

THE STANDARD'S FINANCIAL SECTION

BRITISH BOND ISSUE MAY PAY THE BONUSES

Republicans Consider Proceeds from Funding Foreign Debt as Basis of Compensation.

Washington, Jan. 23.—Details of the administration's plans for financing the payment of adjusted compensation to former service men, a proposal which has been coupled with the foreign loan refunding bill, will be worked out at a second conference of Republican Senators this morning. Decision to follow the foreign debt bill in the Senate with a soldiers' bonus measure was reached in the Republican conference yesterday, the motion being carried by a large majority. But when it came to infusing the bonus measure into the refunding bill, the measure was defeated.

The proposal to put up to the conference involves a special sales tax to meet the bonus payments until a suitable return on the proposed sale of \$4,000,000,000 worth of British bonds to American investors may become available. It is the injection of the sales tax into the financial scheme that caused the chief stumbling block in the way of a final agreement.

Sales Tax Urged.

Senators favoring the sales tax proposal demand that such a provision be written into the bonus bill when it is reported to the Senate, and they further insist that it shall be specified in the foreign debt bill that the principal or interest may accrue from any liquidation of the \$11,000,000,000 foreign debt should be applied to meeting adjusted compensation.

Aside from the sales tax plan, as a temporary measure, there are numerous other proposals for raising the necessary bonus funds, each of which has supporters in both houses. These plans include a 5-cent postage rate and a tax of 5 cents a gallon on gasoline. Walter E. Edge (R), Senator from New Jersey, proposed the enactment of a sales tax as a temporary revenue producer until other funds are made available. Henry Cabot Lodge (R), Senator from Massachusetts, was said to be in accord with his views.

The New Jersey senator declared that some definite provision should be incorporated in the bonus measure to insure funds for adjusted compensation immediately after passage. Congress could not afford to keep the service men waiting one or two years, he pointed out, for money to accrue from the proposed bond issue.

Opposition Minimized.

It is apparent that the proposal to meet the bonus out of the funds derived from the foreign debt, if carried through collections of interest or from the underwriting of the British bond issue, will receive general endorsement in both houses. Fairfield D. Simmons (D), Senator from North Carolina, ranking minority member of the Finance Committee, is in favor of it, having already introduced a bill authorizing the use of interest on the foreign debt for that purpose. Furthermore, Mr. Simmons took occasion to say that the Democrats would not undertake to "filibuster" against the debt refunding bill. They will support it vigorously, he said, but will not place unwarranted obstructions in its passage. Opposition will be to the extent of placing themselves on record as opposed to giving the Secretary of the Treasury almost unlimited power over the liquidation of the loans and the failure of the Finance Committee to stipulate the rate of interest and to set a definite time for the payment of the debt.

There is strong opposition in the House of Representatives to the sales tax idea, even for the purpose of raising money for the former service men. In the Senate, the powerful farm bloc threatens to make trouble if such a proposal is coupled to the bonus measure.

Senator Borah Opposed.

The Republican members of the Finance Committee met again during the afternoon in an effort to iron out difficulties, and it is felt that considerable headway will be made at today's conference of the full Republican membership of the Senate.

The session yesterday was not as harmonious as administration spokesmen made it out to be. William E. Borah (R), Senator from Idaho, left the conference abruptly before the motion was made to bring up the bonus bill. His opposition to the bonus is well known.

Senator Borah is plainly dissatisfied with the elimination from the foreign debt bill of the provision for semi-annual payments of interest. In this opposition he is joined by a strong minority who resent the action of the majority members of the Finance Committee in reversing their former position on this question.

Despite opposition that is arising against the measure of financing the bonus, only two votes were cast against the motion to bring up the bonus bill in the Senate immediately following action on the foreign debt. One Senator refused to vote, while J. M. Chandler (R), Senator from North Dakota, the new chairman of the Finance Committee, made the motion on behalf of both measures.

Liquidation And Short Selling Again Upset N. Y. Market

Steels Heavily Hit in the Process—Specialties Also Received Setback.

