

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

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NEPOTISM. That's a strange, high-sounding word which is applied to Government officials who employ relatives and put them on the payroll. In 1933, more than 80 Members of Congress employed brothers, sisters, sons, daughters etc. as office help. Today, only 33 Members can be charged with nepotism.

BONUS. To understand why the Soldier's Bonus bill will come on the floor of Congress for action March 12, requires an explanation of House Rules. When a bill is introduced by placing it in the hopper, the Speaker refers it to the proper Committee. Hundreds of bills are pending before every one of the 47 Standing Committees, most of which, will never receive either adverse or favorable action. In this respect the Chairman of the Committee is all powerful in that he can stifle undesirable bills because the majority of each committee belong to the majority party. The Bonus Bill was in that predicament. The Committee did not report the bill favorably to the Congress and therefore no action could be taken. However, to offset this power of the Committee to pigeon-hole bills, there is a rule of procedure which provides that 145 members (one third of the membership of the House) can, by signing a petition to discharge the Committee from further consideration of any bill, thereby automatically bring the bill on the floor for summary action on a so-called Consent Calendar day. The signatures were obtained. That day falls on March 12th. Therefore the Bonus question is once more before Congress.

THE TAX BILL. This bill was debated every day for a week. One member after another took the floor to point out weaknesses and discrepancies in the bill but when the roll was called on February 21st, only 7 members voted against it. The bill is expected to raise $3\frac{1}{2}$ billions in revenue for the fiscal year 1934, and 4 billion for 1935. Of the total amount, about 31% will come from income taxes, 41% from miscellaneous internal revenues taxes such as tobacco, liquor, oleo, stamp taxes, radios, firearms and shells, sporting goods etc, 13% from processing taxes, 11% from customs taxes, and 4% from miscellaneous sources such as canal tolls, income from bonds etc. Among the miscellaneous items are a continuation of the 2¢ tax on checks and drafts, 2¢ per 1000 on matches, 10% on electric refrigerators, 10% on furs and fur coats, 10% on jewelry and watches, 10% on guns, cameras, shells, and sporting goods, 2½¢ per pound on tires and 4¢ per pound on tubes, a tax on club dues and theatre admissions etc. The 3¢ non-local letter postage will be continued, even tho it made a profit of \$104 million for the last fiscal years, on the theory that the money is badly needed. The income tax structure was modified to decrease the number of sur-tax brackets from 53 to 28, a normal tax of 4% was provided on all incomes, with a sur-tax ranging from \$160 on surtax net incomes of \$8000 to \$532,740 on surtax net incomes of one million dollars with a tax of 59% on surtax net incomes in excess of one million dollars. The so-called "incorporated pocket-book" where one man incorporates himself in order to escape taxes, was hit by the levying of a 35% on "undistributed adjusted net income". The law was not changed with respect to Depletion and Depreciation but the Treasury Dept. feels that it can, by placing the burden of proof on tax payers claiming depreciation, collect extra millions from this source. Consolidated returns (that is returns by a single corporation controlling a number of units) remained unchanged. There is too much to cover in a news letter but it is significant that Paul Mallon, noted syndicate writer stated from first-hand information that the reason a gag rule was employed to pass this measure was because "members of Congress did not understand it" and that even the Chairman of the Committee stated that he did not understand administrative details and intricacies of the bill. Another National-ly known writer states "Lawyers find how to evade tax bill. Boom in legal business forecast if act aimed at rich passes."

Representative Hill (Chairman of the sub-committee which prepared the bill) is so impressed by opportunities for legitimate avoidance (of income taxes) that he is considering offering an amendment." At best, it is a legislative jig-saw puzzle, without pattern or design, which promiscuously grabs a little revenue here and a little there, and bears no relationship to the problems of production and employment. The only redeeming feature of the bill was a tax of 5¢ per pound on coconut and sesame oil, to aid the dairy farmers of the nation.

HOME WORK. High School and College students lugging books home, after a day at school refer to it as their "home work!" Congressman also have home work. Today is a sample. In the auditorium of the New House Office Building, a 150 members of Congress assemble at 8:00 p.m. to get accurate information on the distress of the dairy farmer and the butter producers. They learn that a fairly satisfactory situation existed under the AAA until February 1st, when new personnel in the AAA, cancelled existing milk marketing agreement, and propose to substitute a new kind of license which established prices for fluid milk at a point, 50¢ per hundred below those which obtained under the old agreements and from 60 to 80¢ per hundred below the pre-war parity prices that are indicated in the Agricultural Adjustment Act. Resolutions are passed and a plan of action outlined to benefit the dairy farmers in all sections of the country. In the auditorium of the Old House Office Building, is a meeting of more than 75 Members of Congress, listening to Senator Thomas and Senator Frazier outline and suggest ways and means of securing enactment of the Frazier Bill, already endorsed by the legislatures of 23 states. This bill provides for loans to farmers at a rate of 1½% interest, with a provision for retirement of such loans by payment of interest plus 1½% per annum on the principal. Funds for the purpose of those loans shall be obtained from having the Federal Reserve issue notes against these mortgages as security.

HOME OWNERS LOAN CORPORATION. The first annual report, released by the Home Owners Loan Corporation shows the activities of the Corporation in Illinois up to January 1st, 1934. Loans in which bonds of the Corporation were exchanged for mortgages totalled 578 for an aggregate amount of \$2,505,000, the average per bond loan being \$4335. Only 3 cash loans were closed for the entire state, in the aggregate amount of \$2500 with an average of \$833. Not a single 40% cash loan was closed up to that time. A total of 41,161 applications were received so that the total of all loans closed was a trifle more than one per cent. These applications called for almost 160 million dollars. About 9000 applications for a total of \$39 million had been "tentatively" approved. About 247 applications aggregating \$900,000 had been withdrawn.

SLINGS AND ARROWS. Today a Congressman from Alabama received the following wire from a constituent. "Married this morning. Out of work. Must have job at once. Will do anything. Please advise!" The Congressman sent the following answer. "No jobs available. Apply for divorce at once!" The President is concerned about the increased activities of bootleggers and has ordered the bars down on importations of liquors. Eleven babies were born on Washington's birth anniversary in Washington, D. C.

TRAGIC POSTLUDE. I trust readers will indulge this personal incident. In the winter of 1918, after completing three months in an Officers Training Camp in Battle Creek, Michigan, the 250 budding artillery officers had a dinner before being assigned to the four winds. The Speaker for the dinner was named Hooper, an attorney from Battle Creek, Michigan. Not until this week, did I learn that he was the same Hooper who is now a member of Congress. At four o'clock, on Washington's Birth anniversary, he made a brief speech on the floor of the House, defending Lindbergh in the present mail probe. At five o'clock, Congressman Hooper fell from the chair in his office and died, victim of a heart attack. He was a gentleman and a friend.