

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

OUR MCNEY HABITS.

Until the year of Our Lord 1929, when \$50,000 fur coats and \$50,000 a year apartments on Park Avenue skidded to the bottom, we as a people carried on most of our ordinary business by means of checks rather than cash. It is estimated that at that time, about 90% of all transactions were by check and that money in circulation amounted to only \$39 for every man, woman and child in the land. When the market crashed and people became uneasy, there was a marked tendency toward cash. In due time came governmental relief programs which further increased the currency in circulation. Banks found it necessary because of diminished loans and slender profits to place a service charge on bank accounts and checks which caused people to close their accounts and go on a currency basis. Rumbblings of conflict in Europe caused a lot of timid money to flow toward the United States and our cash in circulation was further increased. Then came the first expenditures under the war program in 1940 which further increased the cash so that by that year, money in circulation had increased to 8 billion dollars or about \$60 for every man, woman and child.

WAR'S EFFECT.

War produced a great expansion in jobs and payrolls went up. The incomes of many people who were heretofore in the low income brackets increased and with it came an increase in money in circulation. It now stands at about 20 billion which is roughly \$150 for every man, woman and child. The effect of war on our circulation medium is not limited to this country. Canada and Great Britain have the same experience. So today, the amount of money in circulation is about four times greater than in the boom business year of 1929 and about three times greater than when war began in 1939.

SOME NEW FACTORS.

Have you ever thought of Black Market operations in terms of its effect on cash in circulation? Black market operations are conducted on an arms-length basis by means of crisp green money. Black market operators don't want any unpleasant kick-backs as a result of checks in a transaction which is illegal. That requires more money. High taxes have caused people to save up for that tax deadline day and that takes money out of active circulation and means that more money must be provided. Fear about the future and the desire to have some ready cash on tap has caused a lot of currency to be salted away in deposit boxes. This is evident from the fact that since the war began, the number of \$100 bills has increased from 8 million to 27 million while the number of \$1000 bills has jumped from 300,000 to 700,000. Even the amount of those allegedly unlucky \$2 bills has jumped from 34 million dollars in 1939 to 68 million dollars in November of 1943. Only two denominations of bills have decreased since 1939. Those are the \$5000 bills and the \$10,000 bills. Already there is some agitation for Congressional attention to this question of increasing circulating medium and if the amount should increase substantially above present levels, there is a likelihood that it will have consideration.