

Current Events

January

February

March



# WHY THE RUSSIAN ARMY HAS BOGGED IN FINLAND

## Spirited Resistance Is Merely One of Several Factors to Which Soviet Failure Can Be Charged

By HAROLD DENNY

Wireless to THE NEW YORK TIMES

HELSINKI, Finland, Jan. 6.—It is now a little more than a month since Soviet Russia invaded Finland and this model capital saw Soviet planes fly overhead and drop bombs on its streets and houses. Undoubtedly Joseph Stalin's design was for a "Blitzkrieg," in Russian "molnyennoy voyna." It has not turned out to be one. In more than a month of fighting, in which Stalin has sacrificed many thousands of Russians, the Red Colossus, with a population of 180,000,000 persons and an area of one-sixth the land area of the globe, has only damaged the borders of this small country of fewer than 4,000,000.

The Russians have advanced a few miles on the Karelian isthmus and they are held back below Viipuri (Viborg). Fighting is going on every day on the isthmian front, but to the best of our knowledge here there has only been a loss of men and equipment for the Russians. They have made incursions into the Far North, but these have brought no important military advantage and their offensive there seems to have been frozen up by the intense cold. On the "waist of Finland," they have just taken one of the severest beatings in history and hardly can attack there seriously again for some time. Further south, but north of Lake Ladoga, the Finns have carried the war into Soviet territory.

### Finnish Fighters Tired

The Russians are doing badly in comparison with what might have been expected—and the Finns are doing astoundingly well. But though one finds an air of supreme confidence in all ranks of the Finnish Army, the country is still in deadly danger.

Front-line Finnish officers and men consider that on the basis of performance thus far a Finn is worth ten Russians and they estimate, probably with exaggeration, that casualties have been in the ratio of twenty Russians to one Finn. But if it is a heroic army which still faces the Soviet troops across the frozen wastes in these Arctic and sub-Arctic regions, it is also a tired army. Most of all, the Finns need men for relief.

The bulk of the Finnish troops have been in the line for a month. There are units which have been on active service for thirty days without relief—under great hardship and with little sleep. Yet the Finnish leaders simply cannot let this front-line personnel go back to civilized comfort for a rest; its numbers are too few. They are pro-

yet it has, and thus far in every essential element it has met defeat.

What are the reasons for this defeat? One, of course, is the Finns' unexpected power of resistance. Another is the fantastically chaotic distribution system of the Soviet regime. Another is the childish Soviet reverence for anything mechanical. Another is the devastating effect of the 1937 purge in the Red Army and of the whole Soviet structure—in other words, a present shortage of brains.

### Changes in the Army

To pick up these last words, the Red Army purge destroyed the whole operation of the Red Army command, headed by Marshal Tukhashevsky, Vice Commissar of Defense, and destroyed 80 per cent if not more of all officers. At the same time the army was brought under Stalin's direct political control by reintroduction of the army commissar system, which put troop commanders at the mercy of party men who if not actually members of the GPU were certainly charged with the same business.

In August, last, the condition of the Russian civil population—in peacetime—was that of the civil population of a defeated country at the end of a long and exhausting war. And a month later, when the Red Army was mobilized for entry into dying Poland, the already ordinary food supply in Moscow went almost to pieces.

If it was a problem to supply the ordinary needs of the people even in peacetime, it seems evident that the country must be having a fearful time supplying an army abroad, even so close to home as Finland.

This problem of supply, and the fear that Finland's tiny air force might bomb Leningrad if the Soviet planes again bombed Helsinki, probably explain why Soviet fliers did not come over and bomb the Finnish capital en masse. The Soviet has always had an important shortage of high-grade gasoline for planes, and the Red Army must use its precious gasoline sparingly.

### Tanks Halted

As for the tanks, they appeared so invincible in the Moscow Red Square and the Russians themselves thought they were. Yet they now seem thoroughly vulnerable to any enemy who is willing to stand his ground. The Finnish fronts are littered with these modern juggernauts, and to open the door of one of them is to encounter grinning skeletons of the crew burned to death.

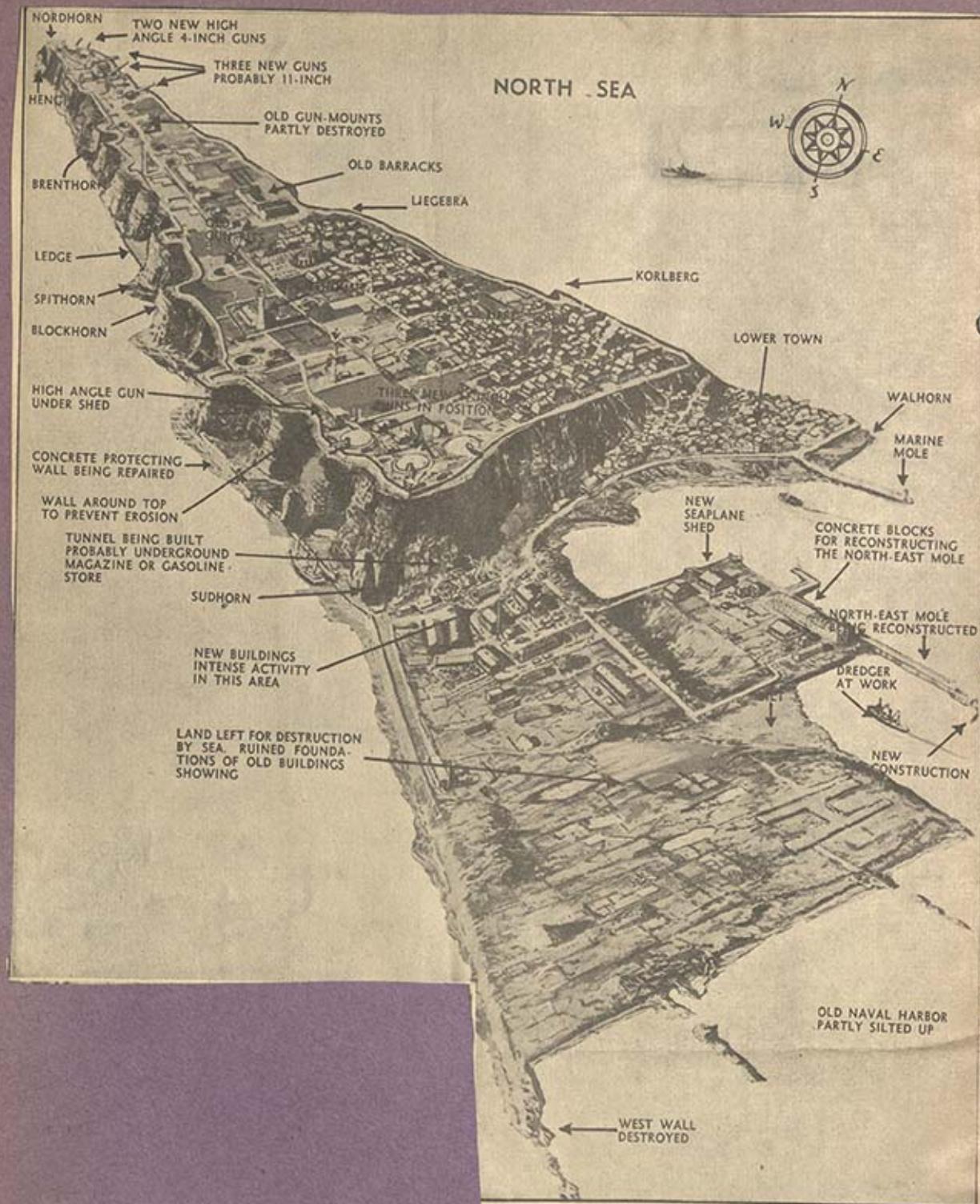
There can be little doubt that Stalin much underrated the Finns

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### Legacy to His Party

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HELIGOLAND, a triangular strip of strongly fortified territory off Germany's coast, once was a British possession. Germany now uses it as a naval and seaplane base.



January 1940

# RUMANIA WEIGHS HER MIGHT

## 800,000 Men Kept Under Arms as Nation Watches Russia—Minorities a Worry

By C. L. SULZBERGER

By Telephone to THE NEW YORK TIMES.  
BELGRADE, Yugoslavia, Jan. 6.—The great question in the Balkans these days is whether Russia can be kept out. Some think that Finland will absorb all Soviet expansionist aspirations for quite a time. Others believe that Germany's desire to keep peace in Southeastern Europe in order to secure supply bases and transportation links to the Russian storehouse will keep Moscow restrained.

If the Kremlin upsets these theories, the blow is most likely to come either against Turkey or Rumania. In either case, it is suspected that attempts will be made to employ Bulgaria as a tool. At the moment Turkey, which is sending eight new divisions to the East through regions devastated by earthquakes, appears to be more worried than Rumania. That does not mean that the latter country—the most valuable supply source in this part of the world—has forsaken anxiety.

Rumania, at least for the present, has resolved not to give an inch if Russia imposes demands for the return of Bessarabia. This adamant stand means she will have to fight if Moscow ever raises the issue. In this eventuality, the natural

immediate comparison one would make would be with Finland.

Rumania with almost 20,000,000 inhabitants is somewhat more than five times as large as Finland, but it has neither the strategic geographic position nor the popular unity of the Scandinavian country. Therefore, any comparison is not valid and the Rumanian military position must be analyzed from a fresh start.

### Might Mobilize 2,000,000

It is obvious from the dispositions of the Rumanian Army today that the General Staff believes Russia would not limit any territorial demands to Bessarabia proper. Rumania has 800,000 men under arms and at the maximum could possibly mobilize 2,000,000.

Four divisions—three of infantry and one of cavalry—are stationed in Bessarabia now. Recently, three divisions were moved west of the Pruth River. Six or seven divisions are stationed in Transylvania to face the possibility of a

Hungarian attack or to hold off any German menace through Hungary or Eastern Slovakia or Russian Poland until reinforcements could be brought up. Six divisions of infantry and one of cavalry are based near the Bulgarian frontier.

This means sixteen infantry divisions and two cavalry divisions—comprising virtually the entire remainder of the mobilized forces—centered in the vicinity of Bukovina, principally at Cernauti. It is feared that, if Russia ever attacks, she will seek to penetrate through here and push down between the Carpathians and the Pruth River. Germany might almost parallel this route in an effort to race for the oil fields, which lie just off the eastern slopes of the Carpathians.

### Diverse Equipment

Compared with the great powers' standards, Rumania is not strong. About 300 airplanes could be put into military use and Rumania has between 1,000 and 1,200 pilots. Both Germany and Britain have been sending new airplanes recently. Germany is also sending anti-tank guns in exchange for oil and grain.

As in most small lands, there is a problem of diverse equipment in Rumania. In some regiments there are former Czech machine guns and rifles; in others there are French types. Five models of small armed rifles are in use—former Austrian, former Czech, German, French and Hungarian. Both the diversity and relative scarcity of material could make for technical difficulties in case of war.

Strategically, Rumania is not well placed. First of all, she has enemies or potential enemies on about 80 per cent of her frontier, although the borders are the same as those of Trajan's Dacian Province eighteen centuries ago.

Rumania's army has had a somewhat bad reputation during recent decades. King Carol has sought to alter this and has reshuffled the general staff. There is little doubt that at times graft hampered the equipping of soldiers. King Carol is trying to clean up this sort of thing.

Rumania's August manoeuvres were not overaus successful. The men were anxious to report, but had not been sufficiently instructed, and there was insufficient food for personnel and for horses. These deficiencies are being corrected.

### Fighting Capabilities

However, it is wrong to assume, as some enemies of Rumania do, that the army would not make a good showing if well led. A German force under General von Mackensen was badly riddled by Rumanian troops during the last war at Marashesti.

No one can predict how the population will react in case of war. Rumania is a State containing an enormous number of minorities. There has been much secret activity to try to coalesce these behind their parent nations, but Carol has countered by uniting the entire country in a National Rebirth Front.

Against Communist Russia, it is possible that previous differences would be forgotten to make a common stand.

One final thing in the strategic picture is the question of allies. Britain and France have decided to send a fleet into the Black Sea in case Rumania is attacked. It is presumed that Turkey and her ally, Greece, would aid Rumania. What Yugoslavia would do will depend on events—largely diplomatic. The Hungarians' revisionist ambition could be restrained by Italy if Rome desired.

### Trouble in Eire

Dublin's heavily guarded Leinster House the Dail Eireann (Parliament of Ireland) last week conferred on President de Valera power to intern, without trial, any person "whose liberty may be a menace to public safety."

The measure was aimed at the outlawed Irish Republican Army, which cherishes the same political goal as Mr. de Valera—union of Eire and Northern Ireland under a government independent of Britain. Tall, thin Mr. de Valera would employ peaceful means of persuasion; the I. R. A. would use force.

From the World War down to 1922, when the Irish Free State was established, the I. R. A. fought the British with fierce guerrilla tactics. The "troubles" were spread by bomb and torch and shots from ambush. After the creation of the Free State, the I. R. A., though banned, was kept alive by extremists dedicated to bringing Ulster within Eire's boundaries.

### I. R. A. Bombings

Early in 1939 bombings in England were laid to the I. R. A. after it proclaimed a "supreme effort" to drive all British officials from Irish soil. Outbreaks occurred in both Ulster and Eire. In Londonderry, in Northern Ireland, sixty Republican prisoners set fire to their jail. In Dublin a small band made off with 1,000,000 rounds of ammunition from the arsenal in green Phoenix Park. Recently there have been reports that the I. R. A. would attempt a coup—perhaps in Ulster, perhaps in Eire—to attain its objective.

Before the Dail, government spokesmen pictured the I. R. A. as an international organization "with a war chest full of United States dollars." Throughout Eire, said Minister of Justice Gerald Boland, there were I. R. A. classes for instruction in bomb-making. Police were said to have interrupted one such class while the teacher was giving a demonstration on a blackboard. A Dail member observed sadly, "I believe the ultimate end of I. R. A. activities must be assassination. . . . God knows how many of us may be victims of that campaign."



# ALLIES WATCH FAR-FLUNG ARC

From Finland Through Europe to India They See Many Areas Under a Possible Threat

By HAROLD CALLENDER

Wireless to THE NEW YORK TIMES.

LONDON, Jan. 6.—The Allies, while they prepare to assist the Finns with airplanes and munitions, are keeping an eye on other sectors of the European struggle. Many observers here express the view that Adolf Hitler and Joseph Stalin are partners advancing together, however divergent may be their ultimate aim, and however incomplete their confidence in each other. They assume that Russian conquest of Finland would cause immediate extension of German influence over Sweden. They assume that a successful joint advance in the Baltic might be followed by aggressive collaboration in the Balkans or Asia or in both of them together.

Thus, as they put it, the region of possible offensives forms a vast arc beginning at the northernmost tip of Europe on the Arctic and extending along the North Sea coast to take in the Netherlands and Belgium, then France and Switzerland and then Hungary, Rumania and Bulgaria, whence the arc passes into Asia, continuing as far as the Caucasus and perhaps to India. Anywhere along this arc, it is held, the Nazis or the Bolsheviks or the two together might try to break through the ring of neutrals or enemies in order to seize valuable raw materials—Swedish iron ore, for instance, or Rumanian or Mosul or Persian oil—or, in the case of the Netherlands, to make a direct attack on Great Britain.

## More Wars Ahead?

Neutrals all along this so-called danger belt from Finland to Iran are anxious or alarmed, but their fear of Russia is somewhat diminished by her setback in Finland.

There are now two wars with three fronts: In Finland, in the North Sea and along the Maginot Line. But the future may see more wars, or a greater single war with more fronts. If the Germans are unable to break the Maginot Line or unwilling to make the human sacrifice necessary to attempt it, it is believed here that they may try a flanking move in the Netherlands or Switzerland or Sweden or the Balkans. The view is set out also that Hitler and Stalin might partition the Baltic or the Southeast as they partitioned Poland. Hitler might like to have a go at Rumania while Stalin struck at Britain through Iran—if Stalin thought that a fair division. The

Voelkischer Beobachter some time ago suggested a Russian venture in the Middle East on the Alexandrian model, though Moscow showed no enthusiasm for it.

The Western Allies, as observers here see it, must be prepared for any of these thrusts or for a double thrust. Actually they are on guard not only in the North Sea and France but also in the Balkans and the Near East. The British have forces in Palestine and also in Egypt, to which Indian troops have been sent, while they have air bases in the Eastern Mediterranean and the Persian Gulf. The French have reinforced their Syrian force by troops from North Africa.

## Change Since Last War

The last war spread to this region, with Turkey joining Germany and the British trying to force the Dardanelles. This time Turkey has a mutual-assistance agreement with Great Britain and France and guards the Dardanelles as a potential belligerent on the Anglo-French side. This fact alters the whole situation in the Near East, inclining the Arab world, while intent upon its own interests, to lean toward the Allies rather than Germany or Russia.

But Turkey has been neutral so far. There is as yet no Eastern Front. Such a front might appear if Rumania were threatened by Germany or Russia or if, as some think possible, Russia should move from the Caucasus toward the Mosul oil fields or by way of Iran or Afghanistan toward India. Any aggression in the Balkans would alarm Italy and possibly shake her neutrality, for she claims a voice in that peninsula. A Russian move into Iran or Iraq would arouse Turkey, though she is not committed to assist either of these eastern neighbors and it is not regarded as certain that she would.

Indeed, Turkey has already been aroused by the invasion of Finland, for she sees it as a rebirth of that Russian imperialism which the Turks fought for centuries. That imperialism might again be manifested in the Near East, but Turkey would also be alarmed by a German or Russian move in the Balkans or in the Middle East. She is the master of fortified Straits, has a well-trained army of some twenty divisions and could count upon British naval and aerial assistance if the Allies sought to resist Germany or Russia at the mouth of the Danube or if the Allies and Turkey should resist Russia on the Iranian or Iraqi frontier.

## IN THE NEAR EAST



General Maxime Weygand, one of France's military leaders.

is said to have 100,000 men under arms.

Iraq, an ally of Great Britain, has broken off relations with Germany. But like her Eastern neighbor she could be defended only with Allied help. Such help would be forthcoming, since the oil fields of Mosul and Iran are important British interests. The British profess not to fear an attack here while Russia is involved in Finland.

## Defense of India

As for a Russian move against India via Iran or Afghanistan, the Khyber Pass is a big hole but the Indian frontier is well defended and the Russians to attack it would have to operate far from their bases.

The economic aspects of a possible Eastern Front may be summed up by saying that Northern Iran has long been dependent upon the Russian market, while Turkey has been accustomed to selling to Germany fruits, nuts and tobacco, which Great Britain so far has been unable to buy. To stiffen this front, and the Balkan front, thus requires economic as well as military backing from the West.

Great Britain and the Soviet Union are not at war and could not readily get at each other if they were to fight, as some British urge. But the British regard Russia as a virtual ally of Hitler; hence, as they scan the danger belt around Europe and part of Asia, they reckon with at least the possibility of open conflict not only with Hitler but also with the Soviet.

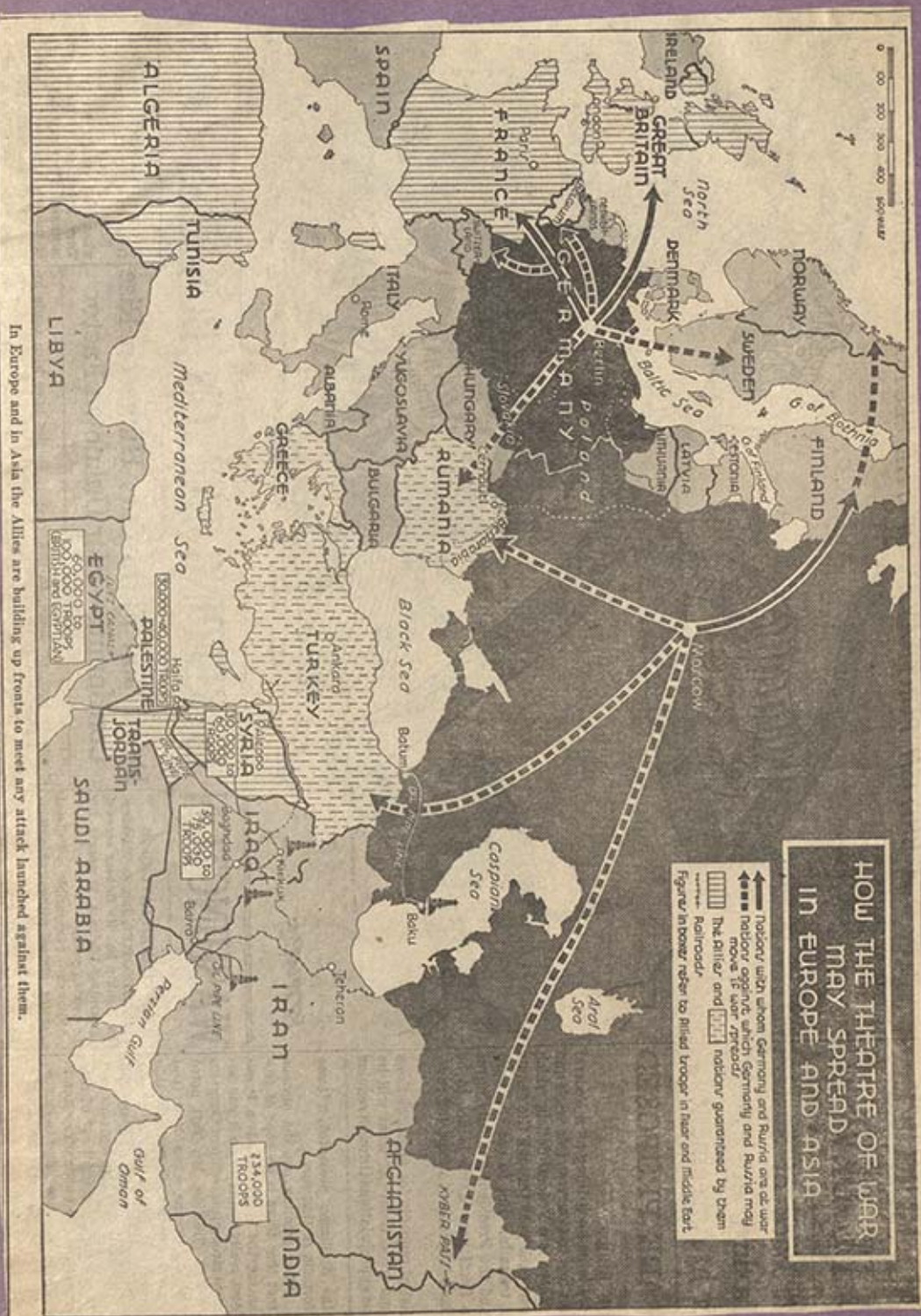
## Russia and Iran

This Caucasian frontier is mountainous, with broad passes and one important road. The Russians are used to crossing it, for the north of Iran, or Persia, was a Russian sphere of influence before 1914.

