

# U. S. ABANDONS TREATY LIMITATION ON BATTLESHIPS

## Japanese Retreat; Loyalists Blow Up Dams to Halt Rebels

### THE FOREIGN SITUATION

WASHINGTON—U. S. abandons battleship limits. TOYKO—Japan ready for naval race. SHANGHAI—Chinese say Japanese are retreating. HENDAYE—Spanish Loyalists delay Rebel drive. LONDON—Anglo-Irish pact reported ready. SALZBURG—8000 Austrian exiles return home. BUCHAREST—Political parties dissolved. THE HAGUE—Netherlands accepts refugee plan. U. S. MAGAZINE article disputes Duce's claims.

### Britain and France Notified of Ship Policy

WASHINGTON, March 31 (U. P.).—The American Government today formally notified France, Great Britain and its dominions of its intention to invoke the escalator clause of the 1936 London naval agreement.

Secretary of State Cordell Hull dispatched a note to this effect to the British and French Embassies and the Canadian Legation. The note to the British Embassy was also intended for communication to the Australian, New Zealand and British-Indian Governments.

Meanwhile Rep. Louis Ludlow (D. Ind.), author of the war-referendum resolution recently rejected by the house, had introduced a concurrent resolution proposing that the United States summon a disarmament conference.

While officials declined to reveal the contents of the notes, it generally was assumed it represented U. S. abandonment of the treaty limitation of 35,000 tons for battleships. This abandonment and invocation of the so-called escalator clause would plunge the United States into the international naval armament race.

It was understood that no top limit was put on the size of battleships constructed under the escalator clause.

### Japan Ready For Naval Race

TOKYO, March 31 (U. P.).—Japan will not hesitate to join in a world naval building race in the interests of her own security, Rear Admiral Kiyoshi Noda, Japanese Naval Intelligence Bureau chief, asserted today.

"If the other powers expand and become menacing to our security," he declared, "we are ready to build to the necessary levels to protect our country."

### Article Says Italy's Strength Is Overrated

WASHINGTON, March 31.—The purple word-picture painted by Premier Mussolini yesterday of Rome's new military strength loses some of its force when set against an American observer's closeup study of "Italy's overestimated power," in the current Harper's Magazine.

The author, Maj. George Fielding Eliot, formerly of the U. S. Military Intelligence Reserve and a World War fighter with the Australian forces in Gallipoli, Egypt and France, sees Italy as a weak reed for Duce's ambitions or as Hitler's helpmeet. Italy is pictured as invincible only in the minds of Sig. Mussolini and the Italian people.

"Italy is deficient in the raw materials of munitionment and has no money to buy more," he says. "She is by reason of her geographical position peculiarly vulnerable to blockade, and her Navy, inferior to that of France and hopelessly outnumbered by the British, is not strong enough to keep open her maritime lines of communications; her railways cannot take up the slack; her armies in Spain and Africa will be cut off from the mainland in case of war and lost to her; at home she cannot hope successfully to attack the French and is highly vulnerable herself to air attack; her air force, her most formidable arm, is outnumbered and cannot depend on secure and suitable bases outside the home territory."

### Anglo-Irish Treaty Reported Near

LONDON, March 31 (U. P.).—The political correspondent of the Daily Mail said today that the draft of a comprehensive Anglo-Irish trade agreement, including modifications of existing tariff schedules and settlement of the long outstanding land annuities dispute, is ready for signing.

### Three More Nations Accept U. S. Refugee Plan

WASHINGTON, March 31 (U. P.).—The State Department today announced receipt of three more acceptances of the U. S. proposal for an international committee to facilitate immigration of political refugees from the Netherlands, Panama and Venezuela.

(Belgium, Brazil, the Dominican Republic, El Salvador, France, Haiti, Mexico, Peru, Uruguay, Colombia, Nicaragua, Paraguay, Sweden and Guatemala had already replied favorably. Italy has filed the only rejection, but several nations have not yet answered.)

### CORRECTION

A paid political advertisement of "The Machine Busters," carried in The Times on March 28, described Mr. Frank E. McKinney as a wholesale beer and liquor dealer.

Although State House records show that Mr. McKinney formerly was president and treasurer of the Universal Beverage Co., The Times is informed by Mr. McKinney that he no longer owns or controls any beer interest, and never owned or controlled any stock in a liquor concern.

### Japanese in Retreat, Chinese Report

SHANGHAI, March 31 (U. P.).—Chinese reported today that Japanese forces in sections of southern Shanghai and southern Shansi Provinces were "in general retreat."

Military observers believed the retreat was for the purpose of consolidating endangered strategic positions and reopening severed communication lines.

The Chinese reports said that the retreat followed the war's most extensive Chinese counterdrive, in which the Japanese had been forced to abandon large supplies of war materials and barricade themselves in scattered walled towns to await reinforcements.

From Peiping came reports of heavy Japanese reinforcements rushing to the front. They said that many wounded Japanese troops were returning to Tientsin.

