

4/27/35
[April 27, 1935]

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

ALCOHOL GASOLINE. This first paragraph will be in the nature of a personal sermon on a favorite subject. Time and circumstance bring all good things to pass. It took 20 years to get an income tax on the statute books, 20 years for child labor legislation, 50 years for woman's suffrage. It may take time for alcohol gasoline but the circumstances are rapidly developing. Controlled production of farm products becomes necessary perhaps as an emergency remedy but it is not a permanent cure. Intensive foreign competition with our farm and manufactured products, depreciated currencies, dwindling export trade, and the possibility of a bumper crop next year only indicate that we are still in the midst of our agricultural difficulties. The real remedy is the creation of demand thru new outlets for farm products like corn so that market prices will have a real foundation. It is encouraging therefore to note that in Iowa and South Dakota and other states, 1000 stations are selling alcohol gasoline, sales are up to 400,000 gallons daily, that a large bulk blending plant is being built in Kansas City, that western legislatures are favorable and that sentiment is growing. Better yet is the fact that a meeting will be held in Detroit next week with the prospect that one or more leading auto makers will endorse the idea of alcohol gas. They appreciate that cars can be sold only if farmers have purchasing power. Alcohol gasoline will come. The idea is sound. It needs faith and sustained effort.

SEIGNORAGE. In connection with the shifting price of silver, the word "seignorage" is frequently encountered. It's significance is all important. In olden days, when a miner brought gold or silver to the king's mint for coining into money, the king or sovereign took a certain proportion of the metal to cover cost and trouble of coining. The sovereign's share was called seignorage. Today, seignorage, or the government's share actually determines the price paid for newly mined silver. By law, the price of silver was established at \$1.2929 per fine ounce. Deduct from this price, the amount which Uncle Sam retains for seignorage and you have the current price for newly mined silver. On December 23, 1933, seignorage was set at 50%. This made the price of silver 50% of \$1.2929 or 64.64¢ per ounce. On April 10, 1935 the seignorage was reduced to 45%, making the price of silver 71.11¢ per ounce. At eight o'clock in the evening of April 24, the seignorage was reduced to 40%, pushing the price of silver to 77.57¢ per ounce. Until now, the Treasury's profit on silver totals about \$125,000,000.

THE WORK RELIEF PROGRAM. Of the \$4,880,000,000 appropriated for relief and work relief to create employment, (1) 800 million goes to highways, roads, streets and grade crossings, (2) 500 million for rural rehabilitation and relief of drouth stricken areas, (3) 100 million for rural electrification (4) 450 million for Housing, (5) 300 million for assistance of clerical, educational and professional persons, (6) 600 million for the CCC camps, (7) 900 million for loans and grants to states, counties, cities, etc. (8) 350 million for flood control, soil erosion, rivers and harbors, reforestation and similar work. To spend this money within one year will require spending at the rate of \$155 per second, day and night, Sundays and holidays. It will require the setting up of new agencies, with different divisions for handling applications, investigations, check-ups, etc. This will require department heads, assistants, clerks, stenographers, office boys. The Government Printing Office will need additional help to get out forms, blanks and what not. It is estimated that an additional 1000 persons will be required by the Treasury Department to do nothing but write checks all day long. It will in fact, require a young sized army to initiate, supervise, and carry out this program. Since this prospective influx of new workers will create a demand for homes, rooms and apartments, landlords will have a chance to boost rents. The 100,000 government workers already in Washington are worried about rent boosts and so another problem is created.

FARMERS HOME CORPORATION. On March 13, Senator Bankhead of Alabama, uncle of the celebrated actress Tallulah Bankhead, introduced a bill to create a Farmers Home Corporation, consisting of five directors with power to issue a billion dollars worth of guaranteed bonds, money derived from the sale of the bonds to be used "to establish, make loans for, and to assist in the establishment of small individual farms and farm homes together with necessary buildings and other structures, livestock, equipment, implements and machinery, furnishing supplies and facilities." The language is from the bill. In other words, to provide facilities so that tenant farmers can become owners of small farms. Married persons with dependent families and who have farm experience or who were farmers, farm tenants, share croppers and farm laborers are to have preference. The proposed loans for purchasing small farms may be paid back monthly and can be strung out over 60 years if the Corporation deems it advisable. (Yes, the figures are correct- 60 years.) In view of the possibility of expanding farm production so as to create another surplus, the act provides that "The Corporation shall give due consideration to the desirability of avoiding expansion of production for the market of crops for which the price is lower than the parity price as defined in the AAA act;" It is estimated that this act would make 3,000,000 farmers, farm tenants and share croppers eligible for loans. It is said that Senator Bankhead has in mind the 10 and 20 acre tenant farmers who raise cotton in Alabama and who are now in dire distress because of the flop of the cotton program. After three days of spirited and bitter debate, the Senate voted to send the bill back to the Committee from whence it came.

