

SPANISH BATTLE FOR KEY CITY

(Story starts on page 1.)



to provincial capital of Teruel, immediate
gent counteroffensive. Dotted arrow indicates
ing off communications between Barcelona,
panish government reports last night said the

CHINESE TROOPS SHOW NEW LIFE IN NANKING ZONE

Fight to Retake Hangchow from Japanese.

SHANGHAI, Jan. 4 [Tuesday].—
(AP)—Chinese military authorities re-
ported today flying columns under
Gen. Chang Fah-kwei, famed "iron-
sides" commander, had driven the
Japanese from Hangchow with heavy
losses.

Sharp fighting was reported devel-
oping along the shores of the West
Lake, on the outskirts of the historic
capital of Chekiang province, 110
miles southwest of Shanghai.

Japanese insisted their occupation
of Hangchow was complete and un-
opposed. Communication with Hang-
chow was shattered, but the latest
foreign reports from there indicated
foreigners were safe and the situa-
tion quiet.

Japanese Occupation Loose.

Other Chinese reports said the Jap-
anese occupation of the area from
Shanghai westward to Nanking was
far from complete.

CHINESE DESERTERS FOUND WITH REFUGEES IN U. S. NANKING CAMP

[Copyright: 1938: By the New York Times.]

SHANGHAI, Jan. 3.—American pro-
fessors remaining at Ginling college
in Nanking as foreign members of
the refugee welfare committee were
seriously embarrassed to discover
that they had been harboring a de-
serting Chinese army colonel and six
of his subordinate officers.

The Chinese officers, who had doffed
their uniforms during the Chinese
retreat from Nanking, were discov-
ered living in one of the college
buildings. They confessed their iden-
tity after Japanese army searchers
found they had hidden six rifles, five
revolvers and a dismounted machine
gun and ammunition in the building.

The deserters confessed looting in
Nanking and also that one night
they dragged girls from the refugee
camp into the darkness and the next
day blamed Japanese soldiers for the
attacks. The ex-officers were arrested
under martial law and probably will
be executed.

king] railway, linking Central and
North China, and the Lunghai, the
great east-west trunk railroad.

To the east of the southward ad-
vancing Japanese units, bombing
planes raided the Tsingtao peninsula.
Pingtu, 50 miles northwest of Tsing-
tao, was bombed. Nine missionaries
of the Southern Baptist church with

briefly in Tsingtao bay. The wide-
spread belief the city was to be at-
tacked by the Japanese navy was
heightened when the man of war
swung alongside the luxurious water-
front hotels. It turned about and set
out to sea, however, without disclos-
ing the object of the visit.

Chinese Using New Planes.

A Japanese navy spokesman said
the coastal provinces from Shantung
south to Kwangtung [Canton] were
homed without opposition.

The Chinese air force, presumably
using recently delivered soviet
planes, began an aerial counter off-
ensive Sunday with an attack on Jap-
anese-captured Nanking, once China's
capital.

Chinese claimed two Japanese
planes were destroyed when the air-
drome outside the city was bombed.
Japanese, however, said five raiding
Chinese bombers dropped ten bombs,

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