New York, Jan. 23.—Early tendencies toward improvement in the stock market today were nullified by the resumption of liquidation and short selling of selected issues of the industrial variety. Of these, Gulf States Steel was the most conspicuous example, making a further decline of 7 1/2 points to 64, that quotation representing an extreme reaction of 38 1/2 points from yesterday's high.

Republic Steel, another recent spectacular feature, also sustained a net loss of three points at 32, or a total of nine points from yesterday's maximum.

Other steels, notably those mentioned in morning reports, were lower by one to three points. Equipment, motors, oils and miscellaneous stocks of the chemical, textile and tobacco groups fared similarly and most moved listlessly. Firmness and occasional strength were shown by copper, shippings and Chain Store issues, local transactions also hardening. Sales amounted to \$500,000,000 shares.

Trading in bonds was fairly active, but changes in Government issues showed net losses. Domestic rails also showed and international were irregular with the foreign exchange market. Total sales, par value, were \$3,375,000. Clearing House loans and discounts showed an actual contraction of \$53,361,000, or almost three times the amount reported last week. An increase of \$23,467,760 in actual cash holdings lifted excess reserves to approximately \$40,000,000.

N. Y. Quotations

(Compiled by McDougall and Cowan)

| Open | High | Low | Close |
|---------------------|---------|---------|---------|
| Allied Chem. | 59 1/2 | 59 1/2 | 59 1/2 |
| Am Can. | 24 1/2 | 24 1/2 | 24 1/2 |
| Am. Loco. | 105 1/2 | 105 1/2 | 105 1/2 |
| Am. Int. Corp. | 41 1/2 | 41 1/2 | 40 3/4 |
| Am. Sugar | 67 1/2 | 67 1/2 | 65 1/2 |
| Am. Wool | 83 1/2 | 83 1/2 | 82 1/2 |
| Am. Smelt. | 47 1/2 | 47 1/2 | 47 1/2 |
| Am. Sim. & Co. | 34 1/2 | 34 1/2 | 34 1/2 |
| Asphalt | 60 1/2 | 60 1/2 | 60 1/2 |
| Am. Tele. | 48 1/2 | 48 1/2 | 48 1/2 |
| Am. Gulf | 30 1/2 | 30 1/2 | 29 1/2 |
| Beth Steel | 60 1/2 | 60 1/2 | 59 1/2 |
| Bald Loco | 97 1/2 | 97 1/2 | 96 1/2 |
| B. & O. | 24 1/2 | 24 1/2 | 24 1/2 |
| Can. Pac. | 124 1/2 | 124 1/2 | 124 1/2 |
| C. & N. Y. | 114 1/2 | 114 1/2 | 112 1/2 |
| Corn Prod. | 99 1/2 | 99 1/2 | 98 1/2 |
| C. & P. F. | 22 1/2 | 22 1/2 | 22 1/2 |
| Crucible | 63 1/2 | 63 1/2 | 60 1/2 |
| Gen. Loco. | 23 1/2 | 23 1/2 | 22 1/2 |
| Chas. Mot. | 61 1/2 | 61 1/2 | 60 1/2 |
| Erle Com. | 8 1/2 | 8 1/2 | 8 1/2 |
| Inspration | 39 1/2 | 39 1/2 | 38 1/2 |
| Inter. Paper | 50 1/2 | 50 1/2 | 49 1/2 |
| Indus. Alcohol | 43 1/2 | 43 1/2 | 42 1/2 |
| Kennecott | 23 1/2 | 23 1/2 | 23 1/2 |
| Lack Steel | 49 1/2 | 49 1/2 | 48 1/2 |
| Midvale | 28 1/2 | 28 1/2 | 27 1/2 |
| Mex. Pac. | 114 1/2 | 114 1/2 | 112 1/2 |
| M. & P. | 16 1/2 | 16 1/2 | 16 1/2 |
| N. Y. N. H. & H. | 16 1/2 | 16 1/2 | 16 1/2 |
| N. Y. N. H. & H. | 16 1/2 | 16 1/2 | 16 1/2 |
| Nor. Pac. | 74 1/2 | 74 1/2 | 74 1/2 |
| Penn. Steel | 24 1/2 | 24 1/2 | 24 1/2 |
| Pan. Amer. | 63 1/2 | 63 1/2 | 62 1/2 |
| Pierce Ar. | 16 1/2 | 16 1/2 | 16 1/2 |
| Penn. Sugar | 27 1/2 | 27 1/2 | 26 1/2 |
| Pacific Oil | 46 1/2 | 46 1/2 | 46 1/2 |
| Reading | 73 1/2 | 73 1/2 | 73 1/2 |
| Re. Stores | 65 1/2 | 65 1/2 | 64 1/2 |
| Rock Paper | 22 1/2 | 22 1/2 | 21 1/2 |
| R. I. & S. | 55 1/2 | 55 1/2 | 54 1/2 |
| St. Paul | 18 1/2 | 18 1/2 | 18 1/2 |
| Sine Oil | 29 1/2 | 29 1/2 | 29 1/2 |
| South Ry. | 17 1/2 | 17 1/2 | 17 1/2 |
| St. Louis | 80 1/2 | 80 1/2 | 80 1/2 |
| South Pac. | 81 1/2 | 81 1/2 | 81 1/2 |
| Texas Co. | 46 1/2 | 46 1/2 | 46 1/2 |
| Utah Coy. | 63 1/2 | 63 1/2 | 62 1/2 |
| Union Pac. | 19 1/2 | 19 1/2 | 19 1/2 |
| United Drug | 71 1/2 | 71 1/2 | 71 1/2 |
| Union Pac. | 129 1/2 | 129 1/2 | 129 1/2 |
| U. S. Steel | 87 1/2 | 87 1/2 | 86 1/2 |
| U. S. Rubber | 55 1/2 | 55 1/2 | 55 1/2 |
| Westing. | 61 1/2 | 61 1/2 | 61 1/2 |
| Woolen | 43 1/2 | 43 1/2 | 43 1/2 |
| N. Y. Funds—5% p.a. | | | |

