

SEEN and HEARD around the NATIONAL CAPITAL

By Carter Field

Washington. — President Roosevelt is heartily in favor of the recent action of the Interstate Commerce commission, as a result of which the New Haven railroad is now seeking receivership with a view to scaling down its capital debt structure.

It has been in the President's mind for some time that the interest payments being made by the railroads were entirely too high. He has frequently commented to friends that whenever a bond issue is made, by a railroad or any other business, provision should be made for an annual curtailment of that loan, so that at the end of a given number of years the bonds could be retired from the sinking fund. Frequently, he has pointed out, the bonds are still part of the road's capital debt, and adding sharply to its fixed charges, when the improvement for which they were issued has long since been worn out and replaced, usually by another bond issue.

The original idea of the administration was to use the Missouri Pacific as a yard stick in cutting down the capital structures of the railroads. The plan was to reorganize this railroad, always a weak sister, though always prominent as an important link in first this and then that transcontinental line, in such fashion that it could earn several times its fixed charges, and hence sell bonds on a 3 to 4 per cent basis.

Actual figures as to amount of bonds and interest are so complicated, with the Missouri Pacific and the New Haven, and for that matter with all railroads, that illustrations would take a column to explain. But here is the Roosevelt idea illustrated simply.

Suppose a railroad had \$500,000,000 of bonds outstanding, at an average interest rate of 6 per cent. Some railroad bonds bear as low as 4 per cent, and some as high as 7 per cent, but the average is not far from 6 per cent because there are more of the higher rate bonds than of the lower rate.

To Illustrate

In this illustration, the fixed charges of the road, so far as bond interest is concerned, would be \$30,000,000 a year. Taxes and this bond interest as well, of course, as all operating expenses must be paid before anything can be given to the stockholders. In addition, every time some of the bonds fall due the railroad has a terrible time floating a new issue even if it is a fairly prosperous road, and usually has to pay handsome bankers' commissions for placing the new bonds.

Now suppose, further, that the road, after paying operating expenses and taxes, has just \$20,000,000 left over, on the average, for bond interest. Which actually is little better than the case of the Missouri Pacific, and a little worse than the case of the New Haven.

The New Deal plan would be for this mythical road to go through receivership, as the New Haven is about to do, and take advantage of Section 77 (b) of the bankruptcy act. When it emerges, it might have a total capital debt in bonds of \$400,000,000, but on a 3 1/2 per cent basis. This would make its annual bond interest bill \$14,000,000 instead of \$30,000,000. As the average earnings applicable to bond interest would be \$6,000,000 in excess of this, however, the road could expect the lower interest rate. But instead of the \$6,000,000 in addition being paid in dividends, a sizable fraction of it, say \$5,000,000, would be used to retire bonds every year.

The stockholders would be actually better off than they were before. In the illustration given, there would probably be no dividends for some time after the reorganization. But the property in which they have an equity would be at least on the road to a better situation. Whereas if reorganized under the old tooth and claw method, they would probably get nothing.

The same sort of plan has been worked rather successfully on non-railroad corporations, though of course the most important new phase of the law is that it prevents such reorganizations being held up by minority security holders demanding more than their share.

large shipments of oil to Italy. Treasury officials are considering permitting publication by newspapers of every detail as to exports. Naturally, they will not do so if the State department objects, and conversations on this point are now proceeding. Officials of both departments, as they admit in private conversations—though, of course, they decline to be quoted—favor such publicity, and it is their confident expectation that the President will agree with them.

Such a change of course would have no legal effect in deterring anyone who wished to ship such war supplies as are not banned by the President's proclamation. The reason the oil companies and shippers of other war supplies are opposed to any change, and wish to retain the present protective sequestration, is that they fear a boycott of their products by individuals who would resent what they would regard as "war profiteering."

