

TVA IS UPHELD IN 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 hydroelectric 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 PWA 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 J. 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 this 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 opposition by previous Administrations to any 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 Mondays.

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

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

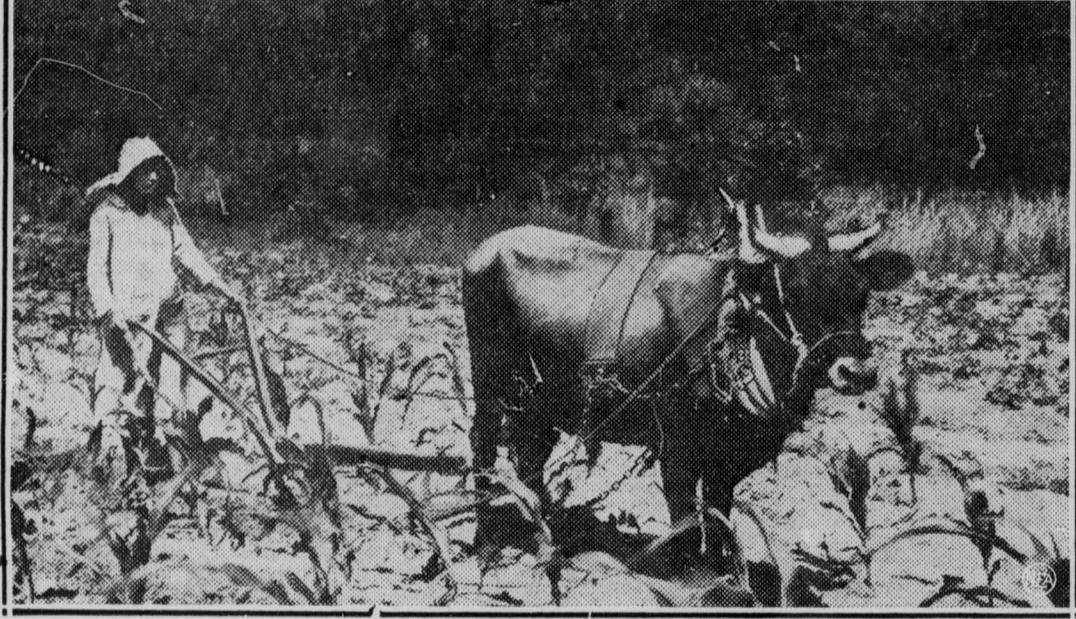
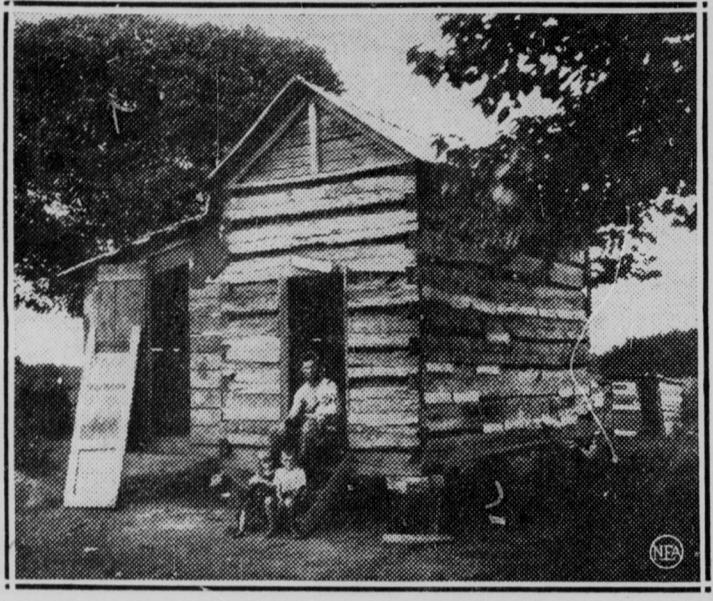
Dr. Arthur Morgan, chairman of the TVA board, arrived early. He sat near James M. Beck, noted Liberty League lawyer, who helped argue the attack on the TVA.

Chairman Hatton Summers, (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, illfed, 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.



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 chairman, and Miss Margaret Flaherty and Miss Sue Brezette, reviewing committee members.

Answer to Perennial Question.

TWA 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.

Aid to National Defense.

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 economic 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.

Recesses for 2 Weeks

By United Press

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

Doomed Trio Saved

By United Press

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 hangman's noose.

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."

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.

Bank Suit Dismissed

By United Press

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.

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.

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

The first serial ever written about quintuplets is "The Country Doctor." The chapter about their birth is one of the most appealing human-interest stories ever penned. Read it exclusively in The Indianapolis Times, beginning Monday, February 24th.

They left their homes Feb. 10 to go to school, but have not been seen since. Their school books were found later at a downtown department store.

Full particulars at

City Ticket Office, 108 E. Washington St., Riley 2442; Union Station, phone Riley 3335.

BIG FOUR ROUTE

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 son, 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 Buckhall, 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. 29th-st, head injuries.

James Lenahan, 44, of 1520 E. Vermont-st; Orby Smith, 36, Martinsville; Charles Hollifield, 42 Negro, 2314 Shirer-av, left wrist injury; Wallace 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, broken arm.

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