Toronto Board of Trade Quotations

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| Toronto, Jan. 23.—Manitoba wheat, No. 1 Northern, 123 1/4; No. 2 Northern, No. 3 Northern, No. 4 wheat, not quoted. |
| Manitoba oats—No. 2 cw, 51 1/4; No. 3 cw, 51 1/4; extra No. 1, 52 1/4; No. 2, 51 1/4; No. 3, 51 1/4; No. 4, 51 1/4; No. 5, 51 1/4; No. 6, 51 1/4; No. 7, 51 1/4; No. 8, 51 1/4; No. 9, 51 1/4; No. 10, 51 1/4; No. 11, 51 1/4; No. 12, 51 1/4; No. 13, 51 1/4; No. 14, 51 1/4; No. 15, 51 1/4; No. 16, 51 1/4; No. 17, 51 1/4; No. 18, 51 1/4; No. 19, 51 1/4; No. 20, 51 1/4; No. 21, 51 1/4; No. 22, 51 1/4; No. 23, 51 1/4; No. 24, 51 1/4; No. 25, 51 1/4; No. 26, 51 1/4; No. 27, 51 1/4; No. 28, 51 1/4; No. 29, 51 1/4; No. 30, 51 1/4; No. 31, 51 1/4; No. 32, 51 1/4; No. 33, 51 1/4; No. 34, 51 1/4; No. 35, 51 1/4; No. 36, 51 1/4; No. 37, 51 1/4; No. 38, 51 1/4; No. 39, 51 1/4; No. 40, 51 1/4; No. 41, 51 1/4; No. 42, 51 1/4; No. 43, 51 1/4; No. 44, 51 1/4; No. 45, 51 1/4; No. 46, 51 1/4; No. 47, 51 1/4; No. 48, 51 1/4; No. 49, 51 1/4; No. 50, 51 1/4; No. 51, 51 1/4; No. 52, 51 1/4; No. 53, 51 1/4; No. 54, 51 1/4; No. 55, 51 1/4; No. 56, 51 1/4; No. 57, 51 1/4; No. 58, 51 1/4; No. 59, 51 1/4; No. 60, 51 1/4; 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