

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

# The New York Times.

LATE CITY EDITION  
WEATHER—Fair today; tomorrow  
cloudy, warmer, followed by rain.  
Temperatures Yesterday—Max., 40; Min., 34.

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## NEW YORK UNLIKELY TO GET BEER APRIL 7 DUE TO ALBANY ROW

### Measure to Prevent Its Sale Until After State Perfects License Plan Predicted.

### MAY MEAN A WEEK'S DELAY

### Lehman and Aides Discuss Plans Until After Midnight, but Fail to Agree.

### DRYS AT CAPITOL HEARING

### Governor Announces His Own Views Will Prevail—Many States Are Ready.

### The Outlook on Beer.

### Beer delay beyond April 7 faced in New York due to difficulties in effecting State control at Albany.

### Governor and Democratic and Republican legislative leaders fail to agree on bill in night conference, to be resumed this noon. Lehman is drafting own measure. Drys and wets give views at State Senate Committee hearing.

### Commissioner Doran at Washington predicted beer would sell at 5 cents a glass.

### Attorney General Cummings ruled that the new 3.2 per cent beer should go on sale at 12:01 A. M., April 7, local time. Advertisements of the new brew, meanwhile, will be legal if no intent to violate the law is involved.

### The House passed a bill to legalize the sale of beer in the District of Columbia.

### Meanwhile, more States were taking or beginning legislative action looking toward beer. Massachusetts made brewing legal, but sale is not yet provided.

### Moves for repeal-ratification conventions went forward in Iowa, New Mexico, South Carolina and Ohio.

### Conferees Balked on Bill.

### By W. A. WARN.

### Special to THE NEW YORK TIMES.

ALBANY, Friday, March 24.—Governor Lehman and the Democratic and Republican leaders of the Legislature, after a conference which came to a close just before 2 o'clock this morning, failed to reach an agreement on legislation for control and regulation of the prospective traffic in beer, which will be inaugurated as a result of the new statute enacted by Congress legalizing 3.2 brew.

### Senator John J. Dunningan, Democratic leader, returning from the conversation at the Executive Mansion, which had been in progress since early last evening, said that there had been a very frank exchange of views on points at issue in connection with the proposed regulatory measures pending and that some progress had been made.

### It was admitted by one of the conferees that no definite agreement had been reached on any detail of the proposed legislation, but it was asserted that both the legislative chiefs of the two major parties and the Governor were hopeful that a bill mutually acceptable to him and them could be evolved, possibly in time for introduction later today.

### Machinery to Cause Delay.

### In the meantime it was predicted in an official quarter at the Capitol that in all probability the State would not be in a position to provide prospective consumers with the new beverage legalized by Congress by April 7, when the Federal statute giving sanction to the 3.2 per cent beer becomes effective.

### In connection with the predicted delay, it was remarked in official quarters that, with a beer-control bill passed prohibiting the sale of beer in this State without a license, traffic in the new beverage would have to await the setting up of proper machinery for licensing and regulation of the traffic.

### There is no doubt that such legislation will be passed within a couple of days. In any event such a law will be on the statute books before April 7, when the Federal law liberalizing the Volstead act will become operative.

### One point over which conflict arose in the course of the discussion at the Executive Mansion was the proposal contained in the Lehman Liquor Commission bill for creation of county boards, as well as a central board of control to regulate the traffic in beer.

### Governor Against County Boards.

### Governor Lehman, it is understood, voiced his opposition to the county boards as unnecessary and involving too complex regulatory machinery. The two Republican leaders of the Legislature, Senator

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## Sacasa Ends State of Siege In Nicaragua After 2 Months

### Special Cable to THE NEW YORK TIMES.

MANAGUA, Nicaragua, March 23.—The state of siege (modified martial law), which has been in effect here since Jan. 19, was abolished by President Sacasa today.

### The President's proclamation invites foreign capital to Nicaragua, guaranteeing protection and encouragement to gold mining and other enterprises. Gold mines closed on account of disturbances in Segovia probably will be reopened soon.

### By a decree of the Nicaraguan Senate, the entire republic, with the exception of the southwestern provinces of Rivas, Granada, Masaya and Carazo, was placed under a state of siege late in January.

