

Hitler Seizes Austria; German Troops March on Vienna; Schuschnigg Resigns

Agree or Quit, TVA Men Told By Roosevelt

President Gives Directors Ultimatum After a 7-Hour Cross-Examination, Orders Them to Appear Again.

CHAIRMAN REFUSES TO ANSWER CHIEF EXECUTIVE'S QUESTIONS

Hearing 'Is Not Effective or Useful Fact-Finding Occasion,' Declares Morgan in Defiant Stand.

Franklyn Waltman discusses the TVA "trial"—Page 2. Partial transcript of hearing—Pages 6 and 7.

By Sidney Olson.

President Roosevelt bluntly told the three warring directors of the Tennessee Valley Authority last night to end their two-year quarrel or resign.

For seven hours of grueling cross-examination, Chairman Arthur E. Morgan had flatly defied the President.

He said he could not regard the meeting as "an effective or useful fact-finding occasion."

He further charged that he had "repeatedly but unsuccessfully endeavored" to obtain the President's help in investigating "grave conditions" within the TVA. Hours later he added, in this connection, "That day is past."

Insists on Inquiry by Congress.

Chairman Morgan insisted on a Congressional investigation as the proper place to file any factual data he has to justify his numerous and interlocking charges.

President Roosevelt, at the end of the long examination, speaking impersonally, warned the trio—Chairman Morgan and Directors David E. Lilienthal and Dr. Harcourt A. Morgan—that all three owed it to the country not to continue to jeopardize the public interest by their personal differences.

Anyone who cannot consider TVA problems "impersonally and objectively," or who obstructs "the carrying out of decisions reached by a majority of the board," has a plain duty to resign, he said.

This appeared to point directly at Chairman Morgan, who, according to documentary evidence submitted by Directors Lilienthal and Harcourt Morgan, has repeatedly obstructed board decisions and workings.

All three are to appear again in person before the President next Friday at 11 a. m., although written statements may be submitted instead. This was done to allow Chairman Morgan, who said he had come unprepared, to submit them such documentary evidence as he may have to justify his charges.

Morgan Strides Out.

The sudden appearance of tall, bald Chairman Morgan, striding swiftly out of the President's office at 6 o'clock, signaled the end of one of the most unusual scenes in White House history—where the President, gravely concerned at what he termed "open dissension and personal recrimination" in the TVA directorate, summoned the board to appear before him to state "facts, not opinions" to justify their charges and counter-charges.

Chairman Morgan, who has charged Lilienthal and Harcourt Morgan with what the President termed "dishonesty, bad faith and misconduct," contented himself with his brief opening statement.

Throughout the long day, as two stenographers rushed their notes to the White House staff, which, in turn, rushed them through mimeographing machines in "takes" for more than 50 waiting newspapermen, Chairman Morgan refused to justify with facts his charges.

The procedure was this: The

See TVA, Page 3, Column 1.

Today's Index

Table with 2 columns: Pages, Amusements, Bridge, Classified Ads, Comics, Crossword, Editorials, Federal Diary, Financial, Hollywood, Over the Coffee, Puzler, Pictures, Radio, Society, Sports, The Post's New Yorker, Woman's Page.

House Passes Modified Tax Bill, 294-98

Members Reject Family Corporation Levy for Third Time.

Further Reduction of the Profits Impost Slated in the Senate.

By Robert C. Albright.

The Administration's tax bid for business revival—a comprehensive tax revision measure significantly modifying undivided profits tax and capital gains levies—yesterday was overwhelmingly approved by the House.

The final roll call vote was 294 to 98. But passage came only after the House had voted further concessions to some types of business enterprise by emphatically eliminating from the committee draft the heavy surtaxes on wealthy closely-held and family type corporations.

In the face of a direct rebuke from the President, who insisted closely-held corporations withholding dividends should pay higher levies in the interest of tax equity, the House voted again to eliminate the "third basket" tax.

Voted Down 3d Time.

A White House defense of so-called "1B" tax was followed by a move to place members on record. For the third time in two days, they turned thumbs down on the special levy. The roll call vote against the closely-held corporation tax was 294 to 153.

To make up the \$19,000,000 to \$35,000,000 estimated loss in revenue, the House gave roll call ratification to a 25-cent per gallon increase in liquor taxes, voting 290 to 96. And they raised another \$5,000,000 by voting 201 to 182 to impose excise taxes of 6 cents a pound on imported pork, and 3 cents a pound on imported pork products.

A Republican motion to send the bill back to committee for complete repeal of the undivided profits tax and further modification of the capital gains levy was defeated 292 to 94, the vote closely following party lines.

