

SEEN and HEARD around the NATIONAL CAPITAL

By Carter Field
FAMOUS WASHINGTON CORRESPONDENT



Washington.—Treasury officials are working day and night, virtually, to dissuade congress from doing something that a good many conservative leaders in both houses seem set on doing—modifying sharply the undistributed earnings and the capital gains taxes.

Incidentally the administration has changed its tune entirely on the undistributed profits tax. One would think, to hear them talk now, that when the administration forced this tax on an unwilling congress there had been no ballyhoo in behalf of the little stockholder, looted by a conscientious management of his corporation.

President Roosevelt himself, at the time, pointed out that the small stockholder had some rights in the matter, that he should have a voice in whether the earnings on his investment were plowed back into the company or whether he should receive his share of them.

This would be forced, the President then pointed out, by the undistributed profits tax. If this tax were made high enough, obviously corporations would not pay it, but would distribute their earnings among the stockholders. The good feature about this from the government standpoint would be, he pointed out, that the government would get much larger individual income taxes from the stockholders. But the good feature from the standpoint of the stockholder would be that he would get his earned dividends, and could then decide, according to his own circumstances, according to his own judgment of the management of the corporations, etc., whether he would put his own money back into the company.

If managements earned a reputation for business ability and sagacity, the President pointed out, stockholders would be eager to reinvest their earnings in the companies which paid them dividends.

Wander Away

How far the administration has wandered from this line of argument is best illustrated by the fact that the brain trusters are now talking stock dividends, providing the Supreme court will reverse its decision of some years back and hold that they are taxable as individual income!

This of course would serve the government's point by forcing the corporation earnings into individual incomes from which it would derive taxes, but would remove from the stockholder the much talked about advantage that he could elect whether he would reinvest his earnings in the same corporation.

In conversations with congressmen, Treasury officials are using an illustration.

"Suppose," they say, "you (congress) should repeal both the undistributed earnings tax and the capital gains tax. Then suppose a rich man should put \$10,000,000 in a corporation. That corporation might have vast earnings, and yet, for tax purposes, not disburse them. Ten years later, the company having meantime added twenty million of earnings to this original investment of ten, the rich man could sell his stock for \$30,000,000.

"He would have paid no income tax on these earnings during the ten years, and, if there were no capital gains tax, he would pay no tax on the profit when he sold the stock. Thus he would have obtained \$20,000,000 of profit without paying any tax on it."

One congressman said that would be all right with him, for the government would be getting 15 per cent of every dollar earned by the corporation every year under present tax laws. He added, however, that the 15 per cent might be jacked up a little, if the other taxes were repealed, insisting that he thought the corporations might pay more in taxes providing such taxes as interfere with management problems were repealed.

Meaning Lost

One of the reasons why Franklin D. Roosevelt was pleased with the election of Fiorello H. LaGuardia as mayor of New York stands out a sore thumb every time a group of Republicans get together. The "Little Flower" has used the Republican label many times to his own advantage, but he has never been regarded as a Republican by the wheel horses of the party throughout the country.

One Republican senator, discussing this angle of the situation shortly after the New York city election, said: "If I want a New Dealer, why not take Roosevelt himself?" Underlying this is the fact that the Republican and "Democrat" have lost their meaning, as far as words meant anything to voters just a few years back. Old-time Democrats would now be regarded as Tories, just the same as old-fashioned Republicans.

Complicating this situation is the path, with its fiery devotion to the Democratic label, which yet remains the most conservative section of the country. It is pointed out by many Re-

publican leaders that District Attorney-elect Thomas E. Dewey of New York county seems to have captured the imagination of the country. For one reason and another Dewey has had the most marvelous publicity any recent arrival on the political stage has been able to obtain.

Actually nothing has developed to disclose whether Dewey is a conservative or a radical—to show to which of the two really important groups of political thinkers in this country today he belongs. There is talk, however, of his running for governor of New York.

Question Arises

This may be history repeating itself, but the question arises, which chapter?

