

● PSF. Subject File

Campaign 1940

Box 122

PSF: Campaign - 1940

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A fragment of testimony in the Hearings of the Investigation Committee of the TVA, Seventy-fifth Congress, Part 6, pp. 2674-2677. July 1928

confidential
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The witness testifying was Paul S. Mathes of the First Securities Company, a company which was interested in the underwriting of bonds and preferred stock issues and did a good deal of underwriting for the Tennessee Electric Power Company, (a Commonwealth & Southern subsidiary). Mr. Riddle, now Solicitor General of the United States, was cross-examiner. Mr. Mathes has just admitted the formation of the "Citizens and Taxpayers Association" which Mr. Praxier, the chairman, had organized by circular letter to defeat the people of Chattanooga in their vote for their own electric light system and the borrowing from the American Trust and Banking Company of \$1,000 without collateral or indorsement to get the "association" started - pending requests for subscription.

Mr. Riddle. Would you look at your file and tell me the date of the first subscription? * * *

Mr. Mathes. February 12 is the date shown.

Mr. Riddle. February 12 was the first subscription?

Mr. Mathes. Yes, sir.

Mr. Riddle. What are your total subscriptions?

Mr. Mathes. Our total subscriptions amounted to \$22,265.45

Mr. Riddle. And your first subscription was February 12?

Mr. Mathes. Yes, sir.

Mr. Riddle. Well, now, the letter that went out on February 7, I suppose went to the Commonwealth and Southern, as well as to other stockholders of the Tennessee Electric Power Co., did it not?

Mr. Mathes. Yes, sir.

Mr. Riddle. And what as a result, did you get from the Commonwealth and Southern on February 9, 1935, 2 days after your circular went out, and 3 days before your first subscription? I hand you the memorandum of the Commonwealth and Southern which went with the check. How much did you get then?

Mr. Mathes. The date that the subscriptions are reported, it showed as deposits of these amounts — probably the deposit date —

Mr. Riddle. You may have gotten the subscription the day before the 12th?

Mr. Mathes. Yes, sir.

Mr. Riddle. Maybe the 11th or even possibly the 10th?

Mr. Mathes. It could have been; yes, sir.

Mr. Riddle. When was the Commonwealth and Southern's first subscription?

Mr. Mathes. It was dated February 9, 1935

Mr. Riddle. February 9, 1935?

Mr. Mathes. Yes, sir.

Mr. Riddle. That just came through the mail in the ordinary course without any letter to you, did it not?

Mr. Mathes. That is right.

Mr. Riddle. I mean you have no letter from Mr. Willkie or any Commonwealth and Southern representatives sending you the check, it just came through as a subscription, as a taxpayer and citizen?

Mr. Mathes. That is right. The notation made on this was "Contribution to the Citizens and Taxpayers Association of Chattanooga, Tenn."

Mr. Riddle. When was the next contribution from the Commonwealth and Southern? Oh, how much was that?

Mr. Mathes. \$7,500.

Mr. Riddle. \$7,500. When was your next contribution from the Commonwealth and Southern toward these citizens and taxpayers?

Mr. Mathes. March 5, 1935.

Mr. Riddle. How much did they give you then?

Mr. Mathes. I think there was one prior to that time.

Mr. Riddle. Have I got the dates wrong?

Mr. Mathes. I think you have.

Mr. Riddle. Your second one was on March, yes, your first one was February 9, you are right. Your second was March 5. How much was that?

Mr. Mathes. \$2,500.

Mr. Riddle. \$2,500?

Mr. Mathes. Yes, sir.

Mr. Riddle. Now, after that you had a little difficulty in getting subscriptions, did you not? They were not coming in fast enough to pay your bills?

Mr. Mathes. That is right.

Mr. Riddle. So you wrote another letter to Mr. Willkie suggesting that he make another subscription?

Mr. Mathes. Yes, sir.

* * *

Mr. Riddle. Is this a copy of your letter to Mr. Willkie?

Mr. Mathes. Yes, sir.

Mr. Riddle. Would you read that, please?

April 2, 1935

Mr. Wendell L. Willkie

President, Commonwealth & Southern Corporation, New York, N.Y.

Dear Mr. Willkie:

As treasurer of the Citizens and Taxpayers Association which led the fight against public power in the recent \$6,000,000 bond issue in Chattanooga, I am asking your company as a large stockholder of the Tennessee Electric Power Co., for some further financial assistance, in view of the fact that this fight was made in the interest of the stockholders as well as the citizens and taxpayers of Chattanooga. The campaign which our association made was more expensive than we anticipated to begin with --

Mr. Biddle. That always is so, I am afraid, isn't it?

Mr. Mathes. Yes, sir. (Reading)

also the preferred stockholders and citizens and taxpayers of Chattanooga did not donate to our cause as we had expected --

Mr. Biddle. The taxpayers and citizens did not donate to your cause as well as you had expected?

Mr. Mathes. As we had anticipated up to that time.

Mr. Biddle. As you had anticipated up to that time?

Mr. Mathes. Yes, sir. (Reading)

Our total expenses in the campaign amounted to \$24,118.36 -- That was later reduced due to some bills which were adjusted.

Mr. Biddle. I can understand that.

Mr. Mathes (reading):

and we have received in donations to date \$13,261.47, leaving a deficit of \$10,856.89.

Mr. Biddle. Deficit of that?

Mr. Mathes. That is right. (Reading)

In view of the circumstances, we hope that your company will, as a substantial stockholder of the Tennessee Electric Power Co. --

Mr. Biddle. Why "substantial stockholder"? I suppose you refer to the fact they held about 97 percent of the common, and a very large block of the preferreds as I correct?

Mr. Mathes. I knew they were by far the largest stockholders.

Mr. Biddle. You know they owned 90 percent of the common, didn't you?

Mr. Mathes. Approximately.

Mr. Biddle. So you would call that a substantial stockholder if they owned substantially all of the common?

Mr. Mathes. That is right. I would say they were more interested than anyone, and more directly interested than the preferred stockholders, because they had to be washed out before it got to the preferred stockholders (reading):

In view of the circumstances, we hope that your company will, as a substantial stockholder in the Tennessee Electric Power Co., appreciate our position and help us to clear up our deficit which, as stated above, amounts to \$10,856.89. The larger portion of our expenses in this campaign was occasioned by advertising in local newspapers in Chattanooga, over the radio, handbills, circulars, poster, etc., this being necessary on account of the power league favoring the bond issue using like means of advertising to influence the voters.

Mr. Biddle. That was the power league that Mr. Wilhoite was so active in?

Mr. Mathes. That is right. (Reading:)

We are all very sorry that our campaign was unsuccessful, but we had many obstacles in this election which normally would not have existed. However, we feel that the fight has just begun, and I personally will continue to do everything I can to support the position of the stockholders of the Tennessee Electric Power Co.

With very best regards, I remain,

Very truly yours,

Citizens and Taxpayers Association,
By Paul S. Mathes, Treasurer.

Mr. Riddle. What was the date of that letter?

Mr. Mathes. April 1, 1935.

Mr. Riddle. Did Mr. Willkie come through?

Mr. Mathes. Yes, sir.

Mr. Riddle. And I show you, to refresh your recollection, the memorandum to be retained by your files showing the amount of the check. How much did he send you?

Mr. Mathes. \$10,000.

Mr. Riddle. \$10,000. That pretty nearly fixed up the deficit, didn't it?

Mr. Mathes. Yes, sir.

Mr. Riddle. How much does that make, total, of the contributions by the Commonwealth and Southern to the cause of the Taxpayers and Citizens Association?

Mr. Mathes. Well, that makes a difference there of about --

Mr. Riddle. What was the first check?

Mr. Mathes. \$10,000.

Mr. Riddle. No, the first check was what?

Mr. Mathes. \$7,500.

Mr. Riddle. \$7,500, and the next?

Mr. Mathes. \$2,500 and \$10,000, would be \$20,000.

Mr. Riddle. Your total subscriptions were what?

Mr. Mathes. The total subscription was \$22,265.45.

Mr. Riddle. So your taxpayers and citizens, aside from this rather substantial taxpayer is \$2,265.45, and the Commonwealth and Southern gave \$20,000, is that right?

5 Mr. Mathes. That is right, but I would like to make this explanation in that connection, that these other donations were received from hundreds of individual donors.

Mr. Riddle. How many were there, do you remember?

Mr. Mathes. Several hundred, I have forgotten just how many.

Mr. Riddle. What was the next largest contribution to the Commonwealth and Southern, and how many were those? As I remember looking quickly at your papers, there were two subscriptions of a hundred dollars?

Mr. Mathes. Yes, sir.

Mr. Riddle. How many of \$50, about seven?

Mr. Mathes. Several.

Mr. Riddle. About seven, I think.

Mr. Mathes. Yes, sir; as I count it, it is seven.