## TRANSIT SPOKESMEN BACK MAYOR'S PLAN

### Hasten to Accept Bid to Discuss Unification.

### B. M. T. BOARD WILL ACT

### Morgan Committee in I. R. T., Amster and Loasby Also Approve Proposal.

### Representatives of security holders' groups of the Interborough, the B. M. T. and the Manhattan elevated lines responded yesterday to Mayor O'Brien's invitation to discuss transit unification with an alacrity that indicated that they were not unprepared for his invitation.

### Mayor O'Brien made public a letter from Arthur M. Anderson, vice chairman of the J. P. Morgan committee of Interborough security holders, saying that he would start negotiations whenever the Mayor wished.

### The executive committee of the B. M. T. met yesterday afternoon and adopted a resolution requesting the board of directors, at a special meeting next Monday, to appoint a committee to deal directly with the Mayor.

### Nathan L. Amster, president of the Manhattan Railway Company, expressed approval of Mayor O'Brien's plan and offered to work toward a fair agreement between the city and the company. He said that any agreement reached would have to be submitted to the stockholders for approval. A similar statement came from Arthur W. Loasby, head of an Interborough stockholders' protective committee.

### Speed Held Essential.

### The city administration, it was learned, thinks that speed is essential in the negotiations with the security-holders, if stock market speculation is to be held to a minimum. While the city has no expectation of getting the securities at their present low market prices, there is a definite limit to what it can and will pay.

### Owing to the city's restricted financial condition, the question was raised in political and financial circles whether it might not be faced with the problem of deciding between a higher fare, under unification, or being seriously crippled financially.

### Mayor O'Brien, in his statement Wednesday announcing the decision to seek unification by dealing directly with the security-holders, emphasized that the five-cent fare would be retained. However, ever since the Board of Estimate scrapped the Delaney plan of subway financing last Fall in order to cut the current budget so that loans might be obtained from Wall Street, transit circles have regarded the five-cent fare as dead, either under municipal operation or under unification.

### There has been considerable discussion of the possibility of an increased fare, on a unified system, for a limited period of years. But it was not thought likely that this solution would be formally suggested to Mayor O'Brien in any of the conferences with security holders.

### B. M. T. to Name Committee.

### Among those present at the meeting of the B. M. T. executive committee were William Menden, president; Charles Hayden of Hayden, Stone & Co., Matthew C. Brush, Herbert Bayard Swope and Arthur Bunker. The B. M. T. statement follows:

### "In compliance with the request of the Mayor that committees of security holders of the various transit companies be organized to deal with the city in bringing about city-wide unification, members of the executive committee of the B. M. T. will ask the board of directors of the corporation at a special meeting called for Monday next to name a special committee charged with this duty. The gentlemen to

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## ROOSEVELT PUSHES \$2,000,000,000 PLAN TO CUT FARM DEBTS

### President Outlines Program of Refinancing by Government to Congress Chiefs.

### LINKS IT TO RELIEF BILL

### Reduction of Mortgage Principal as Well as Interest Slash Is Contemplated.

### TREASURY STUDIES TERMS

### Joint Stock Land Banks Would Be Eliminated, With Their Holdings Underwritten.

### Special to THE NEW YORK TIMES.

WASHINGTON, March 23.—A program for lightening the farm mortgage burden which would involve from \$1,000,000,000 to \$2,000,000,000 of refinancing by the government, according to some estimates, was approved today by President Roosevelt at a conference with Democratic Congressional leaders.

### The Senate Committee on Agriculture today postponed consideration of the farm relief bill passed by the House yesterday, in the expectation that a farm mortgage refinancing measure approved in principle at the White House conference would be completed and made a part of the House bill.

### The administration is reported to have decided that after action on the farm mortgage plan a similar bill for refinancing the mortgages on city and village homes will be presented.

### Major Points in the Plan.

### Outstanding points in the farm mortgage plan are reported to be: Voluntary reduction of principal by mortgagees in consideration of each settlement made possible by an advance of funds by the government.

### Reduction of interest to a figure not exceeding 5 per cent in consideration of arrangements for eventual liquidation.

