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THE CONGRESSIONAL FRONT.
By Congressman Everett M. Dirksen
16th District.

FARM MODERNIZATION IN ILLINOIS. The hearings in connection with the bill to appropriate 420 million dollars over a ten year period for farm and rural electrification revealed the following interesting facts in Illinois: Only 10% of Illinois farms have electricity, 20% have water piped into farm homes, 40% have radios, 70% have telephones and 80% of all farms have automobiles.

ECHOES OF THE PAST. In 1929, Congress passed the Agricultural Marketing Act, under which was established a Federal Farm Board with a revolving fund of $500,000,000. This Board made loans to cooperatives and others, to stabilize farm prices. It's operations included wheat, cotton, honey, nuts, prunes, raisins, fruits, corn, tobacco and other items. It's principal operations were in connection with wheat and cotton. To May 26, 1936, the Farm Board had made advances and loans amounting to $1,148,906,553. and secured repayments of $777,410,041. It's losses were therefore about 371½ million. 85 million bushels of wheat and 844,000 bales of cotton were donated to the Red Cross, 25 million bushels were swapped with Brazil for 1,025,000 bags of coffee, 15 million bushels of wheat went to China and 7½M. bushels to Germany. We still have some of the coffee. The German and China loans have not yet been paid. It was a disastrous experience. On May 27, 1933, the Farm Board was consolidated under the Farm Credit Administration. Late in the same year, under an executive order, a corporation was organized under the laws of Delaware known as the Commodity Credit Corporation. It's capital is 3 million. It makes loans to farmers, principally on corn, rosin, turpentine, tobacco and cotton. It makes a loan to a farmer, takes the farmer's note which is backed by farm products, then pledges this note with the Reconstruction Finance Corporation which in turn advances the money. In that way, the CCC owes the RFC about 319 million on a 3 million dollar capitalization. In 1933, the CCC loaned about 121 million dollars to farmers in the corn belt on corn in sealed cribs. Every dime of those loans with interest was paid. That is a remarkable showing for the corn farmers of Illinois and other states. But not so with cotton. The CCC now owes the RFC about 288 million dollars on cotton loans. These loans were made at the rate of 12¢ a pound at a time when cotton was selling for 13½ cents. Interest, insurance and warehouse charges bring those loans to 13½¢ per pound. Cotton however is now selling for 11½¢ with futures quoted at 11¢. For practical purposes therefore, Uncle Sam owns about 4½ million bales of cotton. There is still a substantial cotton surplus. Other countries could use the cotton but have no money with which to buy it. If marketed today at current prices, the loss would be about 45 million. Heavy liquidations would tear the market to pieces. As Mr. Jesse Jones, Chairman of the RFC stated, "We have the cotton and cannot do much else with it except hold it and feed it out to the market as the market will take it". Practically speaking, Uncle Sam is therefore in the cotton business in much the same fashion as he was under the Farm Board.

CCC CAMPS. As of March 1, 1936, there were 2158 CCC Camps in the U. S. The cost of building these camps is between $16,000 and $18,000. Present enrollment is 430,000 young men. The President proposes on April 1st to reduce the number of camps to 1703. This would decrease the number of enrollees by 94,000. On July 1st, it is proposed to reduce the number of camps to 1456 with further reduction in the number of enrollees. Members of Congrees look with disfavor on the reduction of these camps. Accordingly a petition was circulated signed by hundreds of members, addressed to the President asking him to maintain the CCC enrollment at 500,000.

BRIEF HISTORY OF CIVIL SERVICE. Many years ago, a New York political boss coined the phrase "To the victor belongs the spoils." This gave rise to the Spoils System, meaning that the victorious political party takes all the jobs and eliminates existing jobholders, regardless of their capability or merit. As early as 1875, a small group of people, convinced that jobs should be held on a basis of merit began a campaign for Civil Service Reform. This group was sarcastically referred to by politicians as "man milliners" or as "carpet knights". One of their lecturers came to Chicago to lecture in the Coliseum on civil service reform. Only a half dozen people attended. Then something happened. Guiteau, a disappointed office seeker killed President Garfield. That shot gave Civil Service Reform a great impetus. President Cleveland was the first to place clerks, carriers and minor postal employees under Civil Service. In 1908, President Theodore Roosevelt, placed all 4th class postmasters in 14 states under civil service. Taft followed in 1912 by including the 4th class postmasters in the remaining states. In 1913, Wilson ordered examinations for all these 4th class postmasters so "covered in" by Taft but continued the civil service status of these offices. In 1917, Wilson ordered examinations for all 1st, 2nd, and 3rd class offices with a provision that the high man in the exams be selected. In 1921, Harding altered the Wilson order to include the three highest and providing also that if the 3 highest did not suit, a new examination might be ordered. This threw it back into politics. In 1933, an executive order made ineligible for re-appointment, those 1st, 2nd, and 3rd class postmasters whose terms expired and also made it possible to disqualify anyone on the eligible list for reasons other than character or residence. A bill is now pending to bring 1st, 2nd and 3rd class offices under Civil Service. Some of these bills are defective in one particular or another and hence there has been no action. A proper bill if enacted would affect 14,000 1st, 2nd and 3rd class offices. The 32,000 4th class offices are all on the merit basis now. Incidentally there are 250,000 civilian Federal employees who do not have civil service status.

