

THE CONGRESSIONAL FRONT.
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16th District.

11/2/35
[July 20, 1935]

ELMER MAKES HISTORY. Paul Elmer Danielson is his name but he calls himself Elmer. He is tall and pink cheeked with chestnut colored hair which is carefully brushed back. Elmer is 19. A year ago he graduated from high school and at once secured a job as Western Union messenger at Warren, Pa., so he might assist a widowed mother, a sister and a brother. Elmer wants to be a minister and is hoping for the day when he can go to a seminary and begin his ministerial training. Early in June, a Mr. Herron, who is associated with an eastern utility company appeared at the Western Union office of Warren, Pa. to procure the cooperation of the manager in securing telegrams to be sent to members of Congress protesting against the passage of the Wheeler-Rayburn Holding Company Bill. A form telegram was prepared and Elmer was asked to sally forth and secure signatures wherever possible. He was to receive 3¢ per signature. First, Elmer got the signature of his mother. Then his brother signed. Later he secured a neighbor who is a mechanic. All told, Elmer secured signatures to six telegrams. A month later, (just a few days ago, to be more explicit) Elmer received a notice to appear in Washington to testify before a Senate Committee which was investigating the lobby which sought defeat of the Holding Company Bill. Elmer was puzzled. In fact, a bit frightened. But he came. Seemingly, the Senate Committee had obtained a tip that telegrams had been sent to some members of Congress by merely copying signatures out of the telephone directory. There was an intimation that the duplicate copies of such telegrams, which are supposed to be kept in the files for one year, had been burned in a stove in the basement of the office at Warren, Pa. Elmer told everything. He became a headliner. He gave the crowd which assembled in the Senate hearing rooms a thrill. The highlight came when Senator Black asked Elmer what he said when someone demurred at signing a telegram. Nonchalantly and with unequalled poise, Elmer answered, "I explained the bill to them." (The bill is 170 pages long and intricate enough to baffle a Philadelphia lawyer.) "How do you feel about it now?" asked Senator Black. Elmer smiled and blushed furiously and said, "I'm neutral now."

BONUS ARMY. On Wednesday afternoon, July 17, about 500 veterans, carrying flags marched to the Capitol and assembled at the foot of the high and wide stone steps which lead up to the House chamber. They were quiet. They were orderly. They came to be addressed by Congressman Fish of New York, who has filed a bill to pay the bonus out of the 4 billion dollar relief fund. Just as Congressman Fish prepared to begin his address, the Sergeant-at-Arms of the House of Representatives appeared, stating that the Speaker of the House and the Vice President who are charged with authority to permit or deny a meeting in the Capitol grounds, were opposed to the meeting. "Is that the law?" asked Mr. Fish. The Sergeant-at-Arms said it was and read to the assemblage, a law passed in 1882, preventing unauthorized demonstrations in the capitol grounds. Mr. Fish, promptly denounced the law as "outrageous" and "unconstitutional" but admonished the veterans to abide by it and to march quietly and peacefully to John Marshall Place, downtown for the meeting, and that he would go with them and address them there.

LOBBIES. The casual reader of the present House and Senate probe of lobbies in connection with the Wheeler-Rayburn Bill might readily infer that the national capitol is a hotbed of vicious lobbies that have sprung up on every hand very suddenly and engaged in iniquitous practices. That is true only in a small part. There have been some evil practices and abuses but in the main, most lobbies are informative and do not use pressure methods. Certain indisputable facts can be set down with respect to lobbies. (1) There are many so-called lobbies. They include everything from the Lead Pencil Institute to the Anti-Cigarette Association. (2) There is nothing inherently wrong about a proper lobby organization. Committees of the American Federation of Labor, the American Legion, the National Educational Association and scores of others - all of which can be

generally considered as lobbies - spend much time and money and hire experts to assemble facts and data on which to make reports on pending legislation. These reports, carefully compiled from material obtained from governmental departments are very often a distinct help to busy legislators. (3) Lobbies are as old as government itself. When Jefferson, who was Secretary of State in Washington's Cabinet wanted the national capital placed on the banks of the Potomac, while Hamilton, his Secretary of Treasury wanted it located farther north, Jefferson held an elaborate dinner, did a bit of logrolling, the result of which was that he got the capital where he wanted it and Hamilton received a free hand in carrying out his financial program for assuming the state debts and then funding the national debt. It was one of the first instances of a lobby. (4) Most lobbies operate openly. They appear before Congressional committees and testify on pending legislation, their testimony is printed in reports of the hearings and those reports are public property and available to anyone who is interested. (5) Investigations of lobbies are periodic and usually produce little or nothing by way of remedial legislation. In 1913, the lobby which fought the Underwood Tariff Act, during Wilson's administration was extensively investigated. In 1929, another investigation pried into everything from the activities of industry and business to the efforts of Bishop Cannon and the Anti-Saloon League. It ended about where it began. (6) The danger from lobbies, if any, lies not in vicious or abusive lobbies but in weak legislators who might permit themselves to be influenced.

