

THE EASTERN CRISIS.

LORD CURZON'S MISSION.

A MEETING WITH M. POINCARÉ.

THE DOMINIONS' RESPONSE.

Ministers met twice yesterday at Downing-street, mainly—it is semi-officially alleged—to discuss the military and naval measures necessitated by the crisis in the Near East. The Ministers who attended were the Prime Minister, Lord Birkenhead, Mr. Chamberlain, Lord Curzon, Mr. Churchill, Sir L. Worthington-Evans, Lord Lee, and Sir Robert Horne. There were also present Lord Cavan, Chief of the Imperial General Staff, Admiral Lord Beatty, the First Sea Lord, and Air-Marshal Sir Hugh Trenchard, and their presence indicates sufficiently that the matters under consideration were not exclusively political.

Nevertheless, the political aspects of the crisis received anxious attention. Ministers recognized, though they do not publicly admit, that the publication of the semi-official statement issued on Saturday evening was a serious blunder. The suggestion appears now to be made that its issue was due to a secretarial mistake. It is not suggested, however, that the document was drawn up by secretaries.

At their afternoon meeting, Ministers had before them, among other matters, a diplomatic remonstrance from France upon the semi-official statement and its enunciation of an apparently bellicose policy without previous consultation with the French Government. An Italian communication was also received by the Foreign Office yesterday, though it is not certain whether it was submitted to the meeting of Ministers.

The Italian Government appears still to desire the holding of a conference at Venice. Consideration of this proposal is suspended until after the return of the Foreign Secretary, Lord Curzon, from Paris, where he will go to-day for the purpose of conferring with M. Poincaré. Though it is hoped that Lord Curzon may come to an agreement with the French Government, it is not now expected that either France, or Italy will reinforce their detachments stationed in the zone of the Straits.

The possibility of maintaining a united Allied front in regard to the Near Eastern crisis depends largely upon the outcome of Lord Curzon's visit to Paris. His disposition towards the French standpoint is believed to be more conciliatory and statesmanlike than that of some of his colleagues. They, however, are understood to agree with him that there cannot, in any case, be an attempt to hold the entire neutral region south of the Bosphorus, the Dardanelles, and the Sea of Marmara; and he, like them, is convinced of the necessity of securing the freedom of the Straits, by negotiation with the Turks if possible. Upon the question of Thrace the British Government is prepared to enter into discussions with France, provided that proper weight be given to the views of the Little Entente.

Mustapha Kemal; on the other hand, is believed to desire the inclusion of Bulgarian and Bolshevik representatives in any conference in which Greece, Serbia, or Rumania takes part.

The Allies are understood to have made direct proposals to Mustapha Kemal for the saving of the remaining refugees at Smyrna. The Allies are prepared to provide shipping to take them off.

As to the nature of the joint communication sent by the Allies to Kemal Pasha, it is indicated that the demand made is that Kemal should respect and observe the terms of the Armistice concluded with the Constantinople Government. It is declared that whatever happens Great Britain will insist on the freedom of the Straits, even though it should be necessary for her to act alone.

Communications have gone from the British Government to the Governments of the Balkan States.

As to the strengthening of the British forces at Constantinople, it is announced that reinforcements for the military, naval, and air services are in motion. If necessary, further reinforcements will be sent from this country, and various units

THE CALL TO THE EMPIRE.

RESPONSE FROM OVERSEA.

(FROM OUR OWN CORRESPONDENT.)
MELBOURNE, SEPT. 18.

The New South Wales Government has offered to cooperate with the Commonwealth in any action it may take towards dispatching a contingent for the defence of Gallipoli.

The proposal to dispatch a contingent has received a more demonstrative welcome in Sydney than in Melbourne. The Press generally is of opinion that if assistance is a necessity for the Empire or desirable as an affirmation of the unity of the Empire, Australia should be represented. The Country Party supports the Government. The Labour Party is altogether hostile to the sending of troops unless it is sanctioned by a referendum. Mr. Charlton, leader of the Party, strongly emphasizes this view. He thinks that the League of Nations should be invoked to settle any complication. Mr. McGill, of the New South Wales Labour Party, describes Mr. Hughes's reply to Mr. Lloyd George as audacious and effrontery, and objects to the dragging of Australians into every European brawl.

Large numbers of men have personally, by telegram, and by letter intimated to the military headquarters of the various capitals their readiness to enlist. The military authorities estimate that in favourable circumstances 8,000 men could be sent during October.