It is increasingly manifest that the sentiment of the country was strongly behind the action already taken by the President, and that it would favor going even further—save where the pocketbook of individual sections might be affected. This is realized by the companies now selling oil to Italy.

Limit Motor Speed

Automobile manufacturers are not talking about it, publicly, but they realize a very strong tendency which may force limitation of the possible speed of automobiles. Motor-car makers discussed the situation very seriously at a recent meeting in New York. Of course they are prepared to fight such legislation, either by the states or the federal government, but the vice president of one of the big companies admitted to friends here within the last few days that the motor industry would not be surprised to see such legislation very widespread within two years.

In the face of advertisements that new models will "crowd 100 miles an hour," most of the present consideration of the problem by its advocates is aimed at restriction to speeds not exceeding 60 miles an hour. Some of the extremists would go as low as 45, the speed limit on the open road in a good many states. The idea suggested would be to prohibit the operation in a given state of a car capable of running in excess of a given number of miles per hour.

If only one large state, or any state regardless of size, whose citizens buy a large number of cars should impose such a restriction the effect on all motor manufacturers would be very serious indeed.

Liquor Regulations

Reports from the distillers all over the country indicate that there will be no important opposition to the new regulations which Administrator Franklin C. Hoyt has suggested for labeling liquor. It is already virtually decided that some administrative changes will be asked, but only one change in the proposed regulations will be recommended that is of any interest to liquor purchasers.

That is the desire for postponement for a month, or two months, at most, of the dates on which the new regulations go into effect. As at present proposed, after January 1 next no whiskey can be branded as "straight" unless it has been aged in charred oak casks for at least one year. After June 30 next no whiskey can be labeled "straight" unless it has been similarly aged for 18 months, and after January 1, 1937, for two years.

The industry would like to mark up these three dates, especially the first one. But as to the general idea there is very little dissent. It is generally recognized that conditions have changed, with the passage of time since repeal, which justify the higher standards that the proposed Hoyt regulations set up.

As to blended whiskey, the restrictions would merely be that not less than 20 per cent of any whiskey marked "blend" should conform to the requirements for "straight" whiskey—that is that after January 1 next this proportion of straight whiskey must be used, and that it must have been aged in charred casks for one full year, after June 30 it must be 18 months old, and after January 1, 1937, it must be two years old.

Must Be Labeled

Another restriction which is generally approved requires that the amount of neutral spirits, or alcohol, used in blended whiskey must be stated, and also that it must be plainly labeled that such neutral spirits were produced from grain, or molasses, or whatever.

Actually very little neutral spirits made from molasses or other than grain bases is now used in blending whiskey and gin. In the early days of repeal one of the largest producers, in an eastern city, used almost exclusively neutral spirits made from molasses. There is not alleged to be any question that such neutral spirits are any more harmful than those made from grain. Actually the two products are not different chemically. It is just a question of taste. For reasons which flabbergasted the chemist alcohol produced from grain seems to make a smoother blend than alcohol of the same chemical content made from molasses.

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GRANITE STATE



Granite Quarry in New Hampshire.

Prepared by National Geographic Society, Washington, D. C.—WNU Service.

NEW HAMPSHIRE, the Granite state, claims primacy in many things. In 1776 its Colonial assembly adopted the first written constitution to be enjoyed by any of the states. Two years before this it was on New Hampshire soil that the first armed blow was struck at British domination, when a band of patriots, led by John Sullivan and John Langdon, overpowered the small garrison at Fort William and Mary, in Portsmouth harbor, and took away the stores of powder. These were hidden beneath the pulpit in the old meeting house at Durham and were later taken to Bunker Hill, where another New Hampshire patriot, John Stark, used the ammunition in the engagement which first showed the quality of the New England rebels.

