

Will Powers of Federal Reserve Bankers Be Extended by Congress?

The Federal Reserve Board officials have asked Congress to continue for two years the board's power to issue currency backed by government bonds. Their present power expires March 3rd, 1937.

The Federal Reserve Board announces that "with extension of the present power, it could offset a gold outflow by substituting government bonds for present holdings of gold certificates (issued against real gold) which serve as backing for Federal Reserve notes."

When the Federal Reserve System was organized in 1914, the currency or Federal Reserve notes—the beautiful printing press \$5 and \$10 bills we carry in our pockets—were backed by gold and silver in the United States treasury.

When silver was nationalized, the Federal Reserve System had these backed by gold only.

In the Banking Act of 1935, gold was no longer necessary to secure these Federal Reserve notes. Government bonds took the place of gold. The real purpose of this measure was to free the gold used for security so it could be shuttled

back and forth to the countries of Europe, especially to the Bank of England and the Bank of France, whenever the international bankers saw fit.

They now see the war in Europe reaching its fiery climax. Thus, they want the gold free to send to England and France so they, in turn, can return it to America to purchase ammunition and foodstuffs.

Thus the nefarious scheme continues unabated!

A government bond, backed up by the power and authority of the U. S. government, is good enough collateral to secure their fountain pen currency. But debt-free currency backed up by the same government must not be considered good collateral. This the financial dictators of the Federal Reserve System declare! Debt-free currency bears no interest to sap the vitality of American life by producing real wealth for fountain pen wealth, they declare!

How long before the American people will rise up in their wrath and shake off the shackles of economic bondage?

Searchlight on the Money Changers

DETROIT, MICH.—A. Lawren Brown, in speech before Detroit Federation of Women's Clubs, says: "Depressions are caused by ignorance . . . Most crimes are committed for money. We are pathetically ignorant 'financially.' What can be done about it? Education is the answer. Correct attitudes toward money should be well established before a child is nine years old."

MARISSA, ILL.—The Progressive Miner, a weekly publication, declares that the international bankers are cooking up "another and probably a worse depression that will curse this nation and the world in general."

WASHINGTON, D. C.—Administration officials admit

privately, says the United States News, that war debt deals with the United States are "feelers" put out by foreign countries who are anxious to circumvent the Johnson Act. . . . Johnson Act forbids loans to such countries as France and England who have refused to make payments on war debts to us.

BOSTON, MASS.—One factor contributing to the drift of general insecurity is the rapidly mounting federal debt, says the First National Bank of Boston in the current issue of its New England Letter. . . . Another factor, says the bank, is the "increased mortgaging of future income of consumers" by extended installment credit. "Instead of 12 months being the usual period of payment," bank points out, "it is now 24 months on new automobiles and 18 months on used cars. This represents doubling the terms which were considered the proper standard before the depression."

WASHINGTON, D. C.—Federal Trade Commission reported to be ready to reform credit merchandising methods of the automobile industry. . . . Plans are expected to call for broad and drastic revision of entire installment-credit system.

Cost of Living Averages Show Rapid Uptrend

The general cost of living at the close of 1936 was 2.6 per cent above that of a year ago, and 20.1 per cent above April, 1933, the low point during the depression, but it was still 14.2 per cent below December, 1929, the high point.

Food prices increased 0.5 per cent from November to December, which raised them 1.1 per cent above the level of December, 1935 and 38.6 per cent above the low point of 1933.

Rents continued to advance, increasing 0.5 per cent from November to December. At the close of 1936, rents were 11.4 per cent higher than a year ago and 30.5 per cent higher than at the beginning of 1934.

Clothing prices increased slightly, 0.1 per cent from November to December. They have risen 22.1 per cent over the low point of the spring of 1933.

Coal price rose 0.1 per cent also from November to December. They have risen about 15 per cent over the low point of 1933.

These are government figures released by the National Industrial Conference Board. They represent national averages, but the increase is considerably larger in the larger cities.

Balancing of U.S. Budget Not Possible

We hear a great deal about balancing the national budget. There are many angles to the problem, but when reduced to the bare essentials, it amounts to the private pressure the bankers are exerting through their hidden influence to continue the borrowing, against public pressure brought to bear in the full light of day.

We all know that an individual cannot spend more than his income, indefinitely. Sooner or later, his funds run out, he is forced to draw on his credit and soon this, too, is exhausted, if the foolish process is continued. Neither can a nation.

The government is borrowing to continue its operations. It is no secret. Marriner S. Eccles, governor of the Federal Reserve Board, believes an unbalanced budget is justified. This is a fiscal theory of the New Deal.

