

"All the News That's  
Fit to Print."

# The New York Times.

LATE CITY EDITION

Fair and somewhat warmer today.  
Tomorrow showers, with mild  
temperatures.  
Temperatures Yesterday—Max., 64; Min., 43

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TWO CENTS In New York  
City.

THREE CENTS  
Within 200 Miles. | FOUR CENTS Elsewhere Except  
in 7th and 8th Postal Zones.

## BRITISH WOULD AID FRANCE; BAR CZECH PLEDGE, BUT SAY THEY MIGHT HAVE TO FIGHT

### CHAMBERLAIN TALKS

#### Lists Nation's Pledges and Warns That War Cannot Be Limited

### URGES ACCORD ON PRAGUE

#### League Duties Stand, Premier Indicates—Affirms Faith in Talks With Italy

Main points of Chamberlain's  
talk on British policy, Page 11.

By FERDINAND KUHN Jr.

Wireless to THE NEW YORK TIMES.

LONDON, March 24.—Prime Minister Neville Chamberlain today kept Germany and the rest of the world guessing as to whether Britain would fight in case of a German onslaught upon Czechoslovakia.

He flatly refused in the House of Commons to give a "prior pledge" to help the Czechs and as he did so a roar of cheers went up from the packed conservative benches behind him. He also refused to commit Britain to help France in case France tried to rescue Czechoslovakia from invasion.

But Mr. Chamberlain went as far as he could to warn Germany that a military adventure in Central Europe might range Britain against her. Not only did he reaffirm existing British pledges to France but he also reminded the House that "legal obligations are not alone involved" where peace and war are concerned.

Finds Limited War Unlikely

### Nazi Propaganda Charged In Alsace and Lorraine

By The Associated Press.

PARIS, March 24.—Joseph Paul-Boncour, the Foreign Minister, told the Foreign Affairs Committee of the Chamber of Deputies today that Nazi Germany was conducting a large propaganda campaign in Alsace and Lorraine.

He told committee members that despite Chancellor Hitler's pledge that the Reich had no territorial demands against France, attempts constantly were being made by German agents to turn citizens of the Alsace-Lorraine region, which was German before the World War, against France.

M. Paul-Boncour said that instructions had been given to French police in the recovered provinces to stamp out "Hitlerian intrigues."

Even partial success of Nazi propaganda was seen by Deputies as threatening smooth French mobilization on the eastern frontier.

## PLAN BIG WARSHIPS AS REPLY TO JAPAN

#### United States and Britain to Invoke Escalator Clause— France Is Uncertain

Wireless to THE NEW YORK TIMES.

LONDON, March 24.—Notes are being drafted in Washington and London in which the United States and Great Britain will formally accuse Japan of exceeding the 1936 naval treaty limits and will invoke the escalator clause to increase the size of their own warships.

## BLUM'S PROPOSALS BEATEN IN SENATE; PREMIER MAY QUIT

#### Cabinet Will Decide Whether to Resign or Fight It Out at Its Meeting Today

### 15,000 WORKERS STRIKE

#### Employes of Citroen Plants Sit Down—Seen as Move to Force Action in Spain

By P. J. PHILIP

Wireless to THE NEW YORK TIMES.

PARIS, March 24.—Beaten in the Senate on his financial proposals by a vote of 193 to 88, Premier Léon Blum and his Cabinet are considering tonight whether to resign or to fight the matter out between the Chamber majority on the one side and the Senate majority on the other. Regardless of the course to be taken the government must provide the Treasury with sufficient funds to meet the end-of-the-month payments.

What will be done will probably be decided at the Cabinet meeting tomorrow morning. Tonight's most commonly accepted forecast is that M. Blum will lead one more attack against the Senate in the name of the majority elected by universal suffrage.

Today's meeting of the Senate was more comparable to a bull fight than to anything else, with M. Blum in the role of the bull. During the first hour and a half, Abel Gardey, the reporter of the Finance Committee, played the part of the picador, thrusting his pike of accusation and argument fiercely into the bull's neck.

Others Join in the Attack

As soon as M. Gardey sat down other Senatorial banderillos took his place, planting their darts, covered with the gay colors of compliment and taunting the bull. But M. Blum fought, knowing that he was doomed. He knew that whatever arguments he might use, whatever courage he might show, his

## U. S. Asks Powers to Help Refugees Flee From Nazis

#### Invites 29 Nations to Aid the Emigration of Austro-German Political Fugitives— Seeks Committee, but Private Funds

Special to THE NEW YORK TIMES.

WASHINGTON, March 24.—An urgent appeal to twenty-nine countries embracing most of the civilized world was made by the United States Government today for a cooperative effort to facilitate the emigration of political refugees from Austria and Germany.

Notes proposing the creation of a special committee by the governments to carry out the plan, with the financial aid of private organizations in the several countries, were dispatched by the State Department last night and delivered to the respective foreign offices today.

