

### ABDUCTORS AGAIN BEGGED BY LEVINE TO SEND BOY BACK

Guarantees "Complete Safety to Person Who Will Deal With Me" for Son's Return

WRITTEN STATEMENT GIVEN NEWSPAPERS

Assures Captors Police Interference Heretofore Has Not Been His Choosing Nor Premeditated; Failure To Pay Ransom Declared Not His Fault

New York, March 28 (AP)—Guaranteeing "complete safety to the person who will deal with me," Murray Levine, father of kidnaped Peter Levine, 12, today made another appeal to his son's captors to get in touch with him directly.

In a written statement sent to newspapers, Levine told those holding his boy that police interference heretofore had been not of his choosing, nor premeditated and that failure to contact and pay ransom was caused by one of a number of "unfortunate mishaps."

In each instance Levine pointed out, those contacted by the kidnapers were not aware of his son's disappearance, and when told by telephone a note would be found in a certain place, notified police. "It was natural for those people to notify the police," Levine's statement said.

"I want to say to the kidnapers, if my boy is still alive, get in touch with me direct. I can be found at my office every day, and at home every evening. Or get in touch with one of my relatives or friends, whose name my boy can furnish, or send to me a person of your own choosing."

### GRADY RACE RELIEF TO ADMINISTRATION

Rather Have Him in Utility Contest Than Returning to Senate

Daily Dispatch Bureau. In The Sir Walter Hotel.

Raleigh, March 28.—Entry of Paul Grady into the race for utility commissioner is more of a relief than otherwise to the State's so-called administration forces.

This despite the fact that Grady's impending leap into the political arena had been loudly ballyhooed as to be made from an anti-administration springboard.

The administration figures things thus: It is much better to have the Kenly man running for a position he probably won't win (utility commissioner) than for a post he could have almost for the asking (State senator), and one in which he could be a real thorn in the flesh to the governor, and in particular, to Lieutenant Governor Wilkins F. Horton.

To the surprise of all, Grady launched his candidacy with remarks in which he referred in glowing terms to "our great governor" and his works. All of which would indicate that for the once, and for political reasons, he has forgotten the bitter pill of defeat for the lieutenant governorship, and a pill which he has heretofore almost openly charged as being administered by the Hoey-Horton administration.