INTENSIFIED SELLING IN THE LOW INCOME GROUPS

By C. A. Collier
Vice President, Georgia Power Company

(An address before the Third Annual Sales Conference,
Edison Electric Institute, Chicago, March 25-26, 1936.
Edison Electric Institute Bulletin, April 1936, pp.
125-128).

* * * "All of this TVA business, PHA loans, all the agitation for Government ownership in our area bid fair to "play hell with our prospects" if we did not do something about it. * * *

"These three companies (Tennessee, Alabama and Georgia Companies), all properties of the Commonwealth and Southern Corporation, have built transmission lines over a tremendously vast area of approximately 115,000 square miles. * * *

"We have the theory that the low-use customer is not only a financial liability, but is a liability from a public relations standpoint as well. No consumer who pays the company a reasonable bill for his electric service and who makes a reasonable use of that service is a complaining customer. This has been true in our experience. If you will go back through the experience of the industry, you will find that in the old days of constant complaints, such complaints emanated largely from the so-called "minimum bill customer." * * *

"The first step in the program was to install a so-called objective rate scheme, which was designed to cash in on the psychological desire of the customer to get something free. That objective rate scheme held the revenue as it was, but it gave a certain number of free kilowatt-hours to every customer who

increased his use of the service by whatever means at his command, and, after he had increased his use to a certain extent, he went on what we termed an "objective" or "inducement" rate schedule. This rate schedule was at a level much below the existing schedule. The rate was made effective in all three of these companies, and the results have been phenomenal. * * *

"We took the idea to Mr. Willkie and sold him on setting up \$10,000 in prize money for the contest. Then we started out to shape up the contest. We announced it to the public on last Oct. 1. The basis of the contest is this: The consumption of each incorporated town on the system with more than 25 customers (there are 270 such towns) was broken down into kilowatt-hour consumption per residential customer. Then for each kilowatt-hour of residential consumption they were given one point. For each kilowatt-hour of increased consumption they will be given 10 points. When the end of the year comes around, the town that has increased its total the greatest number of points is the prize winner. * * *

"We started that contest in October, without adding a single employee to the company's rolls. * * *

"We have a little town way down in southeast Georgia called 'Woodbine.' Any one of you people of affluence who has driven through Georgia to Florida has passed through it. The city council of Woodbine were so enthusiastic over this contest that it held a council meeting and passed an appropriation to pay the down payment on any automatic water heater bought by a customer in the city of Woodbine. The result of this action was that in 30 days' time over

40 per cent of the entire customer group in Woodbine had been sold water heaters.

Woodbine wasn't satisfied with that, as a neighboring town was pushing them quite hard for first place. Just before I left Atlanta I heard that the town had had another council meeting. They had our men come into town to ascertain what could be done to help the town along. Our men didn't know. Finally somebody had the bright idea that the customers might use more light. Someone said that there was plenty of light already, but the mayor declared, "It looks to me if you fellows would put a lamp on the front porch and burn it all night, it might help some." Whereupon, the town council approved a resolution authorizing the city clerk to pay the additional charge to every customer in Woodbine who put a hundred-watt lamp on his porch and who burned it all night. So today there is scarcely a single domestic user in the city of Woodbine who is not burning a hundred-watt lamp on his porch all night long. If you don't believe me, go down and look. The first night they turned the lights on the people from the backwoods came to town to see the fire. That is the kind of town boosters to have around. * * *

We succeeded in getting the Women's Club in Decatur interested. Now every city water bill from the municipal plant goes out with a stamp on it: "Help the Decatur Public Library win \$1,000 in the Home Town Contest," and at Christmas time they added, "Give Something Electrical for Christmas." * * *

PSF: Campaign - 1940

EXCERPT FROM TRANSCRIPT IN FILE D-2916
July 14, 1938

(Page 1648)

(A. J. Mayotte, witness)

CHAIRMAN TODD: And your next item, Earl W. Munshaw, that would be services and expenses for the month of June, '37, would that be in connection with land purchased?

A That was in connection, from this account, that is a none operating revenue deduction, miscellaneous non-operating expense, and would have to do with the collection of rents.

CHAIRMAN TODD: Has to do with the collection of rents?

A Rents on houses and farms.

CHAIRMAN TODD: Rents on houses and farms owned by Consumers Power?

A By the Company, yes.

CHAIRMAN TODD: That would be houses and farms in your power projects, your hydro?

A Well, it might be along the right of way. In a good many cases you have to buy a whole farm to get the right of way.

CHAIRMAN TODD: That would be service for one month?

A Well, I would not know, I would not know whether that was services and expenses.

CHAIRMAN TODD: For the month of June?

A Yes.

CHAIRMAN TODD: That would mean for one single month?

A From this, that appears to be that way, yes, sir, services and expenses for the month of June, 1937.

CHAIRMAN TODD: That is all.

(COMMISSION'S EXHIBIT 84 marked by reporter)

MR. PUGH: Mr. Winder, may I ask a question there, before you go into the next one?

MR. WINDER: Certainly.

MR. PUGH: Witness, on page, -- I don't know how you identify it, -- what page it is,-- but you have an item herein this report of Mr. Watkins, expense account, Earl W. Munshaw, Service and Expenses for the month of June 1937. Would you know what that was for?

A I just explained that to Mr. Todd a minute ago.

MR. PUGH: Did you?

A Yes

MR. PUGH: All right.

A I just got through explaining it, Mr. Pugh.

MR. PUGH: I see.

CHAIRMAN TODD: He stated that it was for collection of rents on property owned by Consumers Power Company.

MR. PUGH: Yes, I heard that. You mean to say that he collected the rents.

A From the character of the account charged, yes.

MR. CLARDY: By that you mean this identifying number in the last column?

A This identifying number in the last column, yes.

Now whether he collected the rents, I wouldn't know.

MR. PUGH: 847-D, that is what you mean?

A That is a non-operating revenue deduction, and covers the collection and expenses incidental to rents, on that type of land. It is lands, farms, houses.

MR. PUGH: Do you know where those lands and farms and houses are located?

A Probably located all over the state, Mr. Pugh. I would not know where they would be, particularly.

MR. PUGH: This covers the entire collection of rents, over all of your properties in the State of Michigan?

A Oh, I would not say that, no.

MR. ONEN: Why guess about it, anyway?

MR. HOLMES: We have 250,000 acres of land around, so it could not possibly be.

MR. PUGH: You would not know what part it was?

A No, sir.

MR. PUGH: Do you know off hand whether or not the legislature of the State of Michigan, was in session last June of 1937, or not?

A I don't know.

MR. ONEN: Now just a moment, if the Commission please.

MR. PUGH: He said he didn't know.

MR. ONEN: I think it is an improper question to begin with.

MR. PUGH: I see. So that is as near as you can identify this particular service for which \$199.50 was paid to Earl W. Munshaw?

A Yes, sir.

MR. PUGH: That is all.

CHAIRMAN TODD: Do you happen to know whether this Earl W. Munshaw, is Senator Munshaw?

A I don't know, I never saw the voucher until it was called for. I didn't know there was a Senator Munshaw.

CHAIRMAN TODD: There is a Senator Earl W. Munshaw, who is a member of the Utilities Committee of the Senate.

A Well, that is news to me.

*File
MPV*

Excepts from CONSUMERS POWER TESTIMONY- D-2916

July 15, 1938

Witness Arthur L. Watkins, Examination by C.A. Winder)

(Commencing Page 1868)

Q Do you know the people personally, that are paid under this expense account?

A Some of them I do, some of them I don't.

Q Do you issue the checks personally, in the payment of these individuals?

A No, they are issued by a bookkeeper in my department.

Q But do you O K those, before those payments are made by a bookkeeper in your department?

A Yes

Q So that you are acquainted with the services for which they are being paid?

A Yes.

Q Just as an example, the first one on the first page, is Leslie T. Barbour, is that correct?

A That is right.

Q \$100.00?

A For services.

Q Do you know what kind of gas investigations those were?

A I can't tell you off hand, without looking the matter up. That is a year ago.

Q That hasn't anything to do with the land as far as you know, does it?

A No, not that I can say now.

Q But you based your approval of that expenditure, upon someone having approved it to you, is that true?

A No.

Q How do you know that that was an expenditure, to be earned by that individual for service rendered?

A Well, we don't know any more than we have had confidence in the man. He has always performed.

Q And what kind of work does he perform?

A He is in the investigation of natural gas, on lands up in the northern part of the state.

Q And then the next item on that page, is for payment for services?

A Yes.

Q To whom was that paid?

A Apparently paid to Earl W. Munshaw.

Q Do you know what those services were?

A Those are in connection with tax title matters.

Q Do you know the address of Mr. Earl W. Munshaw?

A I think it is the Michigan Trust Building, Grand Rapids.

Q In Grand Rapids?

A Yes.