In announcing the plan, the State Department said that there was no intention of interfering with refugee work being done by any existing international agency but that the world was faced with an urgent problem and speedy cooperative effort was necessary under governmental supervision "if widespread human suffering is to be averted."

The notes were sent to Great Britain, France, Italy, Belgium, The Netherlands, Denmark, Sweden, Norway and Switzerland, and to twenty American republics. Germany was not notified and it was not known what her attitude would be.

### SUMMARY OF THE NOTES

The notes were summarized by the State Department today in the following statement:

This government has become so

impressed with the urgency of the problem of political refugees that it has inquired of a number of governments in Europe and in this hemisphere whether they would be willing to cooperate in setting up a special committee for the purpose of facilitating the emigration from Austria and presumably from Germany of political refugees.

Our idea is that, whereas such representatives would be designated by the governments concerned, any financing of the emergency emigration referred to would be undertaken by private organizations within the respective countries. Furthermore, it should be understood that no country would be expected or asked to receive a greater number of immigrants than is permitted by its existing legislation.

In making this proposal the Government of the United States has emphasized that it in no sense intends to discourage or interfere with such work as is already being done on the refugee problem by any existing international agency.

It has been prompted to make its proposal because of the urgency of the problem with which the world is faced and the necessity of speedy cooperative effort under governmental supervision

Continued on Page Eight

## DICTATORS HAMPER ROCKEFELLER FUND

#### Research Work Is Reported Curbed by 'Keep Out' Signs of 'Authoritarian States'

The program of the Rockefeller Foundation, which for twenty-five

## LOANS TO BUSINESS STUDIED AT CAPITAL

#### Possibilities of Federal Help Examined by Morgenthau and Other Officials

Special to THE NEW YORK TIMES.  
WASHINGTON, March 24.—

## CITY CONSIDERS TAX ON CHECK ACCOUNTS TO RAISE \$5,000,000

#### Vladeck Proposes Levy of 1-25 of 1 Per Cent on Deposits in Commercial Banks

### LOSS FEARED BY WALL ST.

#### Shift of Funds to Other Cities Seen—Relief Cuts to End if New Levies Are Voted

B. Charney Vladeck, majority leader of the City Council, announced yesterday that a tax of one twenty-fifth of 1 per cent on all commercial bank deposits, as distinct from savings accounts, to raise an estimated \$5,000,000 would be put before the Council finance committee when it meets in City Hall at 2 o'clock this afternoon.

The tax on deposits will be considered as an item in the program of new emergency taxes for relief suggested by Mayor La Guardia to the Council last Tuesday. The proposed new levies carry an estimated yield of \$9,250,000, which would be supplemented by the \$5,000,000 in estimated revenue from the bank deposit impost.

As the administration made police arrangements yesterday for the handling of the large crowd expected at the committee hearing, Mayor La Guardia called a special meeting of the Board of Estimate for 1 o'clock next Wednesday to void the 10 per cent cut in relief allowances voted on March 14. He explained that the move would be made on condition that new emergency tax measures be enacted meantime.

Cut Goes Back to March 14

The 10 per cent cut has been applied to all new cases since March 14, and was scheduled to become fully effective on April 1. Relief officials will begin the general application of the cut tomorrow, unless they receive countermanding orders from the Mayor or the Board

## PROFITS TAX ELIMINATED, GAINS LEVY IS MODIFIED BY SENATE FINANCE GROUP

### Mayor Rebukes Jurist For Leaving Lights On

Presiding Justice Francis Martin of the Appellate Division forgot to put out the lights once too often yesterday and received a rebuke from Mayor La Guardia, whom he was escorting through the Bronx County court house.

At the time of the incident Justice Martin and the Mayor had just left the grand jury room, on the eighth floor. Very solicitously Justice Martin held the door for Mr. La Guardia and then followed him. From the corner of his eye the economy-bent Mayor noticed that all of the bulbs in the room were ablaze.

Turning to Justice Martin, he remarked: "Don't forget to turn the lights out."

Justice Martin reddened a bit, and responded:

"I do that in my own house all the time."

An attendant pulled the switch.

### HOUSE BILL REVISED

#### Committee Votes 17 to 4 as Harrison Predicts Aid to Business

### 18% CORPORATION RATE

#### Treasury Opposed, but Admits Greater Yield—Revival of Process Impost Rejected

By LAUREN D. LYMAN

Special to THE NEW YORK TIMES.

WASHINGTON, March 24.—The Senate Finance Committee today eliminated the undistributed profits tax principle from the 1938 revenue bill, as passed by the House, and modified the capital gains tax from its complicated form to a simplified basis stripped of confusing provisions.

