

on the Panay without warning about noon Sunday.

"One hit the bridge," he said, "doing heavy damage. The skipper, Lieut. Comdr. J. J. Hughes, was thrown against the wheel and his leg was broken. Another bomb hit close beside the ship, pushed in the hull and let water pour in.

"We were all stunned. The initial blast's concussion was so great it bent the shields of many of the guns, putting them out of action. Shrapnel made sieves of the Panay's light armament."

The remaining guns were manned, however, by the American sailors who stripped to the waist. A steady fire was kept up until all civilians were off. Chief Boatswain's Mate Ernest Mahlmann, who was taking a bath when the attack started, dashed naked to the boatdeck and in addition to directing the fire manned a machine-gun himself.

"The planes came again," Geist said, "machine-gunning the small boats taking the wounded ashore. Several additional survivors were wounded."

Of one boat crew of seven American sailors, five were wounded when they were fired on by machine-guns as they ferried the civilian refugees ashore.

"There is no doubt the Japanese knew we were Americans," Geist said. "Three flags were visible plainly. One was painted on the side of the ship facing the Japanese motorboat that machine-gunned the sinking Panay."

"The machine-gunning planes flew so low they should have seen our flags. They should also have known we were American because the day before we told the Japanese army in the area who we were."

McDonald said that "while hiding in the reeds after taking the wounded ashore we heard motorboats approaching and some went down the beach and saw two army landing boats going to the Panay."

"The Panay was still afloat but sinking and her flags were flying," he continued. "One boat fired a machine-gun burst at the Panay and getting no response went alongside."

Soldiers Boarded Panay

"Some soldiers then boarded the Panay and a short time afterward pushed off.

"The wounded told me the planes diving low machine-gunned the small boats while taking the wounded ashore. Ensminger, who was slightly wounded aboard, received his fatal injury in this manner."

The still circling Japanese planes forced the uninjured survivors to carry the wounded on improvised stretchers of blankets into the swamp, where they cowered knee-deep in mud, the reeds twice as high as their heads. Always overhead were the bursts of machine-gun bullets.

Finally under the leadership of Capt. Frank Roberts, assistant United States military attache, the group were united and made their way to a small Chinese village where they tore the boards from pig pens to make stretchers. They struggled on five miles further to Holsien, reaching there about midnight.

The 11 worst wounded were placed in an abandoned hospital of thatch and despite the efforts of Lieut. Clark G. Grazer of Ingomar, Pa., the medical officer, Ensminger and Sandri died there.

Plain wooden Chinese coffins were provided for the two. Roberts draped Ensminger's coffin with an American flag, formally saluted the dead seaman and then led his small party to Hansan.

They were forced to make a 10-hour journey in open boats up the canal and then another torturing two mile journey overland before they reached Hansan, where they were found by a rescue party from the British gunboat Bee.

Nanking Hopes Japanese Will Mitigate Harshness

By C. YATES McDANIEL

Shanghai, (Saturday) Dec. 18.—With Japan's highest army and navy leaders in control of the situation in Nanking, Chinese hoped today that the period of harsh military rule which had gripped China's former capital since the Japanese captured it Monday would be ended.

Gen. Iwane Matsu, commanding Japanese armies in the Yangtze valley, and Vice-Admiral Kiyosha Hasegawa, commanding Japanese naval forces in China waters, made a glittering triumphal entry yesterday into the city which for a decade had symbolized hopes of reborn China.

Fourteen American missionaries who remained in Nanking through the siege and capture of the city and still were working to alleviate sufferings of the inhabitants sent an urgent appeal to Shanghai for doctors and other missionaries to come to their aid.

The Japanese forces carried the war deeper into the heart of the Yangtze valley, richest region of China. Fresh advances north, west and southwest of Nanking brought new areas under Japanese domination and carried grave threats to other Chinese cities.

Inhabitants of Hankow, great midland industrial center 400 miles up the Yangtze from Nanking, and Canton, the metropolis of the south, were convinced their cities soon would share Nanking's fate.

Admiral Hasegawa, in a communique announcing his formal entry into Nanking, declared:—

"The Japanese government is not satisfied with the success of its arms with the capture of Nanking. The situation is far from being settled.

"The armed forces of the empire are determined to endeavor to carry to a conclusion the purposes of the present expedition—establishment of lasting peace in the Orient."

Admiral Hasegawa mentioned the sinking of the United States gunboat Panay by his naval warplanes Sunday in the following passage:—

"Japanese efforts to accord protection to third powers unfortunately were marred by a most unhappy incident involving American and British warships, which I deplore from the bottom of my heart."

The Panay's dead, wounded and other survivors were brought to Shanghai late yesterday by the Panay's sister ship Oahu. Survivors told of the machine-gunning of wounded in open boats by Japanese planes and surface craft.

The tragic aftermath of the fall of Nanking was witnessed by this correspondent, who reached Shanghai yesterday on a Japanese destroyer. I saw four days marked by Japanese looting and wholesale executions of Chinese.