### Amortization over a long period of years.

### Suspension of foreclosures for two years.

### Advance of funds by the government to farmers to pay taxes and past-due instalments of mortgage loans.

### Immediate liquidation of the joint stock land banks.

### Continuation of the Federal land banks on modified lines.

### Reduction of interest rates by the Federal Land Bank System to 5 per cent.

### As to Joint Stock Financing.

### For the purpose of liquidating the Joint Stock Land Banks, the plan provides that these institutions shall issue no more obligations and shall proceed to buy in their outstanding bonds. To procure funds for the operation the Joint Stock Banks would be authorized to borrow not to exceed \$500,000,000 from the United States Treasury.

### Inasmuch as a mortgagee cannot be compelled to scale down principal and interest, the intent of the proposed legislation is to make it to his interest to do so. To that end, Federal financing would be designed to bring about settlements with mortgagees who are willing to accept a reduced amount of principal in cash, or to continue the loan at a lower interest rate in consideration of cash payments. The amount of Federal financing that would be involved in this scaling down is conjectural, but estimates ran from \$500,000,000 to \$1,000,000,000.

### The proposed act would be administered by the Federal Farm

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## France to Show Chicago Fair; Holds It of Slight Interest

### Wireless to THE NEW YORK TIMES.

PARIS, March 23.—Chicago's Century of Progress Exposition is insufficiently interesting for France to participate. Lucien Lamoureux, the Minister of the Budget, declared today in response to a question in the Chamber of Deputies.

### Deputy Charles Pomaret complained of the government's failure to take part in the fair, declaring that it presented an excellent opportunity to display French products abroad.

### The Budget Minister answered that a former government had proposed credit for French representation but that these credits had not been voted for the reason that the Chicago exhibition was of such slight interest that the United States Government itself was showing little interest in it and numerous European countries would not be represented.

## HARRIMAN INQUIRY BY PECORA ORDERED

### Senators Act on Medalle's Statement That Washington Held Up Prosecution.

### PUBLIC HEARING PLANNED

### Cummings Seeks to Excuse Preceding Administration Because of Banking Crisis.

### Ferdinand Pecora, special counsel for the Senate Committee on Banking and Currency in the recent hearings at Washington, announced yesterday that he would begin an investigation of the affairs of the Harriman National Bank and Trust Company, as requested by the committee.

### He said that first he would determine whether the case came within the scope of the resolution under which the committee is acting and that if it did he would present the evidence at a public hearing.

### This followed the disclosure by George Z. Medalle, United States Attorney, that he had withheld prosecution of Joseph W. Harriman, former chairman of the bank, last December at the direction of the Department of Justice in Washington after counsel for the New York Clearing House Association and the Controller of the Currency had requested that action be withheld until the bank's affairs could be straightened out.

### Statement by Pecora.

### Mr. Pecora's statement follows: It has been suggested to me by Senator Duncan U. Fletcher, chairman of the Senate Committee on Banking and Currency, that I give my attention to the situation which has been disclosed with respect to the Harriman National Bank and Trust Company.

### I shall do so as soon as I am able to detach myself from certain other matters which I am investigating for the committee.

### The first question to be determined is whether the Harriman National Bank and Trust Company matter comes within the scope of the resolution under which the Senate Committee on Banking and Currency is conducting its present stock-market inquiry. To that end I shall seek to ascertain all the basic circumstances as speedily as possible; then, in the event that the subject comes within the purview of the existing resolution, I shall gather all the available facts and present them to the committee at a public hearing.

### It was understood at the Federal Building yesterday that the Department of Justice restrained Mr. Medalle from taking action on the ground that the arrest of a prominent New York banker would have

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## Cunard and White Star Discuss Merger; Lines Agree Drastic Economy Is Urgent

### Wireless to THE NEW YORK TIMES.

LONDON, March 23.—Negotiations between the Cunard and White Star lines, which Neville Chamberlain made known yesterday, may result in a closer working agreement if not actual amalgamation.