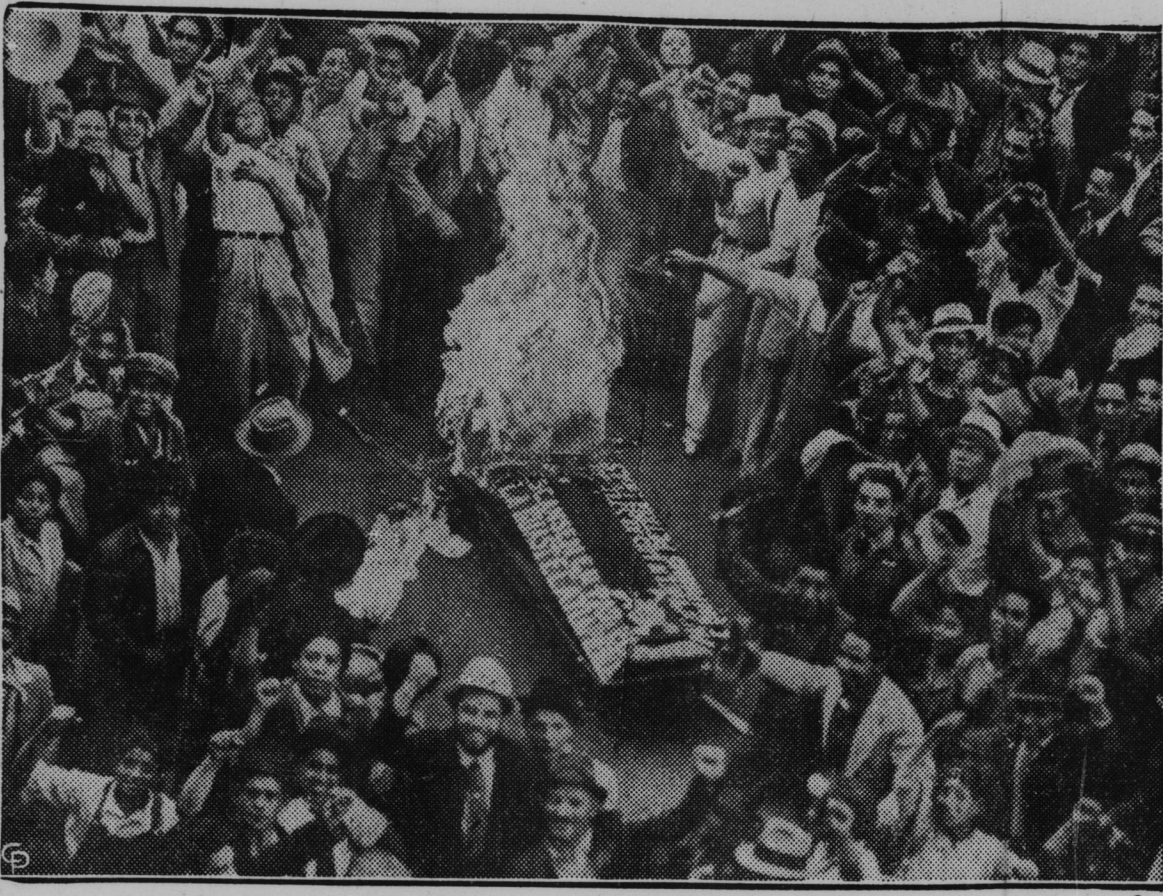
But be all that as it may, the administrationist leaders breathed a sigh of relief when it became certain that the 1938 State Senate will not number Grady among its 50 members. As a senator he would have been in an ideal position to harass and harass the lieutenant governor and the administration in general.

But despite his "snuggling up" tactics, it is quite unlikely that the administration will help Grady much.

### Sentencing Of Whitney Is Delayed

New York, March 28.—(AP)—The sentencing of Richard Whitney, Wall Street broker who pleaded guilty to two charges of grand larceny after the failure of his firm was postponed today for two weeks by General Sessions Judge Owen Egan. The delay was requested by Irwin Kurtz, Federal bankruptcy referee and William Douglas, chairman of the Securities & Exchange Commission to facilitate an SEC industry, and Federal bankruptcy proceeding. Whitney will be sentenced April 1.

### Mexican Laborers Dramatize Oil Land Seizure



Crowds burn foreign-owned "oil companies" in effigy

After cheering action of President Lazaro Cardenas in expropriating foreign-owned oil properties in Mexico for alleged failure to comply with labor laws, laborers gathered in Mexico City's main plaza to dramatize the event by burning a coffin representing the companies. President Cardenas promised to begin immediate payment of indemnities to British and American oil companies.

### Charge Of Dictatorship Hurlled By Both Sides In Reorganization Debate

Walsh Says Departments Bill Argument Precisely Same Other Dictators Offer

PROPOSERS CLAIM DIFFERENT VIEWS

They Say Foes of Bill Are "Unwitting Promoters of Dictatorship"; Walsh Says Trend Inevitable Toward Totalitarian Government For United States

Washington, March 28.—(AP)—Senate opponents and proponents of the government reorganization bill accused each other today of pursuing a course which might lead to a dictatorship.

Senator Walsh, Democrat, Massachusetts, who moved to send the bill back to committee, said that "precisely the same arguments were being advanced to support the measure that had been used 'to overthrow the democracies of other countries.'"

Senator Green, Democrat, Rhode Island, countered with the assertion that those who opposed the measure were "unwitting promoters of a dictatorship." He declared that democracy was on the defensive because of its clumsiness and urged passage of the bill which would give the President broad powers to "streamline" the government by abolishing agencies and transferring their functions.

"Those who oppose making democracy efficient are unwitting promoters of a dictatorship here, too," Green declared. "All dictators justify their rule by denouncing the inefficiency of government. Democracy is on the defensive."

