SEEN and HEARD around the NATIONAL CAPITAL

By Carter Field

Washington. — An old riddle inquires: Which came first, the chicken or the egg? And there is much to be said on both sides. So it is with the recent stock market nose-dive. Did the market reaction slow down business, or did business, slowing down, start the market on its gyrations?

As in the chicken and egg riddle, it is obvious that whatever the starter, one will go on producing the other.

But it is interesting in this case to know that the administration believes the chicken was business jitters, while the stock market dive was the egg the business jitters laid.

This viewpoint is particularly interesting because the administration is quite certain it knows just what was the matter with business, and it is now seeking out remedies. Also because there is bitter resentment in administration circles at the interests it regards as responsible.

The trouble according to administration insiders is prices. They were too high and consequently produced something akin to a buyers' strike. This slowed down a hundred other lines than those initiating the trouble by putting their prices too high. Hence too many people have not been making money, too many corporations face lowered earnings, too many corporations and people are therefore pulling in their belts. And stock prices follow inevitably.

Blame Steel Industry

Chief miscreant in this picture—still stating it as viewed by the administration—is the steel industry. A close second is cement. Textiles are absolved, not because the men running the textile industry are regarded by the adminsitration as particularly virtuous, but because the industry is helpless to do anything but cut prices to the bone. Ruthless competition is the answer to that. The administration knows a lot about it because of the vexatious question of long hours, child labor and poor wages in the industry, and because of the pitious screams the industry let out a while back against what imports of Japanese textiles were doing to its price situation.

Now, so far, is the administration disposed to blame the automobile industry. It believes the new models should be sold more cheaply, but blame here again attaches to the steel industry, in the administration view. A long standing automobile policy has been to cut prices whenever possible in order to stimulate demand and increase volume. That is precisely what the administration wants every industry to do.

It's an old theory with President Roosevelt. He believes firmly that the 1929 crash was caused by high prices in the immediately preceeding period. Prices were not advanced during those few years in terms of dollars. But costs were diminishing due to improved machinery. Hence profits were larger. Hence a larger percentage of sales prices was detoured from the quick spenders and into the pockets of investors. Hence overbuilding of plant capacity and gradual drying up of buying power.

Just what will be done to correct the present evil, as the President views it, is not yet clear.

Utilities Hold Off

Public utilities of this country are holding back expenditures of $1,000,000,000 a year for improvements and expansions, the securities and exchange commission has informed President Roosevelt, waiting until the way for new financing can be cleared, as they view it, by the Supreme court ruling that the holding company death sentence is unconstitutional.

This holding back, the President is informed, has been going on for three years. The President just might have thought that these figures, coming from a commission which has had so little chance to function since it was organized, because there have been so few new security issues, was an exaggeration. But within a few days after this allegation the utilities executives themselves tried to use the same argument to prove to the public that the President's utility policy is all wet. They quoted the Edison Electric institute to the effect that there was a "construction deficit of $2,600,000,000 accumulated in the past five years."

It was added that the ten-year average of new construction by the utilities from 1923 to 1932 inclusive was $752,215,000 annually. What makes this particularly significant is that it includes the period from 1929 to 1932, the last two of which were very bad indeed.

So much so that if these years are left out of the calculation there does not seem to be such a wide discrepancy between the figures given the President by S. E. C. and those supplied by the Edison institute. Or if the fact that the piled up need, so to speak, is all the greater because of those famine years is added.

Of course the utility executives cites these figures to prove that President Roosevelt's anti-utility policy, his policy of putting the government into competition with the privately owned utilities, is actually holding back prosperity, is retarding employment, is depriving both local and federal governments of an increase in the tax base. But the President sees it very differently.

Accuse Higher-Ups

He not only believes, but has been assured by S. E. C. officials and others, that it is not the operating utility men who are responsible for the log jam, but the higher-ups in the holding companies. So his anger at the holding companies is merely augmented. In fact, names have been quoted to the President of officials operating privately owned electric companies who would be delighted to expand. Names of holding company officials who have vetoed the expansion have also been supplied him.

