

GREAT FIRE IN GERMAN REICHSTAG

ALLEGED CONFESSION BY A "RED" ASSEMBLY HALL COMPLETELY DESTROYED

ARREST ORDERED OF ALL COMMUNIST DEPUTIES

WHOLESALE RAIDS IN BERLIN THIS MORNING

FROM OUR OWN CORRESPONDENT

BERLIN, Monday Night.

The German Reichstag was deliberately set on fire in no fewer than twenty places to-night, and the great hall where the Deputies actually meet was completely destroyed.

Several arrests have been made. One man, stated to be a Dutch Communist, is reported to have confessed to the outrage and to starting a fire in the Imperial Palace.

All the seats of the Deputies and the galleries of the diplomats, Press and public were destroyed. The iron pillars supporting the great golden dome are twisted, and the whole structure has been endangered.

REMARKABLY SUDDEN OUTBREAK

I passed the Reichstag at 9.30 this evening. All was apparently normal.

Twenty minutes later I received an urgent call that flames were bursting from the dome, which is one of the famous landmarks of Berlin.

On my way to the fire I was passed by clanging fire engines converging from all parts of the capital, in answer to a general call.

Herr Hitler and Prince August Wilhelm, son of the ex-Kaiser, were two of the first to arrive at the Reichstag. They were quickly followed by Capt. Goehring, President of the Reichstag, and Herr von Papen. They all entered the building to watch the firemen trying to save the lobby and the library.

THRILLING SPECTACLE

Thousands Gather

The glowing reflection of the flames could be seen through the vast glazed cupola which surmounts the building, and within an exceedingly wide radius, and tens of thousands of people flocked from all over the city to witness the thrilling spectacle.

High ladders were run up and, illuminated by searchlights, firemen directed streams of water into the burning building. Hoses were also run through the numerous entrances into the building.

To prevent interference with the work of the fire brigades the police threw a cordon from the Brandenburg Gate through the Tiergarten to the banks of the Spree, thus cutting off a huge area round the burning building.

It is understood that several fires were started in the main Session Hall of the Reichstag, and others in private rooms, which are used by the deputies.

Oak Fanelled Hall

The main hall, in which the Deputies sit, is panelled throughout with oak, and the galleries running round it are also made of this wood.

Apparently, the incendiaries laid fires both in the body of the hall and in that part of the gallery which was formerly known as the Kaiser's lobby, and which has always served, chiefly for the accommodation of members of the Diplomatic Court.

The flames spread very rapidly through this mass of combustible material, and before long dense volumes of smoke, broken by tongues of flame, were pouring through the cupola, providing an awe-inspiring spectacle for the thousands of people assembled beyond the police cordons and on the other side of the River Spree.

FIREMEN'S DISCOVERIES

Rags Soaked in Petroleum

As 10.30 millions of sparks were being out through the broken windows of the cupola, and flying far and wide over the adjoining Tiergarten.

At that time it was generally believed by the spectators outside that the whole building was doomed. But the concentrated efforts of the firemen shortly afterwards began to make an impression on the flames.

The firemen were greatly aided in their task by the fact that the River Spree flows close to the Reichstag. They were thus able to command a plentiful supply of water.

Special precautions were taken to prevent the fire from spreading to the Reichstag library, which is a very extensive and contains many irreplaceable manuscripts bearing upon the formation of the German Empire in 1871, and the origin of the Weimar Constitution.

Before midnight the fire had been so far subdued that it was possible to admit

4 a.m. Edition HARD FIGHT BY AUSTRALIA

IRONMONGER FINDS THE BAD SPOT

LEYLAND SENT BACK FOR A DUCK

SUTCLIFFE LATE IN BATTING ORDER

5th Day of Match

ENGLAND—2nd Innings (continued.)

D. R. Jardine, c Richardson, b Ironmonger	24
R. E. S. Wyatt, not out	29
Leyland, b Ironmonger	0
Hammond, not out	11
Extras	6

LUNCH: For 2 wkts. 70
Scores at close of play yesterday: Australia, 435 and 182; England 454 and 11 for 0.
(Details on Page Seventeen.)

SYDNEY CRICKET GROUND.

Tuesday.
Whether the Australian spin bowlers would be able to exploit a patch at the Paddington end caused by Alexander's foot-marks, as Verity apparently did yesterday, gave the critics and the 2,000 spectators a good deal to speculate on when play in the fifth and final test was resumed here to-day.

The weather was cloudy and sultry when Jardine and Wyatt, who had scored 11 between them overnight, came out to continue England's innings. England wanted 153 more runs to win.