The Iranians, on their side, are used to looking upon Russia with suspicion, since Czarist Russia coveted their country and restricted its independence. They fear that Bolshevik Russia might covet the Iranian and Iraqi oil fields. Relations between Iran and Russia have long been strained. The Transiranian Railway from the Persian Gulf to the Caspian Sea was designed as a bulwark of Iranian independence. If Iran were attacked this railway could transport British or Indian troops northward from the Persian Gulf. If Turkey joined in the defense of Iran, Turkish troops could travel eastward by an almost finished railway from Aleppo to Baghdad and Basra to join the British. French troops from Syria could move by the same line. Iran itself



January  
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In Europe and in Asia the Allies are building up fronts to meet any attack launched against them.



## Europe's Wars

In Finland's forests last week the snow lay deep and on her many lakes the ice thickened. General Winter had come in earnest to aid the Finns in their month-old war against the Russian invader. World sympathy, in the form of popular subscription to Finnish relief and popular disapproval of the Soviet Union, went to Finland. The Finns were holding their own, and better, as the tightening grip of sub-Arctic cold made large-scale operations improbable for the immediate future.

But the war was taking on a new complexion. It threatened to become part of the larger European conflict, for Russia's invasion of Finland fits into the larger strategy of power politics.

Last week, while the Finns and Russians were stalemated on the Karelian Isthmus, while Helsinki was celebrating the rout of Russian forces far to the north in the "wasp-waist" sector, while Russian bombs were falling on Finnish cities and Finnish planes were dropping propaganda leaflets on Leningrad, the powers were considering the larger aspects of the war. Out of report and rumor came conclusions like the following:

Germany's position was complicated by the fact that despite her ties with Russia she has thought of Finland as a friend. The two nations cooperated in the post-World War years. There were other embarrassments: (1) Italy, Germany's ally, had made no bones about her disapproval of the Russian adventure; (2) Russian expansion in the Baltic region threatened traditional German interests that it might be difficult to regain after the present European war.

Germany, on the other hand, had no reason to like the growing Allied influence in Finland, where Allied planes, gasoline, anti-aircraft guns and ammunition were being sent, and the resulting Allied influence over all Scandinavia. Last week the German press warned the Scandinavian States against allowing Allied military aid to reach Finland through their territories. The situation against possible attack appeared to be part of Italian policy.

That view was cited to explain the Italian visit of Hungarian Foreign Minister Csaky. Rome, it was understood, would work for improvement of Hungarian-Rumanian relations and for Hungarian-Yugoslav friendship. Discussions were expected also to take up the possible threat to Hungary by her Russian neighbor.

How dangerous the Balkan powder keg might be was demonstrated by the conflicting claims of the small nations. Hungary wants Transylvania from Rumania. Bulgaria, whose relations with Russia have grown close recently, wants the Dobruja from Rumania, smaller districts from Yugoslavia and Greece. The Rumanians have held fast in refusing concessions to Hungary and Bulgaria and, not least, to Russia which may seek her former province of Bessarabia.

## RUSSIANS ANXIOUS TO APPEASE JAPAN

Important Agreements Follow From Soviet's Need of a Free Hand in Europe

### STRONGER PACT IN DOUBT

By G. E. R. GEDYE

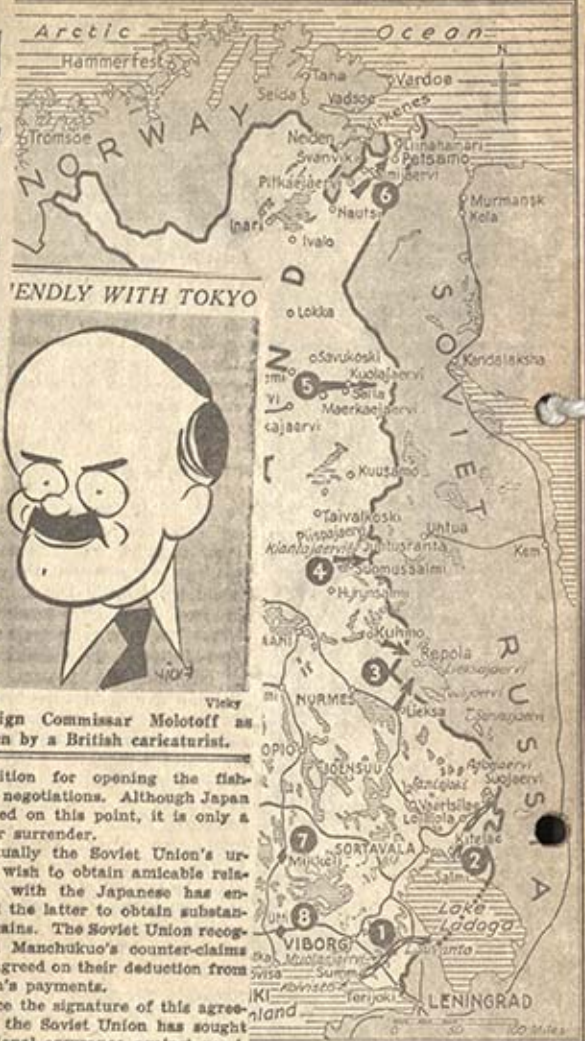
Wireless to THE NEW YORK TIMES.  
MOSCOW, Jan. 6.—The conclusion this week of two important agreements between the Soviet Union and Japan and the arrival of a Japanese trade delegation to promote the first commercial treaty to be concluded between the two powers mark milestones on the road toward the improvement of Soviet relations with Japan. So bad have these been in recent years that more than once it seemed that the two countries were on the verge of war. But ever since the outbreak of war between Nazi Germany and the Western democracies was seen as inevitable, the Soviet Union has sought a free hand to face the complications this war involves by improving its relations with Japan. There have been many interviews between Foreign Commissar Molotov and the Japanese Ambassador to Russia, Shigenori Togo, and their progress has been accelerated by the fact that the two men reputedly understand each other well.

The first success in the Soviet's efforts to improve these relations was the signature of a truce in Outer Mongolia. Within a couple of days of the signature of this agreement the Red Army invaded Poland, whose armies already had cracked beneath the hammer blows of Hitler's Blitzkrieg. The Soviet Union, with little resistance, occupied and later annexed Western Ukraine, Western White Russia and a smaller area containing Polish population.

#### Fixing of Frontier

Then came the sittings of the Soviet-Japanese mixed commission at Chita to determine the frontiers of Outer Mongolia and Manchukuo, which have made very great progress. This week the Soviet Union succeeded in ending the long and bitter quarrels over Japan's non-payment of the last installment of Manchukuo's debt for the Chinese Eastern Railway, which she guaranteed, and the Soviets refusal to meet Manchukuo's counter-claim. The settlement was based on a promise by the Soviets to grant Japan assurance this year, by a new long-term convention, that she will continue to enjoy important fishing rights off Russian Kamchatka which, of recent years, she could only obtain in annual renewals and with great difficulty.

Japan, which always has tried to make payment of the debt conditional on obtaining the fishing convention, finally agreed to pay on the promise that the convention would be signed this year. Negotiations for this are now going on in Tokyo and it is believed that it will be settled quickly. The Soviet Union had made a previous settlement of the debt question a



Vicky  
Commissar Molotov  
by a British caricaturist.

tion for opening the fish negotiations. Although Japan on this point, it is only a surrender.

ually the Soviet Union's wish to obtain amicable relations with the Japanese has the latter to obtain substantial. The Soviet Union recognizes Manchukuo's counter-claims agreed on their deduction from its payments.

ce the signature of this agreement the Soviet Union has sought assurance against possible attack by Japan. Engaged in negotiations in Finland, she must on the possibility of completion, and naturally is anxious in the progress of the negotiations. The Japanese, anyway, believe the situation has made these than was anticipated.

#### Improved Relations

question arises as to whether these negotiations will grow out of friendship as was the case with Germany. Both the Union and Japan have realized the idea, but the Japanese are skeptical of the possibility of practical realization. Relations are so improved that the Soviet Union must feel from the menace of war with Japan while engaged in her conflict with Germany. Both the Union and Japan have realized the idea, but the Japanese are skeptical of the possibility of practical realization.

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#### FLUNG BATTLE FIELDS

of war the Finns on the Karelian Isthmus (1) to which they retired early in the war. The Russians have been pushed back to the Salla (5) and threaten to cut them off. The Finns have also threatened to cut them off. The Finns have also threatened to cut them off. The Finns have also threatened to cut them off.



## VITAL GERMAN POINTS AND FLIGHTS BRITISH MADE



The important naval bases, dockyards and shipyards that dot the northern coast of Germany and are centers of interest for British aerial scouting are shown on this map.

RUSSIA FIN  
VERY HARD

Communist Prop  
Effort to Expl  
Victim Has

## SOVIETS NOW ADMIT REVERS

By EDWIN L. JAMES

For two weeks the Moscow war communiqué reported that nothing was happening on the front. Nothing seemed to happen since the Russians stopped winning. In that fortnight the Finns had achieved no mean measure of military success by inflicting fast against repeated Red efforts in the Karelian Peninsula decisively defeating two Russian divisions in the "waist" of the country and by driving back the invaders in the north.

Then Moscow gave out a communiqué Tuesday saying that as a result of infantry engagements the Russian lines had been withdrawn some kilometers. That was the first admission in a Russian statement that all was not well with the effort to overthrow the puppet "People's Government" of Finland, made in Moscow, the territory of independent Finland. Whether it was regard for domestic opinion or a desire not to appear too stupid in foreign opinion is not known.

Meanwhile the Communist propaganda machine, working at home and abroad, is abusing the "capitalistic" press for printing so much about what the Finns are doing. It is most distasteful to them. It represents a plot of some kind. It seems not to have occurred to the men in the Kremlin that if they would allow foreign correspondents to go to the front with their troops the "capitalistic" press would have printed plenty of columns about the war from the Russian side—that is, if the Russian censor would have passed their dispatches.

## The Russian Apologists

Of course, there is something fundamentally bathetic about the big Russian Bear having gotten hold of a chestnut burr. There is something ridiculous about a nation of 180,000,000 people, with an army which has been the subject of so many boasts and which is said to number above 4,000,000 men, being unable to crush the little intended victim with a population of less than 4,000,000 and an army of 300,000.

But the efforts of the Russian propaganda machine are even more ridiculous. It could well state that conditions are such that only a small part of their force can now be used, that things will be different later on, and so forth. No one would object to that.

who object to this "one-sided" publicity why they have not granted any of the applications from foreign correspondents to go to the Finnish front? If there have been no Russian defeats, if they have withdrawn only a few kilometers if their supplies are moving if their soldiers are warmly if the Murmansk railroad has been cut, those correspondents would tell the world.

But it looks to be the case the Russians do not wish to print except with Russian dispatches. They complain about the columns printed on the Finns, they make it impossible to print columns about the Russians.

Indeed, Moscow seems to have decided it has found a way to get its story out first in its own style. There is a censor who shuts up shop at 1 A. M., Moscow time. For years the most important Russian formal statements, and that applies to communiqués in this war, were given out around 4 A. M. Correspondents would have the time to write dispatches and to get them to the United States for publication that morning, due to the difference in time, but there is no censor to pass them and without the censor's stamp the dispatches are not sent.

## Handling the News

But—and this is important—the Tass Agency, either without censor or with a special one, wires those 4 A. M. communiqués all over the world, and that is the report that reaches newspaper of-



British airmen flew all the way from bases in France to Vienna and Prague yesterday to reconnoiter much of Eastern Germany and drop leaflets in the two former capitals. Those who went to Vienna returned by way of Linz and Frankfurt on the Main.



## BULGARIA STRESSES AIM TO BE NEUTRAL

Communique on the Premier's  
Talk With Turk Affirms  
Accord on Balkan Peace

### TIE TO SOVIET WAS FEARED

Italy Denies Yugoslavia Has  
Agreed to Permit Passage of  
Troops to Aid Hungary

By Telephone to THE NEW YORK TIMES.  
SOFIA, Bulgaria, Jan. 13.—The political conversations between the Bulgarian Premier, George Kiosseivanoff, and Numan Menemencioğlu, Secretary-General of the Turkish Foreign Ministry, were concluded today with the issuing of a communique reaffirming Bulgaria's position as an essentially neutral factor in Balkan peace. This communique states:

"The interview that has taken place between their Excellencies the President of the Council and the Minister of Foreign Affairs and the Secretary-General of the Turkish Foreign Ministry have provided an occasion for recording once more the development of a warm friendship from the Bulgarian-Turkish treaty of 1925 and of affirming the complete agreement of their points of view concerning the maintenance of peace in the Balkans and the preservation of neutrality proclaimed by the Bulgarian Government."

"Further, this interview has provided a means of showing that the measures recently adopted by the Bulgarian and Turkish Governments concerning the withdrawal of their troops from their common frontier constituted a new manifestation of the policy of trustful friendship existing between the two countries."

"It is affirmed that the resolution of the Turkish Government to respect Bulgarian neutrality and that of the Bulgarian Government to safeguard strict observance of that neutrality are in complete conformity with the requirements of the policies followed by the two countries and of those of their relations as good neighbors."

This reaffirmation of Turkish-Bulgarian friendship should do much to allay foreign apprehensions that the recent Soviet-Bulgarian trade agreement carried commitments that, in the event of war in the Balkans, would oblige Bulgaria to abandon her neutrality.

Greatest interest has been aroused here by the part of the communique in which Bulgaria affirms her resolve to safeguard strict observance of her neutrality. This may mean that Bulgaria agrees not to allow any infringement of her neutrality by outside influences, which Turkey would consider a violation of that professed policy.

A Gipsy CHUGEN DOLARIS ASSOCIATED

By Telephone to THE NEW YORK TIMES.  
ROME, Jan. 13.—The Pope, like other rulers, is interesting himself keenly in the new developments in the Balkans, and is concentrating chiefly on Rumania. He had several long talks with the Rumanian Ambassador to the Vatican this week.

This morning he saw Francis D'Arcy Godolphin Osborne, the British Minister to the Vatican, to get the Allies' view of the situation.

## THE ST. LAWRENCE DEEP-WATERWAY PROJECT

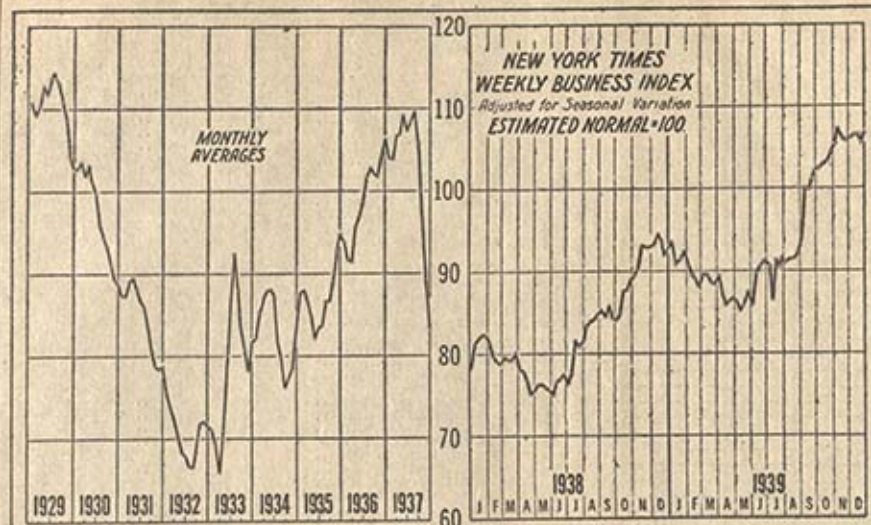


The white-on-black labels in the map indicate the incomplete areas. Data in the box have been taken from a report on the St. Lawrence project by government officials.



# BUSINESS INDEX AT '39 PEAK

Miscellaneous Loadings, With Daily Rate Up Contraseasonally, Leads Advances in Five of the Seven Components



An advance of exactly a point brought THE NEW YORK TIMES index of business activity to its highest point in 1939 last week and this point was higher than any in 1938. The index advanced to 106.7 for the week ended Dec. 30 from 105.7 for the previous week. It was 92.3 in the final week of 1938.

Five of the seven components made gains for the week. On a weighted basis, the largest gain was that of the miscellaneous carloadings series, which advanced on a contraseasonal rise in daily average loadings. Daily steel rate was also up contraseasonally. The daily

average of lumber production rose more than seasonally and that of automobile production was off less than seasonally. The component for "all other" carloadings also advanced.

Sharpest of the losses, on weighted basis, was that of the power series, which resulted from a contraseasonal decline in the daily average output. Cotton mill activity was off more than seasonally.

The following table gives the combined index and its components, each of which has been adjusted for seasonal variation and, in the

case of carloadings, electric power production and cotton mill activity, for long-term trend:

	Weeks Ended—	Dec. 29, Dec. 23, Dec. 31,	1938	1939	1938
Combined index.....	106.7	105.7	92.3		
Misc. carloadings.....	92.4	88.8	80.3		
All other carloadings.....	99.7	95.3	101.2		
Steel ingot production.....	133.0	133.3	89.1		
Elec. power production.....	103.6	104.9	97.4		
Automobile production.....	121.8	118.7	93.1		
Lumber production.....	83.1	87.2	84.0		
Cotton mill activity.....	145.5	146.4	104.4		

Note: Sheets giving the working day, seasonal and trend factors for the first quarter of this year are available and may be obtained on written request to the Business News Department, THE NEW YORK TIMES, New York.

**TORONTO, Jan. 6**—Canadian mineral production reached a high record in 1939 with an estimated value of \$470,179,000, an increase of 6 per cent over \$441,823,237 for 1938 and an increase of 3 per cent over the previous record of \$457,359,092 for 1937.

Production of gold, copper, zinc, crude petroleum, antimony, cadmium, natural gas, gypsum, sulphur and lime all set new records, while improvements over 1938 were noted in many other metals and minerals.

Iron ore was produced on a commercial scale for the first time in sixteen years. Prospecting and development work was undertaken for strategic minerals for war purposes, but not produced to any great extent. These included mercury, manganese, molybdenite and tungsten.

## Production Values Listed

Production value of the principal minerals in 1939, with figures for 1938 in parentheses, was as follows:

Gold, at \$20.67 an ounce, \$104,305,000 (\$97,678,834); gold, at \$35 with exchange added, about \$182,000,000 (\$166,205,990); silver, \$76,969,000 (\$68,329,136); nickel, \$51,099,000 (\$53,514,494); copper, \$80,721,000 (\$56,554,034); lead, \$12,375,000 (\$14,008,941); zinc, \$12,066,000 (\$11,723,698); platinum metals, \$9,363,000 (\$8,874,136); coal, \$48,

from \$17.98 in the same period of the previous year.

Sullivan Consolidated Mines, Quebec, established a new production record in the final quarter of 1939, turning out bullion worth \$337,407, compared with \$292,494 in the third quarter. Each quarter in 1939 showed a consistent rise in output. The total for 1939 was \$1,181,134, against \$793,725 in 1938.

## Record for Central Patricia Gold

Production for the fourth quarter of 1939 by Central Patricia Gold Mines was the best for any quarter on record, at \$457,653. A total of 11,877 ounces was produced. The mill handled 26,529 tons for an average recovery of \$17.25, the highest recovery to the ton in two years. This compares with output of \$436,416 from 27,157 tons for an average of \$16.07 in the preceding three months. Gross output for 1939 was 48,546 ounces, worth \$1,765,404, the best year on record, from 108,088 tons for an average of \$16.33, against \$1,606,208 from 101,376 tons for an average of \$13.84 in 1938, the previous record year.

The Gold Belt Mining Company, British Columbia, finished last year with its December production record of \$55,673 exceeding that of any other month in the company's history and comparing with \$44,183 in November. Production for the year, at \$599,950, compares with \$155,963 recovered in the less than three months in which the new 150-ton plant operated in 1938.



## DENIES INVENTION DECREASES WORK

Prentis Disputes Implication He Alleges Was Contained in the President's Message

### 'INDUSTRY NOT SHIRKING'

Head of Manufacturers' Association Attacks 'Indiscriminate Anti-Business Attitude'

Spoken in New York Times.  
WASHINGTON, Jan. 8.—President Roosevelt's suggestion in his annual message to Congress that invention created unemployment was questioned today by H. W. Prentis Jr., president of the National Association of Manufacturers.

He said that the problem before the country was not one of "finding jobs faster than invention can take them away," but rather one of putting inventions to work to create new industries and new jobs. He said industry was not "shirking" its part of the job and if the government would only have confidence in industry, industry would provide new plants and new work.

**As to Creation of Jobs**  
"Over the long run and throughout the history of the American patent system," said Mr. Prentis, "invention has created infinitely more jobs than have been destroyed by technological improvements."

"There are a few facts that bear repeating:  
"84 per cent of all machines installed are 'labor saving' rather than 'labor eating'—designed to create entirely new products, render new services or improve old products or services."

"One out of every four persons employed in America today hold jobs depending on 14 industries unknown in 1870."

"Over 120,000 new products have appeared on the American market since 1900."

"Between 1900 and 1930, the period of most intensive development of machinery in this country, the population increased by forty-seven millions, or 42 per cent, while the number of jobs increased by twenty millions, or 54 per cent."