All of which is rather interesting to the bystander because it seems to him that the holding company executives are sacrificing their all to defend a city which has already been doomed by a flank attack. There may be some senator or representative in Washington who believes that the holding companies, whether they be of the public utility or investment trust or whatever nature, will be able to survive the present trend in taxation, but this writer has not encountered one.

The answer is simple. Up to last year dividends were exempt from the normal income tax—on the theory that the corporation paying them had already given the federal government 15 per cent of its net earnings. Moreover, corporations did not have to pay the full corporation income tax on dividends received from other corporations, for the same reason.

But now there is no such exemption. Moreover, the probability is that the corporation income tax will be increased. So there does not seem to be much future for the holding company as it moves down this tax chiseling line. It seems headed for extinction.

Hidden Short Sales

Worried as they have been about the recent stock market nose-dive, there is no disposition on the part of officials of the federal reserve board or of the securities and exchange commission to put out any propaganda about "bear raids."

As a matter of fact, the exchange commission has been studying short sales for a good many months. Those of record have not been of any great significance. But it knows also that there are many hidden short sales, and that there is no way, at present, for any governmental body, or stock exchange committee for that matter, to discover the extent and importance of these.

Normally, of course, a speculator wishing to sell short does so through a broker. The broker, on receiving the order, borrows the stock from some holder, paying a certain charge for the privilege. If the holder wants it back before the broker's customer is willing to "cover," or buy the stock so that the same number of shares may be returned to the lender, the broker simply borrows the stock from somebody else.

Figures on this sort of trading are closely followed, and this type of short position in the market is always known both to stock exchange authorities and the government.

But the secret system is causing some concern. In such a case the speculator desiring to sell 1,000 shares of steel short borrows the certificate for these shares from some friend, and tells no one except the lender what his plans are. Then he sells that thousand shares. It looks like a legitimate sale. No one but he and the lender knows that actually the speculator, sooner or later, must buy 1,000 shares of steel to replace the loan and complete the transaction.

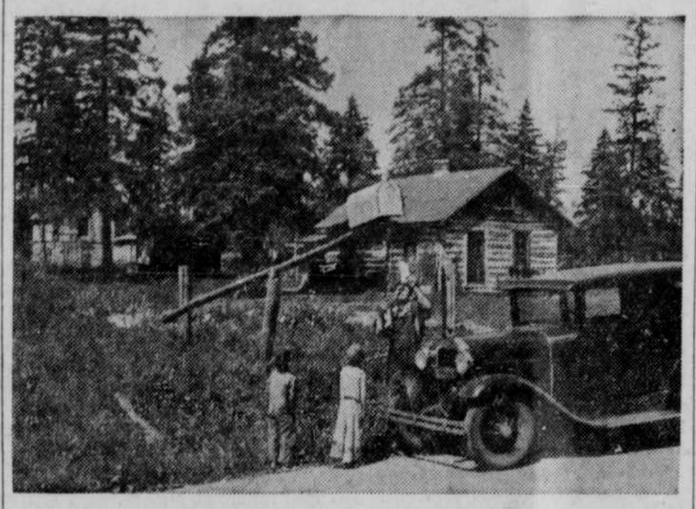
A Helpful Cushion

This lack of knowledge is important. Obviously if it were known to all the brokers that a great many hundred thousand shares of stock had been sold short, they would know that sooner or later these hundreds of thousands of shares must be bought so that the borrowed stocks could be returned. That reserve buying power, so to speak, would have a tremendously steadying effect on the market. In fact, that is one of the chief arguments against the abolition of short sales. This type of transaction is a very helpful cushion when the market starts to slide.

But the secret short sales do not lend this steadying effect. Other speculators do not know whether there is a large or small secret short interest in the market. For all they know there may be practically no short interest at all. So that the secrecy has a tendency, especially when the market is nervous, to depress it still further.

Government officials studying the situation point out, however, that "bear raids" are not nearly so serious as they are frequently painted. The raider must always buy back the stock he sells short. So unless he is right in his calculations that the market is too high, or that the earnings of a particular corporation do not justify the price of its securities, he is apt to be badly burned.

ABOUT THE GOPHER STATE



Minnesota Mail Boxes Ride High Because of Snows.