SURVEY OF BEVERAGE INDUSTRY. We have today, 193 distilleries, 169 brandy distilleries, 55 lessees authorized to operate distilleries, 415 rectifiers, and 680 breweries operating in the U. S. who have qualified under the internal revenue laws. Production for the calendar year 1934 was 17 million gallons of alcohol, 5 million of gin, 1½ million of rum, 108 million of whiskey, 43 million barrels of beer. Rectifiers marketed about 24 million gallons of assorted beverages. In addition, 620 firms have been licensed to import and sell alcoholic beverages. In 1934, they imported 11 million gallons, valued at 48 million dollars. Distillers used 20 million bushels of grain in 1934 and brewers used 1½ billion pounds of malt, hops, corn and other commodities. There are nearly 200,000 retail outlets. The entire industry, including retailers gives employment to approximately 500,000 persons. This does not include those engaged in making barrels, bottles, labels, and other incidental items. In 1934, the public spent \$2,000,000,000 for tax paid spirits and beverages, including 21 million gallons of wine. Advertising expenditures of the industry for 1934 total about 20 million dollars. The industry paid 375 million in internal revenue taxes to the Federal Government in 1934, and 116 million in fees and excise taxes to the states. States which have a monopoly on liquor sales and which sell through state owned stores showed a profit in 1934 of 34 million dollars.

THE CLARK AMENDMENT. When the Senate was considering the Social Security Bill, providing for old age pensions, old age annuities, and unemployment insurance, it adopted an amendment offered by Senator Clark of Mo., providing that industries which had their own pension systems could continue to operate such pension plans and not be compelled to pay the tax provided in the government plan, provided they secured permission and approval from the Social Security Board. Industries, having no pension plan, could make application and secure approval to institute a pension system. This amendment is at the moment, the only point of disagreement between House and Senate on the Social Security measure. Argument against the Clark amendment is that it would throw the burden of supporting the Social Security system on the older men and act as an incentive for employers to employ younger men. Argument for it is that 600 industries now have adequate pension systems covering 150,000 employees and if they are compelled at this time to come under the provisions of the Security Bill and the act should later be declared unconstitutional, those 150,000 would be left without the accumulated

benefits of the private pension plan under which they have labored for many years. If the act is held constitutional by the Supreme Court, the substance of the Clark amendment could be removed from the bill by Congress at anytime.

GOLD LEGISLATION. Here in brief are the progressive steps in legislation affecting gold. (1) May 12, 1933, Congress passes AAA act, Title III of which gives President authority to fix weight of gold in the dollar. (2) June 5, 1933, Congress passed Public Resolution No. 10 taking the country off of a gold coin standard (3) Presidential orders of Aug. 28, Aug. 29, Oct. 25, 1933, and Jan. 11, and Jan. 15, 1934, providing for impounding of all gold in the nation and restricting it's export. (4) Jan. 30, 1934, Congress passes Gold Reserve Act, confirming all actions by the President relating to gold and limiting his authority to devalue gold by not more than 60% of it's present weight. (5) January 31, 1934, President issues proclamation reducing weight of gold in the dollar from 25.8 grains to 15 5/21 grains. The object was to decrease the gold, cheapen the value of money and force increase in prices of goods and commodities. (6) Secretary of Treasury goes into open market to purchase gold and price goes from \$20.67 per ounce to almost \$35.00. (7) Oct. 1934, cases where citizens who held private and government bonds containing clauses providing for payment in "United States gold coin of the present standard of value" go to Supreme Court. One who purchased a bond before 1933 when gold was 20.67 an ounce, could if court had so ruled, secure almost \$600 profit on a \$1000 bond when gold went to \$35 an ounce. Supreme Court decided that Act of Congress of June 5 was unconstitutional but also decided that holder of bond had suffered no loss because he could not secure payment in gold, and was therefore barred from recovering damages. (8) June 27, 1935, the President, fearful of many suits to recover on gold clause bonds asks Congress to withdraw the privilege enjoyed by citizens to sue the government on it's obligations. (9) July 18, 1935, House passes bill taking from citizens the privilege of suing government on it's currency or obligations. Legislation affecting our money system is like throwing a stone in the water. There is no limit to the distance, the ripples may travel.