Q And then the items of a similar nature, such as the fourth item, that is to whom?

A The Sheriff at Kalkaska County

Q And for the purpose of--

A Serving notices.

Q And all of the other individual entries in there, are of a similar nature?

A I would not say, but I would think so.

Q Largely and almost generally, we will say, for the purpose of clearing titles to land, and obtaining registration of deeds and so forth?

A Yes.

COMMISSIONER SCHEMANSKE: Is an itemized statement furnished, Mr. Watkins for the work furnished with any one of these particular individuals?

A I think usually they are furnished.

COMMISSIONER SCHEMANSKE: Usually.

A Yes.

COMMISSIONER SCHEMANSKE: Aren't they generally?

A Yes, I would say so, generally, some of them. They might not have furnished an itemized statement.

COMMISSIONER SCHEMANSKE: In other words, if an attorney files a claim, does he give you the hours of work he does for research work, or for particular job that he has performed services?

A I don't know as he gives me the hours, I would not say that always they did.

CHAIRMAN TODD: Mr. Watkins, do you know Earl W. Munshaw?

A I have not seen Mr. Munshaw for two years, I don't believe, not I would not know him if he came in the door this minute.

CHAIRMAN TODD: Do you know whether the Earl W. Munshaw to whom your department paid \$199.50, is Senator Earl Munshaw?

A I do not.

CHAIRMAN TODD: You do, however, know that his business address--

MR. ONEN: I would like to make this objection, is that material to the issue that is before the Commission at this time, Mr. Todd?

MR. CLARDY: What difference does it make?

CHAIRMAN TODD: I believe the question is material.

MR. ONEN: I would like to ask you where it is material to a claim that is made concerning the rates of the Consumers Power Company, and I would like to have you state on the record whether it is material.

CHAIRMAN TODD: The sum paid for this alleged services, if paid to Earl W. Munshaw, was capitalized as cost of land.

MR. HOLMES: You are mistaken about that, D-847 does not go in the capital account.

CHAIRMAN TODD: That is right, I beg your pardon, I stand corrected. It was set up as an operating expense.

MR. HOLMES: That is right.

CHAIRMAN TODD: But at that time, if the information we can get is correct, Earl W. Munshaw was in Lansing, in the Senate, the Senate then being in session. He was then a member of the Senate Utilities Committee.

MR. CLARDY: How do you know that, and how does the record show that? There is nothing in the record, Mr. Chairman, I call your attention to that fact now, when you make that statement, there is nothing in the record that indicates that the facts are as you have recited them.

CHAIRMAN TODD: The witness just stated that the address of Earl W. Munshaw was the---

MR. CLARDY: That is now what I refer to.

CHAIRMAN TODD: The Michigan Trust Building.

MR. CLARDY: That is now what I refer to. There is no foundation in the record at least for your statement to the effect that Mr. Munshaw was in Lansing at the time covered by the item here. Furthermore, it would not be material anyway.

CHAIRMAN TODD: I happen to know that to be the fact, since I was in Lansing myself.

MR. ONEN: Mr. Todd, may I make this suggestion to you, the undisputed testimony shows that the services rendered were in connection with non-operating revenue, so will you tell us where that is material here in the determination of rates?

CHAIRMAN TODD: Because if this sum was paid, and charged to operating expense, and services were not actually performed, due to the fact that Earl W. Munshaw was then working for the State of Michigan in the senate, then the operating expense would have been perhaps increased by \$199.50, for the month of June.

MR. ONEN: If it has no bearing upon operating revenue--

CHAIRMAN TODD: Without that sum being properly applicable to operating expense.

MR. ONEN: That is the reason you think it is material in this proceeding, to ask this witness if he knows whether the Earl W. Munshaw was the State Senator, is that right.

CHAIRMAN TODD: I attempted through him to identify Earl W. Munshaw.

MR. ONEN: You had him identified yesterday, didn't you, from another witness?

CHAIRMAN TODD: The other witness said he did not know whether Earl W. Munshaw was Senator Munshaw.

MR. CLARY: Your Honor is not at all questioning the fact ~~that~~ that the services were performed, are you? And I ask you, is there anything in the record that shows that the services were not performed?

COMMISSIONER SCHEMANSKE: That is not the question. The question is yesterday, if I remember correctly, Mr. Mayotte testified that this particular money was paid for the collection of moneys.

MR. CLARDY: Rents, and then he said he was not sure, it was in connection with real estate transactions of some sort.

COMMISSIONER SCHEMANSKE: Mr. Watkins says it is what, in connection with what?

A Taxes, delinquent taxes.

COMMISSIONER SCHEMANSKE: Delinquent taxes?

A Yes.

MR. CLARDY: If you will read the record, Commissioner Schemanske,--

PSF: Campaign 1940

9/21
[1939]

From letter to Mrs. Roosevelt from Martha Strayer
1721 Massachusetts Avenue
Washington, D.C.

.....As one of President Roosevelt's most ardent admirers, the third term talk worries me a lot. I don't think anybody can replace him, but I do feel that if he were elected a third time he'd probably be a sacrifice like Woodrow Wilson, and it would be hard to bear that for him; I mean it would be hard for those of us who love him from a distance to see him stymied and crucified as he undoubtedly would be.

PSF; Campaign 1940

WILLIAM E. SWEET
U. S. NATIONAL BANK BUILDING
DENVER

File Personal
November 14, 1939

My dear Mr. President:

Enclosed I am sending you a copy of my letter of this date to Mr. McAdoo, occasioned by his interview with the United Press which appeared in the morning paper. I am also sending copies to Messrs Ickes, Cohen and Corcoran.

It is hardly necessary for me, my dear Mr. President, to tell you of my absolute loyalty to you and to the cause which you represent. You know this fact without my dwelling on it. The within letter is written to point out what I conceive would be your experience as a third term President in the White House, and the loss which the country would sustain in having your leadership thus circumscribed.

You committed yourself heart and soul to politics when you left the law, and you have risen to the greatest position this country can give you. You can go straight on in your fight for liberalism so long as God gives you strength to do so, and you are not hampered in any way.

Why not then, Mr. President, put yourself in the place where you can make the most effective fight? I do not believe it is in the White House for a third term. I have no objection whatever to a third term. The third term per se does not weigh with me at all, but your future as a great liberal leader and the future of American democracy do weigh with me. Therefore, I have been impelled to send you this letter with copy of my letter to Senator McAdoo.

About ten days ago I was in Washington and had a very pleasant chat with Mr. Cohen. I should have liked very much to greet you but was not willing to take a moment of your time, even

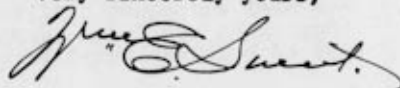
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though to have done so would have given me great pleasure.

I saw Attorney General Murphy for about five minutes. I had never met him before, and I wish that it were possible for him to be considered in connection with the Presidential candidacy.

With kind regards and best wishes,

Very sincerely yours,



WES:S

Enc.

The President
The White House
Washington, D. C.

P. S. Mr. Hoover is still a power in the Republican Party. What with his radio addresses, his interviews with the press, his speeches on occasion, he has kept his name before the people. This is what I mean by your following somewhat the method of our former President.

W. E. S.

November 14, 1939

Hon. William Gibbs McAdoo
c/o American President Lines
San Francisco, California

My dear Senator McAdoo:

This morning I read your interview concerning a third term for President Roosevelt with great interest. Mr. Roosevelt has had no more loyal and enthusiastic supporter than myself, and up to four months ago I was as ardent a third termer as could be found anywhere in the country.

On a recent visit to Washington I had a very pleasant conversation with Secretary Ickes and Messrs. Corcoran and Cohen on this subject. The latter two gentlemen wanted me to take a very specific part in the approaching campaign, which I agreed to do. The war, however, changed the complexion of things very much.

As to a third term, I have changed my mind, and I want you to know why I have done so. According to the Rocky Mountain News you say: "The people will force renomination." I think that might be the case. On the other hand when the war is over and the fight begins again on the President the people if they had the power, would move to recall him. With the House and Senate against him, and especially because he would be a third-term, the President would be hounded to death.

The above is written with the idea that the President, if nominated, would be elected. He could not carry Congress with him even though he carried the Democratic Party, and it is doubtful if he would have the united support of our party after his election because there is a very determined opposition to him which brooks no compromise. Not to stand for a third term might call for the

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November 14, 1939

W. G. M. -2-

Nov. 14, 1939

greatest renunciation on the part of President Roosevelt but I think he should make it, because there is a place of leadership for Mr. Roosevelt not only in this country but throughout the world, which, as a private citizen, he would have - but not if he were to accept a third term. Mr. Roosevelt, if reelected, would be a lonely figure and it is from this I should like to have him saved.