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## Three Fronts Of War and Diplomacy

Three fronts occupied the attention of Europe last week. Two of them, in the West, and in Finland, were the scenes of military action. A third, in the Balkans, was the peaceful field of diplomatic maneuvering closely interrelated with the wars now under way. In the West aerial activity increased in tempo, leading some observers to believe—as Prime Minister Chamberlain warned the British people—that a turn to ground fighting might be impending. Bad weather here was suggested by some observers as a principal reason for relative inaction; a change to good fighting weather, they held, might bring a swift German attack, particularly by air.

In Finland the Soviet invaders already have learned the hazards of winter weather. Last week the Finns reported additional victories. They also gained more foreign help; much of it came from the Allies, indicating that the two wars are not unconnected.

In the Balkans negotiations went on at a feverish pace. Italy sought to gain influence in an area which only recently seemed best in line for German and Soviet expansion. On the outcome of these parleys might depend whether a third battlefield would be opened in Europe's conflict.

(Finland Very Hard Not to Crash; p. 1; War Forces Concepts on Balkans; p. 1)

### (1) In the West

Through a thin mist off the east coast of Scotland last Tuesday roared fleets of German bombers. In pairs—one plane dropping bombs, another turning machine guns upon the decks—day after day attacked merchant ships, travelers, a lightness relief vessel.

All week thereafter planes bearing the swastika recommenced up and down the British coast. The R. A. F. retaliated by bombing the German base at Heligoland, and sent scouting planes as far inland as Austria and Bohemia. Balkans began to suspect that the "war in earnest" threatened since last September was really on its way.

This air activity came, as though timed to give point to a warning by Prime Minister Neville Chamberlain, a warning directed to the British people. Speaking at a Lord Mayor's luncheon in London, his words broadcast also to the world, Mr. Chamberlain said that the recent quietude of the war was but the calm before a storm.

"In the air, as on the land," he said, "we know that what is happening is merely the preliminary to the main struggle." "We mustn't think," he added, "because this war has not taken the form Hitler said it did in 1914, that we can carry on our lives as if we were still at peace."

There was a warning, too, directed at the German people. "They must realize," declared Mr. Chamberlain, "that the desire of the Allies for a swift, humane, just, Christian settlement cannot be satisfied by someone whose experience has proved to be worthless."

### A U. S. of Europe?

Although refraining from any pink for peace, the Prime Minister did give at least an indication of what many have sought—a picture of the kind of Europe that would be reconstructed in the event of an Allied victory. He approached the subject by lauding the close wartime cooperation with France, not only in military matters but in politics, economics and finance.

"I can't help thinking," he went on, "that our experience of this association during the war will prove to be so valuable that when the war is over neither of us will want to give it up. And it might even develop into something wider and deeper. . . . There is nothing which would contribute more toward the permanence of its results than the extension of Anglo-French collaboration in finance and economics to other nations in Europe and, indeed, perhaps of the whole world."

The idea thus put forward reminded hearers of H. G. Wells's literary demands for a world state, of the "United States of Europe" projected by the late Foreign Minister of France, Aristide Briand. Arguments for such schemes, designed to remove the economic causes of war, flourished after the World War. The tensions which grew from the Treaty of Versailles, the rise of Nazi and Fascist nationalism and the consequent decline of the League of Nations put them into eclipse.

(Chamberlain's Only Big Point; p. 1)

### (2) In Finland

Cold weather should have no terror for the Soviets. Most of the Bolshevik leaders before the revolution served terms of exile in snowy Siberia. In recent years Soviet invaders opened shipping routes in the Arctic, plane made long-distance flights across it and a party of explorers camped on an ice-free atop the North Pole. Yet in the matter of making war in extreme temperatures, of moving men and guns across snow and ice, it appeared well established by last week that Soviet

Russia had not more than her match in little Finland.

Last Nov. 30, after discovering over the Kremlin conference table that Finland would not follow the example of Estonia, Latvia and Lithuania in yielding sovereignty over her strategic naval bases, the Soviet Government sent troops and planes across the border. At first the advance was easy. An army moved into Karelia, the Isthmus that forms the shortest route from Leningrad to Helsinki, and behind its protection a Moscow-endorsed "People's Government" of Finland arose. Other divisions entered the bleak and sparsely settled northland, reporting deep advances—in some instances halfway across the nation's narrow waist.

### Russian Reverses

But it soon became evident that these columns were getting nowhere. In Karelia, despite heavy onslaughts by artillery and tank-supported infantry, the Mannerheim line of defense held firm. In the north the advancing troops found that houses and barns which might have provided shelter had been burned down. Blizzards and frost took a heavy toll. Finns interrupted the extended supply lines, then attacked the invading divisions. Helsinki reports told of thousands of enemies slain, of war material captured in wholesale lots—and last week in some sectors foreign correspondents were given an opportunity to see these things for themselves.

Moscow's communications meanwhile became continually more terse and less informative. While Molotov announced the annihilation of entire Russian divisions Moscow would report that "nothing of importance" had happened at the front. Last week, for the first time, Moscow admitted that as a result of an infantry battle "Soviet troops withdrew a few kilometers." Finnish reports asserted that at a number of sectors the Russians had been pushed back many kilometers and across their own frontier.

### Impending Battle

Yesterday the Russians were reported to be preparing another big push in the north to recoup their losses. Such plans were said to be rushing reinforcements for the battle expected as Finland's falls front north of the Arctic Circle. In their latest activity at the Finnish "waist" Russian troops were reported to have made some gains. The Soviet Union's broadcast in Finland to the troops stationed in the Mannerheim Line were said to have warned that "the Germans will come."

On the field of diplomacy Finland last week further improved her position. International sympathy, already largely on her side, became more explicit. Prime Minister Chamberlain described Finland as "fighting against the forces of unscrupulous violence, just as we are ourselves," and declared that British aid in response to League of Nations recommendations would be "as large as we can make it."

As well as in Turkey, some members of the Balkans. Their fate might determine whether or not the Balkans would again be a European cockpit.

As the coming party Central Europe.

As followed

As well as in Turkey, some

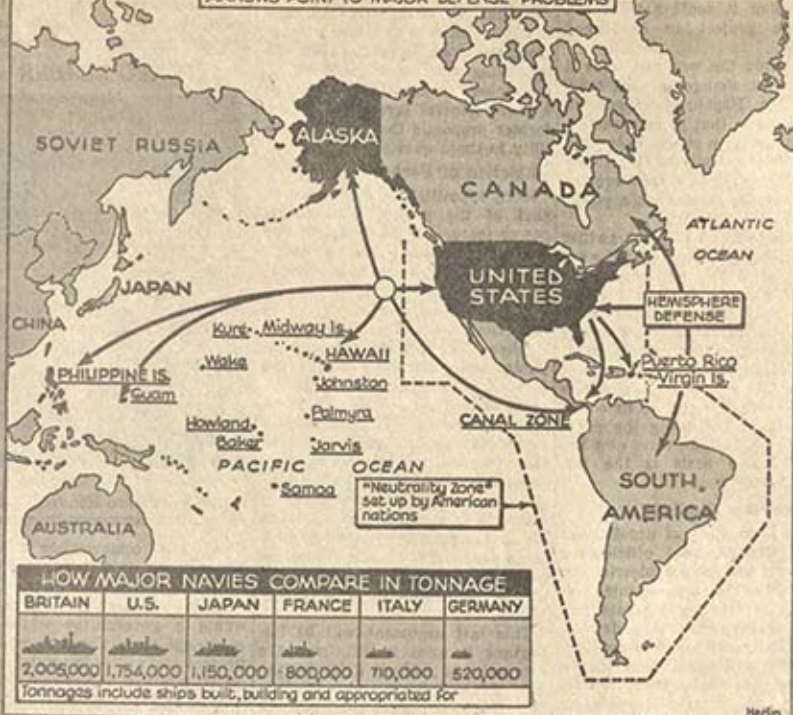
As well as in Turkey, some

As well as in Turkey, some



## Defense Problems of U.S. Armed Forces

ARROWS POINT TO MAJOR DEFENSE PROBLEMS









### HOW MAJOR NAVIES COMPARE IN TONNAGE

BRITAIN	U.S.	JAPAN	FRANCE	ITALY	GERMANY
2,005,000	1,754,000	1,150,000	800,000	710,000	520,000

Tonnages include ships built, building and appropriated for

## The Army

APPROPRIATIONS	1940		
		\$ 903,893,898	
	1941		
		\$ 903,356,754	
REGULAR ARMY OFFICERS AND MEN	1940	223,483	NATIONAL GUARD OFFICERS AND MEN
	1941	241,215	
	1940	210,050	
	1941	252,000	
TOTAL : Regular Army and National Guard 1940.....433,533 1941.....493,215			
ARMY PLANES	1940		1941
		3,200 ?	
			5,500
TANKS			
		300 - 400	600 - 800

The expenditures shown on the naval chart do not include the 25 per cent increase to our fleet now being proposed in Washington; nor are military and naval outlays beyond 1941 included in the charts.


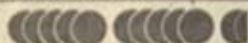


# FACTS ON OUR NATIONAL DEFENSE


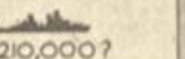
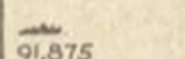
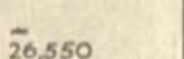

TOTAL  
APPROPRIATIONS  
REQUESTED FOR  
ARMY AND NAVY



## The Navy

APPROPRIATIONS	1940 		
	\$997,561,797		
	1941 		
	\$1,135,542,577		
PERSONNEL (INCLUDES MARINES)	OFFICERS	MEN	TOTAL
	1940 11,933	1940 131,550	1940 143,483
	1941 12,142	1941 175,250	1941 187,392

## Naval Ships

CATEGORY	BUILT NUMBER AND TONNAGE	BUILDING NUMBER AND TONNAGE	PLANNED NUMBER AND TONNAGE
BATTLESHIPS	15  464,300	8  300,000	2  90,000
AIRCRAFT CARRIERS	5  120,100	2  34,500	?  84,000 to 90,000
CRUISERS	35  308,975	9  66,000	?  210,000?
DESTROYERS	222  275,060	42  66,810	?  70,000 to 80,000
SUBMARINES	95  91,875	19  26,550	?  50,000 to 55,000
NAVAL PLANES	1940  2,132	1941  3,000?	PLANNED  3,000?

The appropriation figure for the fiscal year 1941 includes current construction costs for all ships and planes building, but only initial outlays for a few of those planned.



# EUROPE'S WAR FORCES CONVERGE ON BALKANS

By ANNE O'HARE McCORMICK

By Telephone to THE NEW YORK TIMES

ROME, Jan. 13.—In the fifth month of the war, the location of Armageddon is still uncertain. Some European forecasters are beginning to believe that the vague plains and mountain frontiers of the Near and Middle East are destined to be the military battlefields. A more general prediction, assuming that the deadlock continues on the Western Front, is that the likeliest scene of clashing armies and decisive land engagements is the Balkan Peninsula.

The first forecast is based on the rumors of moving troops—Turkish and Russian, Afghan and Iranian—on the remote borders that nobody sees and of the formidable forces now said to be several hundred thousand strong that General Maxime Weygand, in cooperation with the Turks, is really organizing from the French bases in Syria.

This implies open war between Russia and the Allies, for the thrust in this region would be from the Soviet Union toward India on one side; on the other, it would strike to cut off the oil fields of Baku from the Reich and to close the gateway of the Dardanelles to Russia as well as Germany.

## The Balkan Riddle

The second prediction is founded on immediate events. The Balkan Peninsula is already the political battleground of the war. Usually referred to as the bridge between Europe and Asia, actually it is more like a bumpy and ill-constructed cloverleaf intersection on which two currents of traffic, East-West and North-South, are in such a tangle that at this moment it is impossible even for the drivers to be sure in what company they will find themselves when the twisting lanes are finally marked and cleared.

The internal problems of the Balkans are confusing enough, but when to these domestic and interstate tensions are added the pressures and interventions of outside powers, the situation is too enmeshed in the undergrowth of Europe for the American mind to comprehend.

The Balkans are a mirror reflecting every manoeuvre of the great powers, and just now the world is peering into this mirror for answers to three major questions of the war.

## Three Countries

Here Russia, whether balked or finally successful in Finland, will reveal whether she is definitely on the march and whether Soviet imperialism will follow the line traced by the Caxrs before the World War. Developments in this theatre will determine whether Italy will enter the conflict; and here, in Germany's natural storehouse and markets, will be decided whether Hitler's expansionist drive is blocked—whether, in short, he wins or loses the war.

The Balkans, in other words, may supply the first test of whether this conflict is to be a limited or a general war. They are the key to the

## Many Signs Point to the Peninsula as The Theatre of Decisive Conflicts

intentions of all the great powers and of their real relations to one another.

Today the Rhine flows while the forces massed along its banks are frozen where they stand. The Danube, on the other hand, is frozen over, but the forces in the great basin between the Carpathians and the Adriatic littoral are in full flux.

The States of Southeastern Europe are poised in a quadrangular situation between the Allies, Germany, Italy and Russia and the balance is so shaky that a push from any direction will cause an upset that is bound to involve all these powers.

The events of the past week show how rapidly the situation is develop-

ing. This radically modifies the position of the Danube countries. The Russian colossus, even if its feet are clay, should be considered under its destructive aspects in Budapest, Bucharest, Sofia and Belgrade.

"The danger of such a neighbor is a common danger and ought to be a reason today for a closer and more far-reaching collaboration among the four capitals, even if, for the time being, a few aspirations should be set aside out of overwhelming necessity."

The Italians, moreover, are working for better relations with Rumania. They were told last week by a delegation of business men from Bucharest that Rumania

Prince Regent of Yugoslavia is about to make a state visit to Croatia to recognize its status as an autonomous province.

The aid given by Bulgaria to the earthquake victims in Turkey has lessened the strain between Ankara and Sofia. A Turkish delegation has arrived in Italy to open trade talks, and as commercial agreements are the usual signs of a desire to better relations, this step may help to dissolve the fog of suspicion between two countries whose attitude toward one another may mean war or peace in the Mediterranean.

Looked at from here, it is not yet clear whether Italy is working with or against Germany in endeavoring to unite and strengthen the Balkans to resist the Russian advance. It goes without saying that Adolf Hitler does not want war in the Danube Basin, where he is dependent on this region for essential supplies.

## Observations of Axis

In the present circumstances it is hardly likely that Herr Hitler would completely alienate Italy by making a move against Hungary, which Rome is pledged to defend. There is some reason to believe that he has even guaranteed the frontiers of Rumania. Not a few observers are convinced that the Fascist Government is actually cooperating with Germany in the Balkans.

This would mean that Berlin is using Rome to stop Moscow; but if anything stands out in the Italian attitude today, it is that Rome is concentrating with energy and gusto on pursuing her own interests. And on the other side, the Allied powers also want peace in the Balkans; the British here take the view that Italian policy in this region runs parallel to their desire to limit the conflict.

Why, then, if nobody wants war in the Balkans, should this peninsula be the possible battlefield of the war? The answer to this question throws a bleak light on the desperate plight of this Continent. "Foundations Shaken"

The truth is that the social, moral and political foundations of Europe are shaken. If the line of defense holds at one point, it is strained to the limit at another. The Western Front is the strongest point and the Balkans is the weakest.

The elements of the situation there today are that the Italian influence is growing, the German hold is weakening and Russia, because of the internal disintegration of these States, would advance more easily than in the north, and find a fertile field for ideas that have lost their potency elsewhere.

Beyond that there may come a moment when the antagonists locked on the Rhine may be driven to find a proving ground. When that hour comes, the elaborate efforts to keep the Balkans neutral may dissolve like mist before a sweep of forces looking for Armageddon and finding it in the Valley of the Danube.

## ALREADY A POLITICAL BATTLEGROUND



The Balkans may be the scene of decisive engagements in a growing war—The figures show the population of each country.

ing. When the Foreign Ministers of Italy and Hungary met in Venice their purpose was not merely to stage a demonstration of friendship.

Nobody knows exactly what Count Ciano said to Count C. sky or what was the urgent proposal that induced the Hungarian to abandon his plans for a holiday and return at once to Budapest to report to his government. But the double significance of the meeting is clear. It was played up, not only in Italy but in other countries, as the first public assertion of the leading role Premier Mussolini has assumed in the Balkans. What it really demonstrated was Italian anxiety to keep the peace in the neighboring peninsula.

would be surer of their sincerity if Italy were not the chief supporter of Hungary's demand for Transylvania. This may be one reason for urging Hungary to adjourn or seek to compromise her claim. But it does not explain why King Carol went to Kishineff, ten miles from the Soviet frontier, to warn Russia that Rumania would not give up a foot of Bessarabia.

This defiance is symptomatic of the stiffer attitude taken by all the Balkan powers as a result of the failures of the Red Army in Finland. The mysterious power of Russia is deflated throughout the peninsula, even in Bulgaria, the country most influenced by a hope of Soviet support of Bulgarian aspirations in the Danube.



# Text of Churchill's Speech on War Prospects

Following is the text of the radio address delivered in London last night by Winston Churchill, First Lord of the British Admiralty, as recorded by THE NEW YORK TIMES:

Every one wonders what is happening about the war. For several months past the Nazis have been uttering ferocious threats of what they are going to do to the Western democracies, to the British and French Empires when once they set about it, but so far it is the small neutral States that are bearing the brunt of German malice and cruelty.

Neutral ships are sunk without law or mercy, not only by the blind and wanton mine but by the cold considered, deliberately aimed torpedo. The Dutch, the Belgians, the Danes, the Swedes and above all the Norwegians have their ships destroyed whenever they can be caught upon the high seas.

It is only in the British and French convoys that safety is to be found. There, in those convoys, it is 500 to 1 against being sunk. There the controlling forces are at work which are steadily keeping the sea open, steadily keeping its traffic going and establishing order and freedom of movement amid the waves of anarchy and sea murder.

We, the aggrieved and beleaguered powers who are waging war against Germany have no need to ask for respite. Every week our commerce grows. Every month our organization is improved and reinforced. We feel ourselves more confident day by day of our ability to police the seas and oceans, and to keep open and active the salt water highways by which we live and along which we shall draw the means of victory.

## Success Against U-Boats

It seems pretty certain tonight that half the U-boats with which Germany began the war have been sunk and that their new building has fallen far behind what we expected.

Our faithful Asdic fleet detector smells them out in the depths of the sea, and with the potent aid of the Royal Air Force I do not doubt that we shall break their strength and break their purpose. The magnetic mine and all the other mines with which the narrow waters, the approaches to this island are strewn do not present us with any problem which we deem insoluble.

It must be remembered that in the last war we suffered very grievous losses from mines and that as a climax more than 600 British vessels were engaged solely upon the task of mine-sweeping. You must remember that. We must always be expecting some new bad thing from Germany, but I will venture to say that it is with growing confidence that we await the further developments of events of their attack.

Here we are tonight, after nearly five months of all they can do against us on the seas, with the first U-boat campaign for the time being utterly broken, with the mining menace in good control, with our shipping virtually undisturbed and with all the means of the world free from surface raiders.

next victim on whom the criminal adventures of Berlin will cast their rending stroke.

## Fears of Neutrals

A German major makes a forced landing in Belgium with plans for the invasion of that country, whose neutrality Germany has so recently promised to respect. In Rumania there is deep fear lest by some deal between Moscow and Berlin they may become the next object of aggression. German intrigues are seeking to undermine the newly strengthened solidarity of the Southern Slavs. The hardy Swiss arm and man their mountain passes. The Dutch, whose services to European freedom will be remembered long after the smear of Hitler has been wiped from the human path, stand along their dikes as they did in the time of the tyrants of bygone days. All Scandinavia dwells brooding under Nazi and Bolshevik threats.

Only Finland, superb, shy, sublime, subtle in the jaws of peril, Finland shows what free men can do. The service rendered by Finland to mankind is magnificent. There, exposed for all the world to see, is the military incapacity of the Red Army and of the Red Air Force. Many thousands about Soviet Russia have been dispelled in these few and fierce weeks of fighting in the Arctic Circle. Every one can see how communism robs the soul of a nation, how it makes it abject and hungry in peace and proves it base and abominable in war.

We cannot tell what the fate of Finland may be, but no more

## Spec as a Reminder

me. It is true that the Deutschland escaped the clutches of our war cruisers by the skin of her teeth, but the Spec still sticks up in the harbor of Montevideo as a grisly monument and as a measure of the fate in store for any Nazi warship which dares in piracy from the broad waters.

As you know, I have always, whether some long and hard experience, spoken with the utmost restraint and caution about the war at sea, and I am quite sure that there are many losses and misfortunes which lie ahead of us there, but in all humility and self-questioning I feel able to declare that at the Admiralty and, I have no doubt, at the French Ministry of Marine, things are not going so badly after all. Indeed, they have never gone so well in any naval war.

We look forward as the months go by to establishing such a degree of safe sailing as will enable the commerce of all the nations whose ships accept our guidance not only to live but to thrive. This part, this sea affair, this part at least of the Nazi attack upon freedom is not going to bar the path of justice or of retribution.

Very different is the lot of the unfortunate neutrals. Whether on sea or on land, they are the victims upon whom Hitler's hate and spite descends. Look at the group of small but ancient and historic States which lie in the north, or look again at that other group of anxious people in the Balkans, or in the Danube Basin, behind whom stands the renegade Turk. Every one of them is wondering tonight which will be the

not mentioned, were with one spontaneous impulse to do their duty in accordance with the covenant of the League and were to stand together with the British and French Empires against aggression and wrong?

At present their plight is lamentable and it will become much worse. They bow humbly and in fear to German threats of violence, comforting themselves meanwhile with the thought that the Allies will win, that Britain and France will strictly observe all the rules and conventions and that breaches of these laws are only to be expected from the German side. Each one hopes that if he feeds the crocodile enough, the crocodile will eat him last. All of them hope that the storm will pass before their turn comes to be devoured.

But I fear greatly that the storm will not pass. It will rage and it will roar ever more loudly, ever more widely. It will spread to the south, it will spread to the north. There is no chance of a speedy and except through united action, and if at any time Britain and France, wearying of the struggle, were to make a shameful peace, nothing would remain for the smaller States of Europe with their shipping and their possessions, nothing will remain but to be divided between the opposite, though similar, barbarisms of Nazism and bolshevism.

