

SEEN and HEARD around the NATIONAL CAPITAL By Carter Field FAMOUS WASHINGTON CORRESPONDENT



Washington.—Business men anxious to have their tax burdens made less hampering are apt to blame the tax situation for the failure of new capital to rush into new enterprises, and thus provide employment. There is another reason, perhaps less important, but nevertheless affecting a good many hundreds of millions of possible investment funds, which has not been mentioned either inside the New Deal or, publicly at least, by the critical forces outside.

Billions of dollars of securities, just as sound on the average as those which are listed on the New York or other stock exchanges, are virtually "sterilized" by the regulations of the securities and exchange commission. They are in virtually the same situation as the sterilized gold which the government has withdrawn from the financial structure and buried in the Kentucky strong-box.

In the case of the sterilized gold, the government cannot count it in any of its credit calculations. Notes may not be issued against it. It cannot even be counted on as a reserve fund, in the banking sense. It is still the government's property, of course, but it is like an asset of no intrinsic value in the possession of an applicant for a bank loan. The banker simply passes over that without letting it enter into his calculations.

In the case of these sterilized billions, there are securities which are not listed on the stock exchanges. In the days before the SEC, if a customer wanted to buy, say, a hundred shares of steel, the broker was able to exercise a good deal of discretion as to what the customer must put up. The rule of the stock exchange, of course, was ten points, though this was often disregarded. That would be \$1,000 on a hundred shares, with the understanding that if the stock went down the customer would have to keep putting up margin in order to maintain this ten-point protection for the broker.

Leeway for Broker

But this ten points, or margin, need not be put up in cash! It could be put up in securities. That is where the broker had plenty of leeway. Determination rested on his judgment. Shares in a little local manufacturing company, or department store, or dairy, or what-not, were "just as good" as cash.

But then came the SEC, not only with high margin rulings, but with the additional ruling that only listed stocks, that is stocks traded on in the approved stock exchanges, can be counted as margin.

Now most people agree that margin trading is just a form of gambling and should be discouraged. That is why there has been no public outcry against this "sterilization" for stock account purposes, of unlisted stocks.

But unfortunately for some little enterprises which badly need capital and whose problem is actually worrying the SEC, the thing goes further than that. A, B, and C have a moth-ball factory in X. They have prospered, and would like to build a big addition, which would put several hundred men to work for many months, and then increase their regular force permanently.

It is a corporation, but, although prosperous, nobody is anxious to buy stock in it, so, especially as they have not built up a reserve—and this would be increasingly true under the tax on undistributed earnings—they simply cannot raise the capital.

Why do not the speculators who know about their enterprise want to invest with A, B, and C? Because their funds at once become frozen. They cannot use them as the base for any new venture that may turn out. And, of course, banks have come to dislike unlisted stocks for collateral loans.

Premature Perkins

So confident is Secretary of Labor Frances Perkins that her department will have the administration of the wages and hours regulation law when it is enacted, that she has had several talks with her own candidate for administrator.

In fact the conversations occurred several days prior to the action of the house labor committee in reporting out the bill. Which is so interesting in that the house committee action was rather a surprise to most members of the house.

It is also interesting because every one in touch with the situation knows that the biggest stumbling block to passage of the wage-hour bill has been the difficulty in agreeing on who would administer the law. And despite the house committee action, this problem has not been solved.

William Green, president of the American Federation of Labor, made it perfectly clear that he did not want the administration vested in any board that President Roosevelt might appoint. He left nothing to the imagination in stating his objections. He feared such a board might lean as strongly to John L. Lewis' C. I. O., as he contends the

labor relations board has done. Not only Green, but Lewis and many members of congress have been strongly opposed to putting the administration in the hands of Secretary Perkins.

Want Some Bill

Nothing will do any bill any good until there is a majority of the house willing to vote for it, or, at least, preferring to vote for it rather than against it.

Definite progress has been made on what might be termed the main issue of the wage-hour bill. There is far more will to pass it than was the case when it was pigeon-holed before. Quite a number of members of the house, who privately wanted the bill killed and would have used any available excuse to help kill it, now have changed their attitude. They want some bill passed.