In two meetings lasting less than four hours the committee overrode Administration demands and revamped a measure over which the Ways and Means Committee and Treasury experts had worked for weeks, and took action which Chairman Harrison said he thought would aid business considerably, without appreciably affecting the government's revenue.

Whether the senate would adopt and the House subsequently accept these drastic changes was not certain, but the groundwork was laid for reconsideration of the original Administration bill on a basis demanded by business.

The committee eliminated the undistributed profits tax by the decisive vote of 17 to 4. It voted to

## SENATE VOTE BEATS BYRD ON FUND RULE

#### 47-36 Poll Bars Controller General— Final Reorganization Test Is Due Monday

By CHARLES W. HURD

Special to THE NEW YORK TIMES.

WASHINGTON, March 24.—After voting, 47 to 36, to abolish the office of Controller General, the Senate agreed today to vote finally on the Byrnes Reorganization Bill on Mon-

This disclosure tonight came somewhat as a surprise, in view of the fact that only a week ago Geoffrey Shakespeare, Parliamentary Under-Secretary for the Admiralty, held out the possibility that Japan might yet disclose her building program and show that she was abiding by the treaty limits. It had been generally taken for granted, however, that London and Washington would otherwise consider the Japanese refusal to furnish information as proof that the treaty limits were being violated.

The most recent consultations here among naval experts of the United States, Britain and France—all signatories of the treaty—are understood to have been concerned chiefly with the mechanics of escalation procedure.

### **France's Reaction Uncertain**

There is some uncertainty over whether France will also invoke escalation, although she is bound to participate in subsequent negotiations to decide new upper limits. The French, it is understood, are not anxious to increase the size of their battleships, but their attitude is likely to be determined by those of Germany and Russia, both of whom have bilateral treaties with Britain extending qualitative limitations to their fleets.

It is understood Britain and the United States have agreed between themselves which violations of the naval treaty each will charge against Japan. It is assumed Britain will bring up the question of

# PLAN BIG WARSHIPS AS REPLY TO JAPAN

Continued From Page One

and cruiser limitations which have been informally discussed already would become the subject of formal negotiations as soon as the escalator clause is invoked. Under the treaty these limits must be decided within three months, and no new size warships can be laid down until this is done.

## Washington Confirms Accord

Special to THE NEW YORK TIMES.

WASHINGTON, March 24.—Announcement was made here today that British and American naval experts who have been engaged in technical discussions in London for several weeks have agreed that the escalator clause of the London Naval Treaty should be resorted to in order to permit the construction of battleships with tonnages in excess of 35,000 and guns of more than 16-inch caliber.

The next step is expected to be the acceptance by their governments of recommendations to this effect and the issuance of formal statements of intention to resort to escalation. Ever since Japan refused to give the other naval powers information of her naval construction, it has been a virtual certainty that this course would be adopted.

Later an effort will be made to agree upon the extent to which the governments will exceed the treaty limitations. For the present the United States Navy does not want new limits set because of the uncertainty concerning Japan's building intentions and the need for more time in which to complete plans for its own new battleships. It is understood that Great Britain would like to have the new limits set as soon as possible.

France, who has been participating in the London discussions, is said to be prepared to approve escalation in principle but to propose to refrain from resorting to it if Italy and Germany give assurances that they will not engage in super-naval building.

## Japan Sees Aggressive Aim

TOKYO, March 24 (AP).—A Japanese Navy spokesman said today he believed the United States Navy's \$1,121,000,000 expansion bill showed the United States was considering naval operations against Japan.

Speaking at a press conference, he said: "My own view is that if Americans are not thinking of overseas operations they would not need a fleet of that size. Nor do I believe the object of American operations could be any other than Japan."

Self-defense still is the basic principle underlying Japan's plans, he added, but he noted "with interest"

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## "Patriotic"

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Labor circles every Mexican each month, month, or 120,0 would be taken

## Prices R

MEXICO CITY The pinch of hig today from depr following upon Mexico's \$400,00

## Japan Sees Aggressive Aim

TOKYO, March 24 (AP).—A Japanese Navy spokesman said today he believed the United States Navy's \$1,121,000,000 expansion bill showed the United States was considering naval operations against Japan.

Speaking at a press conference, he said: "My own view is that if Americans are not thinking of overseas operations they would not need a fleet of that size. Nor do I believe the object of American operations could be any other than Japan."

Self-defense still is the basic principle underlying Japan's plans, he added, but he noted "with interest" Admiral William D. Leahy's explanation for the necessity of the construction measure.

Reports that 1938 United States Navy war games would extend to near the borders of Japanese mandated islands in the Pacific drew from the naval representative the remark: "It is unbelievable the Americans would come so near."

Foreign Minister Koki Hirota characterized as "ridiculous" assertions that many of Japan's fishing boats were really disguised warships.

An interpellator quoted a statement which he said was made by a United States Congressman and asked whether fishing vessels could be so converted.