## Weight of Numbers Challenged

The one thing that will be most helpful in determining the action neutrals is their increasing use of the power and resolution of the Western Allies. These small States are alarmed by the fact that the German armies are so numerous and that their air force is still more numerous, and so that both are nearer to them than the forces of Great Britain or France.

Certainly it is true that we are using numerical odds, but that is no new thing in our history. Very few wars have been won by mere numbers alone. Quality, all power, geographical advantages, natural and financial resources, the command of the sea, and, above all, a cause which causes the spontaneous surging

of human spirit in millions of hearts, these have proved to be the decisive factors in the human story.

If it were otherwise, how would the race of men have risen above the ape? How otherwise would they have conquered and extirpated the dragons and monsters of the brine? How would they have availed the moral theme? How would they have marched forward across the centuries to broad conceptions of compassion, of freedom and of right? How would they ever have discerned those beacon lights which summon and guide us across the rough dark waters and presently will guide us across the flaming line of battle toward better days which lie beyond?

## Larger Masses Promised

Numbers do not daunt us, but judged even by the test of numbers we have no reason to doubt that once the latent and now rapidly growing power of the British nation and empire are brought, as they must be, and as they will be, fully into line with the magnificent efforts of the French Republic, then even in mass and in weight we shall not be found wanting.

When we look behind the brazen front of Nazism, as we have various means of doing, we see many remarkable signs of psychological and physical disintegration. We see their shortages of raw materials, which already begin to hamper both the quality and the volume of their war industry. We feel the hesitancy of divided councils and the pursuing doubts which assail and undermine those who count on force and force alone.

In the bitter and increasingly exacting conflict which lies before us we are resolved to keep nothing back and not to be outstripped by any in service to the common cause. Let the great cities of Warsaw, of Prague, of Vienna baffle despair, even in the midst of their agony. Their liberation is sure. The day will come when the joy bells will ring again throughout Europe and when victorious nations, masters not only of their fates but of themselves, will plan and build in justice, in tradition and in freedom a house of many mansions where there will be room for all.



1. "Everybody," said Mark Twain, "talks about the weather." But where last week was the weather subject to censorship?

2. These cities—Kronstadt, Rangoon and Hango—have been in the news. Where are they?

3. The figure "21" has figured prominently in diplomatic conversations between two nations. Explain.

4. Among the leading players in current New York stage hits are (a) an actor who was last seen on Broadway as Hamlet in 1923; (b) a British actress who has often appeared with Noel Coward; (c) an actor who first won movie fame in gangster roles. Who are they?

5. What is meant by the phrase "cuff links gang"?

6. Identify the following by these statements about them: (a) Cardinal Hound told of sufferings; (b) Captain Joseph A. Gairard was home from the sea; (c) Thomas Farran called on the President.

7. Which of the following might you reasonably expect to see at a meeting of C. I. O. leaders: Matthew Woll, Sidney Hillman, James C. Petrillo, Tom M. Girdler?

8. The word Gauleiter is often mentioned in European dispatches. What does it mean?

9. A biography of the American woman poet who wrote "weep and you weep alone" was published last week. What is the preceding line of the poem and was it written by (a) Emily Dickinson; (b) Amy Lowell; (c) Ella Wheeler Wilcox?

10. With war news still occupying much space in all the papers, do you recall the dates when (a) Germany invaded Poland; (b) England went to war against Germany; (c) Russia invaded Finland?

11. The following—Charles Edison, Edouard Daladier, Adolf Hitler and Joseph W. Martin Jr.—made these statements last week, but not in this order: (a) "We must also win a victory far greater than that of arms"; (b) "The gravest danger to the peace and security of the United States is not from

nation are measured in terms of her ability to defend herself"; (d) "The whole blockade war is a war against women and children." Pair the speaker and the comment.

12. Vic Donahey is the Democratic senior Senator of a State whose junior Senator and Governor—they have both been often in the news of late—are Republicans. Name the State and the two Republicans.

13. Historians sometimes compare, or contrast, the Treaties of Versailles and Brest-Litovsk. Between what two countries, and when, was the latter signed?

14. As the Presidential year unfolds, phrases like (a) "electoral college"; (b) "preferential primary" and (c) "dark horse" become important. What do they mean?

15. A Latin-American haven for European refugees will be established in——. Fill in the blank with the name of the country.

16. Last week President Roosevelt and Adolf Hitler celebrated anniversaries—the President his birthday; Hitler, the seventh anniversary of his regime. What is the difference between the ages of the two?

17. Last week a State whose admission to the Union on the eve of the Civil War followed one of the bitterest struggles between slavery and anti-slavery forces observed the seventy-ninth anniversary of its Statehood. Which State is it?

18. These men—Joseph Goebbels, Walther Funk, Heinrich Himmler and Robert Ley—hold the following posts under the Nazi regime, but not in this order: (a) Labor Front head; (b) Propaganda Minister; (c) Economics Minister; (d) chief of the German police forces. Pair the man and the post.

19. Virginia now has two Senators (father and son) with the same name, though the younger Senator holds office in the State Legislature, not Congress. The father has been in the United States Senate since 1920. Who are they?

20. On the base

office-h  
Hotient  
Page 6.

## ANSWERS TO QUESTIONS ON PAGE 2

1. In England, where the censor held up weather reports on the ground that news of England's cold wave would supply information to the enemy.

2. Kronstadt is the fortified Russian seaport on Kotlin Island in the Gulf of Finland. Rangoon is the capital of Burma, British India. Hango is a Baltic seaport in southwest Finland.

3. The figure "21" refers to the number of German citizens taken off a Japanese liner by a British man-of-war on Jan. 20. The Japanese protested and diplomatic conversations followed.

4. (a) John Barrymore in "My Dear Children"; (b) Gertrude Lawrence, "Skylark"; (c) Paul Muni, "Key Largo."

5. The "cuff links gang" is the name given to those associates who campaigned with Mr. Roosevelt when he ran for Vice President in 1920. After the campaign the President gave cuff links to his close associates, Secretaries Stephen Early and Marvin McIntyre among them.

6. (a) Cardinal Hound is the Catholic Primate of Poland; (b) Captain Gairard is the commander of the City of Flint; (c) Thomas Farran is Surgeon General of the United States.

7. Mr. Hillman, C. I. O. vice president. Messers. Woll and Petrillo are A. F. of L. leaders. Mr. Girdler is an industrialist.

8. Gauleiter means Nazi district leader.

9. "Laugh and the world laughs with you"; (s) Ella Wheeler Wilcox.

10. (a) Sept. 1; (b) Sept. 3; (c) Nov. 30.

11. Mr. Edison (e); Mr. Daladier (a); Hitler (d); Mr. Martin (b).

12. Ohio. Its Governor is John W. Bricker; its junior Senator, Robert A. Taft.

13. The Treaty of Brest-Litovsk was signed by Germany and Russia in 1918 after Russia's defeat in the World War.

14. (a) The Electoral College consists of persons chosen, by vote of the people of the States, to elect the President and Vice President of the United States. Each State is entitled to as many electors as it has Senators and Representatives in Congress; (b) many States hold primaries which permit the voters to express a preference for Presidential candidates. The results guide, do not bind, delegates to the national conventions; (c) a "dark horse" is a candidate whose nomination is not likely except as a compromise.

15. The Dominican Republic. 16. The President was 58 last week. Hitler will be 51 on April 20.

17. Kansas.

18. Goebbels (b); Funk (e); Himmler (d); Ley (a).

19. Carter Glass and Carter Glass Jr.

20. John L. Lewis said that Secretary of Labor Frances Perkins "knows as much about economics as a moralist knows about the moral law." Mr. Roosevelt asked Congress to appropriate funds to build fifty hospitals under the Public Health Service.

## COMPARATIVE DATA\* — COMBATANT VESSELS

(Capital Ships, Carriers, Cruisers, Destroyers and Submarines)

APPROXIMATE AGE TONNAGE (As of 15 November 1939)

Based on published information, but not official figures.



GREAT BRITAIN

1,144,899 TONS



UNITED STATES

1,021,270 TONS



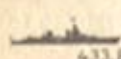
JAPAN

796,233 TONS



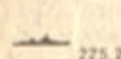
FRANCE

513,327 TONS



ITALY

433,852 TONS



GERMANY

225,218 TONS

\* TABLE DOES NOT INCLUDE ALL WAR LOSSES

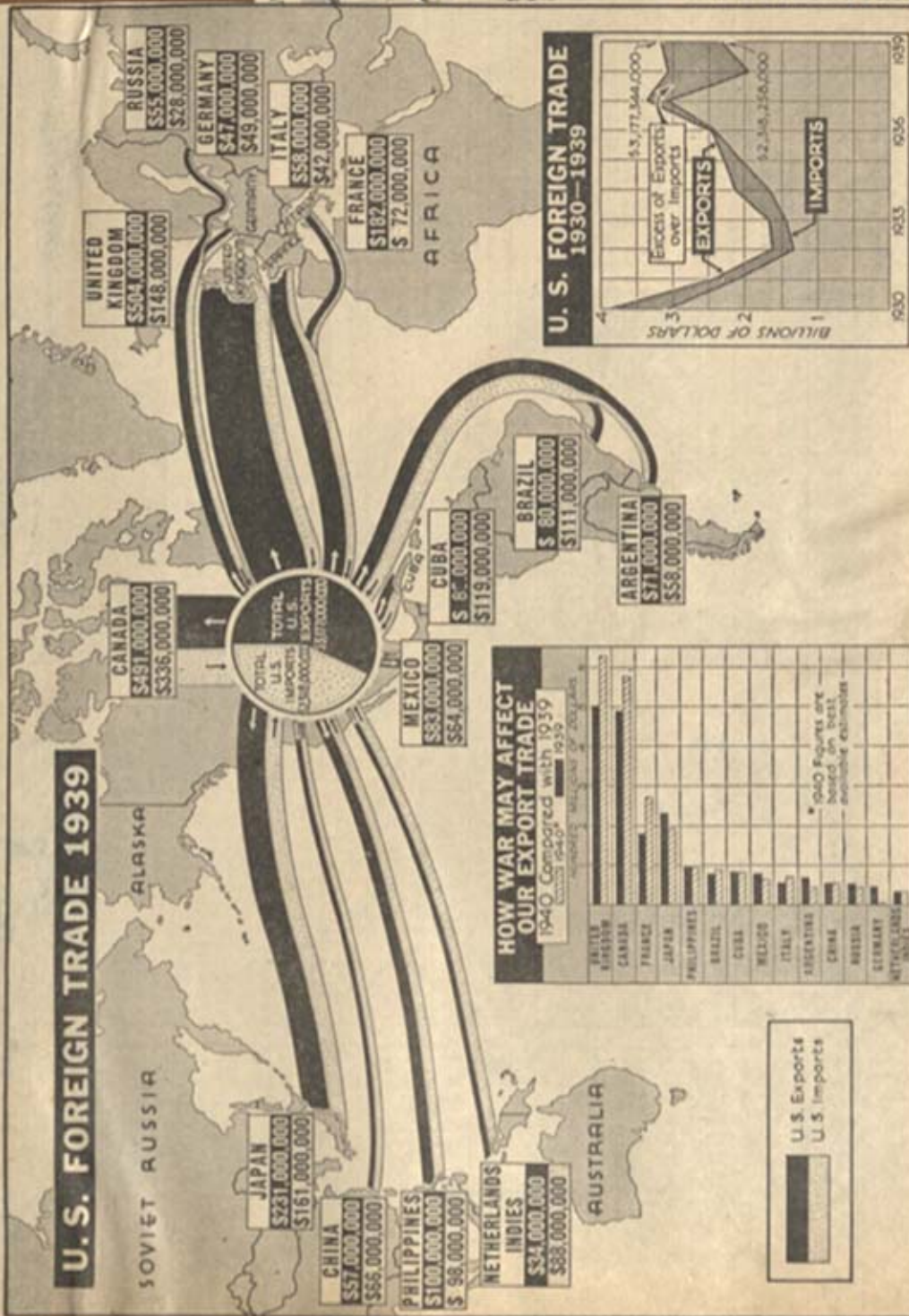
## COMPARATIVE STRENGTH OF NAVIES

Chart issued by Navy Department showing relative under-age navy tonnage of world powers.



## MAIN CHANNELS OF OUR FOREIGN TRADE — AND HOW WAR MAY AFFECT THEM

## U.S. FOREIGN TRADE 1939



NG OUR TRADE

es, second in command  
State Department.

co the war started in-  
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lary, and the United  
sitting from this con-  
same time, the Latin-  
side field is spotty. The  
million-type coffee, for  
s held up, and Brazil  
s in this country.  
pe coffee prices fell  
ever, and Colombia is  
d as good a market as

South

The feeling here is that Latin-  
American business as a whole will

In 1940 our trade with the Allies is expected to rise and that with Germany to fall heavily. The import totals given here for 1939 are approximations.

products that cannot be obtained in  
sterling-bloc countries.  
There has been worry about

hurt, have been coincidental with  
almost a sharp shift in trading  
areas.

\* 1940 figures are  
based on best  
available estimates



# BRITAIN IS BUILDING UP SOUTH AMERICAN TRADE

For Duration of the War at Least She Would Capture Markets Where Our Tariffs Hinder Our Exports

By JOHN W. WHITE

Special Correspondent to The New York Times  
BIRMINGHAM, Feb. 5.—With Germany's withdrawal from Latin American markets by the European war, Great Britain is now creating a vigorous trade drive on land of the continent to replace trade lost to the Reich during a decade. For the duration of the war at least the British export administration is set to do what former German merchants do in their wherever possible, and then help to pay for the British war effort and the loss of British shipping.

The United States is the natural alternative supplier of many lines which Germany has been shipping to Latin America, because the United States is the only country which can produce from trees all comparable prices and quantities. But, when South American goods to the United States as an outlet market, they are checked by the refusal of Washington to lower tariff barriers against South American farm products.

British business men believe and stress the British Industries Fair at Buenos Aires and the visit of the Prince of Wales in 1920 have found that the competition of the United States, especially in 1920, would not be a handicap to the British. It is still for trade to be conducted on the basis of normal conditions of price and quality. In Rio de Janeiro, where British Ambassador to Argentina, Arthur B. Smith, "May from those who lost their jobs," and their friends during the depths of the depression in Argentina, in 1922 and 1923 was enthusiastically taken up by Argentine officials as Britain was then at the low Argentine's last economic.

## Preferential Treatment

It has been used to justify preferential treatment of British trade for several years. In the face of testimony of local business in Buenos Aires, a determined attitude has been maintained, especially in Argentina and Uruguay, to support British goods by means of a complicated system of monetary and foreign exchange controls.

## ENVOY TO ARGENTINA



Ambassador Arthur B. Smith is witnessing British efforts to capture trade in South American countries.

measures which are designed to monopolize trade in favor of Great Britain.

This system has been extended also to France, since the British and French, since the outbreak of the war, have combined their purchasing abroad.

## Buyer and Seller

Great Britain has built her present preferential position in her own South American markets by the intelligent use of her great buying power combined with occasional gifts that she might have to meet needs. If these countries bought their requirements of manufactured goods elsewhere than in Britain, Great Britain is the world's largest supplier of finished goods and feels that she has a right to exploit this advantage.

The Ottawa system of British imperial preferences has been a standing source of anxiety to the South American countries, which fear the transfer of British buying power to the continent.

Britain's contacts with South American countries for most and other products usually are signed for short periods, generally three months. These act as frequent reminders of the importance of staying on good terms with their principal customer.

South Americans today do not dare risk the loss of their British markets and prefer to continue to obtain favors rather than face their possibility, though, in fact, it is probably better.

While Britain receives tremendous sums from its investments in Latin America—a total of \$1,000,000 from Mexico and bonds in Argentina alone last year, according to the South American Journal of London, it needs to sell goods in addition, in order to pay for the heavy imports.

## Argentina's Wares

Great Britain takes about 10 per cent of Argentina's total exports, while the United States takes only 1 per cent. Great Britain has been steadily strengthening her advantage over the last seven years until today her position is so strong that it is able to dictate terms on

which her goods shall be admitted to South American markets.

Several months ago the British Cabinet Minister, known as the President of the Board of Trade, announced that Great Britain was going to fight Germany with Germany's own weapons.

These weapons include "blocked" currency dumping and other very complicated and changing arrangements which the British formerly dominated as safely trade practices.

Noting no longer possesses a fixed value in Latin America limited by requirements of international exchange markets, but varies according to changing circumstances aligned with different currencies. This has the effect of making it difficult to convert the proceeds of Latin American exports into other currencies than sterling and facilitates the blocking of funds by London.

## Import License Rules

In addition, the import license system now in force in most South American countries under the guise of exchange control have effectively established price and quality as competitive factors in international trade, and have made export and import business largely a matter of private arrangements between governments or their exchange control offices.

In Argentina the system works so effectively in Britain's favor that it has been applying for permits to import from the United States are required by the Exchange Control Office to give the reasons in writing why they cannot export or desired merchandise from Great Britain.

The British Government is officially backing up British firms in their efforts to hold Latin American markets against North American and other competitors. In some cases the Export Credit Guarantee Department of the British Government guarantees from 50 to 75 per cent of credits, takes over collection of accounts and has government assistance in making collections.

One of the most effective weapons of the British trade drive is the fact which British authorities and legislators periodically supply to South American governments. This list shows the articles British factories are in position to export. The British, they are given preferential treatment in the admission of import licenses covering these particular articles.

## American Handicaps

As this system operates in Argentina and Uruguay, Britain can ship the following articles and many others without limitation of any kind while the importation of the same articles from the United States either is prohibited completely or heavily restricted: Coal, tinplate, textiles, clothing, packaged foodstuffs, engines, sugar, smoking tobacco, shoes, hats, sporting goods, toys, glassware, china, ball bearings, cosmetics, railroad material, automobiles, trucks, tires, electrical equipment, radio, refrigerators, iron-forged tanks.

American business men and Chambers of Commerce, even official sources, are frankly pessimistic regarding the future of many American lines.

Many American business men express the conviction that Great Britain's greatest set-up in South America makes the issue of American trade in these markets a question which eventually will have to be settled between the Washington and London governments rather than between Washington and South American capitals.

# Poland Looks to Future

Deliverance From Invaders Seen as Eventual Fortune

To the Editor of The New York Times:

In my capacity as president of the Helios Foundation and chairman of the recent annual ball and Polish National pageant, I mean to express with people in different walks of life, many of whom were lacking in knowledge of Poland, her place and position in the world and the reasons for her temporary downfall.

My native country, Poland, is a republic, established by the Treaty of Versailles. Her democracy was the restoration of all Poland's lost traditions from the time of the Polish Kingdom. Her people have enjoyed all of the liberties which we cherish as highly. In the domain of foreign affairs she has ever gone hand in hand with all the Western democracies in her constant efforts to secure international peace.

Her position in Europe with a wall of her frontier, East and West, from the Red Sea to the last twenty years of her existence, and Christianity of hope from the days of Sobieski. She holds a permanent seat in the Council of the League of Nations. She was an active member in the Locarno agreement and one of the original signers of the Kellogg-Poincaré pact. She has signed peace, arbitration and trade treaties with twenty-three nations and is a member of the World Court.

## Treaty Broken

In 1918, after long negotiations, she even concluded a peace declaration for ten years with the armed Germany that has since so shamelessly and dishonorably broken that solemn obligation and has invaded, conquered and overrun Poland. She has at present a temporary government and Congress at Geneva, France, headed by President Stanislaw and Ignacy Jan Paderewski; Dr. Ignacy Silivinski, represents the three and one-half million Jews of Poland.

The Poles are a strong and virtuous race, industrious, religious, satisfied with very little in a material way, hospitable and jolly by nature, with a love for beauty, music, dance and the dance. All her inhabitants were equally loyal and faithful to their country regardless of race or creed.

Poland was so liberal with her freedom of press and speech as in our own United States, and that caused her temporary downfall. It is true there were some disturbances in Poland which were instigated by Hitler's and Italy's agents. Neither the Polish people are the army of which the Polish Ambassador here, Count Jozef Potulski, is a true example, have ever been instrumental in opposing their fellowmen.

Poland is one of the most important links in the chain. The International Child Service Committee, of which Dr. Frank Kingston, president of New York University, is chairman, with Peter Tullis as president and treasurer of the Polish division, will distribute the monthly "monthly" fund to the European countries not in Poland, which is still in the "monthly" fund.

Secretary of Bureau,  
Harrington, N. Y., Jan. 11, 1921.









Despite reports of

ating on Lake Yssel.



Finland's soldiers continue their operations despite the handicaps of cold and heavy snows.



## JAPAN HAS A BIRTHDAY

IN 660 B. C. the sun rose on a new Oriental empire. In 1940 A. D. the Land of the Rising Sun will celebrate its 2,600th anniversary with the sons and daughters of old Japan marking the occasion with ceremonies which are medieval and modern in spirit.

Official observance begins on Feb. 11 in the Imperial Court with Empire Day rites. Shrines throughout the land will observe the day as a grand festival. On Nov. 10, date of the Emperor's enthronement, the government will sponsor colorful ceremonies on the plaza facing the palace. Grand naval and military reviews are scheduled. In localities other than Tokyo the anniversary will also be appropriately marked, its observance extending into schools, churches and homes.

Empire Year will reveal a curiously sharp contrast between the very old and the very new. Roaring transport planes draw criss-cross patterns today over the former haunts of the Samurai, while crack express trains tunnel mountains and thread valleys rich in the lore of the ancients. Smart autos whisk the traveler into the very shadow of the giant Buddha of Kamakura.

The spirit of the past breaks through the 1940 calendar in the shape of festivals and holidays—dozens of them—reaching from January to December in an almost endless pattern of color, movement and gaiety. A random selection includes the New Year celebration when every one is either afoot or awheel to call on friends, or attend banquets or fetes; March 3 is the Girls' Doll Festival Day, when dolls, representing members of the court, are displayed in age-old costumes. The boys have their day on May 5, observed with displays of warrior dolls and high-flying kites. A classical sight marks the Aoi festival at Kyoto, May 15, when the ancient Imperial procession en route to the shrines is held. One of the most spectacular of fetes is the Grand Festival at Nikko Temple,

June 2, when 1,200 marchers will parade in costumes of the Tokugawa period.