(FROM OUR CORRESPONDENT.)

ADELAIDE, SEPT. 18.

Sir H. Barwell, the Premier, speaking at a journalists' luncheon and referring to the Near East, said that Australia would be found making common cause with the Mother Country in any trouble that overtook her.

NEW ZEALAND READY.

(FROM OUR OWN CORRESPONDENT.)

WELLINGTON, SEPT. 18.

Mr. Massey, the Prime Minister, states that he has informed Great Britain that the New Zealand Government wishes to associate itself with the British Government in any course of action that may be decided upon and is prepared to send a contingent. This decision was confirmed by a full Cabinet this morning. Mr. Massey adds:—

I hope even yet that war may be averted, but if peace is to be maintained the present difficulty must be faced firmly and promptly. The Dardanelles must be kept open and Turkish forces from Asia not allowed to concentrate in Constantinople. I had hoped that the Empire would have recovered from the last war before being called upon to take part in another. We do not want war, but duty comes first. The Empire must be preserved, and whatever becomes necessary British citizens, both in Great Britain and in the Oversea Dominions, will rise to the occasion.

CANADIAN MILITARY LEADERS' VIEWS.

(FROM OUR CORRESPONDENTS.)

OTTAWA, SEPT. 17.

The Prime Minister, Mr. Mackenzie King, returned by special train to Ottawa to-night and summoned a meeting of the Cabinet for to-morrow morning to consider the action of the Government in regard to the situation in the Near East. He declined to make any comment on the report that the British Government had invited the Dominion to send troops to assist in the protection of the neutral zones in the Dardanelles, and members of the Cabinet were similarly non-committal.

LATER.—The communication received from British Government is not sufficiently informative to enable Canada to reach a decision as to what action ought to be taken, and we have asked for further particulars," said Mr. King at the close of the Cabinet meeting to-day. The Cabinet resumed its deliberations in the afternoon.

TORONTO, SEPT. 18.

While Canada is amazed at the sudden imminence of war the public response to the crisis is more pronounced than the considered editorial comment of the Press or the restraint of Ottawa indicates. From east to west, veterans of the world war are quick to reply to the Empire's call to arms.

The veterans of Toronto, have telegraphed to the Prime Minister, Mr. King, offering to raise a battalion here within a week. The officers of the 19th Alberta Dragoons have offered to mobilize their regiment. The war veterans of Port Arthur are confident that the response of all volunteers will be immediate and complete. The Royal Canadian Regiment has offered its services, and in all parts of the Dominion the same spirit is apparent.

In many Protestant churches the congregations united in resolutions urging the Cabinet to immediate action. Prayers

FRANCE'S DILEMMA

RELUCTANCE TO FIGHT.

BALKAN COMMITMENTS.

(FROM OUR OWN CORRESPONDENT.)

PARIS, SEPT. 18.

M. Foincaré, who has been spending the week-end at Sampigny, his home in the Meuse, hastened back to Paris to-day to deal with the situation in the Near East.

The expected communication from the British Cabinet has not, however, been received, and the Quai d'Orsay is unable to take cognizance officially of British proposals. This dilatory procedure of the British Government, is unfavourably commented upon, and is regarded as inexplicable in view of the grave nature of the semi-official statement issued in London on Saturday. The French official view is that no hasty decisions should be taken, and that France should not be rushed into precipitate action.

Meanwhile, the development of the situation in Asia Minor is being carefully watched, and the steps necessary to protect French interests are engaging the attention of the French Foreign Office. General Pellé, the French High Commissioner in Constantinople, has left for Smyrna to obtain information as to the damage which the French colony has suffered and to report on the measures necessary for the aid and protection of French nationals.

In a message to the Minister of Marine, Admiral Dumesnil, commanding the French naval division in the Levant, reports that his officers and men have shown admirable devotion and discipline in rescuing French citizens from the quays of Smyrna.

AGAINST WAR.

Reflection has not softened the protest against what is held to be the unnecessarily bellicose tone of England, and the cry is going up against any war in which the Allies would be called upon to take part. At the same time the gravity of any want of accord between the two Channel countries in a matter of this supreme importance is present to the minds of all Frenchmen.

In the diplomatic sense the position of France is somewhat difficult. She has largely espoused the Turkish cause; she has commitments towards the Little Entente and Rumania which do not altogether square with all phases of her pro-Turkish policy; and she realises the need of the unity of the Allies in face of the possible menace to the peace of the Balkans.

