"PROHIBITION AGENTS" AGAIN. Mr. Choate, Director of the FACA (Federal Alcohol Control Administration) is grooming a regiment of 1800 revenue agents to hunt out illicit distillers. The Attorney General wishes to raise it to 4000. To the average person, who seeks into a liquor store and notes the various kinds and brands of liquor and the apparent supply, this seems very strange. As Hon. Al Smith would say, "let's look at the record."

Before Prohibition, average annual consumption was 150 million gallons of rye and bourbon, 5 million gallons of gin, 12 million of Scotch. During Prohibition, consumption was estimated at 200 million gallons annually. The figures are derived by estimating total quantity of cereals, sugar, etc. out of which liquor might be made, calculating the amount that went into other industries, taking the remainder after proper discount and converting it into terms of liquor and alcohol. Consumption estimates for the first months since repeal are difficult to estimate. When repeal became effective there was available for consumption, 170 millions gallons of liquor in England, 48 million in Canada, 21 million in the U. S. The bulk of the U. S. liquor was new whiskey. Only 5 million gallons of aged whiskey remained. Of the U. S. Liquor, Schenley Distilleries, whose popular old brands included Old Stagg, OFC, Golden Wedding, San Thompson, controlled 5 million or 25%; National Distillers whose best brands were Old Taylor, Mount Vernon, Overholt, Old Crow controlled 10 million gallons or 50%; Scattered Distillers like Glennmore, Frankfort and others controlled the balance. In dealing with repeal, the Rockefeller Foundation report recommended keeping the business clean and easy of supervision by keeping in concentrated. The Distillers Code, followed this idea in limiting permits to distilleries in existence or under construction at the time of repeal. In other words, a monopoly. The result is not only control, but monopoly. One distillery organization alone had 7 distilleries, 53 warehouses and one half of the available whiskey. To import whiskey costs $5 per proof gallon. U. S. Revenue Tax is $2.00 per gallon. Rectifiers tax is 30%. Add from $1.50 to $2.00 per gallon for the cost of aged whiskey (cost includes manufacture, barrels, bottles, cases, labels, capital investment, insurance, evaporation, storage, etc.) and for old imported whiskey you have a prohibitive tax and production cost before distribution costs are added. Demand was there. Result is what? Blending with alcohol new whiskey and water to make the supply stretch. Result is complaint on high prices for blended whiskey. The President does not favor lowering import duties, prefers enforcement. Enforcement unit of 4000 would cost between 8 and 9 million. Program suggested by author of this column. (1) Cut aging time for whiskey from 4 to 2 years. (2) Restore revenue tax back to $1.10 per gallon. (3) Modify codes to permit capable distillers, with good reputations to engage in distillery business. (Mass production of whiskey as now conducted will mean that there will ultimately be no whiskey, as in olden days, made by distillers who were craftsmen and took a fine pride in giving personal attention to quality). (4) Reduce import duties from $5 to $2 per gallon, provided the countries from whence such whiskey is to be imported will buy and actually do buy for thecession of $5,00 reduction in the duty, the equivalent of corn at the current market price. (That is, if price of corn is 50¢, for each gallon of whiskey they wish to export to the U. S. at $2.00 duty, they must buy 6 bushels of corn. This would protect the corn farmers market, and compel such distillers to convert American corn into whiskey, for future consumption in this country.

BRAIN TRUSTER NO. 4. Adolph A. Behrle, was one of the five original brain-trusters along with Moley, Taussig, Tugwell and General Johnson, during the campaign of 1932. He is now a part-time brain-truster. Youthful prodigy. Born in N. Y. Could sing in French at 4, pray in German at 5, entered Harvard at 13, completed the course in 3 years, became Bachelor of Arts, entered office of U. S. Supreme Court Justice Louis D. Brandeis at 21, Now associated with brother Rudolph in practice of law in New York. Married Beatrice Bend Bishop, a social worker of prominence, have 4 children- 2 boys, 2 girls. Holds degree of Doctor of Laws also. Lectures at Columbia University, twice each week. When new administration came in, he became Financial adviser to President and to the Treasury. Also adviser on Cuban affairs. When LaGuardia became mayor of New York, he selected Dr. Behrle as City Chamberlain or Financial adviser at $18,500 per year. Dr. Behrle still commutes back and forth between Washington and New York. Has no set or categorical views or philosophy on present conditions except that he feels the world is economically sick and that "we must find a way out." Liberal in his views.