So the extreme possibility today is that some wages and hours regulation measure will become law before the present session adjourns, always remembering that the bill has passed the senate, so that it will not have to be thrown open to debate in the greatest deliberative body in the world, providing it can be gotten through before the present congress expires next January.

One little factor that contributed to the change in sentiment on the main issue was the Alabama primary. Various complications hurt Tom Heflin—his illness, his past performances, including his bolt of the Democratic party in 1928, etc. But the fact that Lister Hill made wage-hour regulation one of his paramount issues, and defeated Heflin two to one for the United States senate was impressive to most Southerners who had thought their section against such control.

Radio and Newspapers

President Roosevelt is determined to accomplish the divorce of newspapers and newspaper-owned radio stations. This is no new thought on the part of the White House, but there are indications that there will be a new move in the near future. More than a year ago bills were introduced in the house and senate aimed at accomplishing this. The one in the senate was sponsored by Senator Burton K. Wheeler of Montana.

Soon thereafter, however, the President made his proposal to enlarge the Supreme court. Senator Wheeler almost immediately became the spearhead of the opposition, and lost interest in doing things just because the President wanted them done. Besides, Senator Wheeler found himself for the first time in his political life, in a fight where most of the big newspapers of the country—the so-called capitalistic press—were on his side.

So the Montana firebrand underwent a slight change of heart about the wickedness of the big newspapers. In the nature of things, the radio stations had to divide their time, and it seemed to many opponents of the President that actually more time on the air was given to those on the President's side than the situation warranted.

The net result of that Supreme court fight was to convince a good many other members of the house and senate that perhaps it would be a good idea for at least some of the radio stations to have more independence than a station not owned by a newspaper, and therefore, entirely under the thumb, so to speak, of a commission appointed by the President. No one was excited enough about this phase—so minor in comparison to the greater issue—of the court fight. But the impression was made and still persists. It tied in rather neatly with the thought so often expressed by Senator Wheeler in the court bill debate—that it was not just a question of giving Mr. Roosevelt this power he was asking for—that some President of a reactionary stamp might some day sit in the White House, and the liberals of the country would be shocked at his use of this added power.

Federal Control

Moreover, this came right on the heels of a lot of ugly whispers about the federal control of radio, a situation which resulted in the President taking Frank R. McNinch off the federal power commission and putting him in the federal communications commission to clean up.

There were various little episodes, like the hiring of administration friends by radio stations wanting certain privileges, which have resulted in many of the legislators on Capitol Hill doubting whether the radio will continue to be so much purer than the daily newspapers as the President thinks.

Nor did it help much when Hugo L. Black, on his return from Europe after the Ku Klux Klan expose, announced that he would give his explanation over the air, where it would not be distorted! Senators were still a little miffed at having been caught off base on that situation.

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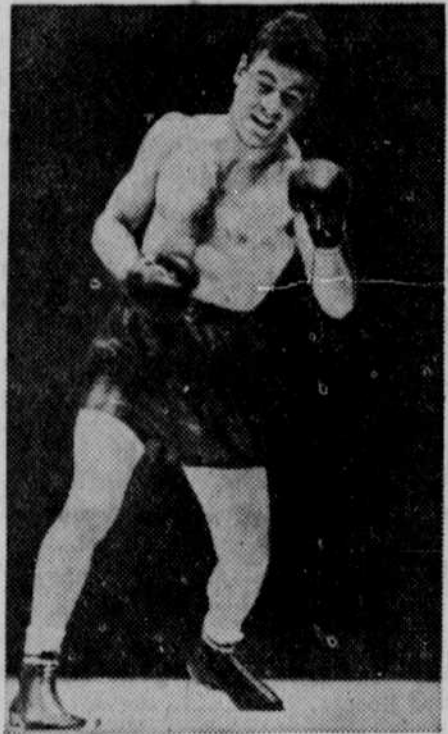
SPEAKING of SPORTS By GEORGE A. BARCLAY

Boom Days Are Predicted for Middleweights

Golden days loom ahead for the middleweights, if prophets reading the future by means of the past are correct in their prognostications. Golden days for 160-pound fighters who prove their competence with fists and footwork in the prize ring.