Nanking's civilians, having suffered a fortnight's looting, burning and imprisonment of men by the Chinese military, actually greeted the first appearance of the Japanese conquerors with timid cheers. But their

hopes of peace soon turned to despair. There was renewed hope today that the period of violence would be ended with Gen. Matsu himself in the conquered capital.

Domel, the Japanese news agency, described the entry of Japanese infantry, mechanized units, tanks and naval units into Nanking, while scores of warplanes zoomed overhead. Gen. Matsui at the head of his troops entered by the Changshan gate in the east wall. He marched to the national government building through a mile-long avenue lined by the conquerors.

With him marched Lieut.-Gen. Prince Yasuhiro Asaka, head of one of the branches of Japan's imperial family, who held an important command in the armies storming Nanking.

From the river side entered Admiral Hasegawa and his bluejackets. The two Japanese contingents met in the heart of the city and exchanged congratulations.

At further ceremonies in the national government building a band played the Kimigayo, Japan's national anthem, the Rising Sun flag was hoisted, "Banzais" were shouted, while the victors quaffed sake, their native rice wine, and nibbled surume, dried cuttlefish, food of the Japanese warrior.

WAGE-HOUR BILL LOST AS HOUSE COALITION VOTES TO RECOMMIT

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matter what our personal opinions may be" to pass the measure, sent it to a conference of senators and representatives and then "see how you like it when it comes back from conference."

Chairman O'Connor (D., N. Y.) of the rules committee charged that Republicans were "playing politics" on the bill and said:—

"The rank and file of the working people of America are interested in the Democratic party carrying out the specific pledge of its platform to do something about wages and hours.

"The motion to recommit is a deliberate stab at the bill because I have never seen a bill sent back to committee that ever saw the light of day again."

One-Man Agency Envisioned

The action recommitting the bill saved conference committees an impressively difficult task. Their job would have been to work out compromises on the points at which the measure varied from that of the Senate.

As perfected, before the recommitment vote, the House bill would have established a one-man administrative agency to fix minimum wages of not more than 40 cents an hour and maximum hours of not less than 40 per week, upon the recommendation of a committee of investigation.

By contrast the Senate bill would establish a five-man board, an independent agency, to do its own investigating and arrive at its own conclusions, within the same limitations specified by the House measure.

Tears in Leaders' Eyes

Speaker Bankhead and Majority Leader Rayburn, tears in their eyes, had "nothing to say" about the defeat.

Representative Dies (D., Tex.) grinned his way up an aisle, remarking jubilantly, "I told you we'd do it." He had predicted 203 certain votes for recommitment—14 short of the actual total.

Another leader of the opposition, Representative McReynolds (D., Tenn.), said he figured on 218 votes.

"I'd like to see a proper bill passed to increase wages and decrease hours," he asserted. "But this bill was outrageous—about the worst that could have been drawn.

"I doubt the wisdom of passing any wage-hour bill while business is in its present shape. Naturally I'm very proud of the victory."

Shortly after the House adjourned, Chairman Norton (D., N. J.) of the labor committee issued this statement:—

"Every man who voted to recommit this bill may count his vote as a vote against the underprivileged and suffering, inarticulate people of this country who are working for starvation wages.

"Beginning of a Great Fight"

"The sweated industries have gained a victory and if the money that was spent on propaganda around this Capitol had been used to raise the wages of these people it would have been put to a far better use. The usual selfish lobbies were at work as they always are when any social legislation is before the House to benefit humanity. This is only the beginning of a great fight."

Before the bill was sidetracked, an amendment was adopted to prohibit the employment of children under 14 and those under 16 if engaged in manufacturing or mining. The change was proposed by Schneider (P., Wis.). Later Representative Kramer (D., Cal.) was successful in adding what was quickly dubbed the "Shirley Temple amendment," exempting child movie stars from the provisions of the Schneider amendment.

Representative Martin (D., Col.) proposed that the terms of the Wheeler-Johnson child labor prohibition, incorporated in the Senate bill, be written into the House draft. He was defeated on a voice vote.

The Wheeler-Johnson program would distinctly prohibit the employment of minors, require that goods made by child labor be so labeled, and forbid the shipment of child-made goods into states having child labor laws. It was intended to provide a three-way approach to the people, each of the three items separate from the others.

The one-man administrative agency, which the House approved 124 to 77 before the final debate, would have operated within the labor department and been assisted by committees of employers and employees in a setup somewhat reminiscent of NRA.

PRESIDENT FAVORS R. R. LOANS BUT NOT NEW PUBLIC WORKS

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\$25,000,000 of RFC funds would be required.

Three lines already have indicated they intend to seek new loans.

The Erie intends to seek slightly more than \$6,000,000, and the Nashville-Franklin \$250,000.

The Boston & Maine notified the Interstate Commerce commission today it would ask the RFC for \$2,000,000.