ORIENTAL CITIZENS. Chinese and Japanese are not eligible for citizenship. In fact, they are specifically excluded by law. Now come several hundred Chinese and Japanese who fought in our army during the World War. Having borne arms in behalf of this country and having renounced all allegiance to Japan and China at the time of entry into the Army, some of them on discharge from the army were given certificates of citizenship. These were later declared invalid by the Supreme Court. One of their number, Tokle Slocum, who served as a regimental sergeant major overseas during the war, addressed himself to this problem, travelled to every state in the union enlisting support. Finally a bill was introduced to take these orientals into citizenship if they actually served in the armed forces between April 6, 1917 and Nov. 11, 1918, received an honorable discharge resumed residence in the U. S. or one of its territories and maintained a permanent continuous residence here or in one of our territories since date of discharge from the army. The bill was reported out by a committee of the House. Tokle Slocum worked six years on this matter.

ABOUT BANKS. Take the balance sheets of the 14,137 banks in the United States (which embraces 5,462 national banks and 8,675 state banks) add them all together as of December 31, 1934 and here is the result: ASSETS (including loans, discounts, overdrafts, bonds securities, real estate, fixtures, cash, etc.) \$46,439,270,000. (Almost 46½ billion.) LIABILITIES, same amount. DEPOSITS \$38,996,340,000 (Almost 39 billion in deposits). Government bonds of all kinds held by banks, \$11,712,894,000. The Reconstruction Finance Corporation has a capital investment in 5412 banks totalling \$821,064,000.

SAID BARNACLE BILL THE SAILOR. \$485 million appropriations for the Navy for the fiscal year 1935-1936. In 1934, 238 million was allotted from PWA funds for naval vessels. It will require an additional 55 million to complete the ships started under that allotment. Another 106 million additional is carried in this appropriation for 36 other vessels and still another 29 million as "commencement money" for an aircraft carrier, 2 light cruisers, 3 heavy destroyers, 12 light destroyers and 6 submarines. Nearly a billion dollars for the army and navy in a single year. We do it and others do it. The rush is on. Great Britain will spend 637 million, Japan 830 million, France 792 million for the next fiscal year. Sooner or later, the nations of the world must learn that this insensible armament race must cease and then there will be countless billions for the pursuit of human and cultural benefits.

S.24. That cryptic description means nothing to most folks. To Senators and Representatives in Congress it is the number of the bill introduced by Senator Costigan of Colorado known as the Anti-lynching bill. For years, an effort has been made to secure Federal legislation to deter lynching but without avail. It remained for the lynching of two young white men at San Jose, California in the late fall of 1933 to give renewed impetus to the effort to stop lynchings and today the Senate is debating this measure. In brief, the bill defines a mob or riotous assembly as three or more persons acting in concert to kill or injure a person in custody of a peace officer, provides that any state or governmental subdivision which fails, neglects or refuses to provide protection against mobs shall be deemed to have denied to such person due process of law and equal protection of the laws and then confers upon Federal Courts the power to try and punish, under the laws of the state, any participants in or to such an offense. Offhand you would say that there is nothing wrong with such a bill and that it should be passed. But you should hear the constitutional lawyers in the Senate shout against this invasion of states rights! You should hear the southern Senators inveigh against this bill. This from Senator Bailey of North Carolina: "This bill is not going to pass. I do not wish to be arrogant about that or to seem to be arrogant; but it is not going to pass. We will be here all summer; we will fight it out on this line, as General Grant said, if it takes all summer." The ghastly record of lynchings in the last 42 years: Whites 1291, Negroes 3352, Total 4642. The issue is deeper than appears on the surface. The President wants the bill passed. To some southern Senators a vote for the bill appears like political suicide. So what?