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

LOANS TO SMALL INDUSTRIES. On March 5th, 1934, 5300 national banks reported assets of 23 billion dollars, an increase of 1 billion over December, 1933. The Federal Reserve reports excess reserves of more than  $1\frac{1}{2}$  billion dollars. Reports also show that commercial and broker loans have steadily declined every week for a month. Relief rolls have increased. The American Federation of Labor reports almost 11 million still unemployed. This is a strange condition and has given rise to the intimation that banks are not or will not loan money. There is the further inference that if banks did loan money, it would speed recovery. Banks are not to blame. First of all, they are in the difficult position of being closely supervised by the Federal Reserve and the FDIC and are compelled to maintain a liquid condition. Second, the need of business and industry is for loans for longer periods than banks can now make. The result is a certain stagnation in small business due to restrictions in the law. The bill to provide loans for small industries is designed to correct this difficulty. By the terms of the bill, loans can be provided from two sources, the Federal Reserve Banks in cooperation with local banks or from the Reconstruction Finance Corporation. From Federal Reserve Banks, about 130 million will be available to make loans to established businesses for periods of 5 years or less and to cooperate with banks, mortgage companies, and credit corporations in making loans. Where loans are made thro local banks and underwritten by the Federal Reserve, the local bank must agree to bear 20% of the loss from such a loan if there should be a loss. Three hundred million is made available to the RFC for loans not to exceed 5 years and not to exceed \$100,000 to any one person to provide business capital for small businesses and industries. Under this section, no new loans shall be made after January 1, 1935. An additional 125 million is also made available for the refinancing of drainage and irrigation district loans. Originally, 50 million was made available for this purpose and applications for more than \$200 million were received. Farmers in drainage districts have been in a peculiar position. They cannot get Federal Land Bank loans. In many instances, bond holders have scaled down more than half on drainage loans in order to help the refinancing of the indebtedness of drainage districts, but unless Congress makes funds available, these farmers cannot save their holdings. This bill seeks to aid them along with other businesses in the country.

GRAN CHACO is a large trackless wilderness situated between the two countries of Bolivia and Paraguay in South America. For years, there has been a boundary dispute between these two nations, as a result of which, war was declared. After a while, both countries sort of lost interest in the struggle, but as a matter of course, and as a matter of state routine, the war continued. Altogether it is a senseless but true state of affairs. The League of Nations has been seeking to end this silly struggle by preventing the sale of arms and munitions to the participants. Other nations were ready to cooperate. They then submitted the matter to the President. He stated he had no authority unless Congress conferred such authority. The House therefore passed the McReynolds Resolution giving President Roosevelt authority to bar sales of arms and munitions to the two warring nations. In the last 18 months about \$800,000 worth of munitions and arms have been exported to Bolivia and Paraguay from the United States.

Trade

BRAIN TRUSTER No. 5. James M. Landis, Member of the Federal/Commission age 39 is probably closer to the President than any other so-called brain-truster, including Mr. Tugwell. He is the son of a Presbyterian missionary and was born in Tokyo, Japan. He graduated from Princeton and then from Harvard Law School and then became a professor. He drafted the original Securities Act of 1933 and when complaints came from all corners of the nation that it was stifling the flow of capital, Mr. Landis was given the job of revising it. He also drafted the bill to regulate stock exchanges which includes Federal control of all corporate organizations in the country.

GIFT HORSES. It is said that one should not look a gift horse in the mouth. What would you do about this case? Many years ago, the U.S. gave Florida several hundred thousand acres of land. Florida now wishes to give back 325,000 acres, have the U.S. create the Everglades National Park in this area and is willing to help the U.S. acquire an additional one million acres without any cost for the land to

the U.S. Moreover, the bill now pending before Congress provides that the U.S. shall not spend one dime for development or protection or administration of this park for 5 years. Looks like a bargain for the public - the land to be acquired without charge and no expenses for five years. But, at the end of five years there will be maintenance, road development, dredging, and other costs that may run into millions of dollars. Florida has already, in years past managed to get almost 500 million from the Treasury for sundry purposes and if the creation of this park is authorized, there will eventually be millions required. The singular thing about this park is that it is located in the Everglades, so wild, and so tractless, that even the veteran Seminole Indians get lost in this area. About the only way one could see this park would be to swim in or fly over it by plane. However, mangrove trees, flamingoes, crocodiles, alligators, snakes, egrets and what not can scarcely be appreciated by the average taxpayer if he first had to go to Florida and then hire a plane to take him over this park. Such is the nature of gift horses that are too often presented to the people of this country thro the agency of a bill introduced in Congress.

"YOU DON'T SAY!" The principality of Lichtenstein, situated between Germany and Austria, with a population of 10,000, and containing only 60 square miles of area, knows nothing about depressions. The reason - slick promoters and shady schemers can incorporate their nefarious ventures there and leave their fees, commissions, and license charges but cannot sell their fake stock in the principality. As a result, Lichtenstein has never known a deficit and it's people pay no taxes.

INVENTIONS patented recently including a fire spraying machine for plowing. The inventor, a Norwegian, claims that this device can burn roots beneath the soil, make the soil porous, preserves the potash and phosphorus, and takes the place of plowing. The inventor has the melodious name of Truls Rogerud. Another recent invention is a bull-exerciser. The inventor, a man from Oregon, claims that bulls are surly and morose and mean because they get insufficient exercise, and his invention is a revolving arm to which the bull is hitched by a lead chain so that Mr. Bull will be compelled to walk in a circle. A patent was awarded to two citizens of Austria for a radio-active cloth, made of artificial silk with which a radio-active substance has been mixed before it is spun. The inventors claim that washing or ageing does not destroy the strength of this substance and that such cloth is invaluable in the making of bandages and dressings. Another invention is an electrically-heated steering wheel for motor cars.

BANK DEPOSITORS. The bill to pay off depositors of closed banks is a considerably modified version of the celebrated McLeod Bill about which millions of words have been spoken and written. The new measure in it's original form gives to the Federal Deposit Insurance Corporation the power to loan upon or purchase the assets of any bank, savings bank or trust company which closed it's doors between January 1st 1930 and January 1st 1934 and which has not paid off it's depositors in full. In appraising the assets of such closed banks, the basis for appraisal shall be orderly liquidation of such assets over a period of years and not on the basis of what such assets would bring at a forced sale. The measure also contains provision for extending the temporary insurance of bank deposits for another year and raising the amount from \$2500 to \$5000. This will give 100% protection to 95% of all bank depositors in the country and will include 55 million accounts aggregating 16 billion dollars.

CURIOUS CONTRAST. This item is inspired by the hearings held months ago on a measure to approve and legalize the sale and distribution of birth control literature and appliances. While Mrs. L. L. Blankenburg of Philadelphia, age 89 was addressing a convention on the subject of birth control last week, Mrs. Rosario Llinas of Tamaulipas, Mexico age 70 became the proud mother of twins.