### The two companies were reported tonight to have agreed that drastic economy must be achieved by common consent. It has been suggested that one of four Atlantic giants, the Aquitania, Berengaria, Olympic and Majestic, be laid up until prosperity returns, leaving the other three to maintain weekly service.

### The Mauretania and Homeric will be cruising extensively in the coming year and will not be important factors in competition for Atlantic traffic.

### No headway is being made, however, toward the actual fusing of

### Continued on Page Eleven.

## BIG GAIN BY BANKS THROUGHOUT NATION, RESERVE REPORTS

### Gold Holdings for Week Up \$181,545,000, the Gain Here Totalling \$56,535,000.

### CIRCULATION HEAVILY CUT

### Decline Totals \$661,000,000—Ratio of Reserves Jumps From 49.1% to 55.5%.

### NOTE PRINTING IS HALTED

### Emergency Issue of Currency No Longer Needed, as Money Comes Out of Hoarding.

### Details of Federal Reserve report are printed on Page 31.

### A sweeping recovery in the strength of the Federal Reserve System and its member banks was revealed in the report for the week ended Wednesday, published last night.

### The gains included a rise of \$181,545,000 in the gold holdings of the system, a reduction of \$661,000,000 in the volume of money in circulation in the country and a recovery in the ratio of the system's reserves to its deposits and note liabilities from 49.1 per cent a week ago to 55.5 per cent. Member banks of the system were able to reduce their borrowings from the Reserve Banks by \$561,447,000 and there was a net retirement of \$638,000,000 in the amount of Federal Reserve Bank credit in use.

### These changes, unparalleled in size save for the losses suffered just before the national bank holiday, reflected a liquidation of the bank crisis at an extraordinary speed.

### It indicated that the position of the Reserve System and its members has been restored to better than the condition shown in the statement of March 1, the last before the general closing of banks.

### Rise in Excess Reserves.

### The extent of the improvement may be judged from the fact that the excess reserves of the system, on the basis of the current statement, amount to \$1,050,000,000, against \$687,000,000 a week ago and \$440,000,000 two weeks ago.

### The reduction of \$661,000,000 in the volume of all kinds of money in circulation in the country brought the total outstanding as of Wednesday to \$6,608,000,000, against \$7,538,000,000 on March 8 when the record high was reached. Of this week's reduction, \$376,360,000 was accomplished through the retirement of Federal Reserve notes, bringing the total of this currency in use to \$3,916,342,000, compared with the record high of \$4,292,702,000 reached last week. The amount of the new Federal Reserve Bank notes in use increased during the week to \$9,269,000, against \$3,301,000 last week, when they first appeared in the reserve's report.

### The sharp rise in the reserve ratio of the system was accounted for by this drop in note circulation, combined with the gain of \$181,545,000 in gold holdings reported. The current total of gold reserves, \$3,192,322,000, compares with the record low of \$2,684,000,000 reached on March 8.

### Big Cut in Bank Borrowings.

### In managing to pay off \$561,447,000 of their borrowings from the Reserve Banks during the week member banks of the system cut their indebtedness to the central banks to \$670,869,000, or less than half the peak of \$1,414,000,000 to which they rose on March 8 when the banks of the country in order to meet the demands of their depositors, were compelled to go deeply into debt. Despite this large reduction of their discounts, the member banks managed to maintain their reserve balances at a level only \$46,000,000 below where they stood a week ago.

### The Federal Reserve Bank of New York, which, owing to the drain placed upon local member banks in meeting withdrawals by all sections of the country, had been driven to the limit of its legal reserves just before the holiday, showed a strong recovery. The bank was able to wipe out its borrowings from other Federal Reserve Banks, which amounted a week ago to \$143,800,000 and two weeks ago to \$210,000,000.

### The local bank of issue showed a gain of \$56,535,000 in its gold holdings, a reduction of \$96,975,000 in the amount of its Federal Reserve notes outstanding and a decline of \$15,640,000 in its deposits. The ratio of its reserves to its note and deposit liabilities rose to 50.4 per cent, from 43.6 per cent last week.