I do not think your interview with the United Press places sufficient stress on the President as the political leader of the future. Let me elucidate this point somewhat. The President is undoubtedly the liberal leader of this country and being out of the White House at the end of 1940 he would be a much stronger leader than he could be as President with Congress against him. His present very great popularity, to which you refer, is due to his successful leadership in securing the repeal of the embargo, but when the war closes certain groups will turn against him as fiercely as ever.

I should hope that the President might control the Democratic Convention for such leaders as he would like to have. Frankly I do not believe that any Democrat, except Mr. Roosevelt, could be elected. If a Republican comes into office he will have to administer the affairs of the presidency in a country that would be in an economic tailspin, for it is my firm belief that the moment this war closes our country will revert to its economic status before the war started. I am not one who believes that industry had started on the upgrade to any considerable extent before the war began, so that we could count on anything definite. It was just one of those sporadic movements which have happened now and then in recent years.

President Roosevelt should be the one to whom the liberal forces of the country would look for an organized effort to recapture the country in 1944 for the ideals of the New Deal. Then would be

...like to have him
...to receive a thing like
...in this country, he would have - on
...of these or less than for Mr. Hoover
...I think he would make it, present
...on the part of himself

M. G. W. -3-

Nov. 14, 1939

W. G. M. -3-

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the President's time. Let him conduct himself
much as Mr. Hoover has done. I want him on the
outside looking in rather than a lonely figure
in the White House looking out and brooding
over his isolation.

With best wishes and kind regards,

Very sincerely yours,

PSF: Campaign 1940
File personal

See

CORNELIUS D. SCULLY
MAYOR



CITY OF PITTSBURGH

October 14, 1940.

The President
White House
Washington, D.C.

My dear Mr. President:

Your speech on Saturday night, because of my recent happy meeting with you, had a more personal note.

You asked me, while we were enroute, whether or not I thought you were campaigning in the right way. I most enthusiastically do, and believe that speech will go a long way toward convincing the independent voters that you are necessary in this picture for the next four years.

Most sincerely yours,

Cornelius D. Scully

CDS/ang

CORNELIUS D. SCULLY
Mayor

THE WHITE HOUSE
OCT 16 12 05 PM '40
RECEIVED

PSF: Campaign 1940

See notes
3-40

Aboard Presidential Special
December 3, 1940.

Dear Carl Sandburg:-

I have not had a chance since the election to tell you really and truly how much that broadcast of yours closing the 1940 campaign meant to me. You are such a very understanding soul and can make allowances with fairness for the weaknesses and frailties of human nature that you are one of the few people who can truly understand the perplexities, the complications, the failures and the successes of what goes on in Washington today.

It is amazing that the independent voters of America -- an increasing number of them -- many of them without real education -- do have that final ability to decide our fate and the country's fate "in the deep silence of their own minds".

If you are in Washington, do run in and see me.

As ever yours,

*ASF
Campaign 1940*

UNITED STATES OF AMERICA
IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA

VS

RALPH W. CLARK, W. A. BERTKE
and CONSUMERS POWER COMPANY.

No. 24,132

- 1937, Feb. 24 Indictment filed, subsequent thereto Andrew
G. Baird appeared as attorney for Consumers
Power Co.
- 1940, Jan. 18 Verdict of guilty as charged returned by
the jury after trial
- Jan. 29 Defendant Clark sentenced to pay a fine of
\$1000; defendant Berthke sentenced to pay
a fine of \$1000; Consumers Power Company
sentenced to pay a fine of \$5000.
- Apr. 10 Certified copy of order by the Circuit
Court of Appeals dismissing appeal filed.
- Attached is copy of indictment.

Vio: Sec. 37 C.C.

IN THE DISTRICT COURT OF THE UNITED STATES
FOR THE EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

Of the November Term, A.D. 1936.

Eastern District of Michigan)
Southern Division) ss

The Grand Jurors of the United States of America empaneled and sworn in the District Court of the United States for the Eastern District of Michigan, Southern Division, and inquiring for that District, upon their oaths and affirmations present and charge: That

RALPH W. CLARK,
W. A. BEHTEK, and
CONSUMERS POWER COMPANY, a Corporation organized
under the laws of the State of Maine with its
principal office at the City of Jackson, in the
State of Michigan.

late of the Division and District aforesaid, hereinafter referred to as defendants, and CLEMENTI MASSIE, alias John Samra, alias Jim Pietro, PETER MORAINO, GILBERT WILLICK, EDWARD STOLZENFELD, ELSIE KRAMER HOGUE, JAMES BLACK, JOE VENTIMIGLIA, BENNY BONGIORNO, ANTHONY GRAISATICO, LESLIE MORAIN, MELVIN SCHURIG, EDWARD A. BRAASCH, HELEN FIERZ and FLOYD SHAFLEY, hereinafter referred to as co-conspirators² but not defendants herein, and divers other persons to these Grand Jurors unknown, did, in the Eastern District of Michigan, Southern Division, and within the jurisdiction of this Honorable Court, from, to-wit: the 1st day of June, A. D. 1934, to and including the time of the filing of this indictment, unlawfully, feloniously, knowingly and wilfully conspire, combine, confederate, arrange and agree together and each with the other to commit at the times aforesaid at, to-wit: 22634 Madison Boulevard, St. Clair Shores, Michigan; 22465 Pointe Drive, St. Clair Shores, Michigan; 22409 Pointe Drive, St. Clair Shores, Michigan; 22808 Deanehurst Street, Clinton Township, Macomb County, Michigan; 334 Dale Street, Centerline, Michigan; 6225 Washington Street, Warren, Michigan; and 33406 Otto Street, Fraser, Michigan; all within the Eastern District

of the Southern Division of the State of Michigan, and within the jurisdiction of this Honorable Court, an offense against the laws of the United States, that is to say, that the said aforementioned defendants and co-conspirators would, during the aforementioned time and at the aforementioned places, unlawfully, knowingly, wilfully and feloniously possess and cause to be possessed, keep in custody, control and cause to be controlled certain stills and distilling apparatus for the production of distilled spirits, and would set up and cause to be set up the said aforementioned stills and distilling apparatus without having the same registered as required by law; contrary to the form, force, and effect of the Act of Congress in such case made and provided, namely: Section 3259 Revised Statutes, and against the peace and dignity of the United States.

And the Grand Jurors do further charge and present: That in furtherance of, and in execution of, and for the purpose of carrying out and effecting the object and design of the said aforementioned conspiracy, the said aforementioned defendants and co-conspirators did and committed the following overt act:

I.

During, to-wit: the fall of 1934, at, to-wit: The City of Mt. Clemens, in the County of Macomb, in the Eastern District of the Southern Division of the State of Michigan, and within the jurisdiction of this Honorable Court, the defendant W. A. BERTKE ordered the co-conspirator FLOYD SHAFLEY to install a gas line to the premises located at, to-wit: 22634 Madison Boulevard, St. Clair Shores, Michigan.

Contrary to the form, force, and effect of the Act of Congress in such case made and provided and against the peace and dignity of the United States.

SECOND COUNT:

And the Grand Jurors aforesaid, do further present: That heretofore, to-wit: between the 1st day of June, A. D. 1934, and the date of the filing of this indictment, the said defendants, RALPH W. CLARK, W. A. BERTKE, and CONSUMERS POWER COMPANY, a Corporation organized

under the laws of the State of Maine with its principal office at the City of Jackson, in the State of Michigan, all late of the Division and District aforesaid, hereinafter referred to as defendants, and CLEMENTI MASSE, alias John Samra, alias Jim Pietro, PETER KOMATINC, GILBERT WILICK, EDWARD STOLZENFELD, LESLIE KRAMER HOGUN, JAMES BLACK, JOE WESTINGHIA, BENNY BONGIORNO, ANTHONY GRAMMATICO, IERLIE MCWAIN, MELVIN SCENRIG, EDWARD A. WRAASCH, HELEN FINKZ and FLOYD SELFLEY, hereinafter referred to as co-conspirators but not defendants herein, and divers other persons to these Grand Jurors unknown, did, in the Eastern District of Michigan, Southern Division, and within the jurisdiction of this Honorable Court, unlawfully, feloniously, knowingly and wilfully conspire, combine, confederate, arrange and agree together and each with the other to commit at the times aforesaid, at, to-wit: 22634 Madison Boulevard, St. Clair Shores, Michigan; 22465 Pointe Drive, St. Clair Shores, Michigan; 22409 Pointe Drive, St. Clair Shores, Michigan; 23202 Deanhurst Street, Clinton Township, Macomb County, Michigan; 334 Dale Street, Centerline, Michigan; 6225 Washington Street, Warren, Michigan; and 33406 Otto Street, Fraser, Michigan; all within the Eastern District of the Southern Division of the State of Michigan, and within the jurisdiction of this Honorable Court, an offense against the laws of the United States of America, that is to say, that the said aforementioned defendants and co-conspirators would, during the aforementioned time and at the aforementioned places, unlawfully, knowingly, wilfully and feloniously make and ferment and cause to be made and fermented large quantities of mash, wort, and/or wash, to-wit: 28,750 gallons of mash, a mixture and compound fit for distillation and the production of distilled spirits, in buildings and on premises which would not be then and there distilleries or premises and buildings duly authorized and designated according to law as distilleries; contrary to the form, force, and effect of the Act of Congress in such case made and provided, namely: Section 3262 Revised Statutes, and against the peace and dignity of the United States.