Old-timers think of Grover Cleveland, the fearless sheriff of Buffalo who became governor, and later was twice President. Others think of Theodore Roosevelt, who used the executive mansion at Albany as a way station to the White House. And of Franklin D. Roosevelt, who became the logical nominee for President the day he was elected governor in 1928, when Al Smith was losing his own state in his presidential race.

But there are other chapters. Charles S. Whitman made his reputation, as has Dewey, as prosecuting attorney in New York. He, too, captured the popular imagination when he broke up the rackets of that day, when he sent Police Lieutenant Charles Becker and four gamblers' gunmen to the electric chair. And Whitman dreamed of the White House! Let no one be mistaken about that. But for one reason and another he just did not fit into the picture.

Charles E. Hughes made a reputation as an attorney in the life insurance investigation. He became a great governor of New York, but he was sidetracked.

So it would seem the tradition is better for Democrats than for Republicans, except this—there is simply no one else on the public horizon so far as the Republican party is concerned. That's why you are going to hear a lot about Mr. Dewey from now on.

New Dealers Pleased

Considerable satisfaction, but very little guidance, was given to President Roosevelt and New Dealers generally by the elections. There was scarcely a result which did not give the President a certain personal pleasure.

Even the silk stocking Seventeenth Congressional district of New York going Republican, curiously enough, had its compensations. It happens to be the richest district in the United States, and the President can point to it and say, "I told you so. The economic royalists are against me because I am for the plain people," etc.

As a matter of fact, the Republicans capturing the Seventeenth New York district, the district of Ruth Pratt and Ogden L. Mills, was very much like the Dutch capturing Holland. It always goes Republican except in Democratic landslide.

Defeat of the original Roosevelt man in Massachusetts, James M. Curley, in his attempt to come back, running for mayor of Boston, was not hard to take by the President at all. For there was a parting of the ways as between Roosevelt and Curley.

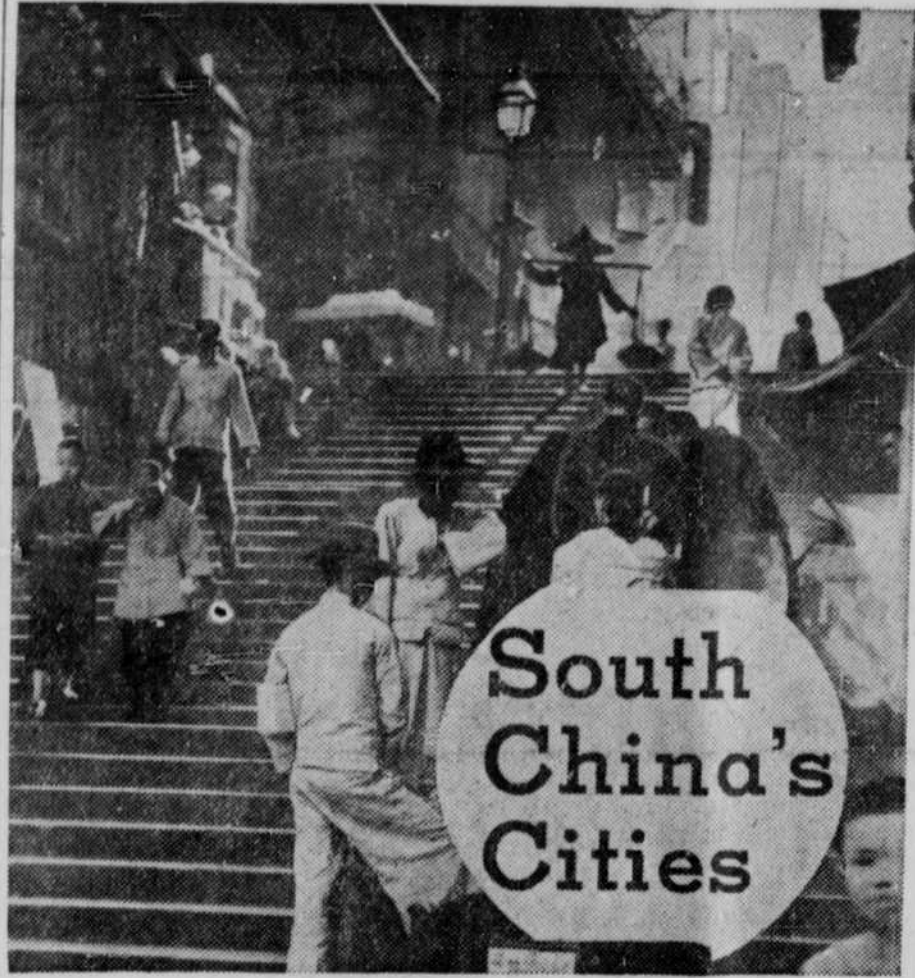
So that Curley would not—it might be presumed—be a friendly mayor to the White House if he had been elected this year. It was an open secret that the President wanted Fiorello H. LaGuardia re-elected mayor of New York. He could not do anything openly—though Secretary of the Interior Harold L. Ickes came out for LaGuardia openly. The President was handicapped here by the fact that all his friends, the bosses of the Bronx, Queens and Richmond, were fighting for the regular Democratic nominee.