Minnesotans Boast of Twin Cities and Mesabi Iron Mines

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

MINNEAPOLIS and St. Paul, grown virtually into one city, provide the chief mart of Minnesota, St. Paul for animal products, Minneapolis for grain. St. Paul also is a major railway terminus. Dominated by descendants of the early German and Irish settlers, it is famed today for such various things as its meat packing and beer, its state fair and its printing business (especially legal books).

Minneapolis is dominated by its Scandinavians—the jokes do not err. It is said that if the cry comes "Paging Mr. Johnson!" in a Minneapolis theater, half the audience will rise. The city has become one of the world's important grain markets; it is also famed for its lakes—several large ones within the city limits—its picturesque mills which make the artist reach for his brushes in a happy daze, its knit underwear, its university, and its renowned orchestra.

Linseed oil, base of paints and inks, is a very important Minneapolis product; the oil is pressed from the flaxseed of the Red River valley, and by-products are returned to the farmer as valuable feed.

Thus these twin municipalities have a wide variety of things to boast of, including a population of almost a million people.

The rivalry of the two members of this one body is proverbial. St. Paul taunts Minneapolis with being a "nine o'clock town," for it is true that that city's Lutheran views dictate a stricter decorum than the more worldly-wise city bothers to maintain. Minneapolis retaliates thus: "Yes, we're thinking of incorporating both cities in one, to be called 'Minnehaha,' 'Minnie' for Minneapolis and 'ha ha' for St. Paul."

The good-humored sparring involved keeps moss from growing between the toes of either.

Iron Deposits of the Mesabi.

Toward the end of the Nineteenth century the Mesabi iron deposits, of which Daniel Webster and Lord Ashburton had been ignorant when fixing the boundary, at last were discovered.

The discoverers were a family of seven brothers named Merritt. Timber cruisers and woodsmen of the most expert sort, they were also amateur prospectors. With a faith almost unreasoning they explored the mosquito-infested swamps and forests of the hill country behind Duluth. This wild-goose chase was rewarded with a goose capable of laying truly golden eggs: their dip-compass charts located the first of those vast pools of soft ore which, soon exploited, built the ships, bridges, railroads, machinery, and skyscrapers that a lustily expanding nation hungered for.

With incredible energy these same brothers surveyed the railroad to carry the ore to port, and then, brushing aside the mining engineers who were thumbing their whiskers and trying to think how to sink the customary shafts, they turned a primitive form of steam shovel loose in that flaky red earth.

The Mesabi mines saw the development of this new contraption, the steam shovel. In the process a series of "the biggest holes on earth" were dug, all the way from Coleraine to Biwabik, with the biggest of all at Hibbing.

Duluth, Minnesota's third city, was not slow to respond to the stimulus the ore traffic provided; she grew rich and great. Squeezed between a perfect harbor and a barrier of hill that hangs a natural rock garden above the very chimneys of the skyscrapers, Duluth is one of the most oddly placed of cities. But the placing was inevitable. Here is the natural terminus of Great Lakes traffic, the key point in its connection with the huge area of the plains beyond.

Duluth's Big Steel Mills.

Since it is as easy to bring coal to Duluth as to take ore to Pennsylvania for smelting, steel mills have sprung up near the city, supplying the needs of a western market. These form a picturesque sight of the St. Louis river estuary, that maze of islands, some green as salads, others black with industry, that wind inland from the harbor.

Spidery coal hoists and drawbridges, grain elevators as massive and stately as Old World cathedrals, the vast hulks of ore docks make a picture of unresting enterprise along those calm waters.

The harbor itself is all that a harbor should be, ample, safe, protected from the lake by a bar so narrow that a small boy with a slingshot could put a pebble across it.

Labor for the mines was recruited from south Europe. The range towns are peopled by Italians, and by Yugoslavs and other Balkan folk. They form a kind of racial island in Minnesota's Teutonic sea, an incongruity in a land so uncompromisingly northern. But with them came a people who are eminently at home, the Finns.

Nowhere have Finns settled in such numbers as in Minnesota's Arrowhead country. It is like their own Finland, rocky, wintry, laced with countless lakes; they know without any textbook guidance how to be happy and prosperous in it.

