LOOKING AT WASHINGTON

By Hugo S. Sims, Washington Correspondent

Fascist Powers Seek Mexican Oil As U. S. Presses For Settlement

The situation precipitated by the Mexican Government's seizure of oil properties owned by Americans caused Secretary Hull to ask the Mexican Government for "fair, assured and effective" compensation for the American properties expropriated. While acknowledging the right of the Mexican Government to seize the properties, Mr. Hull insisted that the owners are entitled to full compensation and made plain that such payment must not be in bonds which might subsequently become practically worthless. This it is said, happened in the case of the seizure of American-owned farm and ranch lands. Mexico gave the proprietors bonds in payment but the securities have not borne interest since issued. Officials began work on a suggested plan which would permit the Mexican Government to retain title to the oil properties, but allow the American companies to operate them, selling the oil and applying the profits and surplus to a sinking fund to pay themselves in full.

Secretary Hull, in his protest, called attention to the friendly attitude of this nation toward the Mexican Government. The United States has steadily purchased Mexican silver at a high price, giving great financial aid, has maintained an arms embargo in favor of the Cardenas Government and has repeatedly displayed a sympathetic attitude towards Mexican attempts to solve agrarian and other problems.

Meanwhile, the Mexican Government faced the problem of huge oil surpluses. Since seizure of the oil wells, there have been reports that Italy, Germany and Japan were anxious to take over the output of the Mexican oil industry. The United States almost immediately announced that it would cease buying Mexican silver on April 1st and hinted that commercial relations with Mexico would be studied. This was taken to mean that there might be tariff increases against Mexico, which some months ago boosted its tariffs against American products.

While it is probable that the seizure of oil properties will result in the clarification of all trade relations with Mexico, the incident should emphasize the danger of serious international complications. These do not arise with Mexico, which of itself is not a threat to the peace of the United States, but can be easily discerned in possible agreements between Mexico and Germany, Italy and Japan. Should they succeed in establishing a claim to Mexican oil, developments adverse to the interests of the United States and democratic nations in this hemisphere are inevitable. In fact, the Mexican situation offers an easy avenue for Fascist penetration into this area of the world.

After Bitter Debate Senate Grants President Power of Reorganization

The six-to-one decision of the United States Supreme Court, upholding sections of the Public Utility Holding Company Act of 1935, which forced utility holding corporations to register with the Securities and Exchange Commission or lose the privilege of the mails and other channels of interstate commerce, started a rush by rebellious holding companies to comply with the requirements of the law which they have bitterly assailed and vigorously contested throughout a long legal battle.

Encouraging factors in the situation were seen in the special session of Congress called by President Cardenas, who had previously declared that he would sell oil only to Democratic countries. Observers admit, however, that desperate need for an immediate market might lead to an agreement with Germany, Italy or Japan, which are anxiously seeking a basis for a trade. There were hints that the sharp decline of the peso, following suspension of silver purchases, and the fall of the price of silver on world markets following the reduction in price by Washington, might lead to conciliatory action by Mexico.

Naturally, the decision of the tribunal is hailed by the New Dealers as a significant victory. Solicitor General Robert H. Jackson, who argued the case for the Government says that it means that utility holding companies are "under the Government instead of over the Government" and that it encourages those who believe that "great aggregations of financial power must be made to operate under the law."

Justice Cardopa did not participate in the decision because of sickness and Justice Reed stood aside because he was Solicitor-General and signed some of the briefs for the Government. Justice McReynolds alone dissented but did not attempt to write any opinion in the case. Chief Justice Hughes speaking for the Court, accepted in full the Government's argument that the companies could escape penalties by registering as required under Section 5, and retain all rights and remedies with respect to other provisions of the statute. The Court upheld the right of Congress "to demand the fullest information as to organization, financial structure and all the activities which could have any bearing upon the exercise of congressional authority."

The decision does not mean that the entire act has been approved because the "death sentence" provision was not an issue in the case. The Government insisted that the sections of the law were separable. The companies took the position that the parts of the act were a unit and sought a judgment declaring "each and every portion of the act" unconstitutional. Chief Justice Hughes found no "serious controversy" as to the authority of Congress over the activities of the companies involved. He dismissed the defendant's contention that the act was inseparable and declined to pass on the constitutionality of sections not before the Court because to do so would be to "enter into a speculative inquiry."

The Court concluded that there was "no room for doubt" that the corporations involved were in interstate commerce, saying that while they might conduct their transactions through the instrumentality of subsidiaries, the Court would look to "the substance of what they do and not the form in which they clothe their transactions." He upheld the wide discretion of Congress in imposing penalties for the violation of its rules, saying specifically that while Congress may not exercise its control over the methods to enforce a requirement outside its constitutional power, it could lay down a valid regulation and withdraw the privileges of the mails from those who disobey it.