The Lewis Setback

But it was these Brooklyn, Queens, Bronx and Staten Island Democrats who were really fighting for Jeremiah T. Mahoney, and they were all political lieutenants of long standing of James A. Farley. Which explains why the Postmaster General had to go through the motions, despite the known fact that his chief was really for LaGuardia.

The bad setbacks which John L. Lewis took in the Detroit, Akron and Canton elections were no blow to the White House. The President had shown several times that he resented Lewis' assumption that the C. I. O. had re-elected Roosevelt, and was therefore entitled to a break. The President has no sympathy with the idea of any powerful bloc in politics unless he and his friends can control the bloc.

Most observers and politicians had suspected that Lewis and the C. I. O. were overrating their political strength. They regard these elections as proof they were right.



One of Hongkong's Picturesque Streets.

Great Britain's Hongkong and Other Seaports of South China

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

HONGKONG, like Singapore, is a tribute to British commercial enterprise in the Far East. Ships of the Seven Seas enliven the harbor and bring business to the vigorous city that now rises on the once barren islands where dwelt a few fishermen, stonecutters and bands of pirates.

"It is a delusion to hope that Hongkong can ever become a commercial emporium like Singapore," wrote the despondent colonial treasurer in 1844.

But instead of delusion, the miracle has been achieved! Large business and government buildings along the water front, palatial houses clinging boldly to the precipitous hillsides, schools, universities, shipbuilding docks, cement factories, and sugar refineries; a strategic commercial and naval base—this is Hongkong.

Several times tonnage figures have placed it among the world's principal seaports. At present, approximately 50,000 vessels, carrying in their holds more than 40,000,000 tons of cargo for foreign trade, cut furrows in and out of the harbor annually. And British colonials find romance, not dull figures, in these shipping statistics, because, except for a few articles of local consumption, Hongkong is a free port. Consequently, its very existence depends upon its service as distributing center for all South China.

To be geographically accurate, one should call the city Victoria, but, save for official documents, the port has taken the name of the island colony, derived from the Chinese Heung Kong (Fragrant Streams, or Good Harbor).

To the mountainous Hongkong colony, Kowloon, on the mainland opposite, was added, later to be extended again by the inclusion of the specially leased New Territories. In all, this oasis of British-controlled activity now embraces 391 square miles.

After you have explored Hongkong's Chinatown, splashed with its colorful hieroglyphics, the stair-stepped streets, markets, and curio shops, take a ride up the cable tramway to the Peak; or, if you desire, you can make the steep ascent in a bobbing sedan chair, carried on the shoulders of perspiring coolies. Here, high above the noise of commerce, you are among the palaces of the wealthy.

Looking Down From the Peak.

