

News Review of Current Events

FLEET STALKS 'PIRATES'

Britain, France Will Patrol Mediterranean for 'Subs' ... Japs Advance as Chinese Start Tactical Retreat

Edward W. Pickard
SUMMARIZES THE WORLD'S WEEK
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Showdown on 'Sub' Piracy

GREAT BRITAIN and France were massing the greatest destroyer fleet ever operated in the Mediterranean sea, to police it and safeguard neutral shipping from attacks by "pirate" submarines, as a result of the agreement signed by nine powers at Nyon, near Geneva. The powers signatory to the pact also included Greece, Jugoslavia, Turkey, Rumania, Bulgaria, Egypt and Russia.

Italy and Germany had refused to attend the conference when Russia publicly accused Italy of operating the "pirate" submarines which sank two Russian ships, and threatened reprisals if Italy did not pay indemnity.

The principal provisions of the agreement, which Germany and Italy were invited to join, were:

1. Mediterranean shipping will be restricted to the regular ship lanes, which will be patrolled by French and British warships, in both the eastern and western stretches. If Italy agreed, she was to be allowed to patrol the Tyrrhenian sea.
2. Patrolling navies will attack and attempt to destroy any submarine which attacks merchant ships other than Spanish, without first giving passengers and crew opportunity to leave in lifeboats, as outlined in the 1936 London naval treaty.
3. Signatories expressly declare that they do not concede belligerent rights to either party in Spain.
4. Patrol ships arriving on the scene of an attack too late to prevent it will be authorized to attack any submarine in the vicinity, provided they are satisfied it is the guilty one.
5. These measures will be executed by the British and French fleets anywhere in the Mediterranean with the exception of the Adriatic. Eastern powers will protect neutral shipping in their territorial waters.
6. Signatories agree not to let any of their own submarines put to sea in the Mediterranean unless accompanied by a surface vessel, except in certain "exercise" zones.
7. Signatories will not permit foreign submarines in their waters unless in urgent distress or on the surface and accompanied.

It was plain that delegates knew that explosions might occur in half a dozen European capitals if their pact did not get into operation before there were any further attacks on shipping. They were embarrassed in conference by the Russian foreign commissar, Maxim Litvinoff, who insisted on naming Italy as the "pirate." Russia at first refused to sign, on the grounds that the second provision was no protection at all, merely requiring submarine commanders to be "gentlemanly" before sinking ships, and that it implied recognition of both Spanish parties as belligerents. Britain's Anthony Eden was reported to have convinced the signatory powers that it would be impossible for a submarine to sink a ship under those conditions.

China's German Strategy

JAPAN'S long-awaited "big push" in China was believed definitely "on" as the Japanese assumed virtual control of North Hopei, and made important thrusts into the Chinese lines at Shanghai, after the most terrible fighting of a month of undeclared warfare.

At about the same time, the Chi-



HANDS ACROSS EUROPE

Jointly refusing to attend the anti-"piracy" conference, Hitler (left) and Mussolini once more show the complete accord of the two Fascist governments.

nese, heading at last the advice of German officers generally conceded the "brains" of the central army, began a strategic retreat to the "third area of defense" mapped out by these same officers after the Shanghai conflict of 1932, which was conducted under identical conditions.

Included in the Japanese drive to break the 20-mile Chinese line from the Woosung forts to Liuhoo were more bombings and shelling of the heavily populated Chinese districts of Nantao, Chapei and Lunghwa, with women and children accounting for most of the enormous casualty list.

The Japanese conquest of North Hopei appeared to have been clinched with smashing victories at Machang and Tsingsien. Tsingsien is 40 miles south of Tientsin and only 16 miles from Tsangchow, where the principal Chinese defenses of the area are located. From Tsangchow to Paotingfu there exists a strong, unbroken Chinese line which includes the finest Chinese war equipment and the country's heaviest artillery.

Apparently the Chinese plan of retreat was to withdraw defending troops from the range of Japanese naval guns in the Whangpoo and Yangtze rivers. The Chinese were reluctant to leave positions which they claimed had been held against the Japanese invasion, but the German advisers finally won them over to the theory that these positions had been held at a cost far out of proportion to their importance.

Japan has depended largely upon the naval guns for most of her artillery shelling and, attacking farther back from the river, will lose that advantage. The presence of Japanese warships was an important factor in the heavy Chinese casualty list, which totaled 20,000 killed and 30,000 wounded. The invaders lost 10,000 men killed and an unestimated number wounded.