As a result of the hit on the left arm when he was struck by a ball from Larwood yesterday, Bradman was unable to field to-day, and Brimley, the twelfth man, took his place. Bradman could not lift the arm.

Larwood's foot was being massaged in the dressing-room, but it was stated that he would be able to bat if wanted.

IRONMONGER FINDS PATCH

Ironmonger deliberately searched for the patch and found it at once. Twice to Wyatt's discomfort the ball pruned dangerously.

England's first wicket fell at 43. Jardine attempted to drive a break ball from Ironmonger. He was baffled by the break and only edged the ball into the hands of Richardson at second slip. Jardine batted fifty-eight minutes for his 24.

Another effort for England. Without addition to the score Leyland was sent back for a "duck." After Lee, who relieved O'Reilly at 43, had bowled a maiden over, Ironmonger delivered a ball plumb on to the patch. Leyland tried to edge the ball to the off with his pads, but it cannoned off the back of his knee on to the wicket. Leyland was at the wicket for twelve minutes.

Sutcliffe was still being kept back. Jardine sent Hammond in next, presumably for the same reason as he promoted Leyland, to force the pace. —Reuter.

M.P.S DISCUSSION ON INDIA

WHITE PAPER ANXIETY

By Our Political Correspondent
Further evidence was afforded last night, at a meeting of the House of Commons of the Conservative India Committee, of the deep anxiety which is felt regarding the Government's proposals for Indian constitutional reform.

Mr. R. A. Butler, Under-Secretary for India, was present to hear the criticisms of members who considered that the Government should be acquainted with the feeling in the party before issuing the White Paper setting forth the scheme for Indian self-government.

It was urged at the meeting that once this document is published it is probable that it will be regarded in India as embodying the fixed policy of the British Government, and that the Joint Committee of the two Houses of Parliament will have difficulty in recommending any substantial modifications.

Questions addressed to Mr. Butler had relation to the franchise proposals, to the necessity of special safeguards for the maintenance of civil order, and to the paramount need of a constitution that subsequent provision should be made to ensure the continuance of good trade relations with India.

(Continued from preceding column)

hide themselves in some part of this enormous structure.
The Reichstag building and the Speaker's house are connected by an underground passage, which was formerly frequently used by Communist members of the Reichstag to escape arrest when their period of Parliamentary immunity from arrest had expired.

FIRE IN EX-KAISER'S PALACE

STARTED BY SAME MAN?

BERLIN, Monday.
A fire broke out in an attic of the former Imperial Palace here to-day, and was quickly subdued by the fire brigade before any damage had been done.

The police suspected arson, as burnt matches were found in the attic.
Van der Lubbe, the Dutch rascal, who is now being held in connection with the fire in the Reichstag building, is said to have added that he was also responsible for the outbreak of fire in the Imperial Palace. He refused, however, to give any reason for his acts.

The police declare that Van der Lubbe must have possessed exact information about conditions in the Reichstag building, as he was apparently aware that there was no watchman on duty between 8 p.m. and 10 p.m.

The Dutchman is believed to have had accomplices, and a number of Communist leaders have been arrested. It is officially argued that he acted in co-operation with Communist deputies, because he displayed such intimate knowledge of the geography

BANK CRISIS IN U.S. SPREADING

Lack of Confidence Starts a Run

RESIGNATION OF BIG FINANCIER

Mr. Ford Comes to the Rescue

FROM OUR OWN CORRESPONDENT NEW YORK, Monday.

The banking crisis is extending. The situation to-night is more serious, because the feeling of distrust and fear, which found expression in the inevitable whispering campaign now extends to every part of the country.

The main features of the situation to-night are:

1. A lack of confidence which is gradually extending.
 2. Slow but heavy runs on the banks in districts where hitherto there had been but few signs of public distrust.
 3. The resignation of Mr. Charles E. Mitchell, chairman of the National City Bank of New York, the second largest in the country, following the public exasperation aroused by the evidence which he and others have given before the Senate Committee investigating Wall Street activities.
 4. Mr. Henry Ford's action in assuming control of banking groups in Detroit.
- The closing of the banks in Michigan and Maryland with the object of stopping runs, and to afford time for reorganization has been followed in other States—Ohio and Indiana for example—by restrictions limiting the withdrawal of deposits to a small percentage of the net balances. In these cases a banking holiday may also be considered necessary.

NO PANIC MEASURES ADEQUATE

On the other hand, there is no evidence of panic, and cases where there are lines of depositors outside the banks waiting to withdraw money are very few.

It is held in responsible quarters that the measures taken and contemplated at Washington will restore public confidence. Moreover, the New York banks and financial institutions are in a strong position, with 50 per cent. of their assets liquid.