At your feet the teeming city spreads like a mighty sweeping sickle along the harbor. Lying along the Praya, tied to midharbor buoys, and churning up slender white wakes in the jade-tinted waters, are the argosies of half the world. A mile beyond, sprawling white on the red earth, is Kowloon, with its hotels, warehouses, and jutting piers. A plume of white steam rises above a liner's funnel—another ship is off for San Francisco, London, or Marseilles. Tiny junks lift their matting sails; back and forth between Victoria and Kowloon ply double-decked ferries, carrying 35,000 commuters daily.

Come up again at night, when the city lights have sprung to life and naval greyhounds are conversing in flash-beam semaphore; you will see a magic land. Day or night, it is an unforgettable panorama.

On several occasions Hongkong has been visited by the typhoons that brew their viciousness in the China sea. These storms, in which the wind blows as much as 120 or 125 miles an hour, have ripped through the harbor, causing great havoc ashore and among the ships. Sets of signals, however, are arranged to give sufficient warning, so that the launches, junks, and sampans can find refuge in the three typhoon shelters and larger ships can get to safe anchorages in protected bays.

Baggage comes aboard, winches are rattling, and hundreds of Chi-

nese are shouting and strewing bundles and babies over the steerage deck—it is sailing time for the local steamer, bound for Swatow and other ports to the north.

Northeast from the narrow Lye-mun pass through which you sail is notorious Bias bay. Ever since early days this district has had unsavory reputation as the headquarters of pirate gangs who infest the coast. Outwardly the settlement of 10,000 people of Bias bay is agriculturist, but the activity is less serious as farming than as camouflage.

Pirates of Bias Bay.

During the old sailing days these freebooters usually intercepted passing vessels by stretching a cable between two junks; then, as soon as the rope was caught by the victim's bows, the junks would be pulled alongside, so that the boarding of the vessel was an easy matter.

With the coming of steam-propelled ships, their technique changed to boarding the steamers as passengers and at the opportune moment taking possession, then forcing its officers to sail the ship into Bias bay for looting.

When riding a coastal steamer today, you are comparatively safe from becoming the victim of these piratical attacks; but you do experience the feeling, strongly suggestive of traveling in a floating patrol wagon, for the first-class accommodations and the bridge are protected by heavy iron grilles.

Many thrilling tales are told of these menaces to coastal shipping, some of which contain accounts of unusual bravery against heavy odds. Officers have accounted well for themselves in cracking pirates' heads with deep-sea leads and other weapons, and British judges have brought some of the eutthroat leaders to unpleasant "necktie" parties.

In these South China waters, too, are other pirate groups, some led by women, who specialize on fishing fleets and lighterage junks. Acting under the guise of "protection," they reap heavy tolls from the owners of these craft.

Spreading fanwise on the silt land built by the Han Kiang, Swatow has little to recommend itself from a visitor's viewpoint.

Its main importance lies in its service as shipping point for produce coming from Chaochow and other Chinese towns along the lower portion of the Han.

Needleworkers of Swatow.

Its chief exports are linen embroidery and laces—and Chinese coolies. Fifty years ago the latter were in such demand that many traders began the lucrative business of kidnaping the natives and taking them to distant lands, where they were sold into what amounted to slavery conditions. With the hatred that these acts soon engendered, foreigners were barred from Swatow for several years. Now thousands of Chinese leave Swatow in legitimate emigration.

A woman sitting beside the doorway of her home working deftly with needle on a piece of fine linen or grass cloth, is Swatow's chief symbol of industry. Walk through the side streets or visit the surrounding villages and you will find hundreds of women and girls thus employed.

The delicately embroidered linen, laces, and drawn work which they produce, usually under foreign direction, are exported almost entirely to American markets.

Amoy, of tea fame, was once considered one of the dirtiest and most backward cities of all China; it has been undergoing complete transformation during the last few years. Wide streets are being cut through the old ramshackle settlements; men and women are breaking rocks for the new roads and an extensive Bund, and are literally carving away some of the rock hills to make room for new developments; a park, the finest in all South China, has been recently built.

Across from Amoy is the island of Kolongsu, where are located the foreign concessions. Hundreds of gaily painted sampans afford transportation across the harbor and to the ships that anchor in midstream.