Eccles Reveals Fact

Speaking before the New England Council, on November 13, at the meeting of the Bank Management Conference, Eccles said:

"To the extent that they bought government bonds—on a large scale during the period of 1933 and 1934, less in 1935, and very few in 1936—the banks created money, just as they would have created it had they loaned the money instead of to the government to individuals or corporations. They credited the Treasury's account on the one side and they put in their investment portfolio, government bonds, or bills, or notes on the other side; and as the Treasury checked those funds out, put them into circulation. That money created business and finally came back into the banks in deposits to the account of various individuals and corporations. The funds went through the mill of production and distribution, produced goods and services, came back into the banks, and are there today."

Thus the borrowing was at bottom a money-creating process. On June 30, 1933 the deposits in all American banks was \$33-billion. Last June, 1936, it has increased to the stagger-

ing sum of \$51-billion. Since last June to date several billion dollars must have been added to the \$51-billion dollar figure.

But the immoral part of the process is that all this borrowing by the government is earning interest for the bankers! All the business that was created paid a toll tax in the form of interest.

It's a Profit Racket

Is it any wonder that the Federal Reserve bankers feel that an unbalanced budget is justified when their net income was never so staggering — despite propaganda that "they are failing to earn their dividends." This hash is dished out to counter-balance the logic of thoughtful people, who are aware of the nefarious scheme by which they create money by the stroke of a fountain pen, and which is repaid in real wealth by the sweat and labor of the American people through industry, commerce, through professional activities.

Senator King of Utah, is one who is aware of the impossibility of balancing a budget while our present immoral scheme of creating money is continued.

He recently said:

"There is absolutely no chance to balance our budget for even an indefinite period, a very indefinite one, under our present policy — despite all hopes and statements to the contrary."

Congress Delegates Power

Congress alone has the power to regulate the value of money and coin it. The Constitution never intended to give Congress authority to delegate to the Federal Reserve System this power to control and issue money. The power has been usurped by this private corporation.

Only when the American people wake up to this primary cause of all our economic maladjustment, can the national budget be balanced.

When you have to pay for a thing instead of charging it, you think twice. This generation is receiving dole, bounties, grants, subsidies and a hundred and one other contributions, but they are all borrowed. Their children will pay for each last cent that was borrowed, plus private profit interest to the lender.

When the American people wake up and exert public pressure that can correct our money system, and restore to the government its rightful power to control and regulate money, only then will the national budget ever be "balanced."

No Strike-won Wage Raise Ever Caught Up with Costs

Standard of Living for Average American Lower Than in Civil War Days!

With strikes and threatened strikes in nearly every industry, one finds resentment expressed in the newspapers and magazines towards the embattled laborers. Why cannot they leave well enough alone, and be satisfied to have a job? is the burden of comment.

Strikes do not occur until sufficient public sympathy is aroused to offer some hope of success to the underpaid workers. Statistics disclose that the standard of living for the average American citizen is lower now than it was before the Civil war! The cost of living has advanced so rapidly that the present wage scale is totally inadequate. To make matters worse, with every dearly-won raise in pay, prices for life's necessities jump farther ahead.

Builders Idle, Homes Needed

Land is scarce and taxation heavy—more than one-third of our income is annexed for taxes—which forces rents sky-high. Even in 1929, the boasted period of our greatest prosperity, half of all American homes were heated with old-fashioned stoves. Only one home out of ten had a bathtub. With lumber and other building materials rotting on the ground and four

million building trades workers walking the streets jobless, ten million American families lived in hovels and slum shacks unfit for human occupation.

Although food costs were higher than ever before, one-sixth of the families living in urban communities spent less than one dollar a day for food. Three babies out of four have rickets and the tubercular menace is 30 times greater than under normal circumstances.

This is due principally to undernourishment. Despite these conditions, milk has been dumped into the sewers to keep the price up to 12c and 13c a quart—and not for

the benefit of the farmers. Many of them get no more than 3c a quart, which does not cover the cost of production. The profit in milk goes to the stockholders of the big milk companies, the two largest of which virtually control the industry.

Cost of Living Races Upward

The price of butter has increased 99 per cent in four years, eggs have increased 200 per cent in the same period and pork from 100 to 190 per cent, depending on the cut. The following table is a concrete example of the way food costs have jumped since 1932:

Commodity	Price 1932	Price 1936	Advance	Percentage of Increase
Butter (lb.)	23c	44c	21c	90%
Bacon (lb.)	17c	39c	22c	140%
Ham (lb.)	15c	33c	18c	120%
Pork Loin (lb.)	10c	29c	19c	190%
Pork Chops (lb.)	17c	35c	18c	100%
Steak (lb.)	25c	59c	34c	140%
Cheese (lb.)	19c	25c	6c	30%
Eggs (dozen)	19c	55c	36c	200%
Sugar (10 lbs.)	37c	53c	16c	45%

Because there was too much food, the "surplus" was destroyed and our people starved.