Military observers were inclined to place some credence to the Chinese reports, claiming that the Japanese vanguards had outdistanced their communication lines and exposed their flanks to Chinese guerrilla units.

### Loyalists Check Rebels With Flood

HENDAYE, French-Spanish Frontier, March 31 (U. P.).—Flood waters, pouring down the Cinca River from dams operated by the Loyalists, slowed the Rebel advance today and delayed capture of Lerida, the Loyalist general headquarters.

Timing themselves with the Asturian "dynamiters" who mined the dams, the Loyalists counter-attacked strongly in the outskirts of Lerida and the Rebels admitted that their advance had been interrupted.

Neither Rebels nor Loyalists, however, expected that Lerida could resist long.

Farther south the Loyalists, realizing that the gravest threat on the entire front lay in a possible Rebel thrust to the sea coast near the mouths of the Ebro River, threw into a desperate defense the two crack Spanish divisions of their Army.

### Two Dams Blown Up

The famous Asturian dynamiters from the mines along the bay of Biscay coast had blown up two great dams. The first was on the Cinca River above Fraga, spearhead of the Rebel advance into Catalonia. This dam swelled the river somewhat, and according to the Rebels sent 1,412,560,000 cubic feet of water down the river.

Next the Loyalists dynamited what appeared to be a bigger dam at Barsona, on the Esera River, 40 miles north of Lerida.

Rebels admitted that as the result of the second dynamiting the Cinca, into which the Esera flows, had more than six feet of water. When the Rebels crossed the river into Catalonia last week-end the Cinca was but knee deep.

As the water rose, and the Loyalists calculated that its effect was being felt in disorganization of Rebel communications, Loyalist shock troops of the famous International Bridges counter-attacked outside Lerida, after a sham retreat into the city's outskirts.

On this front, Gen. Francisco Franco himself was directing Rebel operations.

Loyalist deserters poured across the border into France today.

### 8000 Austrian Exiles Return

SALZBURG, Austria, March 31 (U. P.).—Eight thousand members of the Austrian Legion, who fled into Germany after the assassination of Chancellor Engelbert Dollfuss, returned to their native land today.

### AYLESWORTH NAMED TO WORLD-TELEGRAM

NEW YORK, March 31 (U. P.).—Announcement of the appointment of Merlyn H. Aylesworth as publisher of the New York World-Telegram was made today by Roy W. Howard, president and editor. The editorial and news departments will continue under the personal direction of Mr. Howard as editor and Lee B. Wood as executive editor.

Mr. Aylesworth, former National Broadcasting Co. president, succeeds Ray A. Huber, who returns to the general management of the Scripps-Howard Newspapers, from which he was temporarily detached to head the World-Telegram business office at the time of the consolidation of the New York World and the New York Telegram. Mr. Aylesworth has for more than a year been a member of the general business management of the Scripps-Howard Newspapers.

## ILLINOIS TOWN STREET DESOLATED BY TORNADO



At least 32 persons were killed and hundreds injured yesterday when tornadoes ripped through five states, Oklahoma, Arkansas, Kansas, Missouri and Illinois. This picture shows a street scene in South Pekin, Ill., where seven persons are known dead.

## KANSAS COMMUNITY WRECKED BY BIG WIND



This airview of Columbus, Kas., shows the damage a tornado left after sweeping through the southeastern Kansas town yesterday. The roof of the Highland High School (in lower left corner) was blown off. Students escaped.

## F. D. R. Fights for Byrnes Bill; Senate Completes TVA Action

(Continued from Page One)

feating a proposal by Senator La Follette (Prog. Wis.) to broaden the tax base.

Under Senator La Follette's plan the exemption for single persons would be reduced from \$1000 to \$800 and for married persons, from \$2500 to \$2000. The maximum age for dependents would be raised from 18 to 20 years and rates on incomes in the lower surtax brackets would be increased.

### RFC Head Says Recession Is Mental

(Copyright, 1938, by United Press)

WASHINGTON, March 31 (U. P.).—Chairman Jesse H. Jones of the Reconstruction Finance Corp. said today that the worst part of the business recession is "in the minds of the people" and that only such "irritants" as uncertainty over tax legislation were impeding recovery.

Mr. Jones, who will supervise the proposed new lending powers for the RFC and again will be the key man in the Administration's fight against recession, declared that the impediments to better business conditions are being eliminated and that recovery should not be far away.

### Hoosier Labor Leaders Want to See President

By DANIEL M. KIDNEY  
Times Staff Writer

WASHINGTON, March 31.—Dis-satisfied with the assurance given them thus far that WPA building projects will not break down their wage scales, 15 Indiana labor union officials are remaining here to see President Roosevelt in person, they announced today.

They met this morning with A. F. of L. officials in the office of President William Green and laid plans to enlist the building trades unions of other states in their fight against WPA construction of public buildings.

Later today they expect to return to the Capitol for another meeting with Indiana congressmen.

"We were unimpressed by the assurances given us thus far by both members of Congress and WPA officials," Carl Mullen, Indiana State Federation of Labor president, declared.

