, and that the opportunity to resort to equity in the absence of an adequate legal remedy, in order to prevent illegal transactions by those in control of corporate properties should not be curtailed because of reluctance to decide constitutional questions. We find no distinctions which would justify us in refusing to entertain the present controversy.

"We agree with the Circuit Court of Appeals that the question to be determined is limited to the validity of the contract of Jan. 4, 1934. The pronouncements, policies and program of the TVA and its directors, their motives and desires, did not give rise to a justifiable controversy save as they had fruition in action of a definite and concrete character constituting an actual or threatened interference with the rights of the persons complaining. The judicial power does not extend to the determination of abstract questions.

Excitement Precedes Reading

A ripple of excitement ran through the chamber as Justice Hughes announced, after reading one minor opinion, that he was to read the TVA decision.

Mr. Hughes read rapidly from a prepared opinion. He glanced from side to side at the audience.

His early words dealt with the history of the famous case.

He said the court was only interested in the transmission line sale contract of the Alabama Power Co. and not in TVA contracts with other commonwealth and Southern subsidiaries.

The TVA ruling was presented in the suit of a group of minority preferred stockholders of the Alabama Power Co. to have the courts set aside a contract between their concern and the TVA for sale of transmission lines which the company had previously used to convey surplus power from Wilson Dam.

Stockholder Files Action

The stockholders, headed by George Ashwander, brought their suit against the company's directors who made the contract, the TVA and its officials and various municipalities who were seeking FWA loans for the construction of municipal power distribution plants.

Hughes said that before passing on the basic question of validity of TVA operations, the court must decide whether the preferred stockholders of Alabama Power Co. had the right to sue.

In arguing the TVA case, the Alabama Power Co. shareholders contended that the sale and future contemplated operations threatened to deprive them of their property.

The late Judge William I. Grubb in the Alabama Federal District Court upheld the claim of the stockholders. He decided that development of power at Wilson Dam, other than surplus unavoidably produced, was unconstitutional.

An appeal was taken by TVA to the Fifth Circuit Court of Appeals which reversed the ruling. Ashwander and his associates appealed to the Supreme Court.

TVA was created soon after President Roosevelt took office. It was designed to dispose of the perennially troublesome Muscle Shoals problem. Due to operation by previous Administrations to no proposal to have the government operate the project and objections in Congress to private operation, little use had been made of the great power plant.

Mrs. Hughes in Courtroom

Police guarding the austere chamber were given orders just before noon to rearrange their luncheon periods.

The presence of Mrs. Charles Evans Hughes in the courtroom was significant. She is a rare visitor to the courtroom.

A record crowd again attempted to enter the chamber, as has happened during the last seven months.

More than 500 persons were lined up in rows of three in the corridors leading to the courtroom 30 minutes before the jurists assembled.

Rep. John Rankin, (D., Miss.) active proponent of TVA, hurried into the chamber at 11:30 a.m. Attendants rushed extra chairs into the room to seat part of the unprecedented crowd.

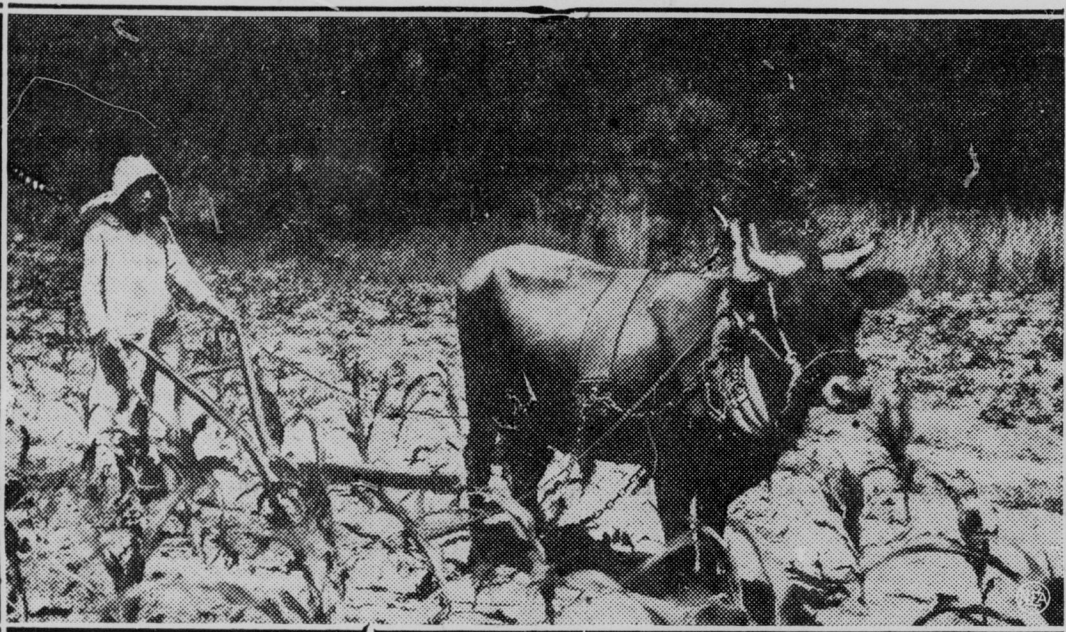
Dr. Arthur Morgan, chairman of the TVA board, arrived early. He sat near James M. Beck, noted Liberty League lawyer, who helped argue the attack on the TVA.