They dry their hay on racks of poles, and saw the poplar, birch, and pinewood that their Finn stoves devour—metal cylinders reaching to the ceiling—with Finn saws, sinuous blades of steel strung across rigid metal bows. At long-cabin building they are the master craftsmen. And as athletes they are famous; such names as Reino Kylmala or Arvo Wopjo on a hockey team are just so many danger signals.

Finns Have Their Baths.

The skis they carve from birchwood, painstakingly seasoned over the cookstove, are a treat to the eye—exquisitely long, narrow, and arched, like the eyebrows of some distractingly pretty Hollywood star.

In the same classic tradition are their Finnish baths, when first the men, then the women, gather in log bathhouses and swap the week's news in high good humor. A torrential sweat, a luxurious soaping and rinsing down, a breath-taking cooling process outdoors in the snow or the frigid waters of lake or river—this is the ritual of the famed Finnish bath. It limbers up the joints wonderfully, and sends a man home whistling tunes as loudly as a locomotive, for he feels good.

The Mesabi iron range is merely the most spectacular mineral resource of the state. The Vermilion iron range supplies high-grade Bessemer ore, steadily in demand; the Cuyuana range's vast resource of heavily overlain manganese ores has not yet been worked to the same extent.

There are also important nonmetallic minerals, for instance, the pottery clays and filter sands of Red Wing.

The building stones of Minnesota serve as a basis for an important industry. They are widely distributed in location and character: the jasper of the Coteau des Prairies, Kettle River's sandstone, the widely used pink-dappled Kasota and Mankato stone, the richly patterned gneiss of Morton used from coast to coast in cemetery memorials, and the granites of St. Cloud, which rivals Barre, Vt., as a producer of granite.

The mechanical advance in these stone-working industries has been revolutionary in the last 15 years. A visitor at some such vanguard establishment as the plant at Cold Spring, in the St. Cloud district, will see Minnesota's stubborn, water-resistant granite sawed into slabs perhaps a mere inch-and-a-half in thickness, these slabs brilliantly polished, then recut by carborundum blades whirling at such speed that they move in a path of fire despite the water jets that play upon them.

The pipestone quarry, famed in legend, near Pipestone, is unique. It can be worked only by the Indians.

In one of the legends the soft red stone of that quarry is the flesh of the whole Indian people anciently drowned in the flood. They had fled to the Coteau des Prairies as the waters rose, but were there drowned, all except one girl. Carried off by the soaring War Eagle, she became his bride in the skies, and so bore children who repopulated the world.

Cause and Cure of Rheumatism

By DR. JAMES W. BARTON

THE oldest ailment known to man, and despite all the wonderful advances in medicine it is actually increasing instead of decreasing, is rheumatism or arthritis as it is perhaps more properly called. Arthritis means inflammation of the joint (and surrounding tissues).

And this great increase in rheumatism, particularly in Great Britain and Europe, has so interfered with the health, happiness and financial condition of the individuals and the nations that organizations to discover the cause or causes of rheumatism and how best to treat it are being formed everywhere.

Dr. Barton

Usually when the cause of an ailment is discovered and that cause removed the part of the body affected and the patient himself are restored to health. However, rheumatism may remain so long in an individual that "permanent" damage is done to the joints and tissues and so methods of giving relief from the symptoms, even if there is no chance of repairing the part, now form a large part of the study of these organizations for prevention and treatment of rheumatism.

Factors That Aggravate It.

Thus while it is agreed that infection somewhere in the body has been, and may still be, the cause of the arthritis, there are other factors such as food, climate, heredity, gland conditions, occupation, and even the patient's disposition that aggravate the symptoms or interfere with the recovery of the patient. In Great Britain the damp climate is known to be a factor in aggravating the symptoms, and in America Dr. Ralph Pemberton, Philadelphia, and Dr. A. A. Fletcher, Toronto, have shown that an excess of starch foods may do likewise.

The first thought then should be the prevention of rheumatism now that it is known that it is caused by infection from teeth, tonsils, sinuses, gall bladder, intestine and from the generative organs, both male and female.

If all sources of infection have been removed and there are still rheumatic symptoms, treatment is usually threefold; (a) heat in some form, (b) salicylates to relieve pain and tension; and (3) diet—cutting down on starch foods.

