THE CONGRESSIONAL FRONT.
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WHAT REALLY HAPPENED IN THE TOWNSEND FIGHT.

On January 3, 1939 which was the opening day of the 76th Congress, Rep. Hendricks of Fla. introduced a bill known as H.R. 2. It was substantially the same as H.R. 4199 which had been introduced in the previous Congress and provided for a 2% transactions tax, the proceeds of which were to be divided prorata among those citizens who were 60 years of age or over. When the Ways & Means Committee of the House held hearings and took testimony on the proposal to liberalize old age pensions and change the Social Security Act, it also held hearings on the so-called Townsend Plan. Hundreds of pages of testimony were taken for and against the proposal from members of Congress, individuals, and organizations. The American Farm Bureau Federation, National Grange, American Federation of Labor and others testified against the proposal. When the hearings were over, Townsend leaders advised the Chairman of the Ways & Means Committee that they would submit amendments to the bill in a short time. Instead of a short time, it was three months later on the 17th of May that a new bill was introduced known as H.R. 6378. It was not an amendment to H.R. 2 but an entirely different bill and provided for a "gross Receipts tax" on farmers, wholesalers, jobbers, manufacturers, retailers, wage earners and on everybody engaged in any business, trade, activity, occupation or calling. The bill contained many defects and this was frankly admitted. Then it was discovered that the "compulsory spending clause" had been omitted from the bill. On May 23rd, still another bill, H.R. 6456 was introduced to correct this omission. The sponsors of this entirely new and admittedly defective bill then went before the Rules Committee of the House and asked for consideration of this new bill which had never been considered by the Ways & Means Committee. The sponsors insisted on what is known as a "closed rule" or "gag rule" so that not a single amendment could be offered. The Members of Congress were asked to swallow the new bill "whole hog" and were afforded four hours in which to discuss it. During this period, a high official of the National Organization circulated thru' the House Office Building contacting members of Congress. During a discussion of the bill, he stated to the author of this column (and it has not been refuted or denied) that they did not expect the bill to pass; they believed that an amendment to the Constitution of the United States was necessary; that experts had advised them that it would require a year to draft an acceptable bill; and finally that they did not want the bill to pass. By a vote of 302 to 97, the bill was defeated. It was an amazing spectacle. A clear majority of Congress appears to be in favor of more liberal pensions for the aged, to be financed on a pay-as-you-go basis. Somebody seems to have wanted an impressive record vote for the bill but no bill.
Pending in the U.S. Senate for a number of years has been a bill introduced by Senator Neely of West Virginia which seeks to curb what is known as the practice of "block booking" in the motion picture business. Under this practice, it appears that a picture theatre must accept pictures which he does not want in order to get pictures which he does want. Last week, Senator Neely undertook some remarks on the bill on the Senate floor when Senator Barkley the Administration leader sought to defer the matter. Thorupon Senator Neely reminded the Leader that out of 13 meetings of the Committee handling the bill, Leader Barkley had attended only one. Leader Barkley's face took on the color of a red-bird's plumage as he replied that the Leader had other duties and responsibilities. Senator Neely then replied that those duties and responsibilities must include going to the Kentucky Derby. The crimson in the Leader's face became deeper and more enduring. The matter ended when the Leader stated that he would reply at a later day. "Mebbe so! Mebbe so!"

If it's imported liquor which tickles your palate, you are one of those from whom Uncle Sam collected 34 million in imported liquor taxes last year. If it's home grown variety that satisfied your thirst you were one of that larger group who paid Uncle Sam 565 million for the privilege. But that's not all. The states collected 267 million in gallonage taxes on liquor and 15 million in sales taxes. Not to be outdone by their big brothers, the cities and counties came along and collected something over 31 million in beverage control and license taxes. Now add 30 million for property taxes and another dash of social security and unemployment taxes and the result is what? You guessed it. A billion bucks. The liquor industry is a billion dollar industry - for taxes. When the lawmakers must find revenues and don't know where to look, somebody suggests that liquor taxes be raised. Then they all join in and sing All Around The Mulberry Bush, the problem is solved and there you are. But how long will it be before the liquor industry marches down to Washington some day, hands Uncle Sam a key to the front door and says, "Uncle, you are about to venture in the liquor business." "But I don't want to go in the liquor business" protests the dear old Uncle. "Maybe not" says the spokesman "but you're in it right now for here's the key. We can't pay any more taxes. You try it."

1776 - 1812 - 1939

On June 9th, the King and Queen will be received by Members of Congress. (Or maybe it's the King & Queen who do the receiving.) The reception will take place in the rotunda of the Capitol. It may be staged in that same Capitol which the British troops destroyed in 1812. When the King and Queen lift their eyes to the walls of the rotunda, they will see the massive oil paintings depicting The Surrender of Lord Cornwallis at Yorktown, the Surrender of General Burgoyne at Saratoga and The Signing of the Declaration of Independence. Thus is the defeat of the British in the Revolutionary War, the destruction of the Capitol of the United States in 1812 and the good will tour of the King and Queen of the British Empire in 1939 merged in the moving patterns of history.