3/9/ [March 9, 1935]

THE CONGRESSIONAL FRONT.
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16th District.

TYPICAL DAY'S GRIST. Monday, Mar. 4, the House met at noon, listened to an assortment of short speeches, then proceeded for one hour to consider a bill seeking an additional clerk for each member of Congress because of the huge amount of mail and other duties. There were about 15 short speeches for and against. Generally, those for the resolution recited the extreme need for more help, those against pointed to economic conditions and said this is no time to saddle another half million of expense on the nation. At the end of the hour, an Arkansas member moved to insert an amendment so that no part of the funds could be used to place a relative on the payroll. Current word for employing relatives is "nepotism." Came a roll call and the bill was defeated by a vote of 247 to 138. House at once proceeded to consideration of bills on the Consent Calendar. These are bills reported out by committees, placed on a general calendar and then by request of the committee chairman placed on a Consent Calendar so that they might be called up by unanimous consent on the first and third Mondays of the month. One objection can kill a bill. Three objections can kill it if it was passed over without prejudice from a previous consent day. The slaughter of pet bills then begins. In order, the House (1) killed a bill for benefit of Nebraska Indians, (2) passed a bill relating to terms of members of the Interstate Commerce Commission, (3) passed over a bill relating to claims under the War Minerals Act, (4) killed a bill requesting an additional judge in the District of Columbia, (5) killed a bill seeking to send unemployed Filipinos back home at U. S. expense, (6) passed over a bill asking for $750,000 to investigate the Am. Telephone & Telegraph Co. (7) passed a bill continuing a Commission established to investigate a boundary dispute between Virginia and the District of Columbia (8) killed a bill asking $100,000 to establish a national military park in Georgia, (9) passed a bill authorizing the Dept. of Agriculture to make adjustments on certain timber purchases (10) passed over a bill establishing a Commission to adjust claims between Mexico and the U. S., (11) killed a bill retiring Supreme Court Justices on full pay, and so on. Nineteen measures were considered. Score: 5 were passed, 14 killed or deferred. On the faces of those whose pet measures were given death stabs in the legislative slaughter house, a look of agony and despair.

SUPREME COURT. There are nine justices. Oldest (Brandeis) is 78, youngest (Roberts) is 59. Three of them (McReynolds, Brandeis, and Van Devanter) having attained the age of 70, and having served for 10 years are eligible to resign and draw full pay, which amounts to $20,000 per year. When a Supreme Court Justice resigns, he is definitely thro with the Federal judiciary. A bill was introduced and reported to permit them to retire instead of resign, after reaching age 70 and serving 10 years, and draw retirement pay equal to their salary which is $20,000 annually. By retiring instead of resigning, they would be subject to duty and could be assigned to circuit work, except that they could not sit on the Supreme Court. Many discerned in this move, an attempt to place retirement bait before those eligible for retirement in the hope of making a place for Senator Robinson of Arkansas on the Court at a later date. Result: the resolution on roll call was defeated 207 to 144.

SUITS. Homer Stille Cummings, Attorney General of the U. S. is the legal adviser to and prosecutor for the Government. He is the boss of the U. S. District attorneys thruout the land and hires hundreds of lawyers in Washington to help him attend to Uncle Sam's legal business. On March 2, he filed a report showing how many suits he has instituted and pending as of that date on New Deal legislation. There are 389 suits pending as follows: (Under NRA 332, (2) Under AAA 46, (3) Bankhead Cotton Reduction Bill 2 (4) Under the Kerr Acreage Reduction Tobacco Bill 3, (5) Railroad Retirement Act 1, (6) Emergency Railroad Coordination Act of 1933 1, (7) Silver Purchase Act of 1934 1, (8) Tennessee Valley Authority Act 3. Since these cases are of tremendous importance and go to the very heart of this legislation, one might easily perceive the responsibility of the Attorney General.