The old boom times of the middleweight division promise to become the new boom times, because for the first time in a generation there is a great abundance of classy talent in this field.

The bitter fistie feud between Champion Freddy Steele of Tacoma, Wash., and Fred Apostoli of



Fred Apostoli, called the uncrowned King of the middleweights.

San Francisco growing out of their recent non-title battle in New York when the challenger knocked the champion cold is a case in point. It recalls the luster era when Stanley Ketchel, Billy Papke, Joe Thomas, "Cyclone" Johnny Thompson, Hugo Kelly, Kid McCoy and a lot more of like importance filled ring history with epic battles and their pockets with ready coin.

Steele and Apostoli will fight for the championship in Seattle in the spring. They will probably fight several times more before the books are finally closed. They will have other opponents, too, such as Young Corbett III, Glen Lee, Lou Brouillard, Solly Krieger, Jack McAvoy, Marcel Thil of France and a couple of job lot invaders from England.

Ketchel Becomes King

Perhaps the most interesting era of the middleweights was when a young coal miner named Stanley Ketchel came out of Butte, Mont., back in 1907 and announced that he intended to fight his way through a group of tough battlers to the top. Nobody paid much attention to him until one night in San Francisco he knocked out Joe Thomas.

Ketchel was matched with the Sullivan twins, Mike and Jack, and he flattened them both. He immediately became a sensation. Then a young boilermaker named Billy Papke came out of Kewanee, Ill. Papke called him the "Thunderbolt." Ketchel fought him in Milwaukee and won after ten rounds.

Ketchel went back to San Francisco, where he stopped Hugo Kelly, who had claimed the title. He beat Thomas again and then once more took Papke on. This time it was different. Ketchel had not bothered to train and he was badly beaten.

Less than two months later Ketchel did something few fighters had ever done before. He came back and defeated the man who had taken his title from him. Ketchel went on as king of the middleweights and even fought Jack Johnson for the heavyweight belt. Outweighed, he lost after a furious battle. Late in 1910 Ketchel was shot and killed on a Missouri ranch.

Papke again claimed the title. He knocked out Willie Lewis to prove his right to the throne. "Cyclone" Johnny Thompson of Sycamore, Ill., beat Papke in Australia. Then in 1912 came a parade of good fighters to keep the middleweight tradition popular. They were Jimmy Clabby, Frank Klaus, Eddie McGoorty, Jack Dillon, and George Chip.

Following the reign of these titans came Mike Gibbons, known as the uncrowned king and some fair middleweights. Then the division slipped because of lack of high class competitors. Although Mickey Walker and Harry Greb were exceptions. Now it appears there is a splendid chance that there will be another era like that in the days of Ketchel and Papke.

Steele and Apostoli probably come nearer being the Ketchel and Papke type of fighters than the ring has seen since their day.

Honors for "Old Pete"

When the moguls of baseball decreed recently that the newest niche in the hall of fame at Cooperstown, N. Y., should be filled by Grover Cleveland Alexander they made a move that is certain to be popular with fans everywhere. There had been grumblings because he was not named earlier and a belief by some that he might never attain the honor.

"Old Pete," the great pitcher who stood National league batters on their heads for 20 years, joins a select company including Ty Cobb, Babe Ruth, Hans Wagner, Christy Mathewson, Walter Johnson, Napoleon Lajol, Tris Speaker and Cy Young, all named in past ballots as the game's outstanding players since 1900.

Alex never pitched a no-hitter, but that was about the only thing he missed. He turned in four one-hit games in 1915, a record which probably never be equaled. He won 28 games in 1911, his first big league season and for three straight years beginning in 1915 he won 30 or more victories.