Walsh asserted that proponents of the bill "seem blind" to the totalitarian course which he said it would open.

"It is not too much to say that what we are now here considering today is the question of plunging a dagger into the very heart of democracy," he declared.

### More Production Of Soybeans Crop This Year Likely

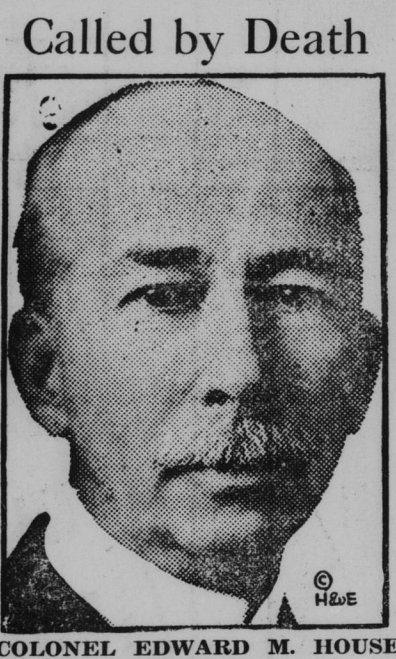
Chicago, March 28 (AP)—Increased soybean production this year may be a corollary to decreased corn acreage throughout the farm belt, grain traders said today. Several grain houses have received reports suggesting that possibility. Farmers can plant beans after all of their corn is in the ground. J. J. Schreiner, a specialist in the Board of Trade's soybean figures pit, said curtailing of the area planted to corn may mean a greater bean acreage, a large increase in the latter being desirable for food, feed and industrial consumption. Beans now are the most expensive article listed on the exchange. At 98 cents a bushel for May delivery, although 65 cents less than a year ago, beans are more than 13 cents higher than wheat and almost 40 cents higher than corn. Schreiner estimated the country can consume 53,000,000 bushels annually.

### EDWARD M. HOUSE, WILSON INTIMATE, CALLED BY DEATH

Was Internationally Known Figure and Advisor To President in World War Era

FAILING STEADILY IN LAST FEW WEEKS

Was Personal Representative of Wilson in 1914, 1915 and 1916; Believed In League of Nations to Last as World's Hope



COLONEL EDWARD M. HOUSE

New York, March 28.—(AP)—Colonel Edward M. House, internationally known as a close advisor to President Woodrow Wilson during the World War era, died today after a long illness. He was 79 years old.

Colonel House's physicians said several weeks ago that he was "failing steadily," and that death was only a matter of time. He was suffering from a complication of ailments and only last week had another relapse.

Only members of his family, including the widow, were with him when he died.

For many years, Colonel House was active in affairs of the Democratic party. He climaxed this activity when he became the personal representative of President Wilson to European governments in 1914, 1915 and 1916.

Colonel House was the last survivor of the American signatories of the treaty of Versailles.

To the end, he believed in the League of Nations, insisting it held the

(Continued on Page Two.)

### Contest By Republicans Is Averted

Raleigh, March 28.—(AP)—North Carolina's Republicans apparently missed forcing a Statewide primary June 4 by minutes Saturday when a special delivery registered letter went to the home of Raymond Maxwell, elections board secretary, instead of to his office.

Maxwell said today that the letter contained the pledge and filing fee of John Hoffman, of Burlington, who wanted to enter the Republican contest for the nomination to the United States Senate against Charles A. Jocas, of Lincolnton.

The board secretary said he would ask Attorney General A. A. F. Seawell to rule on whether Hoffman's name should be placed on the ballot, but felt certain it would be held that he had failed to comply with the requirement to have his pledge and fee in the hands of the election board by the filing deadline.

The deadline was at 6 o'clock Saturday.

(Continued on Page Two.)

**WEATHER FOR NORTH CAROLINA.** Mostly cloudy and warmer to night and Tuesday; occasional rain in mountains late tonight and in west and central portions Tuesday.