The Star Festival, July 7, marks the happy meeting of the two star lovers of mythology, while the Feast of the Lanterns pays homage to departed souls who Buddhists believe visit the earth then. One of the most popular pageants is Kawabiraki (River Fete), an ancient festival carried on as a carnival. This generally takes place in July on the banks of the Sumida River in Tokyo. From July through October one of the country's most unique customs draws the visitor to the Nagaro and Kiso Rivers to watch the catching of ayu fish. The Nipponese Walton, garbed in ancient costume on these occasions, goes about his business with the aid of trained cormorants.

Much of Japan's colorful festive spirit springs from the fruit blooms and flowering shrubs. The annual cycle of the blossoms begins with the peach and the pear in March, followed by the famed cherry blossoms in April; in May come the azaleas, wisterias, peonies and others. There are more than 100 varieties of cherry blossoms, and, as the tree flourishes in Japan, the country becomes almost a bower of blossoms in season. Ranking with the cherry blossom in Spring is the chrysanthemum, that blooms in the Fall; these have been cultivated in Japan for more than fifteen centuries, and are so highly esteemed they have been selected to form the crest of the Imperial House.

Typical of Japan's most striking scenery is that embraced within Nippon's twelve national parks. Volcanoes, mountains and gorges, forests, lakes and waterfalls, hot springs, bold promontories and rock-walled inlets—these combine to afford a variety of scenes extending from tidewater to the Japan Alps. Mount Fujiyama, symbol supreme of the Island Empire, pales all other attractions in the park of that name, with a motor tour to the Fuji Lakes as an added attraction.

## German Unrest Said to Be Growing

But Former Member of Reichstag Tells Why Gain Must Be Slow and Points to Historical Parallels

TO THE EDITOR OF THE NEW YORK TIMES:

In the first years of Hitler's rule at least left wing writers used to make a clear distinction between Hitlerism and the Germans as a whole. Since the start of the war there are numerous indications that even some liberal Americans are inclined to make all Germans responsible for the disaster in Europe.

The Germans as a nation, not only the Nazis, are pictured as a people who regard themselves as the chosen people of a god "created in their own image." Power is the only just and method and aim of Germans. The slogan of Voltaire against the Roman Catholic Church is the battle-cry of some writers against Germany. However, one should remember that 200 years after Voltaire the Roman Catholic Church is still a most important force. Why should it not be possible that the German nation will survive the threats by overexcited intellectuals as well as the barbarous regime of Hitlerism?

We are told that one of the war aims of the Allies is to restore the independence of Poland, Czechoslovakia and Austria. Certainly the people of those countries have the right to decide their own fate and to be delivered from any kind of "protectorate." But it seems neither just nor wise to announce at the same time that the Germans will have to be put under some sort of protectorate after they are defeated.

### Help for Hitler

Such announcements are valuable help for Hitler's propaganda. They may be used inside Germany to convince the Germans that they must expect once more humiliation and exploitation by the victors. One should not forget that there never has been any political group in Germany which did not claim the right to national unity for Germany. There is no underground group in Germany which does not claim for the Germans the same right of national sovereignty that they are ready to grant to all other nations. The restriction and final abandonment of national sovereignty in a future united Europe has to be based on equal rights for all nations.

The simple historical fact is that the struggle for a new political order and society produces hatred and persecution and cruelty in all countries. In times of war we are inclined to see only certain characteristics of a nation and to overemphasize them. Germany certainly is going through a period of turmoil comparable only to the latest decades of Russian history and from similar causes.

As every individual is a composite of physical and mental traits, inherited and acquired, so is every nation a composite of characters, gifts, talents, virtues, shortcomings, passions, prejudices, positive and negative forces. As individuals we act quite differently under different conditions. Whether we have security or a hard struggle for existence, whether we are healthy or sick, whether we are old or young: these facts influence our actions decisively. Different circumstances compel us to bring out different sides of our composite personalities. It is the same with nations—Ger-

and the terroristic struggle of the Communists against "formal" democracy are more responsible for Hitlerism than the Treaty of Versailles. It is admirable how in Germany most social democratic and Christian workers stood for democracy very often under danger of life. They are still faithful to democracy. Thousands of them sacrificed their lives against Hitlerism. Hundreds of thousands sacrificed their freedom because they refused to capitulate to the dictatorship.

True, in seven years the Germans did not overthrow the dictatorship. Neither have the Italians in seventeen years and the Russian in twenty-two years. Unfortunately, there are no European nations from which the Germans can learn how to overcome a modern dictatorship by revolution without war.

Let us look at historical facts. The French dictator Napoleon I was not overthrown by the French people. A European coalition on the battlefields of Leipzig and Waterloo freed the French nation and gave it a corrupt absolute monarchy. Half a century later another French dictator, Napoleon III, was defeated and captured by the Germans in the battle of Sedan. German victories created the French Republic. Incidentally this republic started its existence by massacring French workers.

The first Russian revolution in 1905 started after Japanese victories and shattered the authority of czarism. That revolution had little success. Not the Russians but the victorious German armies under Hindenburg and Ludendorff crushed the power of the Czar in 1917 and made the first Russian republic possible. Then Ludendorff sent Lenin and his friends in a sealed wagon from Switzerland to Russia.

The Bolshevik revolution became possible only because of continuous German victories. On the other side the Germans were unable to oust the Emperor before the German armies were defeated and the home front was disintegrated. The same is true for the Austro-Hungarian empire.

It seems history teaches us that no modern dictatorship can be overthrown before catastrophic events have weakened its overwhelming power. Why expect only from the Germans when no other nation could achieve?

It is not the fault of the underground movements inside Germany that fantastic hopes have been nourished outside of Germany. Not underground activists but male and female chatterboxes without any political record in democratic Germany publish fairy tales in magazines about secret radio stations inside Germany and rapidly growing underground activities.

### Gestapo a Factor

The simple truth is that Gestapo and half a million Nazi Black Guards controlling every family have forced all underground movements to become more and more cautious and to restrict their activities in methods and membership. There were never fewer underground activists in Germany than now. But every one of them will matter in the coming revolution.



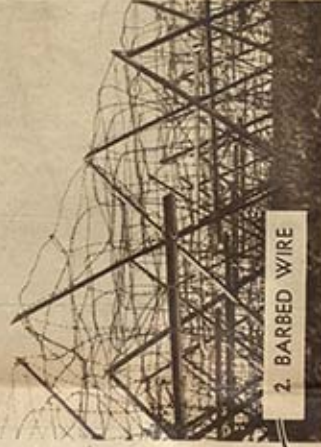
## THE WEST WALL MAPPED BY BRITISH FLIERS

From aerial photographs the Allied and German army staffs work out the lines of the West Wall. The cameraman takes pictures such as the one of the Starobucken area shown below. Despite

camouflage three vital elements of the West Wall—tank traps, anti-tank barriers, blockhouses—appear clearly. The infantryman's view of the same defenses is shown in the strip at the right.



1. TANK TRAPS



2. BARBED WIRE



3. BLOCKHOUSES



Work on the West Wall is always being pressed. The photograph above shows German soldiers busy about a gun position in the woods.



MAP-MAKING

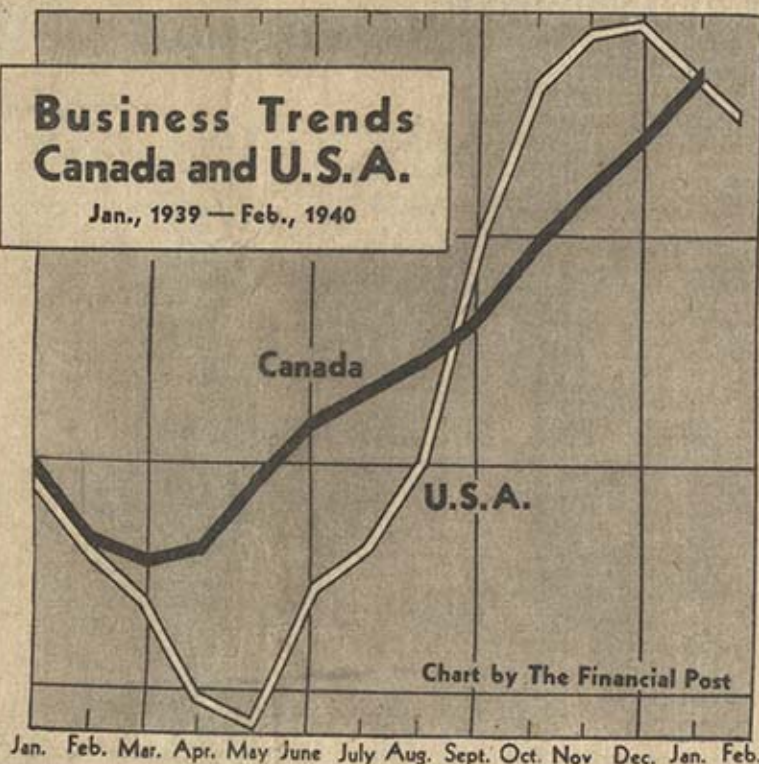
A British flier recovers his camera for a flight over the West Wall. On his return his exposed plates are rushed to the workshop. Individual photographs are then fitted by sections over a pre-war military map of the territory photographed. At hand, military study of the photograph with high power magnification gives data of the terrain.



MARCH 2, 1940

## Business Trends Canada and U.S.A.

Jan., 1939 — Feb., 1940



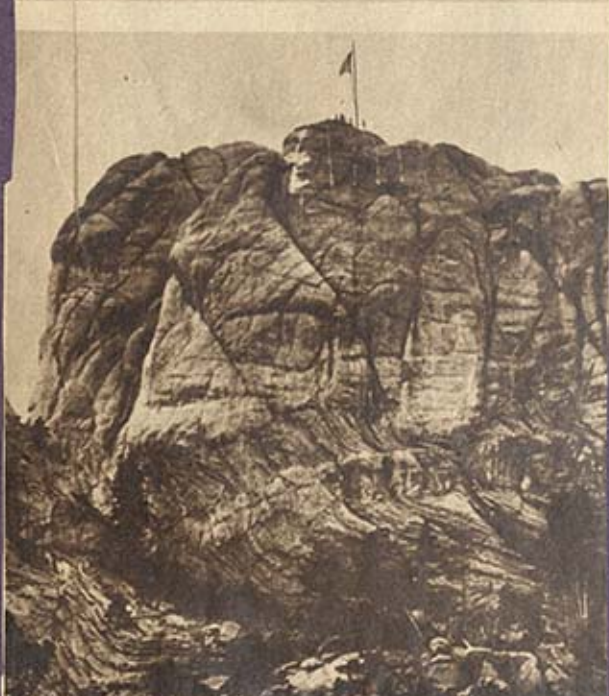
### CANADA GOES AHEAD ON ITS OWN

Since the beginning of the year Canadian business has risen to a new all-time high. This is in sharp contrast to the trend in United States, which in recent months has been pointing downward. Normally, activity in the Dominion takes its cue from across the line but ever since January a year ago this country has been forging ahead on its own. The chart above is based on The Financial Post Business Index of monthly trends in Canada and the running weekly index of United States conditions compiled by Business Week magazine. Both have been adapted to a common base.

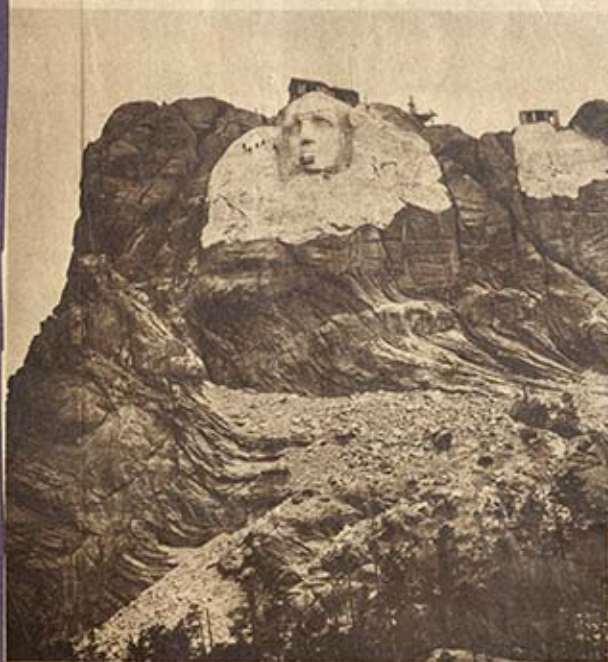


# GREAT STONE FACES

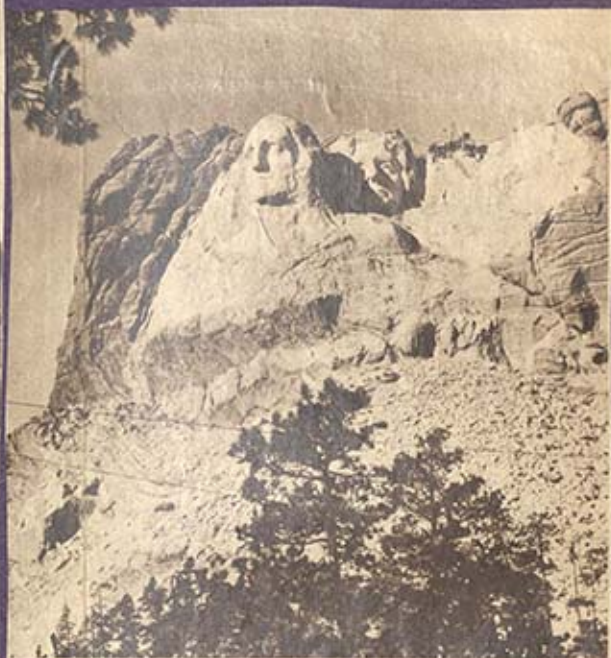
The heads of the four great Americans honored in the Mount Rushmore Memorial in the Black Hills of South Dakota are now near completion. On this page are shown five stages in the making of the vast monument, designed by Gutzon Borglum.



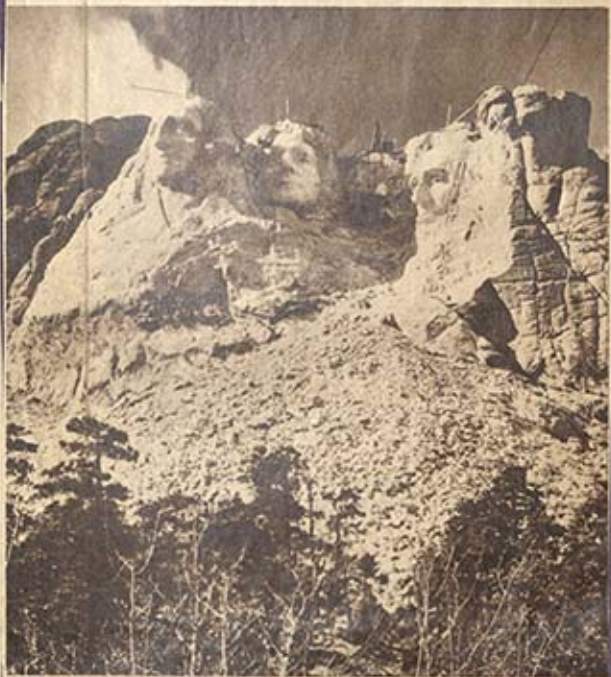
1927 With the Stars and Stripes flying above, the preliminary cutting for the face of Washington is made on the rock.



1931 The face of Washington emerges from the rock, and an area is cleared for the features of Abraham Lincoln.



1936 Five years later, the faces of Washington and Jefferson are nearly complete, as Lincoln's begins to appear.

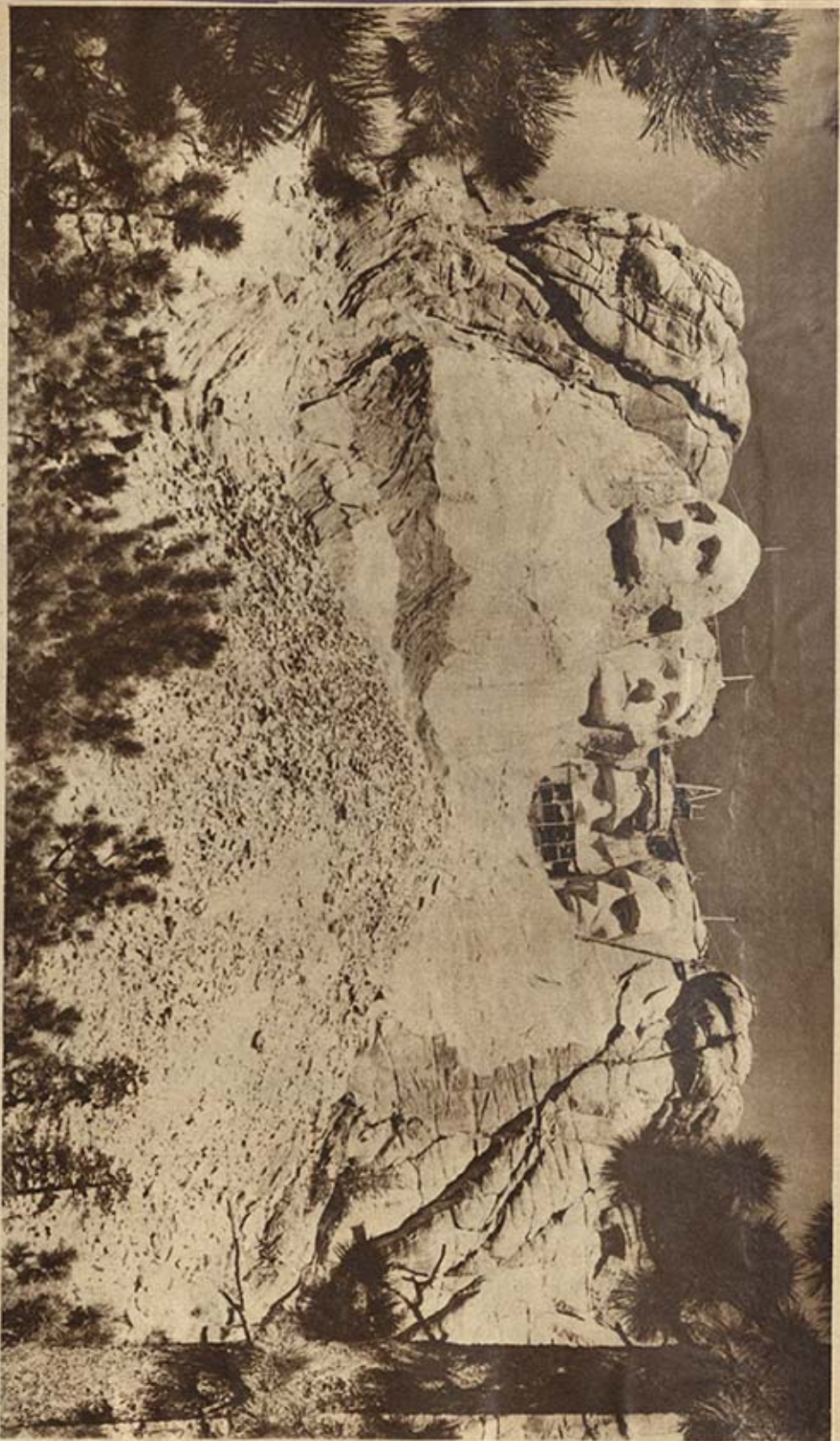


1937 Theodore Roosevelt, the fourth of the great Presidents, begins to appear against the face of the mountains.



1940

The newest picture of the memorial shows the four faces, with work still in progress on that of Theodore Roosevelt. The size of the sculpture can be judged by the fact that the head of Jefferson measures 65 feet in height. The planning of the memorial started in 1924. In 1927 President Coolidge inaugurated the actual work.





# London Calling *By Atticus*

Superman, Says Chamberlain, Only  
Exists in Minds of the Young or Deluded

LONDON.—Between foreign travel and the peregrinations of a seasonable germ I am reduced from the role of contemporary historian to that of a philosophical recluse. Instead of gazing awe-struck at the sphinxes of the Treasury Bench or modulating my voice to suit the exact shade of neutrality represented by a foreign Ambassador, I fasten my eyes on the lured snow in my garden and do not use my voice at all. Yet there is compensation in all things. It is good for a change to see the great ones of the earth from afar "without the wars." Great men, like the moon, require distance for enchantment.

## No Superman

Mr. Chamberlain is always at his surest when dealing with the suggested appointment of a superman. You will recall Maeterlinck's exquisite moment in "The Blue Bird" when he cries: "There are no dead!" Mr. Chamberlain is almost as moving when he cries: "There are no great!" He has seen Mussolini, Ciano, Daladier, Hitler, and Ribbentrop. Not one of them has shifted him from the firm conviction that the superman exists only in the mind of the young or the deluded.

Mr. Chamberlain has no doubts of his own usefulness as Prime Minister, but he does not regard himself as an immortal. Bonar Law shared this distrust of men blown up beyond the normal size. When he drove to Westminster for the first time as leader of the Conservative Party his companion urged him to remember that he was now a great man. "If that is so," said Bonar Law, "then all the great men of history are frauds."

Therefore Mr. Chamberlain refused to appoint an economic superman to the Cabinet, and his followers endorsed his decision.

## Simon's Many Gifts

How admirably Sir John Simon summed up the debate! Of all the Ministers in the present Administration I find in him the greatest simplicity of character and the most engaging charm. Never have I seen a man who can do so many things supremely well and yet retain an almost boyish wistfulness about life itself. One would think that with his superlative brain he would be contemptuous of the intellectual giants of the past and even, like Shaw, endeavor to explain Shakespeare. Instead, Sir John's deference to men who said things in the past is complete—especially if they were Greeks. I have seen him search his library to find an utterance by an ancient Greek which would not hold his interest for a moment if it came from the mouth of a modern Scot.