### In addition to paying of its borrowings from other Reserve Banks, the New York institution took over \$70,175,000 of United States Govern-

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# HITLER CABINET GETS POWER TO RULE AS A DICTATORSHIP; REICHSTAG QUILTS SINE DIE

## Text of Dictatorship Act

### Special Cable to THE NEW YORK TIMES.

BERLIN, March 23.—The text of the enabling act by which the Hitler Cabinet becomes a dictatorship follows:

### Article I—Federal laws may be enacted by the government [the Cabinet] outside of the procedure provided in the Constitution, including Article LXXXV, Paragraph 2—providing that the budget must be adopted by legislative act—and Article LXXXVII of the Constitution—providing for legislative action to authorize the government to make loans and credits.

### Article II—The laws decreed by the government may deviate from the Constitution so far as they do not deal with the institutions of the Reichstag and the Federal Council as such. The prerogatives of the President remain untouched.

### Article III—The laws decreed by the government are to be drafted by the Chancellor and announced in the Reichsgesetzblatt [the organ in which laws are published]. If not otherwise ordered they shall become effective the day following the announcement. Articles LXVIII to LXXVII of the Constitution—regulating the procedure of the announcement and publication of laws—do not apply to laws decreed by the government.

### Article IV—For treaties of the Reich with foreign nations regarding matters of the Reich's legislative authority the consent of legislative bodies is not needed so long as this act is in force. The government shall issue decrees necessary for the enforcing of these treaties.

### Article V—This law shall become effective on the day it is announced. It shall remain in effect until April 1, 1937. It shall expire when the present government is replaced by another one.

### The German Cabinet of eleven members contains three Nazis: Chancellor Hitler, Dr. Wilhelm F. Frick and Hermann Wilhelm Goring. The others are Nationalists and personal appointees of President von Hindenburg. The leaders of the majority element are Vice Chancellor von Papen and Dr. Alfred Hugenberg. The Cabinet includes Franz Seldte, leader of the Stahlhelm, the organization of war veterans, and General Werner von Blomberg, the Minister of Defense, who has charge of the Reichswehr, the standing army.

### The powers of the President include the right to appoint and dismiss the Chancellor.

## EXPERTS PERFECT RECIPROcity PLANS

### "Plurilateral" Pacts to Share Trade Advantage Urged by Roosevelt Aides.

### EARLY ACTION EXPECTED

### Adoption of Modus Vivendi at World Economic Parley Is Viewed as Possible.

### Special to THE NEW YORK TIMES.

WASHINGTON, March 23.—Technicians engaged here in investigating the possibilities of a change in American tariff policy have decided that the "most-favored-nation" and reciprocity systems can be reconciled, inquiry today brought out.

### The problem involved, while intricate, can be solved, they think. The problem was presented today by one authority as that of "securing the advantages of reciprocity without sacrificing the security of the most-favored-nation method."

### The procedure most often mentioned for arriving at the reconciliation of these two opposing ideals was the "plurilateral" treaties which are much advocated among European countries. Such treaties presuppose the adherence of a large number of countries, so trade advantages can be shared among them in such logical fashion as to permit their generalization without injuring the trade of the contracting parties.

### It is generally thought here that progress toward the reduction of trade barriers, if made at the World Economic Conference, must hang on whatever suggestion the American Government will bring forward.

### It is felt that the other countries of the world will wait on the United States as the arch protectionist, to reverse its traditional policy and to show signs of sincere conversion before taking any active steps in remedying the paralysis of world commerce. For this reason, careful preparatory work is going forward in many quarters.

### It is a foregone conclusion among the experts who were consulted today that the Roosevelt administration will not advocate sudden or radical departure from the protectionism which has prevailed in this country for so long. It is thought that, not only in the United States, but in other protectionist countries, the general tendency will be to treat protectionism like the drug habit, "curing it by tapering off the doses," as a tariff technician called it today.

### From the practical point of view, the experts now at work are trying to find a group of countries, each

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## McDONALD DEFENDS REVISION IN EUROPE

### "Every Treaty Holy, but None Eternal," He Tells Commons, in Urging 4-Power Plan.

### ASKS EQUALITY FOR REICH

### But Says It Must Be Granted Gradually—Assures Small Nations of Part in Scheme.

### By CHARLES A. SELDEN.

### Wireless to THE NEW YORK TIMES.

LONDON, March 23.—Prime Minister MacDonald told Parliament today of his mission with Sir John Simon, the Foreign Secretary, to Geneva to save the disarmament conference and to Rome to reconstruct the political situation in Europe by revision of treaties as an indispensable preliminary to peace.