The first strategic stage of the Chinese fighting in Shanghai—as planned by the German officers—was to slow down and harass the landing of Japanese reinforcements; the second, to divide the Japanese lines, and the third, to deprive the Japanese of the use of their naval guns.

Realizing what is going on, the Japanese command has ordered rapid advance no matter what the cost, in an effort to change an orderly retreat into a complete rout. As a result, the Japanese for the time being are the heavy losers in men, rather than the Chinese. The latter have been covering their maneuver well, leaving land mines in

their wake which have blown whole Japanese units to bits, and continuing to throw a curtain of artillery fire in front of the invaders. The city of Shanghai is a mass of fires and ruin such as no one has ever seen there before.

'Keep Us Out of War'

PRESIDENT ROOSEVELT, anxious over conditions in Europe and the Far East, cut his vacation short and returned to Washington to discuss developments with his cabinet. After discussing the situation with Norman H. Davis, his European ambassador-at-large, and Bernard M. Baruch, and getting reports from the State department, he was said to be convinced that there was a real possibility of implication of the United States in a foreign war. Baruch called Europe a tinder box, ready to explode at any time.

In an address before an outdoor meeting of Dutchess county (N. Y.) citizens President Roosevelt had said, "World conditions are pretty serious. I am glad to say . . . that we are going to do everything we can in the United States—not only the people of the United States but the government of the United States—to keep us out of war." He added that "it will take a lot of planning to keep us out of war."

\$300,000,000 in New Money

SECRETARY OF THE TREASURY MORGENTHAU has agreed to issue \$300,000,000 in cash against an equal amount of the treasury's "sterilized" gold. The move was believed to have been made because of recent weakness in the market for government bonds and a 16 per cent decline in the stock market over a period of about four weeks.



Secretary Morgenthau

In addition, the open market committee of the federal reserve board announced that it had authorized the twelve federal reserve banks to buy additional amounts of short term government securities.

In some quarters, the treasury's move was interpreted as an about face by the administration, reversing its year-old policy of trying to prevent an untimely inflation.

16,098,000-Bale Cotton Crop

THE fifth largest cotton crop yield in the nation's history was forecast by the Department of Agriculture, which estimated a 1937 crop of 16,098,000 bales. The cotton crop September 1 was 75 per cent of normal, indicating an average yield per acre of 228.5 pounds.

Yanks in Far East 'Kick'

AMERICANS in Shanghai, constantly in danger of their lives, cabled Washington, demanding the protection of United States ships. The American Chamber of Commerce in the war-torn city asked Secretary of State Hull for immediate clarification of the State department's stand. Some of them were bitter toward President Roosevelt, who, from his yacht, had told newspaper men that Americans in the war zone would remain there at their own risk. No deadline for evacuation had yet been set, and when rumors spread that the United States flagship Augusta was making ready to leave Yangtze waters, panic spread among the Yanks in Shanghai.

Many business men, with lifetime savings invested there vigorously urged the President to adopt "a foreign policy with a strong front and keep the American flag waving." One veteran Yank resident circulated a petition demanding that the President "get off his yacht, get on his feet and get some guts above them."

American missionaries and business men protested that the United States' position in the Far East was largely the result of their life's work, and insisted on a more steadfast attitude to keep the American

stake in China. The State department replied that there was a broad distinction between getting out of the line of fire and relinquishing privileges established over the years. Vice consuls in many Chinese ports were ordered to leave their posts.

Nazis Too Busy to Fight

ADOLF HITLER, German dictator, struck what might have been a cheerful note, in conference with foreign government representatives at the Nazi rally in Nuremberg, when he declared that Germany is too busy to become involved in any war. He said that the plans which he and other Nazi leaders have for the country would take from 20 to 40 years to complete, and that war might be disastrous to them.

The Reichsfuehrer reiterated his belief that Germany's colonies must be returned to her, to furnish a market for her goods. He implied that Great Britain need have no fear of the Nazis maintaining naval bases in colonies, for the expense of that would offset the economic advantage created by them.

Headache for the League

AT GENEVA, the Chinese delegation framed an appeal against Japanese invasion, to be presented to the League of Nations. The appeal, which urged peace-loving members and non-members to join in action against the "aggression," invoked Article 17 of the League covenant, which would invite Japan to sit in on the council of reply. If the accused nation refuses the invitation sanctions may be applied against it. Japan has definitely indicated she intends to reject any such invitation.

The Chinese statement charged that since mid-August Japan has thrown 60,000 troops into the Woosung-Shanghai area.