Chairman Hatton Sumners, (D., Tex.) of the House Judiciary Committee—a group which must pass legislation to curb the court's powers—was another spectator.

The Tennessee Valley Authority was set up to renovate the huge Tennessee River watershed and to set the pace for the New Deal's far-reaching power program.

The TVA became a permanent government agency extending its

Brighter Days for Impoverished Farmers One Goal of TVA



Before

TYPICAL of the impoverished families of sharecroppers and tenant farmers in the 40,000 square miles of the TVA region is the Alabama family pictured above eating their lunch of bread, water and meat in their drab hut after arduous toil in potato and corn fields. TVA hopes to improve their lot with rural electrification, cheap power, cheap fertilizer for exhausted acres, anti-soil-erosion programs, and new industries. At left is a typical two-room cabin, housing five, though only 8 feet wide and 18 feet long. Below is shown the young mother of the top picture back at her primitive "bull tongue" plow, for man and beast—and woman—provide the only power here.

After

IN striking contrast to the dingy cabins in the district, with their discouraged, ill-fed, and illiterate occupants, is this bright scene in the living room of one of the government-built houses in the model town of Norris, near Norris Dam. The miracle of electricity is visible in lights, radio, heating grills beneath the high windows. At the right, two of the houses are shown on the wooded hills near the damsite. Below, the water roars over Wilson Dam, built during the World War to furnish power for nitrate plants, and main unit in the TVA's power production program. Norris Dam, 390 miles upstream, will even the flow so as to increase year-round power fourfold.



FLOOD STAGE NEAR ON OHIO AT EVANSVILLE

River Expected to Pass Overflow Level There Tonight.

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posure to the cold. His hands and feet were frozen.

Mrs. Ida Mann, 48, of 1543 Hiatt-st., received a broken left arm today when she slipped on her way to aid her husband, George Mann, 48, who fell in front of their house and sprained his back.

Others injured by slipping on ice and in traffic accidents are: Odessa Westfall, 25, of 1461 N. Denny-st., left leg broken; Mrs. Clara Buck-hall, 40, Negro, 1526 E. 30th-st., sprained ankle; Oscar Miller, 56, of 610 S. Meridian-st., right leg broken; Tim Miller, Negro, 2433 Columbia-av., broken right arm.

Receives Broken Arm

Dempsey Renard, 67, of 317 Spring-st., broken right arm; Nancy Louderbaugh, 114 W. Arizona-st., fractured ankle; Mrs. Della De Long, 36, of 1216 Udell-st., fractured skull; George Seedy, 63, of 1105 W. New York-st., cuts and bruises; Jane Hardy, 14, of 1214 W. 20th-st., head injuries.

James Lenahan, 44, of 1520 E. Vermont-st., Orby Smith, 36, Martinsville; Charles Hollifield, 42, Negro, 2314 Shriver-av., left wrist injured; Wallie Jackson, 34, Negro, 879 Darnell-st.; Daniel Coleman, 11, Negro, 948 N. Belmont-av., cuts over eye; Wiley Connor, 68, Negro, 839 Fayette-st., broken arm, and Carl Abrahams, 16, of 1146 Woodlawn-av., cut arm.

Town Faces Famine

CHICAGO, Feb. 17.—Heroic rescue of two persons dangerously ill and the fight to reach 200 villagers facing starvation after a month's isolation today topped the battle against winter's intense cold and snow.

Residents of the village of Hatfield, in northwestern Missouri, have been cut off from the outside world for a full month. Fuel supplies were exhausted today. Only 12 sacks of flour and a few cans of beans and other tinned goods remained to be rationed.

A force of 300 CCC youths and state highway plows attempted to cut through the drifts with more snow falling. An airplane was to drop food for the town if the shovellers failed.

For the past few days householders have been cutting down shade trees and small abandoned buildings to obtain fuel.

Twenty men shoveled through seven miles of drifts for two days to reach a farm home near Bedford, Ia., where Mrs. Dale Sleep was suffering from hemorrhages after giving birth to a child. She was removed to her sister's home at Bedford last night.

