

138644

FILE NO.

Communication

OF

E. Fred Johnson

Transmitting plan for relief of depression.

FEB 20 1933

FILED

BY

ADDRESS

H. W. CARROLL

CITY COMPTROLLER AND EX-OFFICIO CITY CLERK

BY

H. W. Carroll DEPUTY

ACTION OF THE COUNCIL

REFERRED FEB 20 1933

REFERRED

REPORTED

REPORTED

REF. FOR ORD.

TO FINANCE

TO

REPORT ADOPTED

REPORT ADOPTED

C. B.

ORD.

DISPOSITION

FEB 27 1933

JAN 27 1936

LEGISLATIVE

ON FILE

The City of Seattle--Legislative Department

MR. PRESIDENT:

Date Reported and Adopted

Your Committee on Legislative Committee

to which was referred File No. 138644, communication of E. Fred Johnson transmitting plan for relief of depression

Recommends that it be placed on file.

Carroll Chairman

Chairman

Committee

FILED

FEB 18 1933

H. W. CARROLL,
CITY COMPTROLLER
AND EX-OFFICIO CITY CLERK*E. Fred Johnson Organization*

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SEATTLE, WASH.

February 18th "33"

E. FRED JOHNSON

WM. A. DUNKS

City Council,
City of Seattle,
Seattle, Washington.

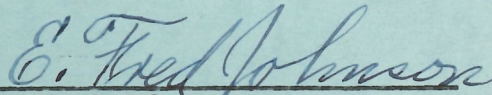
Gentlemen;

Many plans and specifications for relieving the economic distress have been presented before your honorable body during the past several years but as a rule these plans have required that the state legislature or the Congress pass legislation before these plans could be utilized or in other instances the financial condition of the city prohibited their use.

I have a plan for which I claim no panacea virtues as many students of political science are inclined to do with many theories, but do claim that this plan if placed in operation utilizes those facilities that are available and is sound economic practice.

I am attaching a skeleton draft of this plan for examination by the members of your body, and respectfully request that I be allowed to speak in support of it, in order to correct and explain anything that might appear vague.

Respectfully,



E. Fred Johnson
E. Fred Johnson

E. Fred Johnson Organization

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INTRODUCTION TO FACILITIES TO BE USED IN A PLAN
FOR CREATING INCREASE IN CURRENCY OR "MEDIUM OF
EXCHANGE" IN SEATTLE AS OUTLINED

By E. Fred Johnson

Every plan or program for any given purpose requires that it have the necessary materials and facilities before it can be placed in operation, and it is noteworthy that this plan utilizes those things which are near at hand without assistance from outside sources.

We know that their real value can not be appreciated until we use the tools which we have available and which are ready to serve us.

In this introduction I shall endeavor to designate and point out the particular function each part of the plan plays in creating additional currency which is not "fiat money" and can function either separately and independently from the "legal tender of the United States" or be interchangeable with the "gold backed currency of the United States" and at the same time not violate those provisions of the Federal Government's Constitution which are incorporated in the first clause of section 10 of Article 1. of the original Constitution.

My plan calls for an order from the city council and signed by the mayor to accept a reasonable percentage of warrants as part of every dollar received in all bills owed to the city. Indiscriminate use of warrants could become a dangerous practice but, a percentage equivalent to the amount of warrants issued for the payment of city employees salaries would augment the Federal Government's currency in these times when confidence in securities is at low ebb and causes hoarding of currency that would

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be in circulation ordinarily. The issuing of warrants on salaries and immediately canceling them when redeemed by the city after the manner herein set forth would be the same as the taxpayer paying his bills to the city with part of his services or merchandise in exchange for the services of city employees and the money (United States Currency) used as the other portion of those bills to the city would supply the city with the necessary money to transact its business with those items in the budget requiring " United States Currency".

This plan further calls for the acceptance of warrants in payment for street car tokens in order that the street car tokens may used ~~for~~ as the small coins of this auxiliary medium of exchange.

The merchants of Seattle will be pleased to accept street car tokens at their prevalent prices, especially if they may exchange these tokens for warrants in ten dollar denominations which may be used as part-payment with cash for any bill they owe the city.

The rub on the merchants comes when they are expected to accept warrants in ten-dollar denominations for small purchases and then in addition give the customer his change in United States Currency and then either hold the warrants or discount them.

By creation of an additional medium of exchange with small coins he can make change for his customers in the same money he is forced to take for his merchandise. Several theatres here in Seattle are at the present time making change in Canadian Money with the same principle involved.

The next point of the program calls for an order to the city to treasurer have those persons who purchase real estate from the city exchange

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the United States Currency they would ordinarily use for payment in purchasing real estate from the city; exchange it for warrants from the merchants and thereby cause a sufficiency of currency to circulate among the members of society. That society requires it to circulate freely and in abundance is apparent and unless there is that abundance there can be no inter-state trade and commerce which is one of the back supports absolutely essential to the peace, happiness and contentment of an organized society.