With too much clothing, we walked in rags, and with an abundance of building materials and idle builders, we lived in tumble-down shacks. We shivered and froze, with

a vast supply of coal under our feet.

As soon as the cost of production reaches a level where dividends are no longer forthcoming, the factories, mines and similar producing agencies shut down and the laborer-consumer is left high and dry.

FATHER COUGHLIN'S WILL

In Memory of Bishop Gallagher

Sunday January 24, 1937

ON HIS last visit to the Shrine of the Little Flower, some few short days ago, Bishop Gallagher expressed his desire that I should resume my broadcasting activities immediately, primarily, to expound the doctrines of Christianity and to expose the fallacies of Communism. Even though I were reluctant to resume my place before a microphone, nevertheless, I regard it as a duty to address you today, and henceforth regularly, to fulfill the last wish of my Bishop, my counsellor, my guide and my friend.

With keen anticipation he had planned to be here this afternoon to grace this occasion with the dignity of his person. Alas! the tapers which are flickering upon the high altar are casting shadows upon his empty throne. This beautiful church, which was his pride and joy, is draped in somber black and violet to mourn his passing. Sorrowing clerics and grief-stricken friends have gathered here and elsewhere to pay tribute to their departed leader. As their spokesman, I feel quite unworthy spiritually and incompetent physically to raise my voice in sounding even the name of him whom I loved as a pupil does his teacher, as a son does his father.

Good Bishop Gallagher is dead! Gone from our midst is a stalwart citizen who loved liberty and hated oppression.

Gone is a model priest whose pure heart not only beat in unison but suffered in sympathy with the spear-torn heart of Christ.

Gone is a noble Bishop whose life was an ornament to the sublime office which he held.

Soon a cold grave will hold his body captive. Soon shall Invisible Destruction begin to trace her devastation in death's high capital!

O Death! well do we know that thou keepest pale court amidst decay. Thine it is to wither a tongue from which words of golden wisdom dropped. Thine it is to reduce to dust an apostolic hand which had signed with the seal of confirmation thousands of volunteers in the army of Christ.

Today, Death, thy sickly flag is unfurled, as fallen human nature pays thee tribute. Today thou makest boast of victory, forgetful of that tomorrow through whose rainbow we glimpse the sun of hope shining through the shadows of sorrow.

Knowest not, Death, the truths which nature speaks? Behold the killing frosts of winter which have seared the fruits upon the trees. Knowest thou not that spring will come with its sunshine and song, its blossoms and buds to mock thee?

Rememberest not, Death, the power of Nature's God Who said: "I am the Resurrection and the Life."

Thou didst not recognize Him when, one day, He walked down the dusty streets of a little town called Naim. Then he beheld a weeping mother following her loved son to his untimely grave. Then, as now, did mourners weep. Then, as now, did fond hearts break. Oh, I see the Christ standing over that crude coffin. Time has not silenced the echo of His command when He said: "Young man, I say to thee arise." Time has not taught thee, Cruel Destroyer, that in the tragic drama between Life and Death, thy temporary triumph melts before the invincible spirit of life eternal!

Once more I see the Christ entering the home of a Roman centurion named Jairus. There, Death, thy dart hadst struck most foully at the breast of a tender maiden. A disconsolate mother was little comforted by the sorrowing neighbors who surrounded her as she gazed upon the flower-strewn couch upon which rested the white-clothed corpse of her darling girl.

Then came Christ! Gently He approaches the still form of her dead child. Tenderly He places His hand beneath her golden head. Sweetly His lips touch her cold, pallid cheek. Of a sudden her eyes open. The ruddy blush of health appears upon her brow. Christ arises to astound the weeping family with these words: "She is not dead. She sleepeth." In a moment she who had been claimed as thy victim, Death, is standing up, clasped in her father's arms.

On a third occasion, Death, again thou wast vanquished by the Master of life. Christ's friend,

Because the last request of Bishop Gallagher was for Father Coughlin's immediate return to the air, the weekly broadcasts from the Shrine of the Little Flower were resumed on Sunday, January 24, out of respect to the bishop's wish.