## Roumania's Gafencu

My old friend M. Gafencu, Roumania's Foreign Minister, is on the march again. He is a most reasonable man—was his grandfather not a Scot? He has the

ity territories." Gafencu smiles with that gentleness which goes well with his commanding figure. "Our integrity," he answers, "depends upon keeping the State intact."

One has to travel to cities like Bucharest and Belgrade, talk to realists like Prince Paul and King Carol and romanticists like Gafencu, to understand the strain of guiding the destiny of a country which is at the mercy of external events. No wonder there is both charm and sadness in their music, that life is passionate, that the builder is less than the poet, and that their definition of eternity is tomorrow.

## Poultny Bigelow

It was characteristic of my old friend, Mr. Poultny Bigelow, to publish in America the ex-Kaiser's letter on the Finnish war. One thing is certain, Poultny Bigelow did it with his eyes open. For 85 years his eyes have been wide open. His curiosity about life and his interest in people and countries have in-



SIR JOHN SIMON

creased with the years and added fresh energy to his mind.

The last time he was in London I lunched with him and the late Sir Johnston Forbes-Robertson at the Athenaeum. The great actor was slowly and painfully recalling boyhood days. Bigelow, although his senior in years, prompted him and generally stage-managed him like a schoolboy showing off a famous aged relative to his fellows.

It has been Poultny Bigelow's custom to visit the ex-Kaiser once a year at Doorn; and I have been surprised that he has not appeared somewhere in the war zone by this time. It is incredible that he has decided to settle down and live a quiet life.

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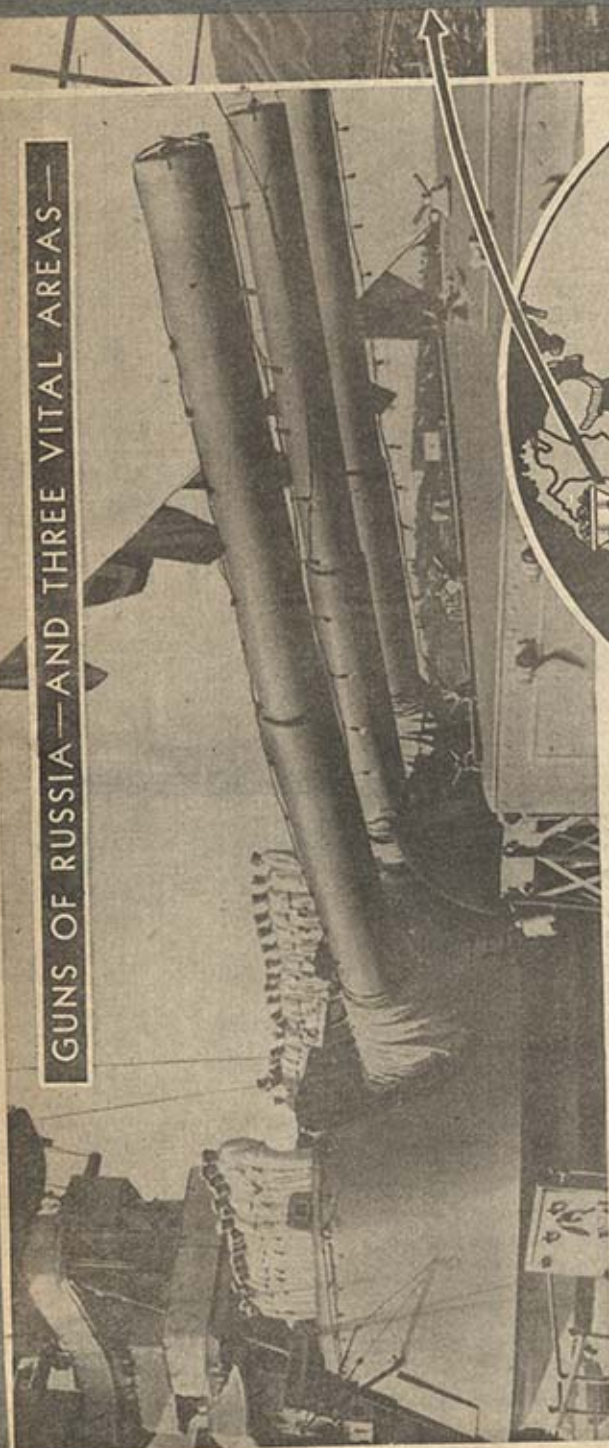
## THE SHADOW OF WAR FALLS ACROSS THE NEAR EAST



The Balkans and Near East may see important developments in the coming months.

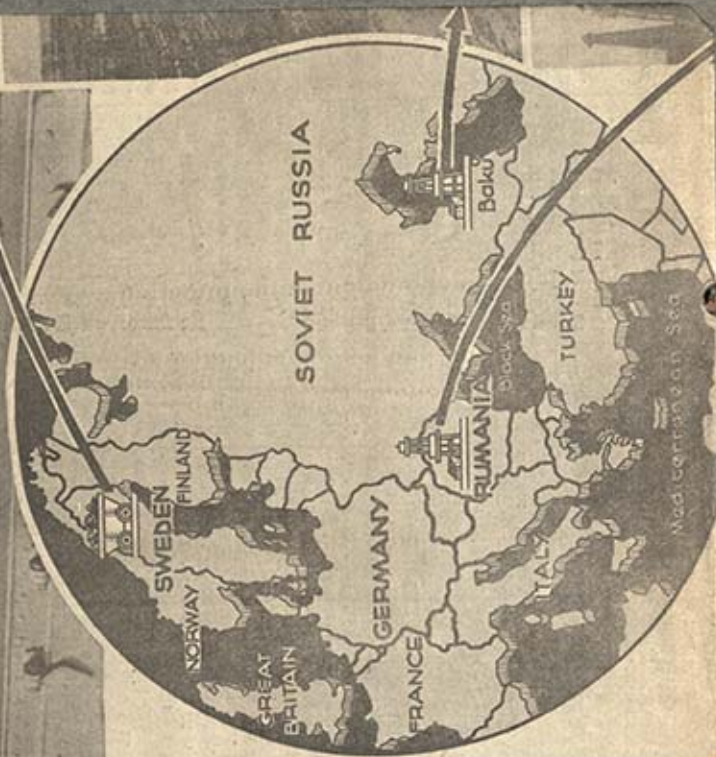


## GUNS OF RUSSIA—AND THREE VITAL AREAS—



Strategists are looking to Scandinavia, the Balkans and the Near East for important developments in Europe's war. Germany depends on ore from Sweden and oil from Rumania and from Russia's fields at Baku. The Allies are seeking ways to stop this flow of supplies to the Reich. The photographs show a Russian warship in the Black Sea, which would become an area of conflict if the Allies should strike at Baku through Turkey; ore mines in Northern Sweden; tank cars leaving Baku and oil wells in Rumania.

*Reynolds, Philip Gustafson and © British Press Committee*





# London Calling by Atticus

## British Cabinet Ministers Thrive Despite Burdens of War—Remaking the Face of Europe



SIR KINGSLEY WOOD

LONDON.—There is no explaining the health of men who hold political office. Having returned to the House of Commons, I could not but muse on the extraordinary immunity from germs that Ministers seem to enjoy. In other walks of life and even among the back-benchers the scourge of influenza has made itself felt in no uncertain manner, but the Treasury Bench seems to be populated entirely by Siegfrieds who have borrowed the protection of Brunhild's magic fire.

The Prime Minister moves with a springy step and his voice is strong. Sir John Simon is as svelte and unperturbed as if he had never heard of revenue or expenditure. He is delighted with the way the money is coming in. "I believe the people like paying income tax," he said to me. The thought was so profound that I could think of no comment. Sir John Anderson is unmarked by his long grind of work.

### Cherubic Sir Kingsley

Yet I doubt if any of the Ministers can match in freshness the exuberant and almost cherubic Sir Kingsley Wood. I had occasion to see him at the Air Ministry last week, and he might have just returned from a long and untroubled holiday. Whether this is because he is conscious that his department is all that it should be or whether it is just the result of abundant good health I cannot say. He is very fortunate in his parliamentary private secretary, Sir Edward Campbell.

Sir Edward gets no pay as P.P.S., and devotes his entire time to earning it. He has been with Sir Kingsley so long that he has become like Kurnawal to Tristan. Should anything happen to the knight it would also happen to his servant, the baronet. Outside the handsome office of the Secretary of State for Air is a bedstead and mattress. Each evening this is moved into the office, and there Sir Kingsley sleeps, one of the nation's watchdogs. In an adjoining office Sir Edward also sleeps, his cutlass near at hand.

### Board of Trade Head

But the Minister who is rousing the most interest at the moment is undoubtedly Sir Andrew Duncan, the President of the Board of Trade. Sir Andrew answered his first questions the other day. He was not perturbed by the ordeal but—surprising in a new member—failed to remember that in answering a question he does not reply to the asker of the question but to the whole House through the Speaker. Thus he failed to make himself heard as easily as he will do when he learns the acoustics of the place.

He looks extraordinarily youthful and the readiness of his smile suggests that he likes life and people. He already knows a large number of members and has charmed everybody by listening to the borer with the same apparent interest as to the others. He was highly entertained

intruders. However, I am delighted at the news that my old friend "Johnny" Dodge, the reincarnation of Dumas's Porthos, is being adopted by the Gillingham Conservative Association. Major Dodge is the American-born son of the Hon. Mrs. Lionel Guest, and he will bring the Parliamentary strength of the Guest family up to its proper strength. On the American side he is descended from Abraham Lincoln's Minister to Paris.

At the age of 24 he commanded a British battalion in the line in the last war. When it was over he found life dull, so he went to Russia and got himself arrested. After a narrow escape from execution he returned to civilization and, for some reason I cannot remember, swam the Hellespont. Then, committed to a life of adventure, he went into the City. Now he is back in the Army again, but is only a major. Like his friend, Kermit Roosevelt, he is with the machine guns. His greatest passion is to develop Anglo-American understanding, and he has been known to be quite violent on this subject. He keeps an open mind on the matter himself. He just believes that Britain is always right.

### Europe to Come

Recently I had the pleasure of dining at Sir George Franckenstein's quaint London house, where I met that interesting Hungarian, Count Sigray, who is the recognized leader of what is called "The Legitimist Movement." Count Sigray's plan is to recreate a smaller version of the former Austro-Hungarian Empire. It



would consist of the pre-Hitler Austria, Hungary, and the three separate States of Bohemia, Moravia, and Slovakia.

The king would be the young Archduke Otto, and the political aim would be to strengthen the position of the anti-Communist nations while creating a prosperous trading unit. I gather from Count Sigray that there is much sympathy for his plan in France, although here in Britain it is received with what Gilbert described as "modified rapture."

Count Sigray is a jovial, intelligent and determined personality. Bald, middle-aged, sonorous-voiced, he

has openly advocated a pro-British policy, and warned his countrymen that alliance with Germany would be the road to ruin. For two years he was at Stonyhurst College, which may account for his admirable and tumultuous English.

### Good Rumors

I am aware that there is a school of thought in this country which regards the spreading of good news as a sinister crime. Apparently we should contemplate only the seriousness of our own task and speak in hushed tones of the ordeal ahead. I apologize to these excellent people and admit that what I am about to publish is merely dinner-table conversation. Nevertheless, these are the conclusions which were reached by a number of neutral observers in Germany who reported their findings to Count Sigray:

1. The differences between Hitler and the High Command grow more serious each month. He put forward two plans, one for a general attack on the Western Front and another for an invasion of Holland. The generals negated both.
2. The German High Command have lost faith in victory. They do not necessarily envisage their own defeat in the field, but they cannot see how the Allies can be beaten to the point of surrender. The generals want peace.
3. The German soldier is presenting a psychological problem. The soldier of 1914 was a highly trained automaton and did as he was told. Today the German in the ranks is a politician, nourished on political propaganda. He was informed that he would never have to fight France and Britain. He was urged to hate Russia. He wants to know what has gone wrong, and he wants it put right.
4. The war will end this year. That is the view of the neutral observers.

I take no responsibility for any of these statements, and yet I can supplement them with one statement which I believe to be true. In one of the larger air raids on our East Coast volunteers were called for from various German squadrons. Here it would merely have been a routine job which any unit would have undertaken as part of the day's work.

This is all so cheerful that I must go and have a look at my garden. Perhaps it will be full of flowers!

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# London Calling by Atticus

## Does Present House of Commons Lack Personalities? — Sumner Welles Mission

LONDON.—One of the complaints against the present House of Commons is that it lacks personalities. One of the complaints against nearly every House of Commons has been that it lacked personalities. I prefer Mr. Chamberlain's view, which he expounded to half a dozen of us at lunch one day: "If the present membership disappeared completely and an entirely new lot were elected in our place the House would be practically the same." That may be taken as an encouragement or a discouragement according to the degree to which you are jaundiced about politicians.

I would definitely not agree that this Parliament is lacking in personalities. We have Anthony Eden, who carries the halo of once having played Hamlet to crowded houses. There is Sir Archibald Sinclair, with that eager boyish quality that makes one wonder if David Copperfield has not come to life again. There is Winston Churchill, the benevolent buccaneer, the man who changed fromenfant terrible to the Elder Statesman overnight. There is Dr. Dalton, showing the whites of his eyes as his smiling lips call for boiling oil for the Government. And now we have the legendary Sir John Reith, whose eyebrows will quell the flippant word at source. One could go on until the portrait gallery is full—and how can one leave out L.G., with his memorable remark recently that we cannot snip our way to victory with scissors?

But rich as we are in personalities we cannot take the news of Mr. Jack Jones's coming retirement with aught save melancholy.

### Parliamentary Wit

Mr. Jones, the Irish-born member for Silvertown, won his spurs at the outset of his parliamentary career. In his maiden speech he addressed the House as "gentlemen" and was called to order by the Speaker. "I am sorry," said Mr. Jones, "it is obvious that the Speaker knows the members better than I do."

I was not there at the time, but I can imagine the roar of delight that must have swept the House. Wit in Parliament must be instantaneous. The chance presents itself for a split second and no more. It is that timing

which makes it so difficult to reproduce the humor of the House in retrospect. Without the element of spontaneity it loses its sparkle, its excuse.

### Opera in Wartime

One of the encouraging signs that civilization is not dead is the wartime interest in good music. Our unsubsidized orchestras play to crowded houses. As usual the Government and the Smart Set pay no attention. As someone said: "We are ready to die for democracy because it retains for us the right to remain uncivilized." My recent travels took me to the fair city of Metz in Alsace-Lorraine, where the Lord Mayor was good enough to entertain me to dinner. Nothing adds such a bouquet to good wine as to dine a few miles from the front line, and our conversation was spirited and comprehensive. Metz, which has a population of 175,000, boasts its own opera house and, in times of peace, its own opera company.

"I, myself, do not particularly enjoy opera," the Lord Mayor said. "Tristan" has always seemed to me the sanctification of grossness. I like Mozart, but to me opera is out of date. Every year we vote one million francs subsidy for the opera, and I always oppose it. But my colleagues say we would not be regarded as a civilized city without it."

I was going to tell him that for a few weeks a year we have opera in mighty London, where our ladies pick their way to the theatre between vagrant cabbages that have gone astray. Instead, I said nothing. If Metz thinks well of us—which she does—why kill illusion?

### Sumner Welles's Mission

The visit of Sumner Welles to Europe is in keeping with the estab-



SUMNER WELLES

lished unexpectedness of American procedure. Which of us has not appreciated the visits of Mr. Norman Davies and his homely assurances that he was just having a look around?

Sumner Welles is in line with the tradition of sending a personal representative of the President rather than an official representative of the Government. He will observe and report. Whether Europe will impress him it is impossible to say. He is tall, thin, suave, brilliant and uncommunicative. He has the austerity of a man born in New York and educated at an exclusive private school in New England. He graduated from Harvard in 1915 and went at once into diplomacy, serving in Tokyo and the Argentine.

Mr. Welles is what is known in America as a "career man," which has no affinity with our expression "a careerist." It simply means that he is not a politician but a professional diplomat and civil servant.

No one has ever been known to slap Mr. Welles on the back or suggest a poker game when the day's work is over. He stands rather aloof from ordinary folk, although the brilliance of his mind saves him from any suggestion of Malvolio. With the experience of Lord Runciman and Norman Davies in his mind, Sumner Welles probably has no illusions about the difficulty and delicacy of his task.

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## Terms of the Peace Agreement

# This Is What Finland Must Give Russia

Karelian Isthmus, Viipuri, All Shores of Lake Ladoga, Islands and Northern Areas Go

Moscow, March 13 (CP)

Following are the terms of the Soviet-Finnish peace agreement, signed in Moscow last night:

"Article 1. Hostilities between the U.S.S.R. and Finland shall cease immediately in accordance with procedure provided for in the protocol appended to this treaty.

"Article 2. The state frontier between the U.S.S.R. and the Republic of Finland shall be established along a new line in accordance with which the territory of the U.S.S.R. will include the entire Karelian Isthmus, with the town of Viipuri and Viipuri Bay with its islands, the western and northern shores of Ladoga Lake with the towns of Kakisalmi, Sorvala and Suojärvi, a number of islands in the Gulf of Finland, territory east of Markajärvi, with the town of Kuolajärvi (on the Salla front), part of the peninsula of Rybachy and Sredni in accordance with the map appended to this treaty.

### REFRAIN FROM ATTACKS

"A more detailed description of the frontier line will be determined by a mixed commission of representatives of the contracting parties, which commission must be formed within 10 days from the date of the signing of this treaty.

"Article 3. Both contracting parties undertake mutually to refrain from any attack upon each other, not to conclude any alliances, and not to participate in any coalitions against one of the contracting parties.

"Article 4. The Republic of Finland expresses consent to lease to the Soviet Union for 30 years, with an annual payment by the Soviet Union of 8,000,000 Finnish marks (\$120,000) the peninsula of Hanko and the waters surrounding it in a radius of five miles to the south and east and three miles to the west and north of the peninsula, and a number of islands ad-

ing across the Petsamo region to Norway and back from Norway to

the free pass organ AIR "S have vice Nor with ing

"Article 7. The government of Finland shall grant the Soviet Union the right of transit of goods between the U.S.S.R. and Sweden, and with the aim of developing this transit along the shortest railroad route, the U.S.S.R. and Finland find it necessary to build, if possible in the course of the year 1940, each party on its territory, a railway line connecting the town of Kandalaska with the town of Kemijärvi.

### PLAN TRADE TREATY

"Article 8. When this treaty comes into force, economic relations between the contracting parties will be restored, and with this end in view the contracting parties will enter negotiations for conclusion of a trade treaty.

"Article 9. The present peace treaty comes into force immediately upon being signed, and is subject to subsequent ratification. The exchange of ratification instruments shall take place within 10 days in Moscow. The present treaty is made in two originals, in the Russian, Finnish and Swedish languages, in Moscow, the twelfth of March, 1940.

Signed: Molotov, Zhdanoff, Vasileffsky, Risto Rytty, Paasikivi, Walden, Vaino Voionmaa."

is and naval repair capacity than the above-mentioned armaments.

### T RIGHT

is provided by the the Soviet Union are granted the transit across the and back. The granted the right insulate in the Pet- freights in transit samo region from Norway, as like- transit across the om Norway to the exempted from in- control, excepting rol as is necessary of transit communi-

also are exempted from payments of customs duties, transit and other duties. The above-mentioned control of transit freights is permitted only in the form observed in similar cases, in accordance with established usages in international communications. "Citizens of the U.S.S.R., travel-

## Sudden Quiet Over Battlefields Ends Dogged 105-Day Defence; Surrender Demands Heavy Price

Losses Exceed Pre-war Demands — Flags Half-masted — Must Ratify Terms in Three Days.

### 'FINLAND WILL RISE AGAIN'

By MAX HARRISON  
(Associated Press Staff Writer)

Helsinki, March 13

Weary Finland, lacking weapons and unable to accept foreign offers of help, ended her bitter 3½ months struggle against Soviet Russia today by yielding more soil and economic and military independence than demanded before the war.

At 11 a.m. (2 a.m. MST) the dogged, courageous Finnish army stopped fighting, and gloomy peace settled over the battlefields, from the corpse-piled Karelian Isthmus to icy Lapland.

Beginning Friday, the Finnish troops will retreat at the rate of seven kilometres a day to narrowed frontiers fixed by the treaty signed at Moscow last night, but still subject to formal ratification by the Finnish diet within three days.

After an anxious night in which Russia announced the stringent peace terms and the Finnish government was silent, Foreign Minister Vaino Tanner disclosed them in a broadcast to the Finnish people.

Finland was forced to yield because she lacked arms and "had no faith in the promises of others" to aid in the unequal struggle against a foe 50 times her size, Tanner declared.

Tanner described the terms of peace as "unexpectedly severe" and "much more severe than those demanded by the Soviet Union last autumn."

"Our representatives tried to bring the negotiators to modify the terms, but in vain," he said.

"The price will be a heavy one," he added. "Our future possibilities of defence will be restricted."

He added, however, that "Finland will once more arise to be a vital state and its people will find a means of sustenance."

Immediately after the foreign minister's broadcast all flags on public buildings were lowered to half mast.

Helsinki's newspapers appeared with heavy black mourning borders.

The order to "cease fire" came on the 105th day of the struggle in which countless thousands had fallen on snowy battlefronts ranging from the Karelian isthmus and unbowed Viipuri in the southeast to the Arctic reaches of the Petsamo region on the northern coast.

### WORRIED SUSPENSE

An unaccounted delay had kept Finns in worried suspense for hours before today's fateful announcement was made in the Helsinki press bureau.

Hitherto, officials had insisted they had received no word from Premier Risto Rytty, head of the Finnish delegation to Moscow. And the Finnish public had to rely on Russian, German and British radio broadcasts for word that a treaty had been signed early today.

### The War Today

(By Carl)  
HELSINKI ended and Russian stopped at treaty. MOSCOW treaty gave military cessations of the war. Isthmus on Page 3 BERLIN spoke the peace STOCK navia wa nish pea the hars ROME the Ger

### October Terms

London, March 13 (UP)

The Soviet demands in October were revealed by Soviet Premier Molotov to be:

1—An exchange of part of Soviet Karelia for part of the Rybachy peninsula, near Murmansk.