When all these tremendous pitching feats are forgotten, Alex will be remembered for a single strike-out he chalked up in the 1926 world series between the St. Louis Cardinals and the New York Yankees.

It was the seventh inning of the final game. The Cards were leading 3 to 2. The Yanks had the bases loaded, two down and Tony Lazzari at bat. Alex, who had won a nine-inning game the day before, was called by Hornsby to relieve Jess Haines.

"Old Pete" walked slowly to the pitching mound and set Lazzari down on three pitches. Then he plodded wearily through the last two innings to win the game and the first world's championship for St. Louis.

Here and There—

Of the twenty teams that have appeared in the Rose Bowl during the twenty-year history of the game, only four are undefeated in the classic . . . They are Southern California, which has won its four games; Notre Dame, Columbia, and Harvard, each of whom have been in the Rose Bowl once . . . Joe Judge, former Washington first baseman, stands to make a sizable piece of change if Harry Bassin, a third baseman he developed at Georgetown, signs with the New York Yankees . . . Moe Berg, the Boston Red Sox catcher who speaks seven languages, always begins his breakfast with pie and finishes with grapefruit . . . British soldiers with drawn bayonets patrol the public golf course at Bannu on the northwest frontier of India to protect players from raids by fierce Waziristan tribesmen.

**Grunt-Iron Music Makes Kids Whinny**  
IN THE new movie, "Hollywood Hotel," Bennie Goodman, trumpet player and swinger, again demonstrates that he gets all the college trade. The boys whinny with excitement at Mr. Goodman's most off-hand toot. Expeditions sent by this department into the far domain of youth say it's that way all over the country, particularly among the collegians. The Dossier says he does it with his "gut-bucket, barrel-house, screw-ball and grunt-iron music." Be that as it may, it nets him \$100,000 a year.

At the age of ten, he was a semi-pro vaudeville musician, earning around \$2 a week in Chicago's Ghetto. He was the eighth of eleven children of a tailor who earned \$20 a week. He bought a mail order clarinet on the installment plan, and, by the time he was thirteen, was a full-fledged journeyman musician, but still in short pants.

He first got out in front in California, running his first band in 1931. He slumped down to \$40 a week in 1934, moved in with Billy Rose, hit his stride again, and, via radio, is a recent arrival in the top-money brackets.

He is twenty-seven, tall, dark, athletic, good-looking, with rimless octagonal glasses, and, the more savage his music, the more money he makes.

**Mr. Gunther Created Big News in 1914**  
FRANKLIN MOTT GUNTHER, American minister to Rumania, decorously, and quite unofficially, he says, challenges the new anti-Semitism in Rumania. He is a suave career diplomat who once pulled headlines as big as a Rumania war would get today. That was in 1914, when there was less news.

He was a guest on a yacht anchored in Christiania harbor. The harbor master told him that spot had been saved for Kaiser Wilhelm's yacht.

There was an argument and the harbor master said Mr. Gunther had clipped the cap off his head and wouldn't pick it up. It boiled up into a big international story, but Mr. Gunther tame through it nicely to continue representing his country in many foreign ports.

President Coolidge made him minister to Egypt in 1928. He is a native of New York, fifty-two years old, an alumnus of Harvard.

**Collective Bargaining**  
Collective bargaining is a labor union term referring to a method of determining wages, hours and working conditions by direct negotiation between the representatives of a labor union and an employer. Instead of acting individually, as in the case of individual bargaining, the employees act as a group in presenting their demands, appointing representatives who hold conferences with the representatives of the employers to adjust matters of dispute. The individual employee subordinates himself to the common interest of his fellows and in return receives benefits which he could not obtain alone.

**MacPhail's New Job**  
LARRY MacPHAIL, who attempted to kidnap Kaiser Wilhelm after the armistice and wound up with the imperial axis tray, accepted an even more hazardous assignment recently when he became executive vice president of the Brooklyn Dodgers.