In Washington the banking situation overshadows the impending inauguration of Mr. Roosevelt, as President.



MR. JAMES H. PERKINS.

dent, The Reconstruction Finance Corporation, established by President Hoover with millions of dollars at its disposal for emergencies, met to-day to consider applications for assistance from many States.

Mr. Woodin, the new Secretary of the Treasury, conferred with the outgoing Secretary, Mr. Ogden Mills, following a long talk with Mr. Eugene Meyer, Chairman of the Federal Reserve Board, which held a long secret session yesterday. Mr. Woodin said: "We are going to act, not to talk." It is inferred from the statements made at Washington that the Federal Government is prepared to use all its available resources to strengthen the weakened links in the country's banks.

WELCOME RESIGNATION

There were many evidences to-day of national rejoicing when it was announced that Mr. Charles Mitchell had resigned the chairmanship of the National City Bank of New York. Mr. Mitchell's evidence before the Senate Investigating Committee related to practices which are legally permissible but are universally assailed as scandals of high finance.

To-day Mr. Mitchell is regarded as a symbol of frenzied operations, which have brought ruin and desolation to thousands of "investors." He is succeeded by Mr. James Perkins, a former vice-president of the National City Bank.

The resignation of Mr. Hugh Baker as president of the National City Co. is considered here as the logical sequel to that of Mr. Mitchell. The resignation of both men was accepted immediately by the boards responsible for their appointment.

Mr. Ford's assumption of a virtual dictatorship of Detroit's two great groups of national banks came after a week of vain and desperate effort on the part of the officials of the First National Bank and the Guardian National Bank to raise new capital for the reorganization of the closed institutions. The Reconstruction Finance Corporation had proffered a loan of \$15,000,000 with which to start anew on condition that the bankers raised \$1,600,000 independently.

Mr. Ford and his son Edsel were the only persons to whom the bankers could appeal. Mr. Ford's reply was that he and his son would join in the creation of new banks by putting up the money on condition that he was given absolute control.

Mr. Ford is no friend of financiers, and his old enemies exhausted made every effort to get funds elsewhere before they capitulated. His banks will open to-morrow and will honour withdrawals up to 30 per cent. of the deposits.

Other matters relating to the banking

INCOME-TAX ON CO-OP. TRADE

OFFICIAL INQUIRY PROPOSAL

EXPECTED ACTION

The report of the Committee appointed by Mr. Neville Chamberlain, Chancellor of the Exchequer, to inquire into the position of Co-operative Societies in relation to income-tax was issued last night.

The Committee recommend that: Co-operative societies should be charged to income-tax in respect of all trading, whether with members or with non-members, in accordance with the ordinary provisions applicable in the case of corporate bodies carrying on trade.

"Divi" (dividend paid to purchasers) should be treated as a trade expense, and The present statutory exemption granted by Section 39 (4) of the Income-tax Act, 1918, be withdrawn.

The Daily Telegraph Political Correspondent states that it is expected that the Chancellor will act upon the report and that the necessary amendments of the law will be effected in this year's Finance Bill.

£1,200,000 A YEAR MORE

It is estimated by the Board of Inland Revenue, state the committee, that if co-operative societies had been taxed on the basis now recommended they would have paid in the past two years the following additional sums in income-tax:

1931-2	£1,000,000
1932-3	£1,200,000

The Committee state that any estimates of probable future yield would require to take into account the possibility of societies deciding to increase the rate of "divi."

Co-operative Societies are now liable for income-tax in respect of land and buildings owned by them (Schedules A and B), but not under Schedules C and D, which between them cover:

- Trading profits,
- Income from Government Stocks, Debentures, mortgages, bank deposits, Shares on loans in other societies, and Stocks and shares in limited liability companies, &c.

MEMBER'S LIABILITY

The committee, in a concluding paragraph, state: "We have not overlooked the fact that if, under the general provisions of the Income-Tax Acts, which would be applicable if the recommendations were followed, tax were deducted at the source by the societies from interest paid, a certain degree of hardship to the recipients would be entailed, and the Revenue would be put to the expense of dealing with a very large number of repayment claims."

The Board of Inland Revenue observe in their evidence, however, that this difficulty could be completely met by a provision that co-operative societies (unlike companies) should make their distributions of interest without deduction of income-tax, the recipients being directly chargeable in accordance with their individual liabilities.

The committee recommend that such provision should be made.

DEFINITION OF "DIVI"

The Board of Inland Revenue stated in evidence that the "dividend" on purchases was not taxed as income in the hands of the recipients, the distribution being regarded as, in effect, a reduction in the price of the goods purchased corresponding to a trade discount. The Committee accept this definition of "divi."