Bad Effects of Fast Eating

By
DR. JAMES W. BARTON
© Bell Syndicate.—WNU Service.

WHEN food enters the stomach the walls of the stomach contract and squeeze this food onward and out of the stomach.

Now the food should not be squeezed out of the stomach hurriedly or in too short a time, as the longer the food remains in the stomach the better it is mixed with the digestive juice of the stomach and that much more digestion of the food occurs.

An interesting experiment whereby digestion of the food in the stomach was actually photographed in the form of moving pictures is recorded in the British Medical Journal by Dr. J. Russell Reynolds.

The moving pictures showed that the stomach is divided into three parts as far as digestion is concerned. When food enters the first part nothing happens for a few minutes until there would seem to be some pressure from the amount or weight of food. When this pressure gets to a certain height the walls relax enough to let the food go into the second part. When this second part gets enough food or weight in it, the muscle walls of the stomach begin to squeeze or contract against the food, and the food is forced into the third part—the part nearest the opening into the small intestine into which the food enters when its digestion in the stomach is complete.

Some Squeezed Back.
An interesting point was noted in that when the stomach muscles squeezed the second part of the stomach sending a large amount of the food downward into the third part, some of the food got squeezed back into the first part again.

When the stomach was high up in the abdomen some of the food was actually squeezed into the small intestine within twenty minutes after it entered the stomach. This is a condition often found in the nervous type of individual and Dr. Reynolds says: "This accounts for the digestive trouble caused by taking meals hurriedly; the muscular coat of the stomach, having no time to adapt itself to the bulk, responded by forcing the food out of the stomach before it was sufficiently mixed with stomach digestive juice. This means that food should be eaten slowly, to give the stomach the proper amount of time to handle or digest it properly."

Underweight Causes.
Many underweights trying to increase their weight have found that despite eating extra food the increase in weight has been little or none at all. Overweights all lose some weight when they cut down on their food. They lose weight whether their overweight is due to eating too much food or to not getting enough juice from the thyroid and pituitary glands.

Now why do the underweights not increase in weight when they eat more food?
There is always the fact that just as there is a tendency to overweight in some families, so is there the tendency to thinness, underweight or malnutrition running in other families. This doesn't mean that the weight cannot be increased but it does mean that the increase cannot be expected to be large. If, however, the individual has weighed more, has been of normal or average weight, and has lost considerable weight, the reason for this loss must be sought. If there has been worry, anxiety, grief or other emotional disturbance which has caused shock, then all parts of the body including the digestive system have been disturbed; food will go through the stomach and intestine and be only partly digested; diarrhoea may carry away too much fluid, or constipation will cause absorption of waste poisons that will take some of the body's fighting forces to combat.

Further, the loss of rest from these emotional disturbances or from any other cause, uses up the body's tissues and energies, for rest is as important as a body builder and tissue saver as is food itself. Another factor is that some focal infection may use up the body tissue and body energy, thus causing loss of weight.