MacPhail's appointment represents the most drastic step yet taken by the bankers to untangle the snarl which has gripped the Dodgers for 3 years. Ever since the deaths of Charles H. Ebbets and Edward J. McKeever within ten days of each other in the spring of 1925, the affairs of the Brooklyn club, on and off the field, have been a succession of errors.

MacPhail is the third business manager the Dodgers have had in the last four years, but the first with any authority.

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WHO'S NEWS THIS WEEK... By Lemuel F. Parton

NEW YORK.—If a prisoner hadn't jumped out of a two-story window and escaped, 123 years ago, newspapers today wouldn't be front-paging the description of the biggest star in the universe, 3,000 times larger than the sun. They should have named the star Napoleon, instead of Epsilon Aurigae. His was the touch-off of events terrestrial which finally ranged out 3,000 light years and brought news of the giant star. Chronologically, as the astronomers would put it, it was like this:

Friederich Georg Wilhelm Struve was a studious German youth who wanted to be an astronomer, but lacked opportunity for study. For no apparent reason, a ranging band of Napoleon's scouts seized him and locked him in a prison on the banks of the River Elbe.

He timed his high window-dive to the passing of a queer-looking ship, made a long, hazardous swim and was pulled aboard. The ship was homeward bound to Russia. The czar was a patron of astronomy.

The young man was encouraged and became not only director of the observatory of the University of Dorpat, but one of the founders of modern astronomy, with Herschel and Bessel.

His sons and grandsons became famous astronomers and it is his great-grandson, Dr. Otto Struve, who, with his assistants at Yerkes observatory of the University of Chicago at Williams Bay, Wis., discovered the facts about Epsilon Aurigae.

He is director of the observatory. He arrived here in 1921, after fighting with the white armies in Russia and fleeing to Turkey with their collapse. He became director of Yerkes observatory five years ago at the age of thirty-four.

**Your Talent**  
EVERY man, every woman, every child has some talent, some power, some opportunity of getting good and doing good. Each day offers some occasion for using this talent.

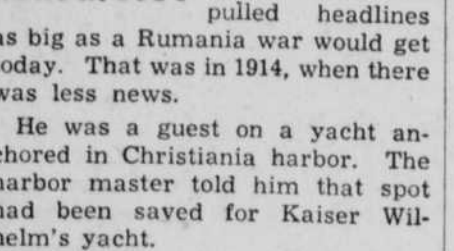
As we use it, it gradually increases, improves, becomes native to character. As we neglect it, it dwindles, withers, and disappears. This is the stern but benign law by which we live. This makes character real and enduring, this makes progress possible, this turns men into angels and virtues into goodness. — James Freeman Clarke.