FARM CENSUS OF 1935. Farmers, merchants, manufacturers will probably be interested in this condensed report of the Farm Census of 1935 for Illinois. Items are listed for 1930 and 1935 for purposes of comparison and for the purpose of getting some idea of the effect of economic conditions on agriculture.

	1930	1935.
Number of farms	214,497	231,312.
Farms operated by owners	85,069	86,862
Operated by part owners	34,823	39,698
Operated by managers	1,530	1,052
Operated by tenants	92,482	102,856
Average size of farms	143.1 acres	136.9 acres
Land in all farms	30,695,339 acres	31,661,205 acres.
Value of farms (land and buildings)	$3,336,049,028.	$2,205,899,576.
Average value per farm	$15,553.	$9,536.
Average value per acre	$108.68.	$69.67

STRANGE TRENDS IN TAXATION. In 1916, 45% of all Federal taxes came from customs and import duties, 10% from tobacco and cigarettes, 30% from beer, wines and liquors, 1% from income taxes and 14% from miscellaneous sources such as fines, forfeitures, tolls and the like. In 1920 only 5% of the Federal taxes came from customs and imports, only 5% from tobaccos, 2% from liquor (because of Prohibition), 60% from income taxes and 28% from miscellaneous sources. In 1935, 5% came from customs and imports, 6% from tobacco, 6% from liquor, 15% from income taxes, 4% from miscellaneous sources, 7% from processing taxes and 49% from borrowings for emergency expenses. By the time, new tax legislation is placed upon the statute books, this whole picture may change again in many respects.

LONG SHORT HAUL CLAUSE. Next week, a measure of great importance to railroads, shippers, manufacturers and railroad men will come before Congress. It is the Pettengill Bill to repeal the 4th section of the Transportation Act of 1920, better known as the long-short-haul clause. What's it all about? Perhaps the following explanation will serve to make it clear. From Chicago to San Francisco by rail is 2260 miles. From New York to San Francisco by boat thro the Panama Canal is 6059 miles. Candy can be shipped by boat from New York to San Francisco for 60¢ per hundred pounds. Including handling charges, the total cost is about 90¢ per cwt. Candy shipped by rail from Chicago to San Francisco costs from $1.35 to $1.60 per hundred pounds. The difference ranges from 45¢ to 70¢ on freight rates. The result is that New York gets the business. Why don't the railroads drop rates and aid midwestern manufacturers? They can't. Railroads are closely regulated by the Interstate Commerce Commission and can neither raise nor lower rates without permission of the ICC. Why don't the ICC enable them to lower rates? It cannot do so unless the railroads first make application for relief, have hearings and present a vast amount of testimony. These hearings are cumbersome, slow, long drawn out. All this however is required by the long-short-haul clause in the 1920 Transportation Act which prohibits railroads from making a lesser charge to or from a certain point than the charge made to or from some intermediate point. In other words, on the same line for the same kind of goods, the railroads cannot charge a lesser rate from Chicago to San Francisco than from Chicago to Denver. As a result, railroads cannot reduce rates on longer distances in order to meet water competition except by order of the ICC. Why don't they reduce all along the line? That would be disastrous to their operating revenues, shippers, rail men, and manufacturers are now in a distressing position. Coastwise steamships are gradually taking away much of the coast to coast shipping via the Panama Canal while railroad men are idle rolling stock is idle, and rail revenue is badly needed. In 1929, 1,600,000 men were railroading. In 1936, the number has been reduced to 1,000,000. Inasmuch as more than 50% of the whole population of the U. S. lives in cities that are within 50 miles of the ocean, the midwestern area of the U. S. is at a sad disadvantage in matter of freight rates. This in turn helps to dry up or eliminate industry in midwestern states. Growth of canal shipping can be seen from the fact that the monthly average jumped from 466,000 tons of cargo in 1916 to 2,059,000 tons in 1936. Of this amount, about 600,000 tons per month is intercoastal traffic which originates in the United States and is shipped to some other point in the United States. To cure this situation and give shippers, railroads and railroad workers a "break", the House will consider a bill to repeal the long-short-haul clause and give railroads a chance to compete. The bill has a provision which throws the burden of proof on the railroad to show that lower rates for longer distances are not unfair, unreasonable, discriminatory, or preferential. The outcome is important to Illinois and other midwest states.