Republicans sought to impose a 12½ per cent tax on corporations earning up to \$5,000; 14 per cent between \$5,000 and \$25,000, and 16 per cent on over \$25,000. They proposed a flat 12½ per cent tax on capital gains.

The 319-page tax bill revamps the whole present tax structure with a view to equalizing burdens and still amount of Whitney's "peculations" might "reach over a million dollars."

Whitney Seized In Second Theft Of \$103,000

State Attorney Believes 'Peculations' May Total Million.

By the Associated Press.

New York, March 11.—Richard Whitney, whose name had been a symbol of Wall Street probity, was charged with two thefts tonight as investigation of the collapse of his firm uncovered a great fiscal scandal.

Assistant State's Attorney General McCall told Magistrate Thomas Aurelio it was believed the total amount of Whitney's "peculations" might "reach over a million dollars."

Whitney, five times president of the New York Stock Exchange, whose brokerage house handled the orders of the mighty J. P. Morgan Co., surrendered in midafternoon to State's Attorney General John Bennett, jr.

The maximum penalty is ten years.

His arrest was ordered after Commodore William A. W. Stewart, of the exclusive New York Yacht Club, long his friend, testified that Whitney "unlawfully" took \$103,000 in club bonds from a safety-deposit box.

A grand larceny indictment previously obtained by Thomas E. See WHITNEY, Page 2, Column 5.

Lindberghs Sail For English Home

New York (Saturday), March 12 (AP)—Col. and Mrs. Charles A. Lindbergh sailed secretly at 12.30 a. m. (E. S. T.) today on the liner Bremen for England, to rejoin their two sons.

The famous couple came here December 5 to pass the holidays, arriving unexpectedly on the liner President Harding and listed as "Mr. and Mrs. Gregory" on the passenger lists.

Their departure to resume seclusion they had found in England for more than two years was blanketed with secrecy.

Bloodless Coup Puts Seyss-Inquart At Helm With Full Nazi Cabinet

Scene in Vienna Yesterday Just Before Austria Fell



This picture, the only one allowed after Nazis clamped a rigid censorship upon Austria, was taken yesterday just before Austria's proposed plebiscite was "postponed." It shows one of the Schuschnigg propaganda trucks on a downtown Vienna street bearing the resigned chancellor's slogan: "Good Austrian Equals Good German." The picture was flown to London, radiophotographed to New York and Wirephotoed to Washington.

British Protest Hitler Coercion Against Austria

Note to Fuehrer Assails Force 'Incompatible With Independence.'

By the United Press.

London, March 11.—The British government tonight protested in the strongest terms to Reichsfuehrer Hitler against the use in the Austrian situation of "coercion backed by force to create a situation incompatible with Austria's national independence."

The British cabinet was summoned to meet in emergency session Saturday morning to discuss the Austrian situation. The foreign office announced: "On instructions from his majesty's government, the British Ambassador to Berlin, Sir Neville Henderson, in reference to the contents of the second German ultimatum, tonight registered a protest in the strongest terms against such use of coercion backed by force against an independent state in order to create a situation incompatible with its national independence."

"Such action, it was pointed out, is bound to produce the gravest reactions, whereof it is impossible to foretell the issue."

Germany's movement of troops across the Austrian border came today after a strong warning from Britain against German military action in Austria.

Usually reliable persons said the

Otto to France; Throne Bid Seen

Brussels (Saturday), March 12 (AP)—Archduke Otto, pretender to the Hapsburg throne of Austria, plans to leave immediately for Paris, it was learned today.

The revelation led to speculation as to whether Otto planned to make another bid for the throne to rally his followers against Nazification of Austria by Adolf Hitler.

Swiss Strengthen Guard at Frontier

Zurich, March 11 (AP)—Swiss frontier posts were reinforced tonight because of the possibility of an influx of anti-Nazi refugees from Austria or rioting along the border. A special company of troops was sent into caravans in the fortifications at Tauernstein on the frontier.

Schuschnigg Says Austria Bows to Force

Vienna, March 11 (AP)—Following is the text of Chancellor Schuschnigg's radio broadcast:

"Today we have been confronted with a difficult and decisive situation. I am authorized to report to the people on the events of the day."

"The German government presented the federal (Austrian) President with a time limit according to which he had to appoint as chancellor a candidate who would be proposed to him and appoint a government according to the dictates of the German Reich."

"I declare before the world, that reports which were spread in Austria that there have been more labor disputes, that

See FAREWELL, Page 2, Column 3.

Paris Helpless; Lacks Cabinet And Duce's Aid

Blum Faces Crisis at Home, Abroad; Rushes Attempt at Unity.

By the Associated Press.

Paris, March 11.—France, without a government and rebuffed by Italy on a proposal for joint efforts to save Austria's independence, stood helpless tonight as Nazi Germany proceeded to take power in Vienna.