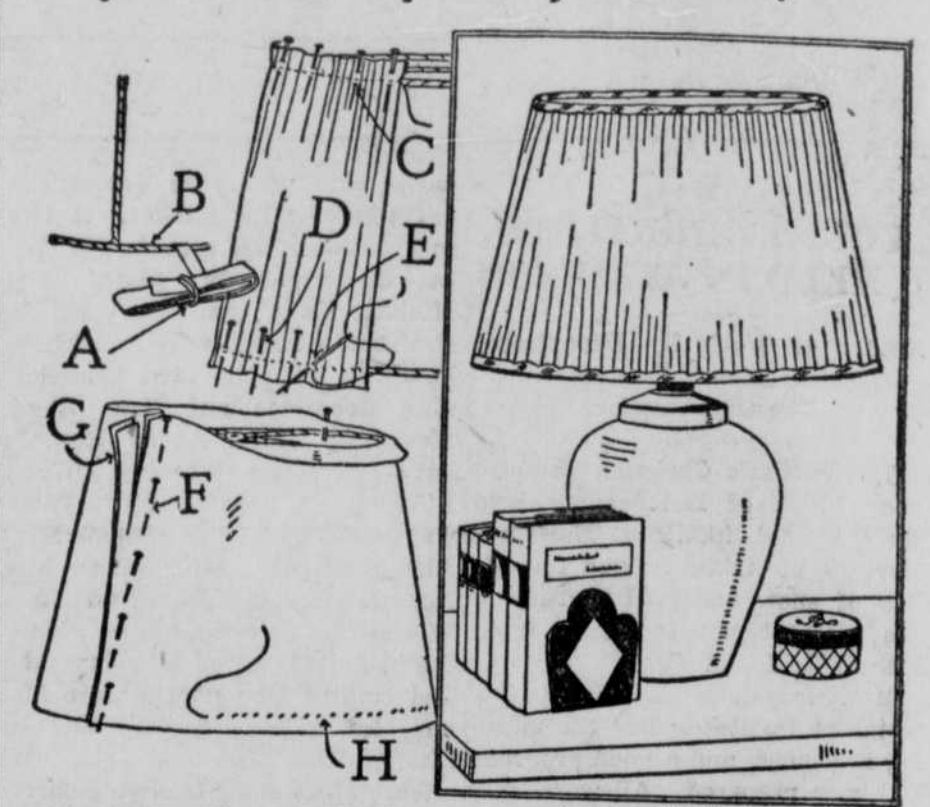
And finally, just as lack of thyroid and pituitary juice makes all the body processes work more slowly thus preventing less of body tissue, so can an increase in these juices make all the body processes work more rapidly, thus using up more body energy and more body tissue.

Making the Fortune
It is not true that you have made a fortune when you don't know how to enjoy it.

Parliament in Royal House
The house of parliament still ranks as a royal palace. The correct name, when not in session, is palace of Westminster.

HOW TO SEW

by Ruth Wyeth Spears



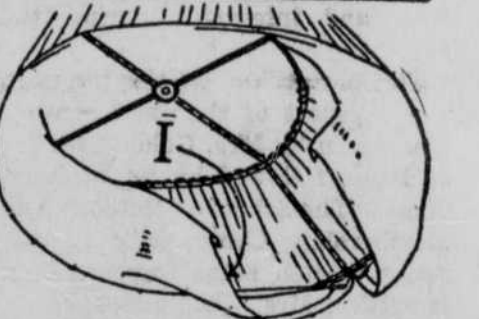
Silk Shades Give a Soft Glow

THERE is subtlety in the light that glows through a silk shade, and many decorators are using them for the room that needs the softness of plaited folds and the mellowness obtained by placing two tones of fabric one over the other.

Two tones of China silk, one to be used for a plain lining and the other for a gathered outside covering will make an attractive shade. Try samples in daytime and over artificial light. You will also need a roll of silk binding tape matching the top color of the shade. This tape is to wrap the wire frame. And fancy braid either in gold, silver or a harmonizing tone of silk is used to bind the top and bottom of the shade. Use cotton thread to match the outside tone of the silk.

Slip the binding tape off the roll and wrap a rubber band around it as shown here at A. Working from the inside end of the tape wrap the frame as shown at B. The outside layer of silk is put on next. This is gathered both top and bottom and pinned to the wire covering as at C and D so that it is stretched quite tight. Joinings in the outside covering need not be sewed but may be hidden under the folds. This material is sewed in place as at E.

Next, cut a straight strip for the



lining and fit it around the outside of the frame as shown here at F. Trim the joining allowing a seam as shown at G. Sew to the frame at the bottom as at H. Trim quite close at the bottom. Turn lining to inside as at I. Slip stitch the joining. Turn in raw edges at top and whip around top of frame. Pin the binding around and then sew it with stitches buried in the mesh of the braid.

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; restoring and upholstering chairs, couches; making curtains for every type of room and purpose. Making lampshades, rugs, ottomans and other useful articles for the home. Readers wishing a copy should send name and address, enclosing 25 cents, to Mrs. Spears, 210 South Desplaines St., Chicago, Illinois.

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