"So we are going to stay right here until we talk to President

Roosevelt himself and also to Harry Hopkins. We do not believe that they want to break down the building trades wage scales but they simply do not know what is going on and we expect to tell them."

Charles W. Kern, Indianapolis, representing the Carpenters' Union, declared that mayors who seek WPA funds for public buildings, will be opposed by them in the fall elections.

### Senate Agrees to TVA Probe Changes

WASHINGTON, March 31 (U. P.).—The Senate today completed Congressional action on the resolution to create a joint Congressional investigating committee for the Tennessee Valley Authority.

It agreed without debate to House amendments and sent the measure to the White House for the President's signature.

Majority Leader Alben W. Barkley (D. Ky.) brought the amendments before the Senate at the opening of the session.

## BOB BURNS

Says: "HOLLYWOOD, March 31.—I'll admit that some of these actors out here are pretty good, but if you want to see some real actin' around the studios, you want to watch some of these high-priced writers. When they know they're being watched, they sit, swayin' back and forth with their faces buried in their hands, actin' like a genius and they do fool the bosses pretty well.

But the other night, at home, one of 'em forgot where he was and started to do his 'thinkin' act' when his 3-year-old boy says 'Daddy, a penny for your thoughts.' The writer looked up at his wife and says 'Our kid's pretty smart for a 3-year-old.' His wife says 'Well, there nothin' so smart about it—the child just doesn't appreciate the value of money yet.'"

(Copyright, 1938)

## THREE AREAS IN CITY FLOODED

### Boy, 13, Is Drowned When He Loses Control of Raft; Ravenswood Hit.

(Continued from Page One)

night which preceded the high water, lightning struck the New York Central Railroad's 65-foot coal hopper at the Shelby St. roundhouse, setting it afire. Damage was estimated at \$8000.

### 14 Box Cars Derailed

Near Jamestown, a Big Four freight train struck a washout and 14 cars were derailed. No one was injured. One hundred feet of track was washed out.

The cars were loaded with electric washing machines, soy beans, oil and refrigerators. The locomotive and cars containing whisky and livestock passed safely over the tracks.

### Blast Averted

Possibility of an explosion was averted due to railroad safety measures, Chief Kennedy said. The hopper, recently had been cleaned and highly explosive coal dust removed.

During last night's storm, a brick coping, weakened by wind and rain, fell from a building at 345 N. Capitol Ave., occupied by the Jones Auto Co., and crashed to the sidewalk.

At Evansville, flood stages were predicted in 48 hours for the Ohio River from Newburgh to the river mouth. The river level stood at 31.7 feet today compared to the flood stage level of 35 feet, but the weather forecast for the vicinity was clear and cold with no rain in the immediate future.

There was a near cyclone at Melott in Fountain County which killed livestock and uprooted large trees.

A great deal of property damage was reported due to wrecked buildings and flooded basements and several schools in central and western Indiana were closed for the day when school buses were unable to negotiate flooded roads safely.

The Wabash River was from one to two feet above flood stages at Bluffton, Terre Haute, Vincennes, Mt. Carmel and New Harmony. The Weather Bureau would not predict the probable crest.

The West Fork of White River was above flood stage at Anderson, Ellettsville and Edwardsport. It was

in the wooden coal hopper. They dumped coal from the hopper into freight cars and pulled them out of the fire area.

A woman motorist, driving by the roundhouse during the storm, was the first to report that lightning had struck the tower on the hopper. She ran into the offices and notified railroad officials.

Battalion Chief William Clune, first to arrive, sounded the second alarm.

Seven pumpers, two trucks and a rescue squad were summoned. They hooked together three of the lines, forming a deluge set and placed other lines on top of box cars to reach the blaze, which could be seen for several miles.

By the time the fire was extinguished several hours later, 15 feet of the top of the structure had burned away, wrecking expensive elevator equipment used for lifting coal into the hopper.

Roads covered with 6 to 10 inches of water but not closed to traffic, most of them expected to be clear by nightfall, were:

Road 31, north of Seymour, may be closed by evening, also covered north of Columbus; Road 59, south of Linton; Road 45, south of Christy; and Road 34, covered with water in three or four places between Indianapolis and Crawfordsville.

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## U. S. PUSHES PLEA FOR OIL INDEMNITY

WASHINGTON, March 31 (U. P.).—Increasing concern for the United States "good neighbor" policy in Latin America spurred Administration officials to new efforts today to settle the crisis with Mexico resulting from expropriation of oil lands.

Constantly increasing pressure on the Mexican Government to propose an equitable settlement was foreseen as officials awaited a response to the representations made to the Mexican Foreign Office by Ambassador Josephus Daniels.

These representations were supplemented by a formal statement here by Secretary of State Hull recognizing Mexico's legal right to expropriate foreign-owned property, but declaring exercise of that right carried the internationally recognized legal responsibility to make just and equitable payment for the properties seized.

Simultaneously, the Postoffice Department suspended registered C. O. D. mail service to Mexico. The announcement said that the measure was "routine" and not related to the Mexican-United States diplomatic crisis.

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