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THE CONGRESSIONAL FRONT
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16th District.

UTILITIES AND THE COURTS. Where a public utility such as a water, power, or gas company disagreed with the action of a State Utility Commission in the establishment of rates by such Commission, the utility had a choice of filing a bill to review such action, in either a state court or in Federal District Court. Senator Johnson of California introduced a bill in the Senate taking away from Federal District Courts the jurisdiction of any suit to enjoin, suspend or restrain the enforcement, operation or execution of any order issued by such a state commission or administrative Board. The Bill passed the Senate and was reported to the House for action. It was considered by the Judiciary Committee of the House, which reported a substitute known as the Lewis Bill, altering the Johnson Bill so that utility companies might elect whether to start suit in a Federal or State Court to secure a review of a State Commission, with the further provision that if the company began its suit in the state court, it could not thereafter ask for a transfer of the suit to Federal Court, with the exception that the right to appeal to the United States Supreme Court was preserved. Then came the Illinois Telephone Case, showing that that case had been in the courts for 10 years. That decision was very timely in effecting support of the Johnson Bill. It will doubtless become law soon.

SILVER, is on the front page again. Its stock has been boosted by the plight of the farmer and wage earner. Silver advocates insist that a program to nationalize silver, to make it a part of our money system in the ratio of 25 to 75 or 30 to 70 for every \$3 of money in circulation backed by gold, there shall be \$1 backed by silver, and the purchase of domestic free stocks of silver at 50¢ per ounce by the Treasury, will stimulate farm prices, help rehabilitate purchasing power and be a big factor in stimulating recovery. The silver advocates and the President are at odds on only one thing and that is whether the bill which contains this silver program shall make it mandatory for the President to do these things such as nationalizing and purchasing silver or whether it shall give him authority to do so, if he so desires. During the special session of the present Congress, there was added an inflation provision to the Agricultural Adjustment Act, giving the President discretionary power to inflate. He did not do so except in the most limited way. Now the silver-ites insist that the President be compelled to inflate. And there's the rub. Under the London silver agreement of last year, the U. S. is now buying and minting about 24 million ounces of silver per year for the next four years which it buys at 64½ cents per ounce. There is now over 500 million silver dollars in the Government vaults.

HUMAN NATURE is always fundamental consideration in the practical operation of any legislative measure. Let's see. Congress passed the Bankhead Bill, limiting cotton production for the next crop year to 10 million bales, apportioning this 10 million bales among the 10 major cotton producing states on the basis of its average production for the last five years, and further apportioning it among the farmers on the basis of what each farmer raised during the last five years. Now for its application. Here is John Jones who farms 20 acres. On the basis of past production he gets a permit to sell 6 bales for the next crop year. Adjoining him is Bill Smith who also has 20 acres. On the basis of past production, he gets a permit for 8 bales. Adjoining him is Joe Green, with 20 acres. He gets a permit for 9 bales. Bill Smith can't understand why Joe Green should get a permit for 9 bales when he gets only 8 and John Brown can't understand why either Joe Green or Bill Smith should be entitled to a permit to sell more cotton than he. The result is what? Your guess is correct. It differs from previous crop reduction programs in that it's compulsory and not voluntary.

CORN HOG PROGRAM. Herewith a report of the number of farmers who signed hog-corn reduction agreements in some of the states. Iowa 170,000, Illinois 125,000, Missouri 105,000, Nebraska 85,000, Indiana 80,000, Minnesota 80,000, Kansas 75,000, Ohio 60,000, South Dakota 57,200, Wisconsin 44,000, Oklahoma 39,100, Texas 32,500, Vermont, Delaware, Massachusetts, New Hampshire, and New Jersey each 300, Nevada 200, Connecticut 100, Maine and Rhode Island had only 50 each. Total number of farmers to sign is estimated at 1,111,160.

MUNICIPAL BANKRUPTCY. It is estimated that there are outstanding in the entire United States about 20 billions dollars in municipal bonds. It is further estimated that about 1½ billion of that amount is in default. One of the sad consequences of that default has been that municipalities, found themselves in a tight place, could neither borrow or anticipate on tax warrants, could issue no more bonds, did not have funds with which to carry on all of the ordinary municipal functions and were therefore to all intents and purposes bankrupt. Unlike

individuals, they could not however go into bankruptcy. Another difficulty was that if a municipality tried to get its creditors or bond holders to scale down, one or two could thwart such a program. Accordingly a bill was introduced early in 1933, making it possible for a city to go into Federal Court, with the written consent of 66 2/3% of its creditors and compel the other 33 1/3% to become bound by some composition agreement to ease and scale down its financial burdens, and after having done so, to continue on its way. The bill was introduced as an emergency measure, to run for two years after enactment. It applies not only to cities but to school districts, counties, villages, drainage districts, sewer districts, paving districts and in fact every kind of taxing body. It includes bonds, notes, and all certificates of indebtedness. A Federal judge shall pass on the equity of the plan and by decree shall discharge the municipality or taxing body from such debts and liabilities as are set out in the plan. Now comes a difficulty. The Senate passed this bill a few days ago. It now goes to the White House for approval or disapproval. It is understood that the President does not wish to disapprove the bill but - and that "but" should be spelled in capital letters - there is no exception which would prevent cities and taxing bodies from also including in their indebtedness, loans obtained from the P. W. A., the R. F. C., or other governmental agency. If a taxing body attempted to scale down its debts under this measure, P. W. A. and R. F. C. would have to take a loss on their loans. Doubtless an attempt will be made to rush another measure through Congress, making this measure inoperative against government advances. All of which proves that its often difficult to foresee, the effect of a given law.

MISCELLANY. A Bill known as the National Firearms Act is now under consideration by the Ways and Means Committee. It is endorsed by the Attorney General as a necessary step in his anti-crime campaign. The original draft calls for registration of all importers, manufacturers and dealers in fire arms, for the registering of all sales of pistols, shotguns, and machine guns by name and number, provides a tax on the sale of firearms and adds a number of violations of law for possession of firearms. Suggested taxes or license fees for those dealing in firearms is \$5000 for manufacturers, \$200 for dealers, \$200 tax on machine guns. More than 800 retail stores in Washington, the nation's capital, have failed to pay their N. R. A. assessments and may be denied one of the new Blue Eagles. A bill appropriating 405 thousand dollars for maintenance of Government exhibits at the Century of Progress for the second session of the fair was passed after it had been reduced to 200 thousand. There are at present, about 11,000 Federal prisoners in 9 prisons and 4 prison camps. However, there are some 30,000 who have been convicted of Federal offenses and are now on probation. The depression has increased counterfeiting so that it is today, the greatest in our history. Curtailed appropriations and a reduction of investigators is partly responsible.

AIR MAIL. The new air mail bill, which will undoubtedly pass Congress provides a rate of 5¢ per ounce or fraction thereof. Airmail contractors may in free, open and competitive bidding receive a base rate of not to exceed 35¢ per airplane-mile for transporting mail on a load not exceeding 300 pounds. For each additional 100 pounds over 300, they may bid not to exceed one tenth of the base rate stated above. Air mail routes shall not exceed 29,000 miles. The Postmaster General shall not establish air mail schedules to exceed 40 million miles per year. Air mail companies whose contracts were abrogated recently, are given authority to sue the U. S. in the Court of Claims, provided such suit is brought within one year of the date that the contract was annulled. The bill however has a strange joker. It is an emergency measure, authorizing air mail contracts to be made for one year, when as a matter of fact, the contracts have already been let.