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Reducing on Five Meals a Day.

A few years ago, whilst lunching, I noticed a lawyer whom I had examined physically during his university course. He had changed from a stripling to a huge individual of 250 pounds with the appearance of a middle-aged man. He was only thirty years of age.

Whilst I said nothing, he must have read my thoughts as he remarked, "I'm getting so heavy I'm only eating two meals a day—morning and evening. Of course I drop in here for a 'bite' at noon—just a couple of chocolate eclairs and a cup of coffee."

I suggested that as he was 250 pounds now, his chances of reaching 300 were very good but that if he were to eat three or four small meals a day instead of two large meals, with the extra "bite" thrown in, he would not only lose weight but feel brighter mentally.

It is large meals and not frequent meals that put a burden on digestion. The lassitude—sleepiness or tiredness—and the disinclination for thought or work that follow large meals show that the blood is being used to digest food and absorb this large amount of food.

Now this same amount of food, taken in four or five meals a day—instead of two or three—does not cause this heavy, sleepy feeling, and the individual is not only brighter mentally at his work, but does not feel too lazy or tired to take some exercise. Thus all advantages as far as digestion is concerned are with small meals taken often.

Thus with those who are overweight, if they would take or measure out the amount of food to be eaten in 24 hours, and eat it in five meals instead of three, they would not feel so "heavy" and would be more willing to be about on their feet or take exercise than when they ate just the same amount of food in three meals. This feeling of "lightness" with its desire to take exercise instead of sitting or lying down, would mean that with more exercise and less rest, more fat would come off the body.

"Father of Electricity"

William Gilbert, an Englishman born in 1540, is called "the father of electricity."

Known as "Citizen King"

Louis Philippe, ruler of France from 1830-48, was known as the "Citizen King."

The Newest in Miniature

SEW - YOUR - OWN presents a house frock with the heart to be up and doing, no matter how busy you are, how old you are, or how many calories you've forgotten to keep count of. Sew-Your-Own also presents the first doll with a heart (the picture proves it). And lastly it presents a frock with a love interest for a Modern Miss, something usually confined to the movies.

Ideal for Home.

Sew-Your-Own always has had a soft spot in its heart for the Lady of the Fireside, she who cooks and bakes and sews and keeps everything right. Today's house frock for her (above left) is as neat and sweet as anyone could wish. The collar in contrast and the saw tooth edging piped to match, make that difference between this dress and run-of-the-mill. Of course, it's easy to run-up and practically no trouble at all to launder. Better make two

A Doll—a Dress.

The little lady in the center, above, knows her heart's in the right place because Mommy put it there. Dolly Dimples is her swell little playmate and her heart's in the right place, too. Ask your Mommy to send for Pattern 1203 and you'll have a great big surprise in store. Yes siree!

Her Heart Unattached.

You will find Miss Svelt Seventeen (above right) is good to her figure! Her frock, an original Sew-Your-Own design, gives her real distinction — that different-in-the-right-way look. It is the ultimate in chic in rayon crepe with a satin waist front.

Pattern 1405 is designed for sizes 34 to 46. Size 36 requires 4⅜ yards of 35-inch material plus ⅝ yard contrasting.

Pattern 1203 is designed for sizes 2, 3, 4, and 5 years. Size 3 requires 1⅝ yards of 35-inch material for the child's dress. The doll's body, medium size, requires ⅝ yard of 35-inch material. The doll's dress, medium size, requires ⅔ yard of 35- or 39-inch material. One hank of wool is required for doll's hair.

Pattern 1377 is designed for sizes 14 to 20 (32 to 44 bust). Size 16 requires 2½ yards of 54-inch material. The topper in contrast requires ¾ yard of 39-inch material.

Send your order to The Sewing Circle Pattern Dept., Room 1020, 211 W. Wacker Dr., Chicago, Ill. Price of patterns, 15 cents (in coins) each.

New Pattern Book.

Send 15 cents for the Barbara Bell Fall and Winter Pattern Book. Make yourself attractive, practical and becoming clothes, selecting designs from the Barbara Bell well-planned, easy-to-make patterns.

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