"The intention of Japan . . . cannot otherwise be interpreted than to dominate Shanghai . . . and to attack Nanking, the capital," the statement said. It also declared that the Japanese blockade of the entire Chinese coast was illegal.

Hitler: 'Stand by Japan'

ADOLF HITLER, in a manifesto to the German nation, offered to stand by both Italy and Japan in a "defensive fight against bolshevism." He charged that the "two major wars" now going on (the Sino-Japanese and the Spanish civil wars) were the result of "attempts to spread communism."

The Reichsfuehrer's speech was read to the Nazi party congress in Nuremberg while he sat on the platform. It could not have been better timed in view of the current friction between Italy and Soviet Russia over submarine piracy in the Mediterranean.

Germany and Italy's "community of interests" have emerged in recent months, he said, "more and more an element in the defense of Europe against chaotic imbecility." His manifesto continued: "Our

(anti-communistic) agreement with Japan serves the same fundamental mission—to stand together in defense of world civilization."

McGrady Quits Labor Post

EDWARD F. McGRADY, assistant secretary of labor, and chief strike trouble shooter of Mme. Frances Perkins' department, resigned to devote his talents to radio. He left his \$9,000-a-year job to take the post of executive vice president in charge of industrial relations with the Radio Corporation of America, at a salary variously estimated at from \$15,000 to \$50,000.

In a letter to McGrady, President Roosevelt expressed "deep regret," and added, "Your efforts to maintain harmonious labor relations have always been in the public interest and in fairness to workers and management."

McGrady had been one of the federal mediators who failed to achieve a settlement of the C. I. O. strike against "Little Steel." In his new position, his services will be available to the government upon call, it was reported.

Story of Govett's Leap Explodes an Old Legend

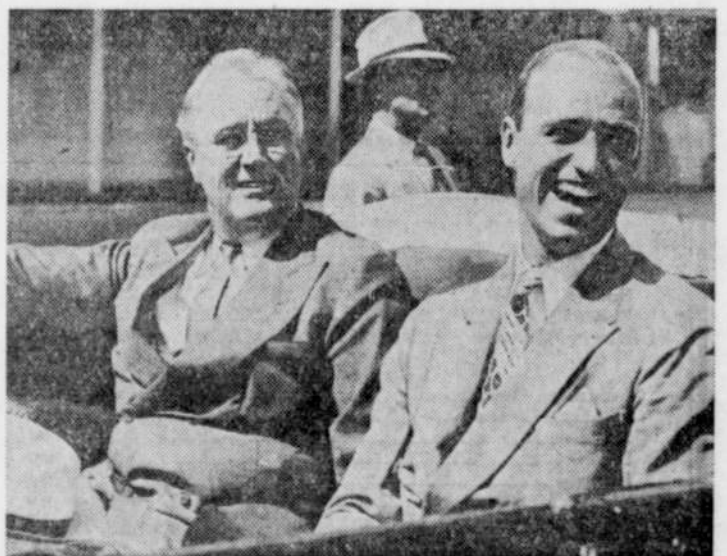
Another gem of Australian legendary lore was exploded with the true story of how Govett's Leap received its name, says a writer in the New York Herald Tribune.

William Romaine Govett was supposed to be a bushranger of the Sixties who roamed the hills and valleys, murdered police and trackers in the bush, plundered on the highways and robbed banks and taverns in the townships. His career supposedly ended when he was cornered near the falls by the police, and, preferring death to surrender, he jumped over the falls.

But that is not the true story. Govett joined the surveying staff in New South Wales under the surveyor general in 1827. He surveyed much of the wild terrain lying between the Grose and the junction of the Capertee and Colo rivers, and from Springwood to Mount York.

While he was attached to a working party in the Blue mountains he jumped across one of the ravines or chasms. When he related his experience to Sir Thomas Mitchell he was complimented on his pluck and told that the spot would be called Govett's Leap. After serving several years on the surveyor general's staff Govett returned to England, where he died in 1848.

Popular imagination readily takes in a tale so full of spirit and adventure as that woven around Govett's Leap, and so the bushranger epic was evolved. A visitor to the falls is struck by the wild beauty of the place. Situated near Blackheath on the saddle of the Kanimba and Grose valleys, the falls are in rough and barren country surrounded by a rugged tangle of gorges, ridges and unfathomable chasms, with precipitous and craggy sides in every direction.



Back from yachting trip, the President, shown with son James, seems cheerful enough despite troubles of Yanks in Far East.