Apropos of Stark at Bunker Hill, there is a story that two British officers were watching the debarkation of their troops and were looking toward the crest of the hill where the Colonists had gathered. "Will they fight?" said one to the other. And his companion, who had served with Stark during the Indian wars, replied, "If one John Stark is there, they'll fight." The annual celebration of Bunker Hill day in Boston is in consequence something of an irritation to the New Hampshire mind, because it recalls that New Hampshire furnished most of the men, and that it was the strategy of John Stark of that state which gave the Colonials their success.

It is somewhat surprising to note that this same John Sullivan who led the midnight marauders at Fort William and Mary should have proved so cautious a member of the Continental congress which formulated the Declaration of Independence. But when the die was cast, none was more courageous than he, and his march against the six nations is celebrated, even to this day.

Had First Free Library Among the other firsts, and one which gives New Hampshire much satisfaction, is the fact that at Peterboro was established the first free public library supported wholly by public taxation. This library is now housed in a handsome building, the gift of a successful son of the town; and in many another community may be seen similar proofs of affection for the old state and the home town.

For two centuries New Hampshire was a nursery of seamen, and from Colonial times its seaboards resounded to the stroke of the calker's mallet. From Portsmouth set forth the expedition to Louisiana with New Hampshire men carried in New Hampshire bottoms, and it was at Portsmouth, too, that John Paul Jones fitted out the Ranger and sailed with her, flying the Stars and Stripes to which the first official salute was paid by a foreign nation.

The navy yard at Portsmouth dates back to the Revolutionary period. The house in which John Paul Jones lived while superintending the building of his Ranger is still standing and is the home of the Portsmouth Historical society. Another of the handsome old properties of those days, the Moffatt-Ladd house, is now the home of the Colonial Dames, who, upon occasion, renew the traditions of the house for gracious hospitality.

During the days of wooden ships, while we were dependent for our defense, as was ancient Athens, upon "wooden walls," the Portsmouth navy yard was a busy place. The Constitution, "Old Ironsides," was rebuilt there; and now, rebuilt again, she has in recent years paid a visit to her foster-mother in New Hampshire. During the World War, Portsmouth again hummed with industry, and the yard has now become the country's principal base for the construction of submarines, one of the two largest of the craft having slid from Portsmouth ways.

Ships for the World War. During the World War, there sprang up on the banks of the Piscataqua, just above Portsmouth, two shipyards, one for wooden and the other for steel vessels. These craft of Portsmouth origin did their

full share in the winning of the war, and the yards are now turned to the uses of peace, one as a dye plant, and the other for the manufacture of gypsum products, the raw material being brought from Nova Scotia.

At Portsmouth, too, was built the Kearsarge, with oaken timbers taken from the slopes of the mountain whose name she bore. She laid her bones upon a Caribbean reef, but New Hampshire does not forget that her record is written.—Portsmouth, Cheshire, Roncador.

So important, indeed, was the shipbuilding industry in New Hampshire that the state seal bore, and still bears, the representation of a ship upon the stocks, though its heraldry has recently been revised; and, while the ship still remains upon the state's escutcheon, the barrel of rum which stood so prominently in the foreground was erased, in deference, perhaps, to the Eighteenth amendment.

The embargo act laid a heavy hand upon our shipping, but coincident with it came the beginning of that development of our water powers which has created the industrial cities of which we continue to be proud.

Thus New Hampshire stands forth today, the little state with the big history. Its population is almost stationary, succeeding censuses giving it little beyond the natural increase. Its taxable inventory, though jacked high by the ingenious devices of modern taxing boards, is probably excelled by several private fortunes in the United States; but still the people of the state manage to have most of the things which modern life insists to be necessary.

New Hampshire's automobile registrations, for instance, are in such number that it is possible to take the entire population of the state for a Sunday afternoon ride. To accommodate them the state has developed a series of trunk highways, three in number, which traverse the state from the Massachusetts border to the Canadian line, piercing the White mountains and following the course of the state's greatest rivers. To these the commonwealth is adding cross-state roads, which will gridiron New Hampshire with modern highways.

Good State Institutions.