Due to the short time allowed for the arrangements, changes in the list of stations carrying the broadcast may be made after this edition. In general, however, eastern stations are carrying the afternoon program from 3 to 4 p. m. (Eastern Standard Time), and the western outlets convey a re-broadcast from 8 to 8:30 p. m. (Eastern Standard Time).

Answering hundreds of inquiries that have come from Minneapolis, St. Paul and Chicago, no radio stations in those cities are available for Father Coughlin's Sunday broadcast. WGN, to which a wide section of the middlewest listens in, reported that while it would carry Father Coughlin in a "political broadcast" its own ruling prevented a "religious broadcast." Father Coughlin's radio series proposes to "defend Christianity and attack Communism."

A complete list of the radio stations carrying the broadcast — the largest number ever contracted for — will be found on page 9 of SOCIAL JUSTICE.

Lazarus, had been sealed in the tomb of dissolution for more than three days. Outside, there knelt Christ, Mary and Martha and a group of friends. "Lazarus, come forth," were the words He uttered—meaningless words to those who had no faith—stupid words to those who believed in the imperial power of the grave. Lo, before their eyes stood the resurrected Lazarus! Once more, Cruel Death, thou wast vanquished by Him who shortly afterwards proclaimed Himself to be the Resurrection and the Life.

Finally, Death, thou didst recognize a foe worthy of thy powers of distinction. "Here," thought thou, "is Life Itself. This Life I must conquer else Death itself must be the heritage of Death!"

To destroy Him, Death leagued together the enemies of immortality. He filled their hearts with hatred and their mouths with calumny. In their hands he placed a leaden scourge. At length the torn and blood-stained body of Christ was thrown upon a cross. A heavy hammer was raised. In sickening thud it fell upon nails which fastened to a cross Death's rival who had boasted, "Destroy this Temple and in three days I will build it up again." There was Christ suspended between

earth and sky while lightning flashed and death's applause broke forth in mocking thunder.

"He saved others, Himself He cannot save!" shouted the ignorant throng as one from the ranks plunged a spear into the heart of Jesus Christ!

As the mother of the young man of Naim followed his corpse to the grave, so Mary Immaculate escorted the body of her Son to the sepulchre. The tomb was sealed. The deed was done. He Who was the Resurrection and the Life; He Who saved others—so thought Death—at last became the victim of worms, of decay.

These were sorrowing hours for those who loved Christ. For three days the battle between Time and Eternity was waged. For three tragic days Death and Life were gripped in mortal combat. At length the stone was rolled from the grave's entrance where, resplendent and immortal, stood the risen Saviour. Truly He is the Resurrection and the Life—the same Who promised to all who believed in Him that He would raise them up on the last day.

O, Grave, where is thy victory! O, Death, where is thy sting!

* * *

My friends, Bishop Gallagher not only enjoyed this immortality of body and soul, which Christ has promised to His faithful followers, he has left an impression upon both Michigan and America which time cannot easily erase. Some one has called him the "Building Bishop" because during his golden regime he was responsible for the construction of fifty-two fine churches, of several hospitals, of many schools and institutions, chief of which is Sacred Heart Seminary. However, as a builder his fame far transcends the limitation of brick and mortar. When brick and mortar shall have decayed there will remain to his lasting credit the fruits of good deeds whose seeds he sowed. The 275 young men whom he ordained to the priesthood will go marching down the year to preach the gospel, in season and out of season. They will feed the hungry, clothe the naked and perpetuate the command of Christ of forgiving sins in the name of the Master.

When they shall bring consolation and the promise of life eternal to the dying, they will remember Michael James Gallagher.

When these young Levites shall stand at the altar to raise high the Sacred Host, they will trace their priestly ancestry back to Christ through the consecrated hands of Michael James Gallagher.

When, with hearts filled with courage, they shall defend the oppressed and befriend the down-trodden, they shall remember Michael James Gallagher, who did not regard the Gospel of Christ, even as was read this Sunday relative to the laborers in the vineyard, as a mere piece of Christian poetry.

This spiritual edifice which he has erected, neither Time nor Death can destroy; for Christ, in Whose Name these young priests shall operate, has promised to be with them until the consummation of the world.

* * *

At least a thousand times, without exaggeration, Bishop Gallagher encouraged me to preach the doctrine of Christ as expounded by the heroic Leo XIII. Some forty years ago, when he was young priest officiating in the diocese of Grand Rapids, Michael Gallagher said:

"I do not regard the *Rerum Novarum* of Leo as a pious essay. I look upon it as a practical yardstick with which we must measure the new system of economics. The old system has failed. Christ's system as explained by Leo must be established."

From this great Bishop I gained my inspiration. By virtue of his encouragement I pursue