And the Grand Jurors do further charge and present: That in furtherance of, and in execution of, and for the purpose of carrying out

and effecting the object and design of the said aforementioned conspiracy the said aforementioned defendants and co-conspirators did and committed the following overt act:

I.

On or about the 27th day of February, A. D. 1936, in the City of Mt. Clemens, in the County of Macomb, in the Eastern District of the Southern Division of the State of Michigan, and within the jurisdiction of this Honorable Court, the defendant W. A. BERTKE ordered the co-conspirator EDWARD A. BRAASCH to collect a One Hundred Fifty Dollar (\$150.00) deposit for gas service to be installed at, to-wit: 354 Dale Street, Centerline, Macomb County, Michigan.

Contrary to the form, force, and effect of the Act of Congress in such case made and provided and against the peace and dignity of the United States.

THIRD COUNT:

And the Grand Jurors aforesaid do further present: That heretofore, to-wit: between the 1st day of June, A. D. 1934, and the date of the filing of this indictment, the said defendants, RALPH W. CLARK, W. A. BERTKE, and CONSOLIDATED POWER COMPANY, a Corporation organized under the laws of the State of Maine with its principal office at the City of Jackson, in the State of Michigan, all late of the Division and District aforesaid, hereinafter referred to as defendants, and CLEMENTE MASSIE, alias John Samra, alias Jim Pietre, PETER MORAINO, GILBERT WILLOCK, EDWARD STOLZENFELD, ELSIE KRAMER HOGUE, JAMES BLACK, JOE VENTIMIGLIA, BENNY BONGIORNO, ANTHONY GRAMMATICO, LESLIE McWAIN, MERVIN SCHURIO, EDWARD A. BRAASCH, HELEN FIERZ and FLOYD SHAFLEY, hereinafter referred to as co-conspirators but not defendants herein, and diverse other persons to these Grand Jurors unknown, did, in the Eastern District of Michigan, Southern Division, and within the jurisdiction of this Honorable Court, unlawfully, feloniously, knowingly and wilfully conspire, combine, confederate, arrange and agree together and each with the other to commit at the times aforesaid at, to-wit: 22634 Madison Boulevard, St. Clair Shores, Michigan; 22465 Pointe Drive, St. Clair Shores, Michigan; 22409 Pointe Drive, St. Clair Shores, Michigan; 23202 Deanhurst

Street, Clinton Township, Macomb County, Michigan; 334 Dale Street, Centerline, Michigan; 6225 Washington Street, Warren, Michigan; and 33406 Otto Street, Fraser, Michigan; all within the Eastern District of the Southern Division of the State of Michigan, and within the jurisdiction of this Honorable Court, an offense against the laws of the United States of America, that is to say, that the said aforementioned defendants and co-conspirators would, during the aforementioned time and at the aforementioned places, unlawfully, knowingly, wilfully and feloniously engage in and carry on the business of distillers without having given bond as required by law and with the intent on the part of the said aforementioned defendants and co-conspirators to defraud the government of the United States of America of the tax on the spirits which would be distilled by the said aforementioned defendants and co-conspirators; contrary to the form, force, and effect of the Act of Congress in such case made and provided, namely: Section 3281 Revised Statutes, and against the peace and dignity of the United States.

And the Grand Jurors do further charge and present: That in furtherance of, and in execution of, and for the purpose of carrying out and effecting the object and design of the said aforementioned conspiracy, the said aforementioned defendants and co-conspirators did and committed the following overt act:

I.

On or about the 15th day of January, A. D. 1935, at the City of Mt. Clemens, in the County of Macomb, in the Eastern District of the Southern Division of the State of Michigan, and within the jurisdiction of this Honorable Court, the defendant RALPH W. CLARK met co-conspirator CLEMENTI MASSIE, alias John Samra, alias Jim Pietro.

Contrary to the form, force, and effect of the Act of Congress in such case made and provided and against the peace and dignity of the United States.

FOURTH COUNT:

And the Grand Jurors aforesaid, do further present: That heretofore, to-wit: between the 1st day of June, A. D. 1934, and the

date of the filing of this indictment, the said defendants, RALPH W. CLARK, W. A. BENTLEY, and CONSUMERS POWER COMPANY, a Corporation organized under the laws of the State of Maine with its principal office at the City of Jackson, in the State of Michigan, all late of the Division and District aforesaid, hereinafter referred to as defendants, and CLEMENTE MASSIE, alias John Samra, alias Jim Pietro, PETER MORAINO, GILBERT WILLICK, EDWARD STOLZENFELD, ELISIE KRAMER HOGUE, JAMES BLACK, JOE VERTIMIGLIA, HENRY BONGIORNO, ANTHONY GRAMMATICO, LESLIE MCWAIN, MELVIN SCHURIG, EDWARD A. BRAASCH, HELEN FIERKE and FLOYD SHAFLEY, hereinafter referred to as co-conspirators but not defendants herein, and diverse other persons to these Grand Jurors unknown, did, in the Eastern District of Michigan, Southern Division, and within the jurisdiction of this Honorable Court, unlawfully, feloniously, knowingly and wilfully conspire, combine, confederate, arrange and agree together and each with the other to commit at the times aforesaid, at, to-wit: 22634 Madison Boulevard, St. Clair Shores, Michigan; 22465 Pointe Drive, St. Clair Shores, Michigan; 22409 Pointe Drive, St. Clair Shores, Michigan; 23202 Deanhurst Street, Clinton Township, Macomb County, Michigan; and 334 Dale Street, Centerline, Michigan; all within the Eastern District of the Southern Division of the State of Michigan, and within the jurisdiction of this Honorable Court, an offense against the laws of the United States of America, to-wit: Section 201, Title II of the Liquor Taxing Act of 1934, that is to say, that the said aforementioned defendants and co-conspirators would, during the aforementioned times and at the aforementioned places, unlawfully, knowingly, wilfully and feloniously possess and cause to be possessed a large quantity of distilled spirits, to-wit: 4300 gallons of distilled spirits, the immediate containers thereof not having affixed thereto a stamp or stamps denoting the quantity of distilled spirits contained therein and evidencing payment of all Internal Revenue Tax imposed on said spirits; Contrary to the form, force, and effect of the Act of Congress in such case made and provided, namely: Section 201, Title II of the Liquor Taxing Act of 1934, and against the peace and dignity of the United States.

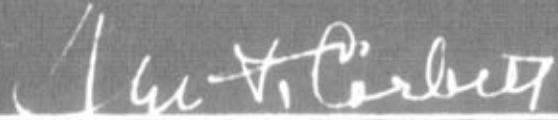
And the Grand Jurors do further charge and present: That in furtherance of, and in execution of, and for the purpose of carrying out and effecting the object and design of the said aforementioned conspiracy, the said aforementioned defendants and co-conspirators did and committed the following overt act:

I.

On or about the 28th day of February, A. D. 1936, in the City of Mt. Clemens, in the County of Macomb, in the Eastern District of the Southern Division of the State of Michigan, and within the jurisdiction of this Honorable Court, the defendant W. A. BERTKE ordered co-conspirator FLOYD SHAFLEY to install gas service at, to-wit: 33406 Otto Street, in the Village of Fraser, in the County of Macomb, in the Eastern District of the Southern Division of the State of Michigan, and within the jurisdiction of this Honorable Court.

Contrary to the form, force, and effect of the Act of Congress in such case made and provided and against the peace and dignity of the United States.


United States Attorney


Assistant United States Attorney
Eastern District of Michigan.

No. 24132

UNITED STATES DISTRICT COURT

EASTERN District of MICHIGAN

SOUTHERN Division

THE UNITED STATES OF AMERICA

vs.

RALPH W. CLARK, W. A. BERTKE, and
 CONSUMERS POWER COMPANY, a Corp-
 oration organized under the laws
 of the State of Maine with its
 principal office at the City of

INDICTMENT

Jackson, in the State of Michigan.

Secs. 37 C.C., Secs. 3258, 3282 and
 3281 R.S. and Sec. 201, Title II of
 the Liquor Taxing Act of 1934.

A true bill.

Hydes J. Niles

Foreman.

Presented to the Court this day

of 27 A.D. 1937

FEB 24 1937

Bail,

Edmund H. [Signature]

Clerk.

Barring F.R., Democrats in Iowa for Hull

By C. C. Clifton.

