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

HOW MUCH DOES A DEPRESSION COST.

In the course of the hearings conducted by the Temporary National Eco-
nomic Committee, testimony was offered by Mr. Isador Lubin, Director
of the Bureau of Labor Statistics to show how much the depression has
cost, measured by the yardstick of normal times. He estimates that
119 billion dollars was lost in non-agricultural wages, 20 billion dol-


dars in dividends, 39 billions in farm income and 82 billion for as-
sorted items. After allowing 97 billion for price adjustments, he
arrives at a net loss in national income for the years 1930 to 1938
inclusive of 133 billion dollars. We'll let you figure out how much
133 billion is.

NOTE TO INVENTORS.

If all the recommendations made to expedite the granting of patents
and to prohibit the abuses incident to the leasing of patents are fi-
nally enacted into law, the score will be about as follows: (1) There
will be a single court of patent appeals. (2) The life of a patent will
be 20 years from date of filing the application in order to force ac-
tion. (3) Changes will be made in Patent office procedure to hasten
action. (4) Renewal applications will be abolished. (5) The inventor
will be permitted to enjoy public use of the invention for only 1 year
instead of 2. (6) It will be unlawful to lease patents with restric-
tions on the amount of articles that might be produced under such a
lease. (7) It will be unlawful for the patentee to make a lease con-
taining restrictive clauses. (8) The sale, assignment, or lease of a
patent will have to be in writing. (9) Violations of the proposed pro-
visions with respect to the leasing of patents and the placing of re-
strictions upon the amount of goods to be made thereunder would be
punished by forfeiture of the patent to the United States. It could
then be sold to anyone who might desire to purchase the rights from
Uncle Sam.

DO YOU OWN AN INSURANCE POLICY?

If you do, you help to finance states, cities, counties and school dis-

tricts; you help finance railroads, public utilities and industries;
you help finance farm and home mortgages; you help finance the national
government. Here's the reason. On the last day of December 1938, the
49 largest legal reserve life insurance companies had their reserves
invested in a diversified list of bonds and obligations which embraced
11% of the direct and guaranteed debt of the United States, 9.9% of the
state and local debts, 22.9% of all railroad bonds, 22% of the debt of
public utilities, 15% of the industrial debt, 11% of the farm mortgages
and 14% of the urban mortgages of the country. Whenever you pay an
insurance premium, a portion of it goes to expense and the balance goes
to reserve. This reserve is invested in bonds and obligations. Thus,
every premium payment aids in financing the business of the nation and
in making it possible for the Federal government to carry on the pro-
grams which have been authorized by Congress. Who said the average
man has no interest in the national debt. Since there are 64,000,000
policy holders, it means that men, women and children have an interest
in the conduct of government, both state, national and local. Since
1890, the population of the U. S. has doubled but insurance assets
have multiplied more than 25 times.

THE "SPLENDING" BILL.

The pending bill to spend and lend 2½ billion dollars which has run in-
to a snag in Congress has been dubbed the "splending" bill. Here is
what it’s for, and how it works. The purpose, as stated in the bill
is to provide employment thru’ a program of sound financing that does
not burden the taxing power of the government. That means that it is
so contrived as to get around the statutory debt limit of 45 billions
which we will reach about June 30, 1940 on the basis of appropriations
made by this Congress. To get the money, the Reconstruction Finance
Corporation, at the direction of the President is authorized to issue
notes, bonds and debentures in the approximate amount of 2½ billion
dollars. These bonds may have a maturities of 40 years. They are sold
to banks, individuals, trust companies, insurance companies and the
money deposited in a special account in the Treasury. Whenever the
President directs, the RFC notifies the Treasury to place a certain
amount of money in one or more special accounts to be used for the
things authorized by the act. Here are the things that may be done.
The Public Roads Administration may spend up to 750 millions for post
roads, toll roads, grade separations, bridges, tunnels, highways and
etc. The Public Works Administration is authorized to lend 350 mil-
lions for the prosecution of non-federal public works, such as schools,
court houses, paving and similar projects. The RFC may spend up to 500
million on railroad equipment which it can lease to railroads. The
Rural Electrification may loan 500 million for the expansion of lines
into rural areas so that people now without electric power may have
this benefit. The Department of Agriculture may loan 500 million for
the expansion of the rural security program thru' tenant loans etc.
Since most of the money is to be used for long term loans on projects
which are supposed to liquidate themselves, the program has been called
a self-liquidating program. There are many who think otherwise. The
bonds issued by the RFC become public obligations of course, and the
taxpayers, whether in this or a succeeding generation are expected to
pay them off together with interest, in the event that the projects
on which the money is loaned do not prove out.

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