2—Cession of part of the Karelian Isthmus, near Leningrad.

3—Demilitarization of the

from payments of customs duties, transit and other duties. The above-mentioned control of transit freights is permitted only in the form observed in similar cases, in accordance with established usages in international communications. "Citizens of the U.S.S.R., travel-

## Sweden Says Finland



# Hitler and Mussolini Discuss Co-operation At Brenner Meeting

## Axis Trade Agreements for Exchange of War Materials to Be Expanded.

### 'NOT NEUTRAL, NOT AT WAR'

## Today's War Situation in Brief

**BRENNERO, ITALY**—(The Associated Press) —Mussolini and Hitler held a 2½ hour conference near Brenner Pass.

**ROME**—The Pope received Sumner Welles at the Vatican.

**LONDON**—Cabinet changes were predicted after the German air raid on Scapa Flow naval anchorage.

**PARIS**—The French repelled large German patrol raids on the Western Front. (See story on Page 3).

**BERLIN**—The Associated Press quoted informed sources as saying Hitler and Mussolini discussed "the possible ultimate participation of Italy in the war on Germany's side if and when such a course should be deemed preferable" to the present policy.

**LONDON**—Britain, France and Turkey are consulting on the form of aid the Allies will give Turkey in event of Near East hostilities.

Berlin, March 18 (CP)

The Associated Press today quoted "excellently informed sources" as holding the opinion that Hitler and Mussolini agreed today "on possible ultimate participation of Italy in the war on Germany's side if and when such a course should be deemed preferable to the present status of the Fascist empire as 'not neutral and yet not waging war'."

Meantime Italy would lose no opportunity to demonstrate to the Western Powers that she is Germany's ally economically, politically and ideologically, the Berlin story said.

As evidence of this, the Associated Press's sources said Italy, for instance, ceased furnishing certain implements of war to France as she had done hitherto.

The present German-Italian coal agreement will be followed by other agreements for putting resources of each country at the disposal of the other.

(The coal agreement, to furnish spheres of influence in the Balkans, the major part of Italy's coal needs by rail, followed upon Britain's blockade of German coal being shipped by water.)

The two statements appeared to have worked on plans for a complete reorganization of Europe, with Soviet Russia as their partner.



**AT BRENNER PARLEY** — Principals in today's momentous conference between the Axis partners are seen above, while the map indicates the strategic position of Brenner Pass in changing Europe.

worth Mussolini's while to abate his vigorous hostility to Russia and to Bolshevism.

Furthermore, there is a strong likelihood that the Nazis want Italian help to shut out Allied diplomacy from the Balkans so that they may hand over their oil and foodstuffs as and when Germany requires them.

### NEED BIG INDOUCEMENT

What Hitler can offer the Italian dictator in return for these benefits is not clear. All reports from Rome, however, say that Hitler will have to bid very high if he expects to induce Italy to depart from her established policy of non-belligerence and determination to keep out of war.

As for Hitler's peace moves, they are obviously dictated by the hope he has never abandoned, that he can get away with his loot from Czechoslovakia and Poland without further fighting for it and by means of his newly-elaborated technique of diplomatic threats and intrigues in which he uses the German army merely as a strategic reserve.

The propaganda thrust in Goering's newspaper of a resounding blow soon to be dealt the Allies is seen in London to be part of this insidious and unscrupulous game.

Hitler hopes for Mussolini's collaboration in peace manoeuvres, for Mussolini really desires peace now and would assist in bringing it about if he could.

### FEARS NAZI VICTORY

He has his own reasons for this. For one thing a German victory in the present war would place him in permanent subordination to Hitler. Italy, once Britain and France were defeated, would have to fall in with German plans and policies. Hence the new Italian Maginot line just completed across the Alps. On the other hand an Allied victory would mean the end of the Fascist dream of obtaining Tunisia, Corsica and other Mediterranean territories.

While the dictators are talking at Brennero, political feeling grows in London and Paris demanding reconstruction of the Daladier and Chamberlain cabinets so that more energetic prosecution of the war may be undertaken.

The peace terms imposed on Finland, it is now admitted,

Scandinavian campaign, if Hitler had invaded Sweden would be a gamble—as from the assumption that if the London government, instead of instantly rejecting the Soviet peace proposals made to it on February 22 had used them as a basis of talks with Moscow, better terms might have been obtained for Finland. Influence too, might have been exerted to detach Russia from Germany.

Tomorrow's debate in the House of Commons is expected to disclose whether the premier is willing to make the changes in the cabinet for which his party has been privately pressing for months past. Here-Bellush, whose return to the government has been indefinitely postponed, will probably make a sharp attack on his former leader, but his following in the House of Commons is now remarkably small.

The probability is that Chamberlain will get parliamentary endorsement and a cabinet shakeup may follow later.



## BRAZIL GIVES PLAN FOR STEEL PLANTS

Government Actively Goes Ahead for Organization of Its Own Industry

### COMMITTEE OF 5 TO ACT

Outside Technical Aid Will Be Sought—History of Foreign Negotiations

By FRANK M. GARCIA

By Air Mail to The New York Times.  
RIO DE JANEIRO, Brazil, March 7.—Fifteen billion tons of high-grade Brazilian iron ore no longer are on the auction block for sale to the highest bidder. Until a week or ten days ago Great Britain, Germany, Japan and the United States were angling for access to these reserves, sufficient to produce all the steel that Brazil could use in 1,000 years.

This huge supply of iron has been a bone of contention in many political wrangles in Brazil and a prime motive for the enactment of nationalistic laws ruling barriers against foreigners coveting control of the rusty mountains of iron ore spread over a vast territory in the State of Minas Geraes.

Now Brazil is actively pushing the setting-up of her own steel industry through a national company aided by the Federal and the State governments. A committee of five men under the chairmanship of Guilherme Guinle, banker and financier, is to organize the company, select its location for operations, build plants, order machinery and import foreign technical experts to train Brazilians in the craft.

#### British the Pioneers in Field

Twenty-five years ago Percival Farquhar incorporated the Itabira Iron and Ore Company, a British corporation with a capital of £2,000,000. Its aim was to exploit the iron and ship the ore to foreign countries. This corporation was composed of British, German and American interests. In 1922 President Epitacio Pessoa granted a concession to the Itabira to exploit the mines, but because of political opposition this was not carried out. Opponents of the concession argued in the Brazilian Congress that the shipping of ore to foreign countries did not solve the problem and demanded that the Itabira grant be modified to include the setting up in Brazil of furnaces for the manufacture of steel.

The United States fielded eight months ago a United States Steel sent seven men here to study the situation and to make a report. They asked the Government with a 10,000 contos, or about \$200,000, as well as for the control of the steel plant. About two months ago the United States Steel indicated that the deal was off. The reason that it was again foreign enterprises. Its proposal was due to a difference between liberal and far-off India, no matter how bitter the difference between themselves or between them and the British Government, hastened to condemn the crime and disavow any connection with it.

All differences momentarily have been submerged in a wave of indignation which, according to reports reaching London, swept through India as soon as the news was received there of the shootings Wednesday afternoon at the conclusion of a public meeting under auspices of the East India Association and the Royal Central Asian Society.

Hindus Deplore Action  
There is little doubt in any one's mind that Mohamed Singh Asad, the man who shot down Sir Michael O'Dwyer, the witty and forceful former Indian official, was acting on his own and not in connivance with any Indian plotters. Spokesmen for the Hindus, who comprise the power for the steel industry and the power for the steel industry, which is the Hindus; the Moslems, who, although numbering millions, form a minority in the Province of the Native States, who have adopted an attitude of seeming indifference to the Hindu-Muslim disputes, monopoly have all joined in deploring Sir Michael's assassination.

Kruppe Offers Guarantee  
From reliable sources it is known that Kruppe declared that he immediately offered that they are able to do the job.

According to a story of the times ago, Japan also offered to supply the steel industry and the power for the steel industry, which is the Hindus; the Moslems, who, although numbering millions, form a minority in the Province of the Native States, who have adopted an attitude of seeming indifference to the Hindu-Muslim disputes, monopoly have all joined in deploring Sir Michael's assassination.

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## INDIA RENOUNCES TERROR AS WEAPON

Assassination in London Is Followed by Reassurances From All Parties

By JAMES MACDONALD

Witnesses to The New York Times.  
LONDON, March 15.—When a wild-eyed Sikh assassinated Sir Michael O'Dwyer, formerly Lieutenant Governor of the Punjab, and wounded the Marquess of Zetland, Lord Lamington and Sir Louis Dane in London this week, the harking of his pistol strangely enough turned out to be a signal that terrorism has become obsolete in the campaign for Indian independence.

This was proved by the remarkable unanimity with which spokesmen representing virtually all classes and all political parties in far-off India, no matter how bitter the difference between themselves or between them and the British Government, hastened to condemn the crime and disavow any connection with it.

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## INDIAN LEADER



Mohandas K. Gandhi has hesitated to launch "civil disobedience."

the condemnation, declaring that assassination belongs to a closed chapter in Indian history. Still another Hindu leader, Pandit Jawaharlal Nehru, Congress president, has indicated his aversion for acts of terrorism.

#### Indian Congress to Meet

These denunciations of terrorism, however, do not preclude the possibility that the Congress may yet resort to civil disobedience in its campaign for independence. The Congress will open its fifty-third session on Tuesday and it is expected that the extremist elements will press Mr. Gandhi to make up his mind on the question of civil disobedience which he hitherto has been reluctant to launch.

The Moslem leaders of India were deeply stirred by this week's act of violence. Like the Hindus, they feel that even though Singh Asad may have acted alone, terrorism hurts rather than helps India's cause. Moslem sentiment will be crystallized at London this week when the Moslem Association will hold a condemnation meeting. A prayer meeting of all Moslems here will be held tomorrow for the same purpose.

As soon as word was flashed to India Wednesday that Sir Michael had been assassinated and three other distinguished veterans of India affairs wounded, none critically, Maharaja Jam Sahib of Nawabgarh, Chancellor of the Chamber of Princes, called the sympathies of the entire Princely Order to Sir Michael's family.

Sir Michael was regarded by many Indians as an enemy of Indian nationalism. In a country like India, where there is still no unity, where there is no experience in those virtues of compromise which are a necessary part of the democratic process, and where the vast majority of the people are utterly ignorant of the rudiments of politics, Sir Michael opposed granting parliamentary institutions without preliminary education in their functions over a long span of years.

#### The Amritsar Massacre

In the opinion of most observers here it was not the question of India's constitutional problem that prompted Singh Asad to fire two bullets into Sir Michael's heart. More likely the act was an aftermath of the massacre in the sacred city of Amritsar on April 13, 1919. On that occasion, Amritsar, the wealthiest city in the Punjab State, of which Sir Michael was then Lieutenant Governor, was the scene of wild rioting by a mob of 5,000 Indians. Troops, called out under Brigadier General R. E. Dyer to quell the disturbance, first into the rioters killing 400 and wounding 1,200. General Dyer's order to shoot aroused a great political controversy which eventually resulted in his removal from service in India.

After the general's death in 1926, Sir Michael defended him as follows: "We knew that, unless it was sternly and promptly repressed, what was happening at Amritsar would spread to every station in north India. They were only waiting to hear the news of what happened at Amritsar to play the same game elsewhere."



## The Red Invasion of Finland

UNEXPECTED development out of the Russo-Finnish war was the Red invasion of Central Europe was spread of the war to the Baltic, when Soviet Russia inexplicably began demanding military assistance from her Baltic neighbors, Estonia, Latvia, Lithuania and Poland.

Finland, which had no naval and air bases in those countries, Estonia, Latvia and Lithuania accepted, but Finland, tiny democracy of little more than 3,000,000, refused to accept the Russian terms. Estonia agreed on Sept. 29, Latvia on Oct. 5 and Lithuania on Oct. 10. The Finnish delegation arrived in Moscow while at home Helsinki (No. 2 on map at right) and Vilguri (2) began evacuation and the Finns mounted machine guns and anti-aircraft guns in all large towns.

Nov. 12 the Finnish delegation had made four trips to Moscow and returned without coming to an agreement. During that time they had seen Soviet troops march into Estonia and Latvia and a Russian naval and air base established at Tallinn (1).

On Nov. 13 the Finnish announced that Russia had made military demands which could not be granted. It was reported the Russians had demanded the right to establish bases on the Åland Islands (4). The Moscow radio began a violent anti-Finnish propaganda attack. Nov. 20 the Soviet state allied Finnish artillery had shelled Red troops on the Karelian Isthmus. That "border incident" again.

On Nov. 25 Soviet Russia denounced its non-aggression pact with Finland and severed diplomatic relations with Finland. On Nov. 29 the Soviets attacked Finland. They seized islands in the Gulf of Finland (5), shelled the coast, bombed Helsinki, Viipuri, Petsamo (7) and other towns. By land the Red troops attacked the Mannerheim Line (6), penetrated north of Lake Ladoga and reached the Arctic. The Finnish Government resigned.

Dec. 1 the Soviets set up a "People's

Government" at Terijoki (8), refusing to accept the Russian Government of Premier Risto Ryti. Meanwhile the Finns repulsed the Red attacks on the isthmus, capturing 1,200 prisoners and destroying 19 tanks and 16 planes.

Dec. 2 the Soviets signed a mutual assistance pact with the ramp government of Terijoki. Red planes continued their attacks on the Finnish daily, but with comparatively little success.

Dec. 5 the Finns retaliated when their planes bombed the Red air base at Murmansk (2). Red troops withdrew to cut Finland in half advanced along the line Kuusijärvi-Suosalmi-Kulho by Dec. 9, but on Dec. 11 the Finns repulsed the attack. Dec. 12 the Finns shelled Suosalmi (4). Dec. 13 the Finns shelled Salpausjärvi (11), blowing up the nickel mines there on Dec. 15. During the next week they counter-attacked at Kuusijärvi (14), driving the Russians back on the Salpaus and Petsamo fronts.

The week before Christmas the Finns cut off a Russian division from Lake Tolvä (17). Christmas Eve they crossed the Soviet frontier at Leika (15). Then, on the Suosalmi front, the Finns cut off another Red division, practically annihilating it.

Shelling of their Karelian Isthmus against the move with white bodies, the Finns cut the Russians from their supplies and those they didn't kill they dispersed into the forests to die of hunger and exposure.

Dec. 18 Finnish ski patrols reached Suosalmi (12) and cut off the Leningrad-Murmansk Railroad (16). Dec. 20 the Finns "mopped up" the remnants of a Russian division north of Lake Kianta (18) and a month later trapped another near Kitelee (19).

Following one desperate battle in the winter of 1940, the Finns hoped for outright military aid from other powers before Spring.













# ALLIES' TASK MADE HARDER BY FINLAND'S FALL

By JAMES B. HESTON

Writes to THE NEW YORK TIMES  
LONDON, March 26.—Reflection merely emphasizes the belief that the victory of Russia over Finland has damaged the cause of Great Britain and France from the Arctic Ocean to the Arabian Sea.

The Allies are under the necessity not merely of avoiding defeat but of winning a decisive victory. Yet them a stalemate is a defeat. It is the central fact of the present struggle, and it is important to keep it in mind in analyzing the political significance of the Russian victory.

The relations between Russia and the Allies are bound to undergo a change now. When the war started in the West, the Soviet Union was the great question mark. It was to the advantage of this great self-contained power to encourage war between Britain and France on one side and Germany on the other, for thus she could weaken her principal adversaries and perhaps break up the two great empires of the world and breed communism through the poverty that war brings.

## Soviet Enmity Incurred

Joseph Stalin succeeded in getting this war when he signed the Russo-German pact and freed Germany from the fear of fighting on both fronts, but it was doubtful during those first few months whether Russia would be willing or able to neutralize the British sea blockade by furnishing Germany with supplies of oil, wheat and other materials needed to carry on the war. Because of the doubt in the minds of the Allies about Russia's willingness to help Germany, they did nothing when Russia invaded Poland, as they wished to avoid antagonizing Mr. Stalin. But since the start of the Finnish campaign they have definitely come out against Russia, and Mr. Stalin is not likely to forget it.

This is not to suggest that Russia is likely to support Germany directly, though even that might some day be possible. But remembering that the Allies had more than 50,000 men ready to sail to fight against the Soviet Union when the Finnish peace was concluded and remembering the too-often-repeated refusal the Soviet has received from the British from the day the Bolshevik came to power, the Russians are more likely to play Germany's game now than before the Finnish campaign.

## Aid to the Reich

This, then, is the first question: Will Russia now furnish oil and other raw materials to Germany? Most objective observers in London are convinced that she will.

Reverting again to the Allied obligation to win a complete victory and remembering that the Scandinavian gateway into Germany, which stood ajar during the Finnish struggle, is now closed, it is necessary

## Germany and Russia Strengthened in The Balkans for Their Next Move

ary to examine the changed position in the Balkans.

Germany is fighting this war partly to drive British and French influence out of the Balkans, which the Nazis consider to be by geographic right their own sphere of interest.

At present there is an economic battle going on to obtain the trade of the Balkan countries. The Allies are trying to buy up with cash the vital raw materials of those coun-

tries, while Germany, under threat of attack, is trying to force them to barter their goods for German guns and tanks.

To these Balkan powers the defeat of the Finns is just one more discouraging bit of evidence to support the theory that it is almost a geographic impossibility for the Allies to protect small powers in Eastern Europe.



A British comment on the German threat of lightning war.

One has only had to enter one of the Balkan legations here in the past few days to realize that more than ever these countries feel the necessity of cooperating with Germany rather than relying on the Allies. As one Balkan expert remarked today:

"The Allies have learned only half the Polish lesson. They learned it was necessary to take action to help an invaded country, but, in Poland they proved that they had not learned it was necessary to take action quickly."

As long as the Finnish campaign continued and there was a chance of making Germany pass up her gasoline and oil in a major operation, there was always a possibility that Germany would run short of fuel and be forced to attack Rumania to corner the oil supplies of that country. Since Rumania, like Greece and Turkey, is guaranteed by the Allies against aggression, a German attack on her might extend the war all through the Balkans and the Eastern Mediterranean area, giving the Allied Near Eastern forces an opportunity to go into action.

It is evident now, however, that Germany is embarking on a campaign to keep the Balkans quiet; for, unless Germany or Russia takes action against one of the Balkan powers, it is difficult to see how the Allies are going to be able to find an excuse for a campaign in that part of the world.

## Russian Move Discounted

Some observers believe that Russia may upset the German scheme by demanding, now that the Finnish campaign is over, the return of Bessarabia by Rumania; but this notion receives little support, even in official quarters. Germany has now got the Balkans where she wants them, and it is understood she has managed to persuade Russia to put aside her hopes of getting Bessarabia back while the present war is on.

The problem of all neutrals today is to pick the winner in this struggle between the Allies and Ger-

man, especially when Germany, his ally, is beginning to take the lead.

Nobody is suggesting that because of the Allies' defeat in the Finnish campaign he is prepared to come into the bigger war, but after he gets what he wants from the Allies in the way of trade agreements, many may expect to see him making the Allies' position more and more unpleasant.

Although the Norwegians and Swedes feel, with some justification, that the Allies tried to make a battlefield of their peninsula, they are now definitely threatened by Russia, and Germany, and it seems likely that they will try to draw closer to Britain and France. While they were shipping arms to the Finns, these countries received a promise of aid if they were attacked by either Germany or Russia, and it is likely that they will try to arrange for the same sort of guarantees again.

All the detrimental results of the Russian victory, however, are not found in foreign countries. The Allies' Finnish policy has raised problems at home and differences of opinion between the British and French. Actually Prime Minister Chamberlain's Finnish policy pleased nobody. He did not go far enough to please those who wanted intervention, and he went too far to please those who did not.

## Source of Embarrassment

This situation has already caused the government some embarrassment, and it will cause lots more before it is forgotten. Leslie Hore Belisha, United War Minister, who believes the government should have acted sooner, bitterly opposed the government's hesitation, which he believes may have been decisive. He called last Thursday for a discussion of the government's entire policy. This discussion will be held Tuesday in the House of Commons.

It is doubtful that the former War Minister will be able to start a revolt against Mr. Chamberlain. There is dissatisfaction with the workings of the Ministry of Supply, Ministry of Mines and Ministry of Transport and a feeling that perhaps the Prime Minister, who will be 71 years old Monday, does not have enough drive and imagination. But too many persons were opposed to sending the expeditionary force to Finland and too many others opposed going to war with Russia for Mr. Chamberlain to be overthrown on this issue.

The general public here is still

not quite clear as to the purpose of Alling an expeditionary force to Finland. Most persons here still believe the purpose was to help the Finns, whereas that actually was only an excuse for getting troops there upon Germany's northern flank.

Although the French were fairly successful in their Italian campaign during the World War, the British suffered frightful casualties in battle and from illness, and for this reason there are still a great many people here who are unenthusiastically opposed to any dangerous expeditions, as a Scandinavian expedition would undoubtedly have been.

## Stalemate in West a Danger

Another factor in the collapse of the Scandinavian plans was the fact that the stalemate on the Western Front must continue until the Allies can find a new way to break it. And a stalemate is dangerous there, for the longer it lasts the more it encourages both the Germans and the large neutrals to try to win the war by forcing the Allies to accept a peace they do not want.

The visit of United States Under-Secretary of State Sumner Welles here this week convinced many persons that a real peace offensive might soon be coming. Nobody discovered from listening to President Roosevelt's eulogy what Chancellor Hitler or Premier Mussolini thought about peace, but a lot of persons definitely got the impression that Mr. Welles was very much worried about the effect of the war on American business. This preoccupation appeared to run through all his talk, and it would surprise few here if, after he returns to Washington, there were support from the White House for some sort of conference to try to end the trouble.

This could not possibly have happened, it is believed, if the Allies were in the middle of a campaign against the Germans in Scandinavia, but while the war remains in its present state it is feared here that a Roosevelt peace appeal might be very embarrassing.