President Roosevelt is the overwhelming choice of Iowa Democratic party leaders for a third term presidential nomination.

There isn't much of a news in that, because it only confirms what Democrats were saying when they gathered here for their Jackson-day dinner.

But there's a wallop in whom they favor if Roosevelt isn't their candidate. He isn't Henry Wallace of Iowa, or Clyde Herring of Iowa, or Jim Farley, or Jack Garner, or Paul McNulty.

He is Secretary of State Cordell Hull of Tennessee!

Confirmation that Iowa organization Democrats favor Roosevelt for renomination, and indication that Hull is their second choice now, come in answers to a questionnaire by The Des Moines Sunday-Register.

The questionnaire was sent to Democrats and Republicans asking them to tell in secret their first, second and third choices for the 1940 presidential nominations, and to state whom they would like to see receive their party's nomination for governor this year.

Results.

Results of the poll on the Democratic presidential nomination preference have been tabu-

Hull—first choice of large

Continued on page four.

HULL IS SECOND CHOICE IN IOWA

But Top Democrats Want Roosevelt

Hull—

Continued from Page 1.

lated, and are published in detail today. Results of the poll of Republican presidential sentiment will be published next Sunday, Jan. 28. Results of the polls on choice for governor in both parties will be published the following Sunday, Feb. 4.

The questionnaires were sent to the Democratic and Republican state central committees, the delegates to the 1936 national conventions, and the men and women county chairmen in the 99 Iowa counties.

Large Response.

Response to the poll was exceptionally large, indicating keen interest in the nominations to be made this year.

Giving a first choice ballot five points, a second choice vote three points, and a third choice vote one point, the standings of the men receiving votes was:

Franklin D. Roosevelt	433
Cordell Hull	194
Henry A. Wallace	86
James A. Farley	85
Clyde L. Herring	54
Paul V. McNutt	53
John N. Garner	44
Burton K. Wheeler	21
Alfred E. Smith	8
Alben W. Barkley	6
William O. Douglas	3
Harry L. Hopkins	4
Bennett Clark	4
Frank Murphy	1

Hull also ran next to the president in number of first choice votes. The votes for all men in the poll, detailed into first, second and third choice, by preferences of county chairmen, state committeemen and 1936 delegates are given in an accompanying table.

First Choice Ballots.

Only nine men received first choice ballots. President Roosevelt, first choice of 81 voters, received three times as many first choice ballots as the other eight combined. Hull received 12 first choice votes; Herring five; McNutt three; Garner and Farley two each; and Wallace, Smith and Douglas one each.

Secretary Wallace, who made the best showing of any of the Iowans in the weighted results, obtained his high point ranking by being a consistent third choice among the balloters.

Although Wallace received only one first choice vote, he received 33 third choice votes against 20 for Hull and 19 for Farley. On second choice votes, Hull led with 38; Farley was second with 17; and Wallace third with 16.

Some Surprises.

Some persons doubtless would be surprised to learn that 27 Iowa organization Democrats favor another man than President Roosevelt for the presidential nomination.

Equally surprising is the poll's indication of weakness in

How Party Chiefs Voted

Following is the detailed tabulation of the votes cast by Iowa organization Democrats in a poll of their sentiment on the 1940 presidential nomination.

County Chairmen.

	First Choice	Second Choice	Third Choice
Franklin D. Roosevelt	84	4	0
Cordell Hull	7	24	13
Henry A. Wallace	1	11	26
James A. Farley	1	11	10
Clyde L. Herring	3	3	6
Paul V. McNutt	2	7	9
John N. Garner	1	7	5
Burton K. Wheeler	0	4	2
Alfred E. Smith	0	1	0
Alben W. Barkley	0	0	3
William O. Douglas	1	0	0
Harry L. Hopkins	0	0	1
Bennett Clark	0	0	0
Frank Murphy	0	0	0

State Central Committee.

	First Choice	Second Choice	Third Choice
Franklin D. Roosevelt	5	0	1
Cordell Hull	1	2	1
Henry A. Wallace	0	0	1
James A. Farley	1	3	1
Clyde L. Herring	0	0	0
Paul V. McNutt	0	0	0
John N. Garner	0	0	2
Burton K. Wheeler	0	0	0
Alfred E. Smith	0	0	0
Alben W. Barkley	0	0	0
William O. Douglas	0	0	0
Harry L. Hopkins	0	1	0
Bennett Clark	0	0	0
Frank Murphy	0	0	0

1936 Delegates.

	First Choice	Second Choice	Third Choice
Franklin D. Roosevelt	23	3	1
Cordell Hull	4	12	6
Henry A. Wallace	0	5	6
James A. Farley	0	3	8
Clyde L. Herring	2	4	2
Paul V. McNutt	1	2	2
John N. Garner	1	1	3
Burton K. Wheeler	0	2	1
Alfred E. Smith	0	0	0
Alben W. Barkley	0	1	0
William O. Douglas	0	0	0
Harry L. Hopkins	0	0	0
Bennett Clark	0	1	1
Frank Murphy	0	0	1

Iowa of Garner and Farley and Secretary of Commerce Harry L. Hopkins. Hopkins, born in Sioux City, Ia., and reared in Grinnell, Ia., re-established an Iowa residence after his appointment to the cabinet. But he wasn't in the running in the poll.

Only an occasional voter gave any expression of third term attitude. The others just voted for another Roosevelt nomination.

"I am not sold on a third term," one county chairman said, "but if world conditions stay as they are now, it would be folly to change presidents. It is better to keep a president who is in the know of conditions as they stand than to get a new one who must first adjust himself to them, even if we are not sold on a third term."

View on Wallace. Another chairman, who said he likes Wallace, explained he favors a third term for the president

partly because he is sure the president would keep Wallace in the cabinet.

"If Wallace is permitted to carry on for four more years," the chairman argued, "his efforts in the past seven years will be bearing enough good fruit by the end of the period that the whole country—consumers as well as producers—will draft him."

G.O.P. CHIEFS OF IOWA VOTE ON FAVORITES

Register, Jan. 28
Dewey Is Highest;
Vandenberg Next.

By C. C. Clifton.

The commonly regarded "Big Three" in the pre-convention race for the 1940 Republican presidential nomination—Dewey, Vandenberg and Taft—monopolized votes of Iowa Republican party leaders in a poll by The Des Moines Sunday Register.

They finished that way in the final results of the voting on presidential preference, by Iowa Republican county chairmen, state central committeemen and delegates to the 1936 national convention, as shown in the following figures in voting.

On a point basis, giving a first choice ballot 15 points, a second choice 8 and a third choice 1, Thomas E. Dewey, the racket busting New York, N. Y., district attorney, was first.

In second place was United States Senator Arthur H. Vandenberg of Michigan. Third place went to United States Senator Robert A. Taft of Ohio.

Standing of the 16 men who received votes on a point basis was:

Thomas E. Dewey	437
Arthur H. Vandenberg	342
Robert A. Taft	177
Hanford MacNider	82
Herbert Hoover	60
Frank Gannett	39
John W. Bricker	37
Stacy Bridges	28
Charles L. McNary	27
Cahot Lodge	15
Joseph W. Martin	11
Alfred M. Landon	10
Charles A. Lindbergh	7
L. J. Dickinson	5
Frank Knox	5
James W. Wadsworth	5

Dewey, Vandenberg, between whom the contest for the 22 Iowa delegates to the Republican national convention is believed to lie, and Taft, who may be strong enough to influence Iowa's sending an uninstructed delegation, got two-thirds of the point strength.

The big surprise, however, is the following among Republican captains in his home state for Col. Hanford MacNider of Mason City, Ia., and former President Herbert Hoover, who was born at West Branch, Ia.

MacNider was in fourth place and Hoover in fifth place, right behind the "big three" but not with nearly as large a vote as any of the leaders.

Possible Deadlock.

The movement behind for the presidential nomination, which started, didn't contemplate, ning, any drive delegation for

It was "by

FEEL PRESIDENTIAL FAVORITES

Iowa G. O. P. Chiefs Polled

GOOD SHOWING BY MAC NIDER

Iowan Is First Choice
of Ten Voters.

G.O.P.

Continued from Page 1.

get a favorite son instruction for a first ballot at least. MacNider got 10 first choice votes in the poll, only four less than Taft. Some of them were emphatic ones.

"Different slant," said one of them for Jack 100 per cent, and "don't give a damn who knows," said one Republican county chairman. "He'll give us a little different slant on this syndicalist Republican-Democratic combination we have to contend with now. You know how Jack can do that, since he has plenty of just plain courage combined with horse sense."

Several Republican leaders said they voted for other candidates than Hoover although they personally would like to see Hoover nominated.

"Hoover still is the smartest man in the United States," wrote one county chairman, who cast his first choice ballot for the former president. Another Republican, a farmer, who was a 1936 delegate, wrote:

"I think Hoover is by far the ablest and best man we have. But I am of the opinion that popular prejudice against him is too great, so I am listing other choices on my ballot."