FLETCHER RATBURN BILL. After the stock panic of October 1929, there seemed to be general agreement that stock exchanges needed regulation. Even the exchanges themselves thought so and still think so. Accordingly, the Secretary of Commerce,
Mr. Roper appointed a committee to investigate and make recommendations in the form of a regulatory bill. The bill as presented was prepared by Mr. John Dickinson, Assistant Secretary of Commerce in the present cabinet. The House Committee on Interstate & Foreign Commerce considered the bill, but somebody felt that it was not sufficiently drastic. They began the preparation of a new bill.

Sam Rayburn of Texas, Chairman of the Committee called in Mr. Ben Cohen and Mr. Thomas Corcoran, able young Harvard graduates, often referred to as Junior Brain-Trusters. These two collaborated with the Committee for 9 weeks. The bill was finished, introduced, changed, re-introduced, debated and passed in the House at 5:30 p.m. Friday May 5th. The author of this column received more than 300 letters and telegrams in opposition to the Fletcher Rayburn Bill. Not one in favor. Reason: Everybody favors Exchange regulation but the bill goes much further and regulates and controls credit to the point where the Federal Reserve Board and Federal Trade Commission will exercise virtual control over all business of a corporate nature, even the their securities may not be listed on a stock exchange.

BANK CREDIT. Hundreds of small factories everywhere might be operating if they could obtain money or credit with which to buy raw materials, meet payrolls. They cannot borrow. Why? Banks do not dare take the risk. Don't blame the banks. When Congress passed the Federal Deposit Insurance Act, insuring all deposits up to $2500 at 100% and in less degree on deposits over that amount, the FDl Corporation, to make sure that Uncle Sam would not lose any money, also undertook to tell banks, directly or indirectly what kind of loans they could make. Result: Collateral offered for loans by these hundreds of factories is not acceptable to the banks BECAUSE it is not acceptable to Uncle Sam. Right now the 7 billion gold reserve would support enough bank credit to make this nation hum with prosperity. There are 1½ billion excess reserves in the coffers of the Federal Reserve System. For the last week in March and first two weeks in April, commercial loans gained about 55 million. It looked as if credit expansion was definitely under way. For the last two weeks in April, credit expansion declined 75 million. Hopes were dashed. Hence, the Glass Bill and the so-called Credit Industry Bank Bill which are designed to make bank credit available to small industries so that wheels can begin turning and men go back to work. Commercial and Security Loans as reported by Federal Reserve, show that both are more than a 100 million lower than in April of 1933, when the depression was at its lowest point. Effect of credit stringency can best be seen in report of the American Federation of Labor, that for March 1934 there were 800,000 more unemployed than in October of 1933.

DOTS AND DASHES. Civil Service Commission reports a total of 623,000 persons on Federal payroll at end of this month. This is a gain of 10,000 over March. The Inland Waterways Corporation Report shows net income of $32,049 for 1932 as compared with $470,140 for 1932. From April 1932 to April 1934 there have been more than 350 thefts of Money Orders from post offices, thefts in some instances including as many as a 100 orders. Chicago School Teachers are firmly opposed to the Municipal Bankruptcy Bill, now pending in Congress, in it's present form, because it might give taxing bodies such as municipalities, school districts etc, authority to wipe out or greatly reduce the equities which school teachers might have in accumulated pension funds. Gettysburg Battlefield, 2 hours distant from Washington, is a rare sight. The battlefield embraces 24,000 acres, lined and criss-crossed with memorial roads maintained by the U.S. The ready, aye are lined with 1300 monuments and 385 mounted cannon. Seems almost inconceivable that amid those peaceful green wheat, rye, and barley fields now dotted with markers, 90,000 boys in blue and 85,000 boys in gray, charged at each other for 3 burning July days, with 879 tons of ammunition, to preserve the Union.