New Hampshire's state institutions provide for all the needs of the state's dependent, delinquent, and defective, and for its enterprising youth the University of New Hampshire presents expanding courses for the training of young men and women, who, unfortunately, in too great numbers, do not remain in the state to enable it to enjoy the fruits of its bounty to them.

Its public schools are now so arranged, so equipped, and so supported through state aid that no child need lack full 36 weeks of schooling each year, with free bus transportation and in some instances with a free lunch thrown in.

Its agriculture in particular is a subject for pride. The farmers are hard-working and thrifty, and many of them upon their stony acres can realize the truth of the old jest, that even sheep in New Hampshire had to be provided with steel muzzles to enable them to graze, and that most of the crops of the state had to be planted with a shotgun. New Hampshire agriculture has specialized of late particularly in the dairying and truck line; but, even at its best, it cannot yield the rich rewards which farmers have secured in other states.

In common with the entire agricultural brotherhood of the country, New Hampshire farmers have suffered from changed conditions and from existing depression. But they are still self-respecting and self-supporting.

But a native points out he supposes that the state's chief product will continue to be men, in token of which, as Webster said, "The Almighty has hung out a sign high up in our hills," where the Old Man of the Mountain, with the storms of ages beating upon his rugged brow, broods ceaselessly over the moving scene which is unfolded before him.

BRISBANE THIS WEEK

Bay of Fundy Power Religion Aids Mussolini Cheap Eggs for Soldiers Government Railroads?

Governor Brann of Maine is unwilling to share expenses, and President Roosevelt may drop the Passamaquoddy power project. That would be a national misfortune. While spending billions so freely, it would seem worth while to spend thirty-six little millions to harness the gigantic tide power in the Bay of Fundy.

Development of that project would supply the whole state of Maine with power and industrial prosperity and pay for itself.

To allow the vast power of one of the highest tides on earth to continue going to waste would be as foolish as it would be to cease using the power of Niagara.

In Milan, Cardinal Schuster, celebrating mass for those that died in the Fascist march on Rome, indorses earnestly Mussolini's invasion of Ethiopia, praising "the valiant army which, in intrepid obedience to the command of their fatherland at the price of their blood, open the doors of Ethiopia to the Catholic faith and the civilization of Rome."

Also, according to Associated Press, the cardinal praised Fascism as "promising the national morally wished by the Catholic church."

Italian soldiers in Ethiopia, much surprised, can buy as many fresh eggs as they want at ridiculously low prices.

Ethiopians will not eat eggs—their religion forbids them to devour "that which might have life in the future," but they are willing to sell the eggs to the Italian soldiers and let them imperil their immortal souls by "devouring future life" if they choose.

Ethiopian tribesmen have no scruples about eating the chicken, once it is hatched, which shows that religious scruples take interesting forms. What about the "future life" that the hen might have produced?

Railway labor unions plan a Washington lobby, to promote government purchase and operation of railroads. Owners of some railroads would gladly share the expense of that lobby if they could sell their railroads at a fair price.

Running a railroad in competition with automobiles, motor buses and trucks is like running a legitimate hotel in competition with night clubs and other former speakeasies.

Russia is a successful spy hunter, having convicted on the average one every six hours, according to "Collier's."

If, in Russia, you are convicted of spying, no second conviction is ever necessary or possible.

These 10,000 spies, to earn their money, must keep international suspicion alive, and that helps to keep war alive.

Rejoicing in the fact that "the 13 years of the Fascist regime have not passed in vain, and the world of plutocratic and conservative egotisms is obliged to take note of this," Mussolini denounces League of Nations sanctions aimed at him as "a preposterous crime destined to increase disorder and distress in every country."

Pan-American Air Lines asks air travelers: "Shall we serve cocktails to passengers?" The answer should be emphatically "no." First, the average cocktail is unfit for any stomach, except perhaps that of a carrion-eating hyena; second, it has been proved more than once that alcohol and flying do not mix well.