Bricker, Burns, Well, Dewey led on first choice ballots with 60, against 41 for Vandenberg, 34 for Taft, 30 for MacNider, eight for Hoover, and the remainder scattered.

Surprising to many persons, no doubt, were the votes cast for Gov. John W. Bricker of Ohio, who has deferred to Senator Taft as the favorite son of the "Mother of Presidents" state.

Bricker's name was on the ballot mailed to the Republican party chiefs for the purpose of discovering how much latent Bricker sentiment there is among them. He polled three first choice ballots, four seconds and 30 thirds.

Four other men, whose names were not on the printed ballot received write-in votes. They are Representative Joseph W. Martin of Massachusetts, the house minority leader; Representative James W. Wadsworth of New York; former United States Senator L. J. Dickinson of Iowa, and Col. Frank Knox of Chicago.

How G.O.P. Chiefs Voted

The following is the detailed tabulation of the votes cast by Iowa Republican leaders in the poll of their sentiment on the 1940 presidential nomination.

	First Choice	Second Choice	Third Choice
Thomas E. Dewey	51	30	12
Arthur H. Vandenberg	30	30	16
Robert A. Taft	10	17	21
Hanford Mac Nider	6	6	7
Herbert Hoover	8	1	6
Frank Gannett	2	4	12
John W. Bricker	1	2	2
Styles Bridges	3	0	4
Charles L. McNary	1	2	4
Cabot Lodge	1	2	4
Joseph W. Martin	1	0	1
Alfred M. Landon	1	1	2
Charles A. Lindbergh	2	1	1
L. J. Dickinson	0	0	0
Frank Knox	0	0	0
James W. Wadsworth	0	0	0

	First Choice	Second Choice	Third Choice
Thomas E. Dewey	3	0	1
Arthur H. Vandenberg	4	2	0
Robert A. Taft	2	2	2
Hanford Mac Nider	1	1	3
Herbert Hoover	0	0	0
Frank Gannett	0	0	0
John W. Bricker	1	1	2
Styles Bridges	0	0	0
Charles L. McNary	1	0	0
Cabot Lodge	0	0	0
Joseph W. Martin	0	0	0
Alfred M. Landon	0	0	0
Charles A. Lindbergh	0	0	0
L. J. Dickinson	0	0	0
Frank Knox	0	0	0
James W. Wadsworth	0	0	0

	First Choice	Second Choice	Third Choice
Thomas E. Dewey	6	6	6
Arthur H. Vandenberg	6	4	1
Robert A. Taft	2	7	1
Hanford Mac Nider	0	0	1
Herbert Hoover	0	1	2
Frank Gannett	0	0	2
John W. Bricker	1	1	6
Styles Bridges	1	1	1
Charles L. McNary	0	2	1
Cabot Lodge	0	0	0
Joseph W. Martin	0	0	0
Alfred M. Landon	0	0	0
Charles A. Lindbergh	0	0	0
L. J. Dickinson	0	0	0
Frank Knox	0	0	0
James W. Wadsworth	0	0	0

go, Ill., the 1936 Republican vice presidential nominee.

One Favore Landon.

Former Gov. Alfred M. Landon of Kansas, the 1936 presidential nominee, got only one first choice, one second choice and two third choice votes.

Dewey led Vandenberg as a first choice among the county chairmen, by vote of 51 to 30. Vandenberg, however, led Dewey, 4 to 2, among the state central committee members, and the pair was tied, 7 to 7, among the 1936 national convention delegates.

In the Democratic poll results

published last Sunday, President Roosevelt was the overwhelming first choice of the Democratic county chairmen, state central committeemen and 1936 delegates. Secretary of State Cordell Hull was the undisputed second choice, with Henry Wallace in third place, James A. Farley in fourth and Clyde L. Herring in fifth rank.

Results of the poll of both Republicans and Democrats on 1940 governorship nomination, preference will be published next Sunday.

Willkie Record Won't Stand Up, Says Ex-Utilities Chief

An attack on the presidential candidacy of Wendell L. Willkie was unleashed in Cleveland today by Paul H. Todd of Kalamazoo, Mich., former chairman of the Michigan Public Utilities Commission.

Todd headed the Michigan utilities body in 1937 and 1938 when Commonwealth & Southern Corp. of which Willkie is president, was expanding its Michigan properties through the acquisition of independent companies, between the Ohio line and Lansing. Those properties were merged into Consumers Power Co. of Jackson, Mich., of which Willkie is chairman of the board.

Willkie's record as head of Commonwealth & Southern Corp. will not stand the searchlight of a political campaign, Todd declared as he stopped here between trains to attend a board meeting of the Kelley Ames Co. in Columbus, Ohio.

Willkie's record as vulnerable as his personality and words are reassuring.

Unfair Competition

Sworn statements and testimony given under oath by his subordinates in Commonwealth & Southern Corp. during the last two years indicate that Willkie believes in and practices unfair competition, ruthless political control in Commonwealth & Southern territories, misrepresentation, and exploitation of the public in the marketing of securities.

Todd took issue with statements contained in an article by General Hugh Johnson in the Saturday Evening Post.

"Contrary to Johnson's article," he said, "Willkie acted as head counsel for Commonwealth & Southern at the time of its organization in 1929, at which time securities containing more than a billion dollars worth of water were offered to the public."

The resulting loss to investors in Commonwealth & Southern securities exceeded the Inland and Hopewell disasters in important respects.

The facts are that Willkie is the appealing front man of a New York banking group controlling vast sums of other people's money, invested in holding company securities.

Todd criticized full-page magazine advertisements recently published and said by Willkie to have been written by himself. The advertisements said rates charged for electricity by Commonwealth & Southern were below the average national rates.

Todd said statements were undoubtedly correct as far as volume of total output was concerned, but that they failed to make clear that the "little fellow," the consumer of 40 or 50 kilowatt hours a month, is still paying practically as much as he ever did.

The Michigan man, head of a Kalamazoo firm of manufacturing chemists, also opposed Willkie's candidacy because, he said, his nomination would call attention to some things that ought to be forgotten and revive and stimulate demand for public ownership of power utilities.

Set Wage-Hour Hearing

WASHINGTON (AP)—The Wage-Hour Administration has set July 2 for hearing testimony on recognition of executive and other firms used to describe employees of the publication industries exempted from the labor standards.



PAUL H. TODD

Three Heights Homes Sold by Tri-Borough

BY RAY TURK

Sales of three Heights homes were reported today by the Tri-Borough Realty Co.

K. M. Krantz, head of the concern, sold for Stephen Piotrowski a brick bungalow with eight rooms and two baths at 3535 Washington Boulevard, Cleveland Heights. The purchaser is Leon T. Lindheim, cashier of the Continental Industrial Bank, and the price was given as \$13,000.

Krantz also sold a new brick and stone English colonial in the \$13,500 class on Saybrook Road, University Heights, to A. H. Fried, a motion picture operator. Rosen Williams was the builder.

E. H. Flint of the Tri-Borough office sold a brick American colonial in the \$11,000 class for Ben DeVoe & Co., builders, to William A. Friend, assistant chief clerk at Nela Park.

A new three-unit \$25,000 commercial building to replace one destroyed by fire last spring has been started by Cleveland owners at Market and Wayne Streets, Sandusky.

Two units will be occupied by I. Cohen, ladies' ready-to-wear store, and Lane Millinery. The third is still unrented. Architect Milo S. Holdstein designed the building which will be of limestone in modern style. The R. Hanson Co. of Cleveland has the general contract.

Three new homes have been started by Marquard Home Builders, Inc. in the Munn Road-Warren Road area and three more are planned for lots yet to be acquired. Philip H. Marquard, president, said the six when completed will be placed on the market in the \$6,000 to \$7,000 price bracket.

The Jarmusch Realty Co., formerly at 4329 Pearl Road, has moved to its own newer and larger quarters at 4615 Pearl Road. Arthur Jarmusch is president of the concern which has been conducting a general West Side real estate brokerage the last 20 years.

PORTSMOUTH, N.H.—A truck killed Henry P. Klingman, 79, at the intersection of Portsmouth business map walked into highway.

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From P H Todd

In appraising Wendell Willkie as a tentative for President of the United States, the policies which he has pursued as president of the Commonwealth & Southern in statements which he made in public addresses before he became a candidate for the Presidency, probably should be given more consideration than the statements which he is making now as a candidate for public office.