The sums paid out by societies as dividends or interest on shares and interest on loans and deposits are taxable by reference to the personal income-tax liability of the investor.

The report is signed by Mr. W. N. Raeburn, K.C. (chairman), Sir Geoffrey Corbett (chairman of the Food Council), and Mr. H. L. B. Hill (Institute of Chartered Accountants).

RUGBY PLAYER DEAD

A. T. YOUNG VICTIM OF INFLUENZA

The death occurred during the week-end at Bareilly, India, of Lt. A. T. Young, the famous England Rugby footballer. He played for his country eighteen times between 1924 and 1929. The cause of death was bronchial pneumonia following influenza.

Lt. Young, who was in his 32nd year, was a native of Bexhill. He was educated at Tonbridge School and Caus College, Cambridge, and was then gazetted to the Royal Tank Corps. After serving in India for two years was home on leave last summer. He returned in October to take up an appointment as A.D.C. to Gen. Sir Norman MacMullen, G.O.C., Eastern Command, India. He gained his Blue as a Freshman at Cambridge, and afterwards captained the fifteen.

Further references to Lt. Young's Rugby football career will be found on Page Seventeen.

AMAZING AIR ESCAPE

ADVENTURE OF LORD M. DOUGLAS-HAMILTON

The Duchess of Hamilton, presiding last night at a Highland dinner at the Lyceum Club, described an amazing air-escape which her son, Lord Malcolm Douglas-Hamilton, had in the R.A.F.

While on manoeuvres he received instructions to close in on his superior officer's machine. He did so and was sucked into the current of the machine in front. The next thing he knew was that the bottom had been stripped from his machine. There was nothing but death, and he could see the ground below.

He had the presence of mind to jump and release a parachute, and reached the ground safely.

MADAME LUPESCU

BUCHAREST, Monday.
The report that Mme. Lupescu, King Carol's friend, had given birth to a son is without foundation.

Mme. Lupescu is living quietly in her villa in one of the select residential quarters of Bucharest, where many members of the British and American colony reside. She may be seen come in and out of her home

NO BRITISH FAR

SIR JOHN SIMON

MOMENTUM

SWIFT JAPAN

EARLY END TO FO

A "bold decision"

regarded by Sir John

in the House of Com

If the supply of a

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Japan, say the Chinese,

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JAPAN'S JEHOI SUC

Our Special Repres

published below, record

the Japanese troops in

He says there have

are quickly retreating,

Japanese are expected t

main points of their ob

RAPID RETREAT

CHINESE

JAPANESE ADVANC

ON JEHOI CITY

From G. W. GORMAN

"Daily Telegraph" Special Represe

DAIREN, Manch

The general opinion here se

be that if the weather improv

chief points in the Province of

will be occupied by the Jap

within a week.

Forty thousand Japanese

Manchurian troops are pr

slowly onwards towards their

tive, Jehoi city, and the only

resistance they are encounter

a fierce snowstorm, which is s

ing over the whole of the province.

No major battles have

fought, and in the first thre

of the campaign it is reporte

the casualties were negligib

Japanese aeroplanes signal

large bodies of Chinese are r

retreating along the main

towards Pingcheuan, Chin

Chihfeng, Tienshan, and Jehoi

BROKEN CHINESE FORC

Instructions have been issu

Japanese detachments not to hur

advance, but to permit the Chin

withdraw through the passes to

North China. The main Japanese

occupy a line from Kaiju through

yang to Chumenkou. From thes

solidated positions columns are p

ing towards Pingcheuan, Tienshan

Suitung. The Peipiao railway has

completely occupied.

Air reconnaissance discloses the

Chinese forces are in a disconnect

—12,000 troops are at Lopei, 6,000

of Kaiju, 3,000 south-west of Tu

and 6,000 in the neighbourhood of

aerodrome, while 29,000 are distr

on the roads between Chuoyan

Jehoi.

Twelve Chinese planes appeared

the Japanese lines, but did not dr

bombs.

NEGOTIATION RUMOUR

Gen. Muto, the Japanese comman

Manchuria, to-day said that the

campaign was in no way concern

North China.

Sensational rumours are cur

Changchun and Mukden that Gen. S

warning is also interpreted as a p

to the North China Government to

direct negotiations with Japan to

clude a peace settlement, which

automatically remove the issue fro

League. Overtures from impe

Peking envoys are believed to be

pending on this point.

Royalists here declare that agen

Peking and Tientsin anticipate th

tary groups here would plan to

throw Chung Hsiao-liang when disc

occur following the arrival of retr

Jehoi troops, and then invite Mr. P

the chief executive of Manchuria

return.