On the whole she thought she had solved the problem, satisfactorily in adopting the principle of the freedom of the Straits, which satisfied England, which she hoped would content the Balkan Powers, and which she imagined acceptable to the Turks of Angora. But obviously this squaring of the diplomatic circle fails entirely if there is, on the British side, active hostility towards Turkey, and if there is on the part of Turkey a desire to sweep all impediments out of its path to the Straits and to Constantinople, even at the cost of a sanguinary collision with the Western Powers.

The dilemma is complete. It is unfortunate that France, who is opposed to anything like conflict with the conquering Turks, has felt obliged to proclaim so loudly her disagreement with the British and her passive reliance on diplomatic action. It is feared, on the one hand, that the alleged bellicosity of the British semi-official statement will provoke the Turks, and, on the other hand, that the French protest that her troops will not fight will encourage the Turks to proceed with any plans which they may have made in response to the British ally.

THE BLUNT TRUTH.

It is better to make it clear that the French Government and the French people and the French soldiers are not willing to take up arms for the Greeks under the Constantine monarchy and are not prepared, in pursuance of what is represented to be British policy, to shed their blood in fighting the Turks. France is emphatically in favour of peaceful methods in the Near East, and there is a bitter satire in the legends which figure on the front pages of the journals. The following is a striking example:—

Imperialistic France will not follow pacific England into a new war."

That, I think, is, apart from the adjectives, the truth expressed bluntly, and it is extremely likely that, if there is a crash, England will have to bear the brunt of the battle.

The diplomatic representations and the action of Rumania and of Yugoslavia will have much weight.

LAST DAYS OF SMYRNA.

HOW THE TURKS RODE IN.

STORY OF A BRITISH EYE-WITNESS.

(From our Correspondent in the Near East.)

CONSTANTINOPLE, SEPT. 18.

Two British witnesses have described their experiences of the last days of Smyrna. One of them, Mr. Wallace, had exceptional opportunities for watching the progress of events during the last days of the city, after getting his family away, he donned Naval Reserve uniform and served on board H.M.S. Iron Duke till she left on September 14.

"Throughout Friday, September 8, the Greek Army poured through Smyrna, some retiring through Vurlic to Chesimé, in the Erythraean Peninsula opposite Chios, while others embarked in the harbour. There was no rout, many of the troops whom I saw were in perfect order, and even among the miscellaneous stragglers mounted on donkeys, camels, or mules there was no panic.

The first Turks rode at noon on Saturday round the "Point" near the Smyrna-Aidin railway station. They galloped in with drawn sabres and revolvers ready, presenting a most awfully bucking appearance. Suddenly a white-uniformed figure held up a hand for all the world like a London policeman. They reined up. It was Captain Thesiger, R.N., of H.M.S. King George V, who informed the Turks that the Greeks had gone and advised them to restore confidence by riding quietly along the quays. Their officer agreed, but a few minutes later he was wounded by a bomb thrown by a crazy Armenian. He made light of his injuries, and his troopers maintained perfect discipline.

"There was some firing that night, but less than had been feared, and one hoped that matters would improve. But the Turkish Regulars, hunting for certain Armenians who were said to have registered their names with the Asia Minor Defence League, and the Irregulars, seeking loot, entered the Armenian quarter on the following nights and slaughtered people, mostly with knives and bayonets. Many foreign residents believe that the fire was originally caused by the Turkish authorities, who desired to cover up traces of this massacre, and that it spread beyond their control.

MURDERS OF WOMEN.

"To turn to my own personal experiences. On Tuesday the 12th I visited my house in the Barakli suburb and found my servants nearly mad with fright as the bodies of three women were floating in the sea just outside. A party of Turkish irregulars had broken into the Girls' Orphanage next door, demanded three women to be obeyed, violated, and murdered them. This crime was reported by the British Admiral to Kiazim Pasha, who, I must say, took great trouble next day to restore order in the suburb, reprimanding the newly appointed Turkish Town Major, and giving me his word of honour as an officer that his servants should be protected, which they were till they left.