## Threat in the Near East

French officials perhaps fear this possibility even more than their British colleagues. From the opening day of the Finnish campaign they began urging Allied action on the Northern Front along the lines eventually agreed upon. But the British, more vulnerable in the Near East to a Russian attack than the French, hesitated a long time and finally suggested using the machinery of the League of Nations to find a legal excuse for punishing the Soviet Union. All this took time.

Quietly the British themselves now see that their defeat in the North may force them to fight here. The British official, musing over his coffee in a Rangoon cafe, remarked tonight, "Yes, it was a defeat, and we shall have to win it back with sweat and blood."

## GN PREPARATIONS



Leads in The Milwaukee Journal with the same spice.

The North  
Read Fears the  
Reich.





As German fliers see the Maginot Line.

**A**ERIAL warfare on the Western Front has, so far, been largely a warfare of position. The enemy country, made reconnoissance flights for the purpose of taking photographs (as shown on this page), bombarded the countryside with pamphlets, and the German Ministry of Information, in the photograph at the top of the page, made by a reconnaissance plane over French territory, purports to show the French Maginot Line. The German caption identifies the numerous points as concrete fortifications; wire, (2) cement fortifications;

(3) machine gun pill boxes; (4) lookouts; (5) stations connecting pill boxes; (6) machine gun pill boxes; (7) machine gun pill boxes; (8) machine gun pill boxes; (9) machine gun pill boxes; (10) machine gun pill boxes; (11) machine gun pill boxes; (12) machine gun pill boxes; (13) machine gun pill boxes; (14) machine gun pill boxes; (15) machine gun pill boxes; (16) machine gun pill boxes; (17) machine gun pill boxes; (18) machine gun pill boxes; (19) machine gun pill boxes; (20) machine gun pill boxes; (21) machine gun pill boxes; (22) machine gun pill boxes; (23) machine gun pill boxes; (24) machine gun pill boxes; (25) machine gun pill boxes; (26) machine gun pill boxes; (27) machine gun pill boxes; (28) machine gun pill boxes; (29) machine gun pill boxes; (30) machine gun pill boxes; (31) machine gun pill boxes; (32) machine gun pill boxes; (33) machine gun pill boxes; (34) machine gun pill boxes; (35) machine gun pill boxes; (36) machine gun pill boxes; (37) machine gun pill boxes; (38) machine gun pill boxes; (39) machine gun pill boxes; (40) machine gun pill boxes; (41) machine gun pill boxes; (42) machine gun pill boxes; (43) machine gun pill boxes; (44) machine gun pill boxes; (45) machine gun pill boxes; (46) machine gun pill boxes; (47) machine gun pill boxes; (48) machine gun pill boxes; (49) machine gun pill boxes; (50) machine gun pill boxes; (51) machine gun pill boxes; (52) machine gun pill boxes; (53) machine gun pill boxes; (54) machine gun pill boxes; (55) machine gun pill boxes; (56) machine gun pill boxes; (57) machine gun pill boxes; (58) machine gun pill boxes; (59) machine gun pill boxes; (60) machine gun pill boxes; (61) machine gun pill boxes; (62) machine gun pill boxes; (63) machine gun pill boxes; (64) machine gun pill boxes; (65) machine gun pill boxes; (66) machine gun pill boxes; (67) machine gun pill boxes; (68) machine gun pill boxes; (69) machine gun pill boxes; (70) machine gun pill boxes; (71) machine gun pill boxes; (72) machine gun pill boxes; (73) machine gun pill boxes; (74) machine gun pill boxes; (75) machine gun pill boxes; (76) machine gun pill boxes; (77) machine gun pill boxes; (78) machine gun pill boxes; (79) machine gun pill boxes; (80) machine gun pill boxes; (81) machine gun pill boxes; (82) machine gun pill boxes; (83) machine gun pill boxes; (84) machine gun pill boxes; (85) machine gun pill boxes; (86) machine gun pill boxes; (87) machine gun pill boxes; (88) machine gun pill boxes; (89) machine gun pill boxes; (90) machine gun pill boxes; (91) machine gun pill boxes; (92) machine gun pill boxes; (93) machine gun pill boxes; (94) machine gun pill boxes; (95) machine gun pill boxes; (96) machine gun pill boxes; (97) machine gun pill boxes; (98) machine gun pill boxes; (99) machine gun pill boxes; (100) machine gun pill boxes.

## Secrets of the Enemy



As British Air Scouts see Germany's Great Naval Base.



## Peace—and War

### After Finland What?

Peace came in Northern Europe last week—but a peace that brought with it no sense of calm or of security. After three and one-half months of bitter Winter fighting, the Soviet Union had gained the objective—and more—of forcing Finland to sue for peace. Yet, immediately speculation began as to the next Russian move and the significance of that move for the European struggle.

For Finland, having accepted the Kremlin's terms as alternative to a more devastating phase of war, there remained the problem of rebuilding shattered cities, of finding new homes for refugees and attempting to insure future independence.

For nations not directly involved in the Russo-Finnish conflict, the treaty signed at Moscow was not the less significant. To the Allies and Germany it brought a new strategic situation, with the likelihood eliminated that their war in the West would find a new front in the North. Many questions arose: Would the Allies seek another front for coming to grips with the Reich? Would Germany and Russia continue to increase their rivalry in Eastern Europe? What would happen to Italy's neutrality? How would Tunisia react to Finland's fate? Would all Scandinavia fall under German-Russian influence? Both were the problems that arose as war went on in the West in the aftermath of Finland's peace.

(Continued from page 1)

### (1) The Peace

In October, 1939, on Estonian soil, a treaty was signed between Finland and Russia. Both countries had not recently engaged from close wars. In Russia the Reds, under Lenin and Trotsky, had become rulers. In Finland the Whites, under Baron Carl Mannerheim, had won. By the Treaty of Dorpat, which, in effect, signified the victory of the Finnish regime, Russia recognized the Finnish Republic and gave up to it a narrow corridor to the Arctic Ocean, isolating the port of Petsamo.

Last week, in Moscow's Kremlin, another treaty was signed between Finland and Russia. In some details it specifically reaffirmed certain provisions of "the Peace Treaty of 1900." But, in the main, it was a formal repudiation of the previous treaty's boundaries. It represented the spoils of a costly war.

#### Russia's Demands

That war began on Nov. 30, after long negotiations in Moscow had failed. The Soviet Government, fresh from the occupation of Eastern Poland, from the peaceful signing of treaties which gave it strategic dominion of Estonia, Latvia and Lithuania, served demands on Finland. Asserting that it was necessary to assure the safety of Leningrad, then only twenty miles from the Finnish border, Russia demanded that the boundary be pushed back on the Karelian Isthmus. To assure domination of the Gulf of Finland, which is the sea approach to Leningrad, Russia demanded a lease on the naval base at Hangö, on a peninsula in Finland's southwestern corner.

Finland's negotiators found these demands—especially for Hangö—impossible with the independence that was recognized in 1920. Soviet troops crossed the border. On Dec. 2, Moscow announced a "Finnish Government" of Finland, set up in an occupied Karelian town just across the border. Its head was a Finnish Communist, Otto Kuusinen, who had been a refugee in Russia. The fate of the Finnish Republic was obvious, would depend on the success of the Red Army in the field.

#### The Invader Held Back

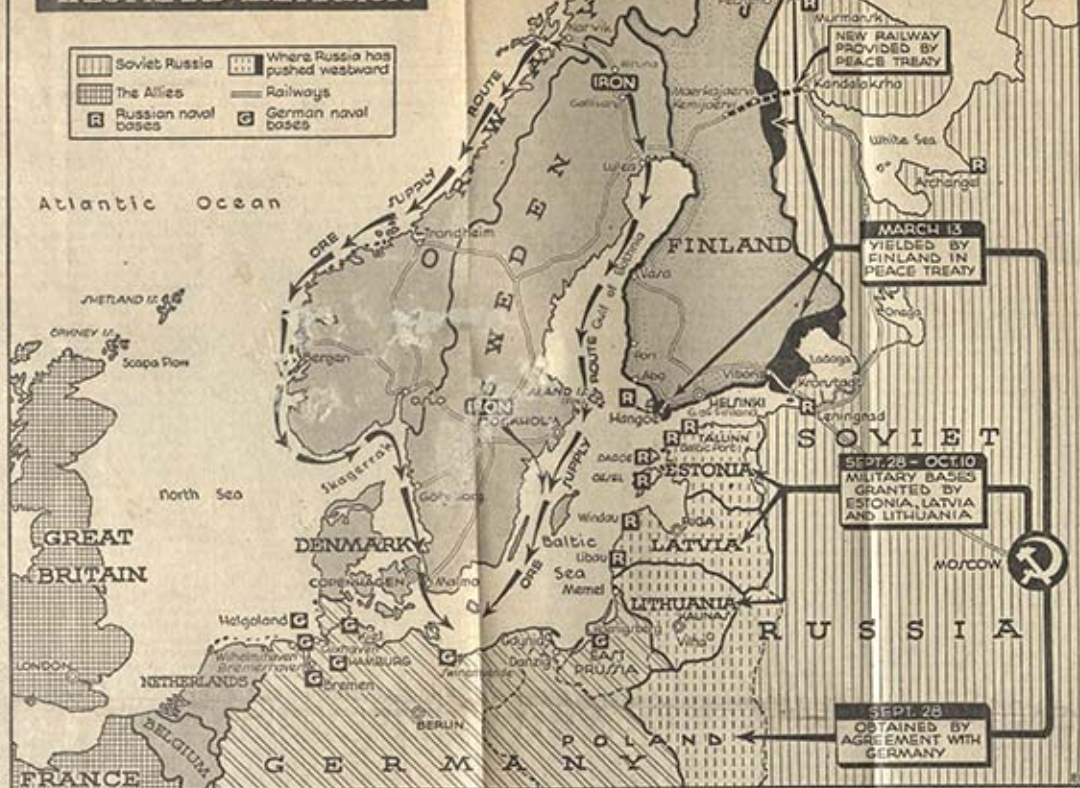
Through December and January the Finns held their ground. Russian had attacks across the eastern border were turned back. Russian attacks by the small Red Navy were beaten off by the coast defense guns of Hangö. But by the end of the huge Russian quadruple had their way, destroying railroad connections, docks and factories, preparing the ground for a grand offensive against the Mannerheim Line.

Early in February, when the bitterest cold of an unusually severe Winter had passed, a huge Russian force mobilized from Leningrad and launched a drive against the fortified zone. Here was a series of pill-boxes, machine-gun nests, dugouts and fortifications that embodied on a small scale the principles of the Maginot Line and Westwall on the Anglo-French front. Only by a heavy price in blood, military experts had foretold, could such a line be breached. Russia, rich in manpower, paid the price. By the beginning of March, Karelia had been conquered and the road to Helsinki was threatened.

#### Toll of Battle

Russia's losses were estimated by neutral observers at around 75,000 killed and two or three times that number wounded. Finland's casualties were far fewer—perhaps 15,000 or 20,000.

## THE PATH OF RUSSIA'S WESTWARD EXPANSION



greater part of the country still survived independent. Russia, which during the first part of the war had acted as though the Helsinki government no longer existed, had finally dealt with it as a sovereign although defeated regime.

### (2) The War

The Russo-Finnish war was interrelated with the war in the West and with the general strategic balance of European power, and the peace had a profound effect in all the capitals of Europe. Revolutions made last week, on the eve of the peace and after its announcement, showed how close the two wars of Europe had come to merging into one.

In the House of Commons on Monday Prime Minister Chamberlain declared that the Allies would "pounce immediately and jointly to help Finland" if the Finnish Government made a formal request for it. It was crucial. Even while Mr. Chamberlain made public this offer—it already had been dispatched privately to Helsinki—the Finnish Prime Minister was in Moscow, negotiating the peace terms which two days later were to go into effect.

In Paris Premier Daladier last week told the Chamber of Deputies that, from the outset of the Finnish struggle, France had been sending material aid. He listed 175 airplanes, 476 cannons, 5,000 machine guns, 200,000 hand grenades, 20,000,000 cartridges.

#### Awaiting the Call

As for an actual expeditionary force, said the Premier, the Supreme War Council of the Allies had decided on Feb. 5 to send troops if Finland publicly asked for them. Since Feb. 28 the French had had 20,000 soldiers standing by at ports of embarkation, but the formal call from Finland never came.

Why had Finland refused the offer? A broadcast later in the week by Valde A. Tanner, Foreign Minister of Helsinki, gave the answer. Effective aid, he explained, could arrive only by way of Scandinavia—the Baltic being controlled by Germany, the Arctic route being blocked by Russia's capture of Petsamo. Finland had asked Norway and Sweden to allow the proffered aid to pass. But, said Mr. Tanner, "this permission has been categorically refused on behalf of both countries concerned." That refusal, he said, was the "one weak point" which made the Allied offer untenable.

The sympathies of the Scandinavians

countries, it was well known, were with Finland. The flow of Swedish and Norwegian volunteers into the defense lines layproofed it. Then why had their governments refused transit to the Allies? The answer to that was made clear in Stockholm, Oslo and Berlin. Germany would not have allowed Allied troops to pass through Scandinavia unimpeded. A new front would have opened in Scandinavia, where Europe's two wars would have merged. Norway and Sweden preferred to maintain their long tradition of neutrality—even at the risk of possible future domination from Russia and the Reich.

#### Repercussions of the Pact

That was the international background for Finland's acceptance of Russia's terms. Similar considerations colored the reaction to the news from Moscow and its effect on the future strategy of Europe's larger military and diplomatic war.

The Allies, whose proposed intervention proved abortive, did not conceal their disappointment with the outcome. Heads of both democratic governments were subjected to criticism from members of the two Parliaments. In the British House of Commons the white-haired World War Prime Minister, David Lloyd George, declared: "It is the old trouble—too late. Too late with Czechoslovakia, too late with Poland, certainly too late with Finland."

As to what would be the next step in the war which Britain and France declared in fulfillment of their guarantee to Poland, neither London nor Paris gave any indication.

Germany, whose threat to Scandinavia had helped bring the Russo-Finnish conflict to its conclusion, hailed the outcome as a defeat for the Allies. The Reich had material reasons for welcoming an end to the struggle. Grain from the Ukraine, oil from the Balkans and other Soviet raw materials Germany counts to circumvent the British blockade. Peace in Finland—did not followed by fighting on another of Russia's numerous borders—would mean that gasoline to longer consumed in invading tanks could perhaps be available for exports. But soldiers might be able to return to the farms for spring sowing.

#### Ribbentrop to Rome

Italy, whose nonbelligerence in the present war has raised doubts regarding the status of the Rome-Berlin Axis, was a prime object of German diplomacy. Joachim von Ribbentrop, Foreign Minister of the Reich, visited Rome last week. He had an audience with

Pope Pius and discussions with Premier Mussolini. Reports in Rome had it that in both instances his reception was cold. But in Berlin it was reported that Mr. Ribbentrop had arranged better relations between the Axis powers and a plan for "appeasement" in the Balkans.

One strain on the Rome-Berlin Axis, however, was relieved by the peace in the North. Italy's anti-Communist feeling had been aggravated by the Russian invasion, and Italian supplies had gone to the aid of the Finns. Trade and diplomatic relations between Rome and Moscow were attenuated. With the Finnish issue settled, it was reported in Rome that relations between the two countries were likely to improve. Mr. Ribbentrop's trip, it was said, had played a part in restoring contacts between the two countries with whom Germany has collaborated.

#### Balkan Upheavals

Rumania. After Germany conquered Poland last September, with Russia taking a share, the guess of most observers was that Rumania stood next in danger of aggression. Russia, France and Bulgaria all had historic claims on her territory, while Germany sought domination of Rumania's resources. The lengthy involvement of the Red Army in Finland, however, had diverted danger from Rumania. What would happen after the Finnish peace?

Last week in Berlin it was reported that Germany was working for a non-aggression pact between Moscow and Bucharest. The object was to leave Rumania, in peace so that some of her mobilized soldiers could go back to their jobs and produce oil and grain for the Reich to draw upon.

But in Bucharest it was learned that the terms of Germany's "security" offer included the stipulation that a member of the pre-Nazi Iron Guard, outlawed by King Carol, be taken into the Rumanian Cabinet. These demands were regarded by the Rumanian Government as "intolerable."

#### A Scandinavian Accord?

Scandinavians shared Finland's sorrow in defeat, yet felt relief at escaping direct involvement in war. Out of Finland's experience came suggestions for a pact that would link Helsinki with Oslo and Stockholm for future defense. President Kyösti Kallio of Finland proposed such a pact, and the Foreign Offices of Sweden and Norway announced that they were taking it under consideration. But what effectiveness such a pact would now have remained doubtful. Some observers compared it

to locking the barn door after the horse had been stolen.  
(The Allied Task Is Made Harder; p. 3; Stories on Finnish Attacks; pp. 4, 5)



# London Calling by Atticus

## Unselfish War Work of King and Queen Arouses New Respect — Peregrinating Captain Balfour



H. M. THE KING

LONDON.—We see pictures of the King and Queen in the newspapers attending this ceremony or that, we see them inspecting factories and hospitals on the news reels, and then we turn to other things. It is only when one happens to watch them actually discharging one of their innumerable public duties that it is possible to realize how thoroughly and how unselfishly they do their duty.

The other day I went to the Beaver Club, a place of welcome for Canadian troops, which overlooks the Mall in a most lordly manner. Canadian soldiers and the Canadian colony in London were there in full force. Their Majesties arrived at 3.30 p.m., but it was not until five o'clock that they finished their tour of inspection and had a cup of tea with Mr. and Mrs. Vincent Massey and a few of the guests.

The Queen looked charming, and one felt that she likes making people happy. The King, who has grown greatly in personality and confidence in the last two years, missed nothing, and obviously wanted to see everything. He encountered a Montreal colonel of tanks and put him through a catechism that left the colonel breathing heavily. "There's nothing he doesn't know about tanks," he said with a note of awe in his voice when the King had passed on.

### Recall Canada

Again and again they spoke to soldiers and asked about their homes in Canada. As one place after another was mentioned the Queen's face lit up with delight, and she recalled by some incident of their tour that she knew exactly where and what it was.

Earlier in the day the King had decorated 70 of the Graf Spee heroes at the Horse Guards Parade. At the Beaver Club the Queen could not shake off the memory of what she had seen there. "It was terribly moving to see the relatives of the men who had died," she said quietly, and there were tears in her eyes. "The women, they stood there so bravely and so quietly." Then she went on with the King to see the room where the soldiers write their letters home.

### A Remarkable Man

Before the Beaver Club opening I lunched at the Spanish Embassy, where Mr. R. B. Bennett, the former Premier of Canada, and Sir Edward Peacock, the Canadian-born director of the Bank of England, were among the half-dozen guests. The Duke of Alba is an admirable host. He encourages conversation by being frank in his own comments. Some-

times he can be disconcerting with his swift appraisals of men if he disapproves of their political views, but on the whole he surveys the world as a connoisseur of the arts, as a humanitarian and as an aristocrat who finds the restless world of today unnatural but not uninteresting.

Mr. Bennett, who has recently returned from the other side, told me that the Canadians collected £800,000 in one week for their Red Cross. It is an amazing achievement. Then Mr. Bennett talked about his old rival, Mr. Mackenzie King. After that he got on the subject of Hitler. One of them he considers to be a remarkable man.

Another guest was Lord Phillimore, whose escapes from German prison camps in the last war make an almost legendary tale. "I am optimistic about the war," he said. "I don't think any nation really believes that peace can be achieved only by first killing five million men. The best thing in the world today is the instinctive revulsion against mass slaughter."

Then we talked about Finland. It was only when the luncheon was over that we remembered that we had heard nothing about Spain.

### The Flying Minister

Captain Harold Balfour must have broken all records for Ministerial peregrinations since he took office as Under-Secretary for Air. I remember that the late Mr. Ramsay MacDonald went abroad so often that once, when he was returning, a London newspaper ran the headline, "Mr. MacDonald to Visit Britain." Captain Balfour would almost have merited the same headline if it were not that his flying visits have been mostly to the Britains that are scattered overseas. When he came back recently from Canada on the Clipper I asked him if he had any qualms during the flight. He shrugged his shoulders expressively. "Any man," he said, "who has flown an airplane must have some qualms flying the Atlantic."

Just recently he returned from a fantastic but highly satisfactory expedition to the Near East. He and Mr. Eden went out together, completing a direct flight from Marseilles to Malta in four hours, and reaching Cairo early the next afternoon. Leaving Mr. Eden to his duties Captain Balfour took off at dawn next morning for Iraq. He visited Baghdad and Jerusalem, then back across the Suez Canal on a night of such shimmering beauty that our young Under-Secretary grew lyrical in the description. Later in Egypt he ran into some sandstorms; but as at this stage of the

conversation we had to go into the division lobby, I cannot relate the rest of the story.

Captain Balfour ought to gain height in politics. He has force, gusto, stubbornness, a good voice and some charm. Whether he possesses the ice-cold quality of perfect judgment has yet to be proved.

### Russian Humor

One more traveller, and my tale of the week is ended. Mr. Philip Noel Baker, one of the Socialist Party's "shadow" Foreign Secretaries, has come back from Finland, where he saw things with a clear eye. As a Quaker, Mr. Baker did not fight in the last war, but the ambulance which he equipped and commanded took every risk to be of service to the wounded. He is a man of fine, sensitive spirit, with a passionate belief that humanity can, and must, save itself from ignorance and aggression; and as he told some of us about Finland I wondered if it would take much now to turn the Quaker into a warrior. The fight of the Finns has seized his imagination and his heart. He said that when the Finns offered to broadcast the names of Russian prisoners to the Soviet the poor creatures pleaded against it. "They will kill our families if they know we surrendered," they said.

The most sardonic story, even if slightly apocryphal, is of the three Russian prisoners. "Are you going to shoot me?" asked Prisoner No. 1. The Finns said no. "Are you going to shoot him?" asked Prisoner No. 1, pointing to No. 2. "And not him either?" asked No. 1 and No. 2 together, pointing to the third, who was standing a few feet away. Again the Finns denied any such cruel intent. "Then," said the first two prisoners, "can we shoot him? You see, he is a commissar."

Savage humor and truth may lurk in its shadow.