### "The last word in this whole matter," he exclaimed, "is the political word."

### It was evident he considered the four-power movement set on foot by Premier Mussolini in Rome of more immediate importance than his own disarmament scheme, which he presented in Geneva a week ago.

### The first part of today's speech in the House of Commons was merely a summarized repetition of what he had said at Geneva when offering his arms-reduction program. In this part of the speech he again said Germany must have equality. But he emphasized that such equality must come by stages and said that recent events in Germany made gradualness more important than ever.

### Stresses Treaty Revision.

### The most important part of the Rome session of the Prime Minister's speech was the declaration that "the big and almost only purpose of the Rome plan was revision of treaties." By which he meant the Versailles Treaty and the others that followed the war. Everything was to be done within the framework of the League of Nations. He agreed with Premier Mussolini that Article XIX of the covenant which says that treaties that become inapplicable and endanger the peace of the world should be reconsidered and must not remain dormant.

### Mr. MacDonald's sole reference to the United States came in his peroration, in which he said: "Cooperation may be in the nucleus of the four-power plan, but it is by no means confined to that. Cooperation may begin in Europe, but there is no intention to have it end there, for it must be in such form and spirit as will draw to it

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## HINDENBURG LESS ACTIVE

### Hitler to Issue Decrees, With More Authority Than Predecessors.

### BARS A MONARCHY NOW

### Says He Wants Disarmament and Peace, but Will Crush Treason With Barbarity.

### SOCIALISTS OVERRIDDEN

### Vote for Dictatorial Rule 441 to 94—Goering Denies Reports of Atrocities.

### Chancellor Hitler's speech on his policies appears on Page 2.

## German Developments.

### BERLIN—The Reichstag passed by a vote of 441 to 94 yesterday the enabling act that permits the Cabinet to make laws without consulting that body and without action by the President. The prerogatives of the President, including dismissal of the Chancellor, were preserved. Chancellor Hitler, in asking for the law, said Germany had no desire to increase her armed forces if other nations disarmed and that a monarchy was "not discussable" at this time.

### WASHINGTON—Representative Dickstein invited leaders of all faiths to give their views at a hearing next Wednesday on the House resolution to facilitate immigration passports from Germany.

### LONDON—Archbishop Downey of Liverpool said he would do all in his power "to protest against such pseudo-nationalism." James Maxton in the House of Commons told of reports that 1,400 persons had been killed in Hamburg.

### NEW YORK—Four thousand persons participated in a protest parade called by the Jewish War Veterans, to City Hall where their leaders were received by Mayor O'Brien. Meanwhile, city action was forecast in a resolution by Alderman James F. Kiernan, denouncing Nazi anti-Semitism, which he will introduce next Tuesday.

### Quick Action in the Reichstag.

### Special Cable to THE NEW YORK TIMES.

BERLIN, March 23.—The Reichstag quickly completed today the work for which it had been elected and had been called together by adopting in three readings the government's enabling act which gives to the Cabinet authority to make laws by decree for four years if it is not meanwhile displaced. The vote was 441 to 94.

### Following this action, which was preceded by a speech by Chancellor Adolf Hitler and an objection from the Socialists, the Reichstag adjourned indefinitely.

### Under the enabling act the Cabinet will have power to promulgate laws without reference to the Reichstag. In its deeper implications the law will enable the Hitler-Papen government to override the Federal Constitution even to the extent of eliminating President von Hindenburg from further promulgating laws and decrees, as this power is given to the Cabinet.

### The law says that the prerogatives of the President remain untouched, but it is felt that the old Field Marshal has now retired from daily politics.

### Held to Be Master of Reich.

### Thus Herr Hitler today achieved the great triumph for which he has been fighting for fourteen years, and it is considered that he is now the master of Germany with power greater than that of any of his predecessors in the Chancellery.