The President inspected "fortifications" of the Panama canal, returning from the Pacific to the Atlantic. Unfortunately there are no fortifications on the Panama canal. The canal depends on its locks and they, open to attack from the air, could easily be destroyed. No engineer will deny that.

The way to have a "fortified" canal is to build one at sea level. In these spending days that might be done now, through Nicaragua.

Uncle Sam would have something to show for his money more substantial than groups of weary gentlemen "raking leaves."

There is encouragement in the fact that "regular jobs," not the artificial made-to-order kind, are increasing. Three hundred and fifty thousand men were hired in September, and payrolls for September are \$12,000,000 a week above August.

Warner Brothers' successful production of "A Midsummer Night's Dream," under the direction of Max Reinhardt, proves courage and sound business judgment. The picture is a financial as well as an artistic success, greater by far than any recent Shakespearean stage production with living actors. © King Features Syndicate, Inc. WNU Service.

A Square Meal

By GEORGE C. EBBERT
© McClure Newspaper Syndicate, WNU Service.

THE drastic economic and social crisis found Leo Merton, a one-time enterprising young man, down and out. He was cold and tired, homeless and friendless in Harlem. Lenox avenue stretched ahead of him into the gloomy night. An occasional spark of a lighted window leered at him through the mist. He was now broke and hungry. Oh, but he was hungry.

He turned up his coat collar against the wind and rain which tore through the streets. With his head down, he tackled a cross street, wishing desperately that the wind would pick him up and carry him away—away from this lousy city with its vast army of success and sucker seekers. He was not used to this cold world of reality. His thoughts reined brutally back to his former care-free days, as he reached the opposite curb.

It had been three days since he had eaten, three days in which he had grimly stuck it out. But now—he'd swap his soul for a good feed.

Suddenly, from around the corner of a building, a man walking briskly came to a dead standstill in front of him. Startled, Leo looked up. For a brief second their eyes met.

"Here, Buddy," said the man tensely, and shifted something from his pocket to Leo's. "Keep this for me!"

Leo took an involuntary step backward. The man brushed by and continued at a rapid gait down the street in the direction from which Leo had come.

Again someone appeared from around the corner. It was a policeman. He hurried past Leo with a slight glance. Fascinated, Leo's eyes followed him. By this time the cop had overtaken the first man. They both stopped. Leo could not hear their conversation, but he saw the policeman grab the man. Then they continued on down the street and disappeared in the foggy mist.

Leo cautiously slipped his hand into his coat pocket. His fingers touched cold steel.

Dazedly he withdrew the gun and stared at it. For several minutes he was motionless. Hastily he replaced it in his pocket and glanced guiltily around him. The street was deserted as before.

A revolver! His hand gripped the handle. For the second time he looked about him and then quickly crossed the street in the opposite direction from that which the cop and the gunman had taken. He walked about a block at a steady pace, overwhelmed in thought. Then, trembling from the cold, he sought shelter in a doorway. He sat down and leaned back. Next to the doorway was a dingy second-hand store, where a little old man stood leaning over the counter counting a roll of bills. He was getting ready to close for the night. "Money," Leo murmured, his hand clutching the revolver. "A square meal," he said aloud; "with coffee."

It suddenly occurred to Leo that the door might not be locked. If the door was unlocked, it would be easy! The firm grip of his right hand around the revolver assured him how easy. His left hand reached out—then jerked back.

He didn't want to be a hold-up man! He didn't want to hold the gun in the old man's face and take away his money. He had no desire to be a thief or a gunman! All he wanted was food, that was all—food. What should he do?

The old man turned toward the door, glancing away from the money in his hands to an object in the show case; meditated; and, apparently contented, went back to the tantalizing counting.