**Domination Over Self**  
You can never have a greater or a less domination than that over yourself.—Leonardo da Vinci.

**No Standing Still**  
All that is human must retrograde if it does not advance.—Gibbon.

**CHEW LONG BILL NAVY TOBACCO** 5¢ PLUG

**DIZZY DRAMAS** By Joe Bowers  
Now Playing—"INCARCERATED"



I WUZ BROUGHT BY FORCE

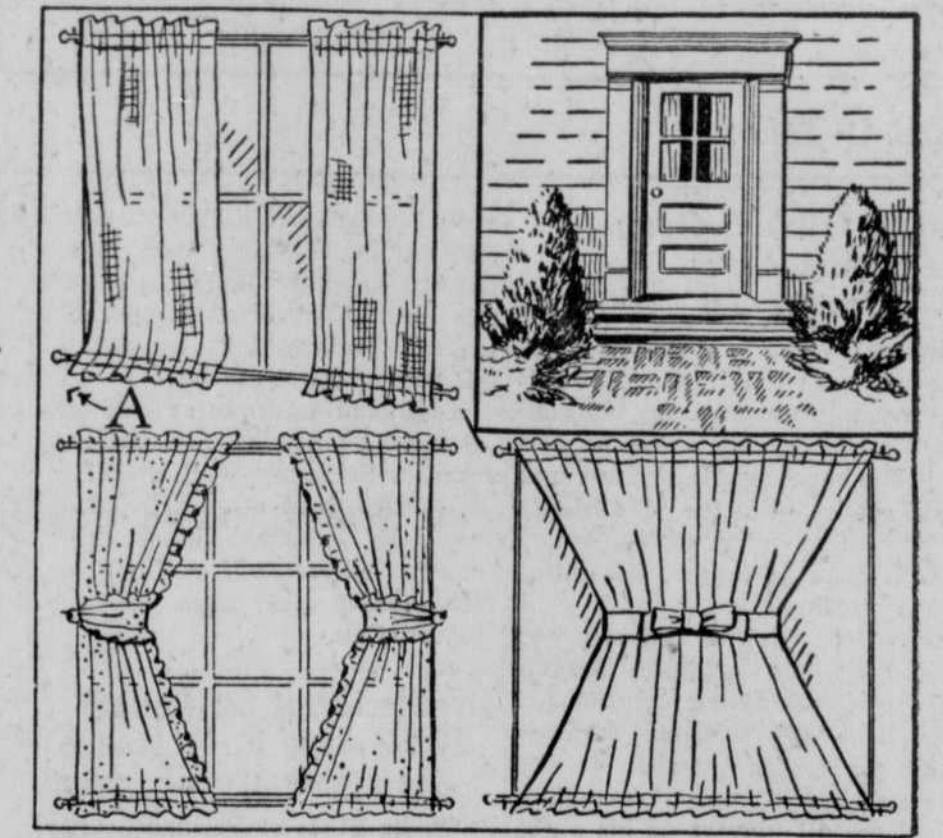
BRUTE FORCE?

HECK, YES!

AND THE WHOLE DARN POLICE FORCE

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HOW TO SEW by Ruth Wyeth Spears



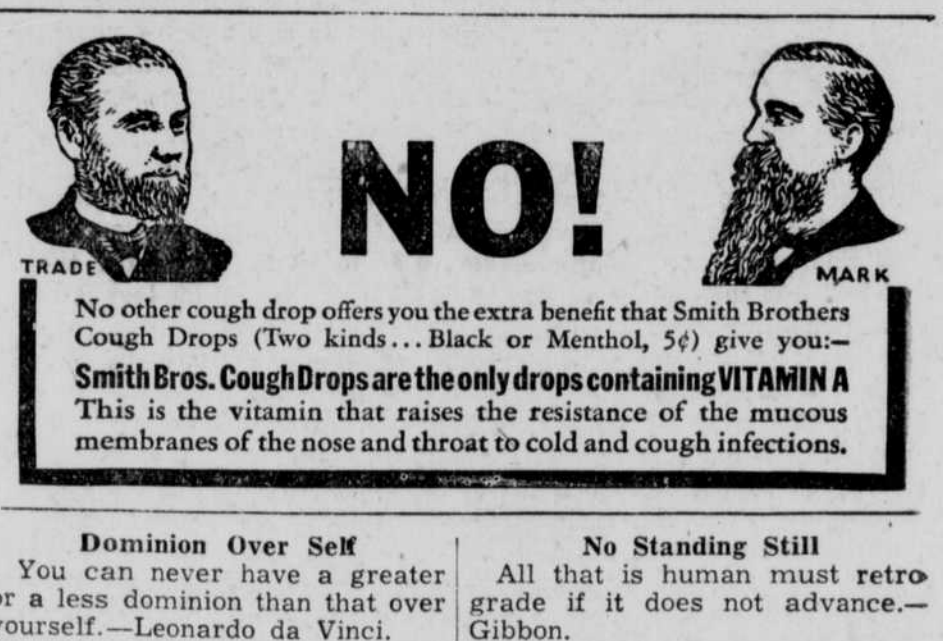
Curtaining Your Front Door.

YOUR front door greets your friends before you do. Is it dressed to look its best? Here are some simple rules that will be useful in selecting the material and style for front door curtaining.