THAT'S WHERE MY MONEY GOES. is the theme of a one-time popular song. But from whence comes money? The printing presses do not strike off money at the mere whim and order of the President or Congress. If they did, how would it be distributed? To whom would it be sent? Why? For what? There must be a system, a reason, a basis for providing and placing in circulation, that green money which we carry around in our wallets (if, and when we have any to carry around.) Here in brief is how it works: Prior to the Civil War, we had a hit-and-miss financial policy coupled with wild cat banking which left a trail of destruction in its wake. Followed then the so-called Banking Act of 1865. To start a bank, 25% of the capital (in the case of large banks it was a smaller percentage) had to be invested in Government Bonds. These bonds could be sent to the Treasury as security and 90% of their face value could be obtained in the form of bank-notes (currency). The limit of such notes was placed at a total of 300 million, later raised to 354 million, and still later the limit was removed altogether. Thus, this green money, issued against adequate security went to banks who loaned it to customers and borrowers and placed it in circulation. (2) By the Banking Act of 1900, provision was made for refunding our national debt in the form of 2% bonds and the use of these bonds up to 100% of their face value as a basis for money. Banks could invest funds in these bonds, send the bonds to Uncle Sam, receive bank-notes and place them in circulation. Trouble was that these 2% bonds became concentrated in the east, grew scarce and many banks could find none against which to issue currency. As a remedy, we built the Panama Canal, issued bonds for payment, and provided by law that Canal bonds could also be used as security for money. 75 million of Canal bonds are still so used. Recently the Treasury has notified banks that on July 1st these bonds can no longer be used as security on which to get a supply of bank notes. (3) In 1908, Congress passed the Vreeland Aldrich Bill, enlarging the currency base and providing that under certain conditions, state, municipal, and county bonds could be deposited with the Treasury as security and banks could then issue bank-notes (money) to an amount equal to capital and surplus. This bill also provided for formation of National Currency Associations consisting of 10 banks or more with a capital of not less than 5 million, which could secure bank-notes against commercial paper. (4) Finally in 1913, Congress passed the Federal Reserve Act, consisting of 12 Federal Reserve Banks (one of which is in Chicago) and compelling all national banks to be Federal Reserve members. The Federal Reserve Banks, using a 40% gold reserve plus 60% of notes, drafts, bills of exchange, bankers acceptances and other eligible commercial paper, can secure Federal Reserve notes, which it distributes to national banks against proper security an thus places Federal Reserve notes (money) in circulation. You may observe therefore that long, green, money in the pocketbooks of the people comes into existence as the result of prior business transactions, the evidences of which in the form of bills of exchange, notes and acceptances, become the basis and the security for the issuance of money.

GLEANINGS. Resulting from slaughter of drouth cattle, Uncle Sam owns 40 million pounds of hides and wonders what to do with them...... Also the good Old Uncle under cotton options can be said to own millions of bales of cotton...... On Friday, April 5, certain manufacturers of shoe laces must appear before the Federal Trade Commission and show cause "why they should not be restrained from the nefarious practice" of labelling shoe laces as "mercerized" when they're not. (Our idea of nothing to worry about.) Secretary Ickes' press agent got such a stiff bill from the dentist the other day that Mr. Ickes suggested he apply for a PWA loan to pay for it...... Texas proposes to borrow 60 million from PWA and construct two natural gas lines from the Panhandle to Detroit and St. Louis with a daily capacity of 200 million cubic feet. If they do, it would destroy $12,000 in miners wages and $6000 in railroaders wages every day. Illinois by the way is a coal mining state...... Secretary Morgenthau appeared before the House Ways & Means Committee and stated that liquor smuggling has reached alarming proportions. Our 11,000 mile coast line makes us vulnerable. Foreign made alcohol, produced at a cost of from 20 to 50¢ per gallon will make 2½ gallons of whiskey. At 25% a drink, you figure out the profit..... NRA is so disturbed about the Senate investigation that it has organized a school to coach Deputy Administrators and others so they will make good witnesses before the Senate Committee.