Mr. Willkie was head counsel for Commonwealth & Southern at the time of its organization in 1929. As a member of the law firm of Weadock & Willkie, Wendell Willkie as head counsel approved the issue of more than ^{\$ 250,000,000} ~~\$1,000,000,000~~ worth of common stock of Commonwealth & Southern, all of which was what is known as "watered stock". Bonds, debentures and preferred stock had been issued in amounts sufficient for all of the properties purchased by Commonwealth & Southern; then, about ~~\$2~~ ^{\$} 250,000,000 worth of common stock were offered in 1929 at \$30.00 per share. Only a portion of this stock was sold to the public before the crash. By the end of the Hoover administration the market value of this stock which had been sold to the public, had declined from \$30 a share to \$2.00 per share, which meant a deflation in market value of over a billion ^{7.} dollars. This was a greater deflation value than the combined losses in the Insull and Hobson promotions. Therefore, Mr. Willkie should be appraised as approving the watering of stock and the sale of watered stock to the public if they will buy it.

During the Roosevelt Administration the Securities and Exchange Act was passed to prevent frauds of the type of the Insull, Hobson and Willkie-approved Commonwealth & Southern promotions. Mr. Wendell Willkie fought the Securities and Exchange Act not bitterly, and in a speech delivered in Detroit on February 29, 1938, he said that this act had been conceived in bitterness, and he showed very great hostility to what he called "the restrictions being placed upon private business."

Mr. Willkie now as a candidate for President, says that the Securities and Exchange Act is a good thing, but as head counsel for a holding company which was exploiting the public in a manner which the Act sought to prevent, he showed great bitterness toward this reform.

Mr. Willkie now says that the Tennessee Valley Authority should be continued but should be modified. In the same speech in Detroit he called the TVA a symbol of the government's attack upon all business. The Tennessee Valley Authority paid Mr. Willkie's company about \$20,000,000 more than the cost of properties which they purchased from Commonwealth & Southern, although Mr. Willkie said in his annual statement that Commonwealth & Southern sustained \$20,000,000 loss. What Mr. Willkie should have said was that the Tennessee Valley Authority paid Commonwealth & Southern 10,000,000 less than depreciated cost plus writeups, or in other words, "watered". The Tennessee Valley Authority is selling electric current to the public at substantially less than Commonwealth & Southern rates. Its net income is doubling each year and will probably continue to rise sharply for another two or

three years, after which time it will level out at a rate that will pay interest and return to the Government the entire cost of the electric power development, the plants and distribution system furnished all flood control, and all navigation improvement included in the Tennessee Valley project. After paying interest, all these costs will have been returned to the Government over a fifty year period.

The Tennessee Valley Authority has been more than fair to the stockholders of the Commonwealth & Southern, and by furnishing cheap electric power and by assisting the farmers in the Tennessee Valley in checking erosion and in making flood control possible throughout the Mississippi Valley, the Tennessee Valley Authority has done a great deal of good. But before he became a candidate for President, Mr. Willkie characterized the TVA as a symbol of the government's hostility to all business.

One of the things perhaps more shocking to the voting public than Mr. Willkie's approval of the sale of the ^{250,000,000} ~~billion~~ dollars worth of watered stock, is the Commonwealth & Southern policy toward government, under Mr. Willkie's management. It has been a matter of policy of Mr. Willkie's company for many years to subsidize government officials, members of State legislatures and party chieftans. The laws of most states make the paying of bribes a felony, but if the legislator or other public official happens to be a lawyer and is given a retainer or given a fee for miscellaneous alleged services rendered, the payment of money to this individual is not a bribe under the law.

Official records containing sworn testimony of Commonwealth & Southern subordinates show that Mr. Willkie's company has paid monthly retainers to members of State legislatures and even to the members of the committees handling utilities legislation. In one case on record, a check was issued for about \$300.00 for a month's so-called services by a member of the Senate Utilities Committee of a state legislature in a state in which Commonwealth & Southern has an important subsidiary. The voucher read "for legal opinions etc." This particular State Senator was one of the oldest members of the Senate Utilities Committee and during this session of the legislature his committee refused to report out four Utilities bills which had been passed by the House by a large majority and sent over to the Senate. This Utilities Committee would not permit a vote on these bills. An attempt was made by Mr. Willkie's company to conceal the payment of this money by having the payment made from the personal checking account of an employee. The testimony showed that this personal checking account was reimbursed from time to time by the subsidiary of Commonwealth & Southern.

Mr. Willkie then, as the head of Commonwealth & Southern, has right up to the time of his nomination for President, approved and pursued the policy of influencing public officials and members of state legislatures by payment of money.

This system is bad as it means that the legislation is bought and sold and that the highest bidder gets the bills that he wants and blocks the bills that he does not want. An extension of the system means the breakdown of democratic

government.

If the voting public would seriously consider this phase of Mr. Willkie's views as to government policy, they would undoubtedly question the wisdom of having a man in the White House who approves of the corruption of government when expedient. There, of course, always has to be corruption of government, and it is not so bad when it is on the outside boring in, but if we place an exponent of this policy in the highest position, the security and permanence of our Democratic system would seem to be threatened.

Perhaps as important as the preservation of pure government at home is the preservation of the democracies in the rest of the world. Mr. Willkie has shown by his policies as head of Commonwealth & Southern that expediency is the deciding factor and that he believes that corruption of government is justified if it is necessary for achievement of the end. This is a typical Fascist principle, common alike to the policies of Hitler and Mussolini.

Mr. Willkie has never as yet by any words that seem to proceed from the heart, indicated any intense sympathy with the struggle of the democracies against the dictatorships. Mr. Willkie's ancestry is one hundred percent Prussian. The question therefore arises as to whether the principle of the democracies in the world will be safer with Roosevelt, whose policies and whose devotion are known, or with Willkie who is yet unknown as to his preferences in world politics.

In the issue of June 8, 1929 of the Detroit Free Press, first page of the financial section, appears an article relating to the organization of Commonwealth & Southern Corporation as a public utility holding company describing this company as sponsored by the J.P. Morgan, Bonbright and Drexel banking houses. In this issue and likewise in the June 10, 1929 issue of the Detroit Free Press the common stock of Commonwealth & Southern Corporation is described as having been traded on designated stock exchanges in New York City at prices around 26 on a "when, as and if issued basis."

The Wall Street Journal files of June, July and August, 1929 should be examined for more detailed information. Probably the common stock of the Commonwealth & Southern was originally offered to the public at \$30 a share, and very likely circular advertisements will be found wherein the names of the counsel approving the legality of the issue will be disclosed as Weadock & Willkie.

In the 1937 regular session of the Michigan Legislature the Murphy administration was interested in the passage of House Bills 49 and 50 intended to amend respectively Acts 312 P.A. 1929 and No. 94 P.A. 1933 facilitating the formation of metropolitan districts by cities, villages and townships; also the enactment of suitable enabling legislation whereby such local municipalities either by way of metropolitan districts or singly including counties, could acquire, build, own^{and} operate electric light plants. Both these bills were passed by the House of Representatives and transmitted to the Michigan State Senate. See House Journal 370 and 372 respectively.

The Murphy Administration was also interested in House Bill 51 intended to enable the formation ~~of~~ and organization of nonprofit corporations for the generating of electric energy and supply of the same to members of the co-operative granting certain powers and privileges to such corporations. This bill passed the House of Representatives and was given immediate effect on April 22, 1937. See House Journal 774; and then transmitted to the Senate.

All three of the above bills on arrival in the Senate were referred to the Committee on Public Utilities and so far as indicated in the Senate history of House Bills, were not reported out by such committee, but were all returned by the Senate on July 30, 1937 to the House as not having been passed by the Senate. See House Journal 2295.

St. Petersburg 1941

Thursday

Dear Mr. President:

More than enough has been said
out your third term, but I would
like to have you share a cheering
serenade with me. On Christmas, the
family — aunts, uncles & cousins —
gathered in Chicago. It was so pleasant
find so many members of the clan
speaking terms at the same time that
overlooked uncomfortable reminders of
advancing years "everytime a
 youngster shouted: "Uncle Vic."

Naturally, the family talked to me
about you. Tell simple but very good
and decent people — a carpenter, a
carpenter, a farmer, a tailor, an
editor and flocks of mothers and
daughters. Washington keeps our away
from these people, and so, perhaps, I can

VICTOR A. SHOLIS

be forgiven for being surprised by the intensity of their affection for you. All their hope rests in you.

They died agonized deaths during the campaign, for to them the election really was a crusade. There can be no adequate description of their joy at your re-election. It warmed me and made me proud and happy that after eight years, the bond between these people and their President was still firm. If possible, now that the world has broken mentally into their lives, they depend on you even more.

To a limited degree, I know why you finally agreed to accept the burdens of another four years. For that reason, I hope these grave burdens will be made easier to bear, Mr. President, by the knowledge that the millions and millions of Sholis families love you and believe in you.

VICTOR A. SHOLIS

This affection and faith can only be matched by the feeling of those of us who have been fortunate enough to be able to work for you.

I hope fervently you will continue to enjoy personal good health, Mr. President, for you help all of us move into the future courageously.

Affectionately,
Vic