Every homemaker should have a copy of Mrs. Spears' new book, SEWING. Forty-eight pages of step-by-step directions for making slipcovers and dressing tables; curtains for every type of room; lampshades, rugs, ottomans and other useful articles for the home. Readers wishing a copy should send name and address, enclosing 25 cents (coins preferred) to Mrs. Spears, 210 South Desplaines St., Chicago, Ill.

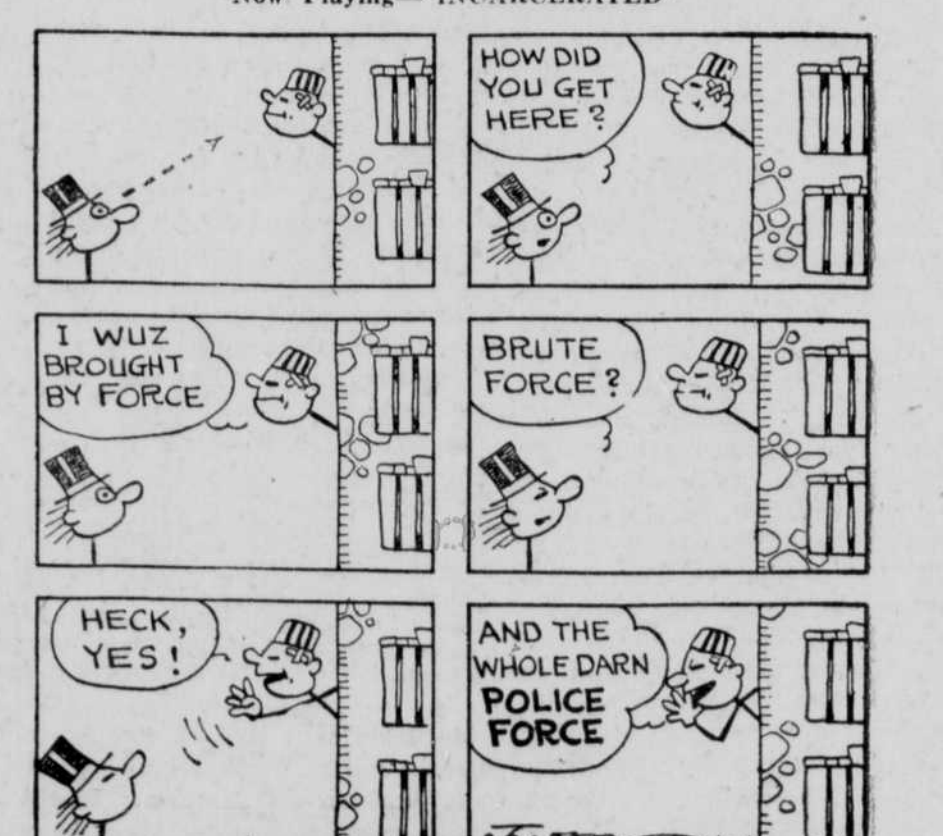
**Uncle Phil Says:**  
As Discipline  
Besides performing at least one good deed every day, each of us should perform one unusual disagreeable duty each day.  
Blessed are the poor. They are kind to each other.  
A cheerful giver should cheerfully masquerade the giving.  
As with Most Laws  
Rigid game laws are hastily made when the game is all gone, seldom before.  
Silence under oppression fosters a lot of rancorous malice.  
Facts are of no account if you don't reason from them.  
Keep your body free of accumulated waste, take Dr. Pierce's Pleasant Pellets, 60 Pellets 30 cents.—Adv.  
Anxiety Useless  
Anxiety never yet successfully bridged over any chasm.—Ruffini.

**NO!**  
No other cough drop offers you the extra benefit that Smith Brothers Cough Drops (Two kinds...Black or Menthol, 5¢) give you—  
Smith Bros. Cough Drops are the only drops containing VITAMIN A  
This is the vitamin that raises the resistance of the mucous membranes of the nose and throat to cold and cough infections.



**CHEW LONG BILL NAVY TOBACCO** 5¢ PLUG

**DIZZY DRAMAS** By Joe Bowers  
Now Playing—"INCARCERATED"



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