### Supreme Court Upholds Part Of Holding Company Measure As Government Gets Victory

### Insurgents Hoping Next Major Battle Will Win The War

Hendaye, France, March 28.—(AP)—The Spanish insurgent army in Catalonia marched toward the industrial city of Lerida today, pointing for a major battle by which General Franco hopes to win the civil war.

Government troops were in retreat toward the Mediterranean, and a climax seemed near after 20 months of conflict.

Insurgent troops were within 15 miles of Lerida, and insurgent planes were bombing it. Lerida is only 84 miles from Barcelona and is on the main highway to that provisional capital of republican Spain.

Coupled with the Lerida campaign was a series of advances on the entire 125-mile eastern front, stretching from Boltaana, on the far north, a short distance from the French frontier, to Morella, on the south.

Each advance was to the east, and each moved the insurgent line closer to the Mediterranean.

By this steady press eastward, the insurgents sought to sever the remaining major segment of Spanish government territory and thereby force the weakened halves to capitulate.

The insurgents entered Catalonia's northeast corner in a mass offensive yesterday.

### NEW YORK COURT'S RULING SUSTAINED BY HIGH TRIBUNAL

Chief Justice Hughes Reads Decision, With McReynolds Alone Dissenting in View

CARDOZO AND REED NOT PARTICIPATING

Utilities Contended Entire Act Regulating Holding Companies Was at Issue, But Government Contended Otherwise and Won; Act Passed in 1935

Washington, March 28.—(AP)—The Supreme Court held constitutional today provisions of the public utility holding company act requiring interstate holding companies to register with the Securities Commission, and submit financial statements.

Chief Justice Hughes delivered the decision that represented a victory for the government.

The court affirmed a ruling by the Federal Circuit Court of New York upholding the registration requirement. Justice McReynolds dissented. Justice Cardozo and Reed did not participate.

"To escape the penalty and the enforcing provisions of the decree," Hughes said, "all that the defendants have to do is to register with the commission and assume the obligation to file the described registration statement. All their rights and remedies with respect to other provisions of the statute remain without prejudice."

The litigation directly involved the Electric Bond & Share Company and 26 subsidiaries. It was picked by the government as a test case.

The utilities contended that the entire act regulating holding companies was at issue. The government successfully asserted other provisions could be tested at the proper time, and "under regular judicial procedure."

The holding company act passed by Congress in 1935. After a bitter contest would bring under government regulations companies that control billions of dollars of interstate gas and electric business. It was aimed at what the Roosevelt administration called abuses, including pyramiding and issuance of securities with fictitious values.

### Treasury's Silver Bids Cut A Cent

First Change in Price in Two Years; Purchases From Mexico Stopped

Washington, March 28.—(AP)—The Treasury reduced today from 45 to 44 cents per ounce its price for foreign produced silver.

The reduction was the first change in the Treasury's price for foreign silver in nearly two years, and followed a break of slightly more than a cent in the London silver market today because of fears that the United States' decision to discontinue purchases of Mexican silver might persuade an abandonment of its stabilizing influence on world silver prices.

Heretofore the world's largest customer for silver, the United States Treasury has virtually dictated the value of silver for more than two years.

Previously the announcement of the decision with respect to Mexican silver, had been connected principally in speculation by observers with that country's expropriation of American oil properties.

Executives of four American oil companies conferred with Secretary of State Hull about the Mexican government's expropriation of oil properties valued at more than \$400,000,000. The oil men asked the official support of the United States government in their efforts to have the expropriation modified. Only a few hours earlier, the Treasury had announced it would discontinue its purchases of silver produced in Mexico, leading to speculation that this government already was exercising pressure on the Mexican government for a reconsideration of its oil decision.

### New Nanking Government Dominated By Japanese

Chinese Personnel Subservient to Invaders; Will Respect "Just" Foreign Rights But No New Ones by Hankow Government; Chinese Claim Victories

Shanghai, March 28 (AP)—A new government with Chinese personnel, but dominated by Japanese, was set up today at Nanking, former capital of the Chinese nationalists regime, to replace General Chiang Kai-Shek's administration.