Foreign office officials announced that the French and British Ambassadors in Berlin had made a joint protest to the German government over Nazi steps in Austria.

At the same time, Premier-Designate Blum, confronted with a threat to the peace of Europe, let it be known he was confident of forming a national union government of all parties from Communist to extreme right.

Blum hurried consultations with political leaders, striving quickly to rally support. Besides the critical situation in central Europe, he was confronted with a difficult financial problem and labor unrest at home.

Although the Peoples Front showed signs of cracking under the strain of events in Austria, its three main components—Socialists, Com-

See PARIS, Page 3, Column 5.

Rome Faces Break With Reich Before British Friendship Jells

Rome, March 11.—The turbulent situation in Austria put the Rome-Berlin axis under heavy strain tonight as Italy's Fascist grand council reconvened.

An official announcement acknowledged that Rome was in contact with Berlin, keeping close watch on the rapidly changing picture.

The ministry of popular culture, however, declared the contact merely was normal diplomatic intercourse. Its spokesman said Italy was exercising "every diplomatic reserve."

The arrival of German troops in Austria towered over other matters on the council's agenda.

Chancellor Quits in Face of Invasion Ultimatum After Yielding Twice on Independence Vote.

NEW LEADER ASKED FUEHRER TO SEND ARMY, KEEP ORDER

Swastika Flies Over Capital as Crowds Attack Jews, Storm Headquarters of Fatherland Front.

Hitler's Triumph, an editorial—Page 8. Map story of the European crisis—Page 14.

Vienna (Saturday), March 12.—Adolf Hitler—backed by the armed might of Germany—ruled Austria today.

Kurt Schuschnigg, the anti-Nazi chancellor, was out. He resigned in the face of a German ultimatum—an ultimatum that left Austria a choice of capitulation or invasion.

President Wilhelm Miklas appointed Arthur Seyss-Inquart, Austria's Nazi leader, as new chancellor.

German troops marched into Austria to reinforce the new National Socialist government. The troops crossed the frontier at three points—Salzburg, Kuffstein and Mittenwald. Early today they were reported at Linz, 40 miles from the German border.

The troops, numbering about 1,000 men, expected to reach the capital at noon (6 a. m., E. S. T.) They carried several pieces of light artillery.

They met no resistance. Austrian Nazis went wild. Unruly celebrations swept over the nation.

"Surrender or Be Invaded."

Armed conflict between the two German countries was perilously close during the hours preceding Austria's capitulation.

It was averted in the course of the following swift-moving developments:

Chancellor Hitler, angered by Schuschnigg's sudden announcement of a plebiscite Sunday on the question of Austrian independence, sent a demand that the plebiscite be secret.

Schuschnigg, after conferring with President Miklas, agreed.

Then Hitler sent a second demand. He wanted the plebiscite called off.

Again Schuschnigg complied.

Then came a German ultimatum that the Austrian government be reorganized immediately to put Hitler-picked men in control. The ultimatum—surrender or be invaded—was delivered to Schuschnigg by Josef Buerckel, sent to Vienna by Hitler. It was signed by Field Marshal Hermann Wilhelm Goering, Hitler's chief lieutenant.

German troops were concentrated at the Austrian border to support the demand.

Schuschnigg fought to the last. He ordered Austrian troops to danger points. He had his regular army of 70,000, but called out 100,000 reserves and 30,000 guardsmen to assist the defense.

But at the last minute he capitulated. Orders went out to the Austrian troops to fall back in case of invasion, to "prevent the shedding of blood."

Hitler had won.

"Heil Seyss-Inquart."

Swiftly Schuschnigg stepped out, and Seyss-Inquart took his place.

Immediately the Nazi leader formed a new cabinet. Its membership, all Nazis except two, follows:

Seyss-Inquart, chancellor and defense minister. Wilhelm Wolff, foreign affairs. Franz Hueber, justice. Hueber is a brother-in-law of Germany's No. 2 Nazi field marshal, Gen. Hermann Wilhelm Goering.

Oswald Menghin, education. Dr. Hugo Jurey, social welfare.

Rudolf Neumayer, finance. Anton Rheinthal, agriculture.

Hans Fitschboeck, commerce. Michael Skubl, secretary of state.

Ernst Kaltenbrunner, Skubl's assistant. Hubert Klausner, Nazis' political representative.

Edmund Glaise-Horstenaus was named vice chancellor. In eight hours Austria underwent a fantastic, bloodless revolution which converted it into a Nazi state.

Crowds shouting "Heil Seyss-Inquart" milled about the chancellery.

They demanded that he appear on the balcony.

See AUSTRIA, Page 3, Column 3.