The fingers of Leo's right hand tightened around the revolver. The fingers of his left hand closed over the door knob. He pressed his thumb down and the door opened. The old man looked up and peered over his glasses. Their eyes met—held. Leo moved the gun several inches forward, dangerously, but he did not speak. He hated to say: "Hands up!"

Across the counter the old man's eyes continued to watch him, shrewdly, speculatively, his face, his shabby clothes, the gun in his hand; then he deliberately looked away.

"On the gun," he said casually, calmly, "I can give up only two dollars."

Leo stared at him. He felt numb, dazed. Two dollars, think of it, two precious dollars! Slowly he laid the gun on the counter.

"Two dollars?" he repeated joyfully, questioningly.

The old man picked up the gun and proceeded to examine it carefully, dropping the cartridges on the counter.

Again his keen eyes met Leo's. "You are not from New York," he said cunningly. "You are an unemployed man, having tough luck?—Well, to you I'll do a favor; I'll make it five dollars."

Leo braced himself against the counter with both free hands and dizzily watched the old man count out, painstakingly, five one-dollar bills.

"FASTING" IMPOSTOR

Of the many impostors who have claimed to have fasted for years and earned considerable money as curiosities, the only one who did not confess, when undergoing an official watch, was Sarah Jacobs of Wales. In 1869, after her parents had sworn that for two years no food had passed her lips, she was placed under surveillance of professional nurses and died of starvation in nine days.—Collier's Weekly.

I FEEL FINE

Mothers read this:



A CONSTIPATED child is so easily straightened out, it's a pity more mothers don't know the remedy.

A liquid laxative is the answer, mothers. The answer to all your worries over constipation. A liquid can be measured. The dose can be exactly suited to any age or need. Just reduce the dose each time, until the bowels are moving of their own accord and need no help.

This treatment will succeed with any child and with any adult.

Doctors use liquid laxatives. Hospitals use the liquid form. If it is best for their use, it is best for home use. And today, there are fully a million families that will have no other kind in the house.

The liquid laxative generally used is Dr. Caldwell's Syrup Pepsin. It is a doctor's prescription, now so widely known that you can get it all ready for use at any drugstore.

Who Knows?

You can't tell. Maybe the fish goes home and brags about the size of the bait he stole.

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To quickly relieve chapping, roughness, cracking, apply soothing, cooling Mentholatum.

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Have you tried the NEW MENTHOLATUM LIQUID for head colds? Like Mentholatum ointment it brings soothing comfort

Watch Your Kidneys!

Be Sure They Properly Cleanse the Blood

YOUR kidneys are constantly filtering waste matter from the blood stream. But kidneys sometimes lag in their work—do not act as nature intended—fail to remove impurities that poison the system when retained.

Then you may suffer nagging backache, dizziness, scanty or too frequent urination, getting up at night, puffiness under the eyes, feel nervous, miserable—all upset.

Don't delay! Use Doan's Pills. Doan's are especially for poorly functioning kidneys. They are recommended by grateful users the country over. Get them from any drugist.

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Quick, Complete Pleasant ELIMINATION

Let's be frank. There's only one way for your body to rid itself of the waste matters that cause acidity, gas, headaches, bloated feelings and a dozen other discomforts—your intestines must function.

To make them move quickly, pleasantly, completely, without griping. Thousands of physicians recommend Milnesia Wafers. (Dentists recommend Milnesia wafers as an efficient remedy for mouth acidity.)

These mint flavored candy-like wafers are pure milk of magnesia. Each wafer is approximately equal to a full adult dose of liquid milk of magnesia. Chewed thoroughly in accordance with the directions on the bottle or tin, then swallowed, they correct acidity, bad breath, flatulence, at their source and at the same time enable quick, complete, pleasant elimination.

Milnesia Wafers come in bottles of 20 and 48 wafers, at 35c and 60c respectively, or in convenient tins containing 12 at 20c. Each wafer is approximately an adult dose of milk of magnesia. All good drug stores carry them. Start using these delicious, effective wafers today.

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