"One of our greatest difficulties was the evacuation of the British residents. The Smyrna colony had been well treated by the Turks during the war and many of those whom we had embarked as early as September 5 wished to return to their homes. No one, indeed, realized the dangers of the situation, and the Turkish authorities begged the Admiral not to embark any more British residents, assuring him that they would be safe, and on Tuesday we had difficulty in obtaining permission for a party staying at Kramer's Hotel, which was the residence of the Turkish headquarters staff, to depart. Then came the fire. Kiazim Pasha, to whom I pointed out the first smoke, informed me it was, as he believed, caused by a desperate band of Armenians who, refusing to surrender, had set fire to the church in which they had taken refuge. Later came loud explosions. "Demolition bombs," said he; but the fire spread and by the afternoon of the 13th everyone was desperately but vainly fighting the flames.

SCENES ON THE QUAYS.

"I never saw a more tragic sight than the refugees. Starving, dazed, and exhausted, they had lost even the capacity for panic. They sat huddled together, often in the way of the flung, and, if ordered to move, obeyed with an almost animal docility, their eyes only expressing their despair and fatigue. As the fire

MENACE OF

EFFECT OF INFLATION

GERMAN WAGE PRICE

(FROM OUR OWN CORRESPONDENT.)

BERLIN.

The German industrialist hard at work in the proc their capital to the ne inflated mark currency.

A few days hence the Iron Corporation will a further issue of thirty [about £4,000] to bring up to three hundred [£46,000]. The smaller o been getting into the m prospectuses at top speed late comers should f stranded. All through capital increases were a rate of thirty to forty day. Soon the general d to come with a rush, and when the limit of the will be reached.

The Klockner Trust, o Westphalian combines, h report, which throws a st the effect of inflation. T posed of six groups e mining, iron smelting steel production, and the iron and steel products. large sums and placing to reserve, its underta show more than double in the previous year. T dividends as follows:—1 30 per cent. (10 per cent. 1921); Hasper Iron an 41 per cent. (20 per cent. 1921); Mins, 24½ per cent. Dusseldorf Iron and 1 per cent. (10½ per cent.); Mines, 30 per cent. (10

On the surface such seem too good to be true, in relation to the dolla sterling they assume a appearance. A holder shares of one thousand concern that paid 16 pe received, with the pound equivalent in marks of same shareholder receiv with the pound at 6,500 equivalent of about £45 spending value in Ge higher than £45, but it indication of the declin value.

To produce the same current exchange it wot for the companies to pay for the holding to be in shares at 1,000 marks.

GROWTH OF

One of the conseques further extension of the t smaller companies have to fit their schemes of are obliged to borrow, they come up against obtaining advances from there is a credit string left with the alternative business or being absor

The result has been voluntary liquidation a the trust system. Sor combines suggest a pic men holding one ano seems to get into the he concern and weaken it alcohol affects those who Others are quietly take big trusts, given first a and made use of. The T trusts are complete other directions. They c plies of raw materials an shareholders in the ba them; they own the pr accessories and their tra enough they own or par petitors. Trust stands and in some cases a w which constitutes them has already been arrived

Inflation has really I into their hands—the ec their own paper money, purely a temporary m early yet to say what it The occasion served i in preventing riots at t output of paper mon keep pace with the rise

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PREMIER'S THANKS TO DOMINIONS.

The Prime Minister has sent the following telegram to the Prime Ministers of Australia and New Zealand:—

Your prompt response to our inquiry regarding troops to resist any threat against the freedom of the Straits and sanctity of the Gallipoli Peninsula has been received here with enthusiasm. The Empire cannot consent to sacrifice the results of the gallant struggle and final victory of its sons in the Eastern theatre.

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In many Protestant churches the congregations united in resolutions urging the Cabinet to immediate action. Prayers were offered that the war clouds might be dispersed, but there is no hesitation in accepting responsibilities. There is a clear recognition of Canada's obligations as a signatory of the League of Nations.

NEWFOUNDLAND WILL BE THERE.

"Newfoundland does not want the British Empire to get into another row, but if there is one she wants to be in it."

This statement was made to a representative of *The Times* last evening by Sir Richard Squires, the Prime Minister of Newfoundland, who is in London on a visit.

cry is going against any war in which the Allies would be called upon to take part. At the same time the gravity of any want of accord between the two Channel countries in a matter of this supreme importance is present to the minds of all Frenchmen.

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The dilemma is complete. It is unfortunate that France, who is opposed to anything like conflict with the conquering Turks, has felt obliged to proclaim so loudly her disagreement with the British and her passive reliance on diplomatic action. It is feared, on the one hand, that the alleged bellicosity of the British semi-official statement will provoke the Turks, and, on the other hand, that the French protest that her troops will not fight will encourage the Turks to proceed with any plans which they may have made in response to the British ally.