There are several comments to be made in connection with this litigation. The act was passed by Congress in 1935 after one of the most controversial struggles ever witnessed at the Capital. Some readers probably recall the inquiry that uncovered the campaign conducted against it, including the mass dispatch of thousands of telegrams in opposition, some of them bearing fictitious names. The holding companies bitterly assailed the measure in its entirety, insisted that it would destroy the industry and that it violated practically every constitutional guarantee to the people of this country.

Without attempting to impute ulterior motives to the companies engaged in the legal struggle, it should be apparent to any citizen that such prolonged litigation is not conducive to good government. That a valid provision of Congress and its efforts to effect needed reforms can be nullified with impunity for about three years, even in a case where the contestants lose every decision, illustrates the difficulty under which Democratic government proceeds. It also effectively and conclusively refutes the charges of "dictatorship" which are constantly hurled against practically every effort the Government makes to regulate, reform or restrict the activities of huge business enterprises in this country.

Legal proceedings began in November, 1935, when the Securities and Exchange Commission instituted proceedings against the Electric Bond and Share Company, seeking to compel it to register as required by the act. In July, 1936, the case was heard before a Federal Judge, who, early in 1937, decided that the registration features were separable from the so-called "death sentence" provision and constitutional. The judge of the Lower Court refused to pass on the entire act. In April, 1937, both parties to the case petitioned the Supreme Court to review the Lower Court decision but, on June 1st, the case was sent back to the Circuit Court, which handed down a decision on November 9, upholding the District judge. The issue then went to the Supreme Court, which rendered a decision about six weeks after the case was argued. Thus it is that almost three years elapsed between the passage of the regulatory act and a judicial determination that the Government was proceeding legally. In the meantime, the utility companies, through the use of various legal manoeuvers, have been able to disregard the law in its entirety, preventing the Government from enforcing the statute.

Treated Cotton Seed Produces High Yield

A few ounces of ethyl mercury chloride dust costing less than 25 cents have been worth as much as $12 or $14 to cotton growers in controlling damping off disease.

Treating seed with this dust, known as two per cent Ceresan, has increased yields of seed cotton by several hundred pounds per acre, said Dr. Luther Shaw, of State College.

The average increase in demonstrations conducted in 1936 was 243 pounds per acre, and in 1937 it rose to 263 pounds.

Where damping off disease is uncontrolled, the cotton stands are so thin and sparse that the yields per acre are cut heavily.

Dr. Shaw urged growers who have not done so already to treat their cotton seed before planting. The cost of treating enough seed for an acre amounts to about 25 cents.

The best dusting machine for farm use is the rotary, barrel type that can be made by a blacksmith or handy-man at low cost. Full directions for making a duster and applying the dust may be obtained from county agents or from the agricultural editor at State College, Raleigh.

The dust can be obtained almost anywhere in the cotton-growing counties in one, five, and 25-pound packages. Three ounces are enough for treating a bushel of seed.

Persimmons Came From Japan

Persimmons were introduced in the United States from Japan about 1875.

Early Grazing Is Bad For Pastures

Tender young grass growing in permanent pastures early in the spring looks mighty good, but it's not quite good enough to eat.

The early growth contains only a small percentage of nutrients and cattle cannot eat enough to maintain their body weight and keep up a heavy milk flow, said John A. Arey, of State College.

In her attempt to satisfy her hunger, a cow often eats weeds and buds in sufficient quantities to give her milk an unpalatable flavor. Such milk is not marketable.

Early grazing is bad for the pasture, too, Arey went on. When the first growth is grazed, the grass is damaged in two ways.

The grass needs the early leaves to manufacture plant food, make a vigorous growth, and develop good root systems. If the first growth is grazed off, the pasture will fail to produce good grazing through the summer.

Usually the soil is soft and damp in the early spring. When cattle trample over a soft, moist clay soil they cut it up into clods that will dry out hard, and at the same time they damage the grass roots with their hooves.

If possible, cattle should be grazed on a temporary pasture until the permanent pasture grasses have become well established in a firm soil. Rye and crimson clover, or wheat, barley and crimson clover make good temporary pastures.

Where no temporary pasturage is available, hay and silage should be fed until the permanent pastures are ready for grazing.

RIGHT TO VOTE

William Stanton, of Sheboygan, Wis., is mad because his right to vote has been questioned. He admits he was born in Ireland and never naturalized, but thinks his residence in the United States since 1830 should be sufficient. He is 113 years old, and came to America at the age of 6.

NOT RELIABLE

With the aproach of another campaign the voters should be reminded that the most promising politicians are not always the promising ones. —Sioux Falls Daily Argus-Leader.

IT COULD BE

A professor says the respect children used to have for their parents 50 years ago is not in evidence today. Maybe it's because the old folks are so wild.—Yakima Morning Herald.

Braille Was a Musician

Louis Braille began the study of music while he was an inmate of an institution for the blind in Paris. He became quite proficient and was a church organist.