The new government was described by its sponsors as the "re-formed government of the republic of China."

Japan last week ordered the creation of such a government at Nanking "under the umbrella" of the similar north China regime recently established at Peiping.

Liang Hung-Tze, chairman of the executive Yuan, said the new gov-

ernment would respect "all just and vested foreign rights," but hereafter would not recognize any contracts or treaties made by the national government at Hankow, or by Chinese provincial governments with foreign powers.

General Chiang Kai-Shek has been operating the nationalist government at Hankow while carrying on the fight against the Japanese invaders.

(Dispatches from Hankow said Chinese troops had recaptured Lincheng, strategic city on the Tientsin-Pukow railway. Chinese military leaders said they were convinced the Japanese offensive down the railway against Suchow had been stopped.)

### FIRING OF MORGAN TIES TVA IN KNOT

Government Program Already Slowing Down Because of Legality Issue

By CHARLES F. STEWART Central Press Columnist

Washington, March 28.—President Roosevelt's removal of Arthur E. Morgan as chairman of Tennessee Valley Authority has done nothing more than tie TVA up into the tightest kind of a hard knot which will take a deal of unsnarling.

In the first place, it will remain uncertain whether Mr. Chairman Morgan really is an "ex" or not until the court has decided whether or not the President was legally entitled to "fire" him.

It may take two years to settle this question. In the meantime the validity of all decisions by Harcourt A. Morgan (the presidential selection to succeed Arthur E. at the TVA board's head) and his fellow member, David E. Lilienthal, will be doubtful.

The Arthur E. Morgan vacancy cannot be filled with any certainty, either until it has been judicially determined whether such a vacancy exists or not.

To Mark Time? TVA can do little except mark time while the controversy rages.

Congress can investigate, but that will involve indefinite delay, too. Already the House of Representatives has refused an appropriation to begin work on the proposed Gilbertsville dam, an essential part of the TVA program. This refusal was not surprising, with so many charges and counter-charges pending relative to the big enterprise's whole management hanging fire.

Senator George W. Norris, the father of TVA, has a plan pending for a division of the entire country up into an octuplet of federal power development areas, similar to TVA.

This scheme likewise is stalled while the present rumpus sizzles.

Congress Can Remove.

Perhaps the President has not the technical right to remove a TVA director, as he has undertaken to do in Chairman Morgan's case. On that point opinions differ.

However, Congress can remove any or all of them, under a resolution concurred in alike by the senators and representatives.

Not a few legislators favor such a

(Continued on Page Three.)

### Catalonian City Falls To Franco

With the Spanish Insurgents in Catalonia, March 28.—(AP)—General Francisco Franco's forces today occupied Fraga, "gateway to Catalonia," and advanced northeast along the main highway toward Lerida and Barcelona.

Lerida, a textile manufacturing city lies 15 miles from Fraga, and Barcelona is on the coast 80 miles to the east of Lerida.

The movement of heavy artillery to help insurgent airmen hammer Lerida's defenses awaited only the construction of pontoon bridges across the Cinca river, just west of Fraga.

### Auto Deaths Drop Steadily In Past 4-Months Period

Chicago, March 28 (AP)—Automobile traffic fatalities in the United States for the fourth consecutive month showed a decrease in February the National Safety Council announced today.

Following an all-time high in 1937 of 39,700 deaths, the council reported safer driving during February brought about a 16 percent reduction in fatalities, compared with February, 1937, and 20 percent less than January of this year.

Among states reporting noticeable decreases for the two-month period was North Carolina, 29 percent.

### LITTLE CHANGE IN PRICES OF COTTON

Prices at Midday Two Points Net Higher to One Lower After Mid Fluctuations

New York, March 28.—(AP)—Cotton futures opened unchanged to two points higher on steady Liverpool cables and in the absence of selling pressure. July sold off from 8.84 to 8.78, leaving quotations one point net higher to one lower shortly after the first half hour, July sold up from 8.75 to 8.80, leaving prices by midday two points net higher to one lower.