Other rescuers reached a farm home near Gentry, Mo., where 15-year-old Eli Williams was suffering from acute appendicitis. They bundled him carefully into a bobbed and rushed him over 70 miles of snow-choked roads to a St. Joseph (Mo.) hospital, where an emergency operation was performed.

TINY OAKLAND BABY TO BE WEIGHED, EXAMINED

Premature Child to Be Removed From Incubator Briefly.

OAKLAND, Cal., Feb. 17.—Nancy Lee Voigt, 15-ounce Oakland infant who came into the world two months prematurely, probably will be removed some time this week from the incubator which has kept her alive since birth, physicians indicated today.

Still making favorable progress against the handicaps under which her premature birth placed her, the infant is to be removed only a few minutes, but at least is to be weighed and examined briefly, it was believed.

UTILITIES ARE ASKED TO SCENT GAS SUPPLY

Smith Urges Addition of Foul Smell to Prevent Poisonings.

Clem Smith, state fire marshal, today asked Indiana gas utilities to add a foul smelling material to the gas supply as a preventative against gas poisonings.

Mr. Smith said the material would aid persons to detect escaping gas, which had backed up in homes because of frozen ground. He advised use of mercaptan.

BARGAIN Round Trip Pullman and Coach Excursion to Niagara Falls

over Washington's Birthday and Sunday following

\$750 In Coaches—Fri. and Sat., Feb. 21 and 22

Leave 4:55 p.m. or 10:50 p.m. Friday or Saturday; return limit Monday, February 24.

In Sleeping Cars—Fri., Feb. 21 (Including Round Trip Pullman Fare)

\$1125 (Each) Two Persons to Lower Berth

One person to lower berth, \$12.50
One person to upper berth, \$12.50

Leave 4:55 p.m.; returning leave Niagara Falls 10:40 p.m. Sunday, February 23.

In Sleeping Cars—Sat., Feb. 22 (Including Round Trip Pullman Fare)

\$1075 (Each) Two Persons to Lower Berth

One person to lower berth, \$12.50
One person to upper berth, \$12.50

Leave 4:55 p.m.; returning leave Niagara Falls 10:40 p.m. Sunday, February 23.

See the Falls in Winter Splendor
Beautiful Night Illumination in Colors

Full particulars at City Ticket Office, 106 E. W. Washington St., phone Rley 2444; Union Station, phone Rley 3355.

BIG FOUR ROUTE

PAN-AMERICAN PARLEY PRAISED

Proposed Conference Is Lauded by Leaders of Congress.

WASHINGTON, Feb. 17.—President Roosevelt's invitation to Latin American countries to a general peace conference drew favorable response today from congressional leaders in both major parties.

Senator Arthur Vandenberg of Michigan, possible Republican presidential nominee, commented that "there is much to be said" for the proposed conference. Some other Republicans were skeptical.

Democrats, led by Senator Key Sphar.

"This doctrine in my opinion should be a substitute for the Monroe doctrine, which was an expression against conquest in Latin America by any foreign government," said Senator Pittman.

Senator Vandenberg said he did not know what the President has in mind, "but if it is proposed to implement the Monroe doctrine on a Pan-American co-operative basis, there is much to be said for the contemplation."

STATE PASTOR DIES IN EVANSVILLE HOSPITAL

The Rev. James Pfeiffer Served 37 Years in Posey County.

By United Press
MT. VERNON, Ind., Feb. 17.—The Rev. James Pfeiffer, 84, for 37 years pastor of St. Wendel Church in Posey County, died last night in an Evansville hospital.

During his St. Wendel pastorate he spent \$45,000 remodeling the church to make it "the prettiest rural church in America."

He was ordained in 1877 at St. Meinrad. A brother, John Pfeiffer, Indianapolis, survives.

PIONEERS NAME HEADS

Lloyd Z. Beckwith New President of Atkins Company Club.

Lloyd Z. Beckwith is the new president of the Pioneer Club of E. C. Atkins & Co. employees. The club held its thirtieth annual dinner Saturday night at the Severin.

Other officers of the club are John E. Sapp, vice president; Mr. Bronson, secretary, and W. A. Weaver, assistant secretary.

CATHOLIC SISTERS SEE 'DAVID COPPERFIELD'

200 Nuns Entertained at St. Clair Theater With Movie.

More than 200 Catholic sisters of Indianapolis today had seen the motion picture, "David Copperfield," through courtesy of a local theater and distributing agency.

The screening was held Saturday at Bair's St. Clair Theater. The theater was donated by Roy Bair, the film by the local Metro-Goldwyn-Mayer distributors and transportation by the United Cab Co.

Arrangements were made by the local chapter, International Federation of Catholic Alumnae, Miss Jeanne O'Connell is federation state governor; Miss Marie Lauck, Legion of Decency, reviewing chairmen, and Miss Margaret Flaherty and Miss Sue Brezette, reviewing committee members.

CARNEGIE HEAD HITS PENSIONS

Townsend and Legion Plans Branded 'Dangerous' to Economic Order.

By United Press
NEW YORK, Feb. 17.—The Townsend Plan and all proposals for government pensions were attacked today by the Carnegie Foundation for the Advancement of Teaching, which has studied pension systems longer than any other American institution. Pension plans, it said, are dangerous to civil liberties and economic order.

Dr. Henry S. Pritchett, the foundation's president-emeritus, wrote in the organization's thirtieth annual report that the relation of politics and pension plans developed by Townsend clubs and the American Legion is a menace to the "whole democratic system."

The Townsend Plan, he said, is "the most hopeless and alluring of the proposals that have been put forward for old-age pensions" and is "one of the most visionary and impossible schemes ever presented for public acceptance."

He said the "selfish and aggressive lobby created by so-called veterans" has caused "demoralization" of Congress and "worked more serious harm to the nation than any other similar organization in its history."

"It has made the name 'American Legion' a synonym not for courage and patriotism, but for selfishness and greed," he added.

Dr. Pritchett's argument against government pensions was made in his report of the foundation's activities to obtain universal teacher pensions. He cited unsuccessful pension schemes of European countries and analyzed proposed American plans as they might apply to members of his profession.

Recesses for 2 Weeks

WASHINGTON, Feb. 17.—The Supreme Court recessed for two weeks after reading its TVA decision today.

Doomed Trio Saved

WASHINGTON, Feb. 17.—The Supreme Court in an opinion read by Chief Justice Charles Evans Hughes today saved three back-country Mississippi Negroes from the gallows.

The Negroes were convicted and sentenced to death chiefly on the strength of confessions admittedly forced from them under the lash.

The Court said that there was no doubt that the alleged "confessions" upon which they were convicted were obtained by force of "sheer brutality."

Bank Suit Dismissed

WASHINGTON, Feb. 17.—The Supreme Court today dismissed the appeal of Charles Gauss, a stockholder in the closed Guarantee Trust Co. of Detroit, from the Michigan Supreme Court ruling which held that he must meet the stock liability assessment imposed on his stock.

Wheeler Dam Near Completion

Also nearing completion is Wheeler Dam, a \$28,000,000 non-storage dam, 50 feet high and 8000 feet long. Its navigation lock was completed by the Army engineers corps before

direct influence over seven states—Virginia, North Carolina, Tennessee, Georgia, Alabama, Mississippi and Kentucky—with an area almost as large as England and a population almost as great as Norway.

Foremost task of the authority was to control waters of the Tennessee and its tributaries. The river was described as "running away with the soil" and consequently damaging agriculture and contributing to floods in the Mississippi Valley.

Answer to Perennial Question.

TVA was the New Deal's answer to the perennial political question of what to do with Muscle Shoals—the giant World War nitrate plant.

But there were still other and more significant objectives, including the controversial power production issue.

As outlined by TVA officials, objectives of the development briefly are:

1. Unified development and control of water resources on the Tennessee and tributaries through construction of dams to provide navigation, control floods and generate electricity.

2. Provide for national defense through operation in "stand-by" condition. Nitrate Plant 2 at Muscle Shoals, operate laboratories and experimental plants to furnish chemicals for military purposes and agricultural purposes in most economical manner.

3. Experimentation and demonstration to improve, increase and cheapen distribution of the major elements of plant food needed to rehabilitate the soil.

4. Disposition of surplus power to greatest number of people to assist in liquidating the cost of the authority's projects.

5. Planning for a complete river watershed including demonstrations of proper methods of erosion control, afforestation and use of marginal lands.

To control the river a system of co-ordinated dams is being constructed. In addition to their flood control feature, the dams are to open a new inland waterway some 650 miles long between the Ohio river at Paducah, Ky., and Knoxville, Tenn. TVA officials emphasize that the authority will open the mineral resources of the region to development. They insist, however, that hydro-electric power is only a secondary motive in the huge project.

Two dams are to be completed early this year. The first major construction project, Norris dam, named after Senator George W. Norris, rises as high as an 18-story building, on the Clinch River, a tributary of the Tennessee. This is 30 miles northwest of Knoxville, Tenn. The dam is to cost \$34,000,000.

Also nearing completion is Wheeler Dam, a \$28,000,000 non-storage dam, 50 feet high and 8000 feet long. Its navigation lock was completed by the Army engineers corps before