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That, I think, is, apart from the adjectives, the truth expressed bluntly, and it is extremely likely that, if there is a crash, England will have to bear the brunt of the battle.

The diplomatic representations and the action of Rumania and of Yugo-Slavia will have much weight, and as these countries may be roughly described as anti-Turk, France, in her endeavour to be loyal to them as well as to England, may be placed in a most awkward situation. Although France desires to stop short of fighting, she is, I gather, prepared to adopt the firmest tone in diplomatic representations, and is hopeful that the Turks will show wisdom if no menaces are addressed to them.

British counsels of moderation in regard to Germany are ironically recalled, and the Ruhr is balanced against the neutral zone in the Near East. The most friendly French newspapers implore us not to push the Turks to despair, not to head for a complete smash. At the same time they beg the Turks to act with prudence and sang froid.

France has made it plain to the Turks that, so far as Constantinople and the Straits are concerned, she is as determined as Great Britain to uphold Allied policy. French public opinion is satisfied that the Angora Government fully realizes the folly of opposing by force of arms the united power of Great Britain and France. The conditions have, therefore, France thinks, been established in which, as *The Times* observes this morning, diplomatic action alone will suffice.

THE LEAGUE OF NATIONS INVOKED!

(FROM OUR OWN CORRESPONDENT.)

MELBOURNE, SEPT. 18.

Mr. Hughes, the Commonwealth Prime Minister, has cabled urgently to Sir Joseph Cook, the head of the Australian delegation to the League of Nations Assembly, requesting him to bring the situation in the Near East immediately before the League and to urge it to intervene in the cause of peace.

A FRENCH ORDER.

PARIS, SEPT. 18.—It is authoritatively stated that the French Government, anxious to obviate all incident between the French and Turkish troops in Asia Minor, notably at Chanak, has given the order to General Pellé to proceed within twenty-four hours to the evacuation of the French forces to the European side of the Straits. This has since been accomplished.—*Exchange Telegraph Company.*

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Our arrangements were splendid. At every point where British residents were likely to concentrate a destroyer was waiting and took them off. We had some dreadful moments, especially when we wondered if we could save the inmates of the Maternity Home, whose gallant head, Miss Wilkinson, when we arrived with stretchers, simply said, "Thank God, you came in time. I could not have left my post."

"One of our strangest experiences that night was to hear the band playing on board the flagship, in accordance with the routine of the Service, while the town was burning, and cries, shots, and the roar of the fire filled the air."

NOTE TO ANGORA GOVERNMENT.

Following on a verbal communication on the 11th instant which the Angora Government has not answered, the Entente High Commissioners through their dragomans this afternoon handed a Note to the Nationalist representative pointing out that the Allied Governments considered it to be desirable without prejudice to the stipulations of the future Treaty of Peace that the neutrality of the zone now occupied by the Allies in the region of Constantinople and the Straits should be maintained, and that they were confident that the Angora Government would respect the said zone.

DESTROYER FLOTILLA FOR CONSTANTINOPLE.

(FROM OUR CORRESPONDENT.)

GIBRALTAR, SEPT. 18.

The Second Destroyer Flotilla of the Atlantic Fleet arrives on the 20th en route for Constantinople. The Staffordshire Regiment will leave to-morrow.

in relation to the dollar sterling they assume a appearance. A holder of shares of one thousand in concern that paid 16 per cent, with the pound at equivalent in marks of at same shareholder receive with the pound at 6,500 i equivalent of about £45, spending value in Gem higher than £45, but it se indication of the decline value.

To produce the same current exchange it would for the companies to pay 4 for the holding to be iner shares at 1,000 marks.

GROWTH OF

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The result has been a voluntary liquidation and the trust system. Some combines suggest a pict open holding one anothe seems to get into the hea concern and weaken its alcohol affects those who Others are quietly taking big trusts, given first aid, and made use of. The po tend more and more to The trusts are completi other directions. They cop lies of raw materials and shareholders in the ban then; they own the pro accessories and their tran enough they own or part petitors. Trust stands of and in some cases a war which constitutes them i has already been arriv

Inflation has really pu into their hands—the con their own paper money. purely a temporary mea early vet to say what its. The coercion served its in preventing riots at the output of paper mony. keep pace with the rise i

FLIGHT FROM T

With the extension of t increase of capital, the dual abandonment of the the last week several co notices to the various bra firms announcing new cor and decreeing that invoi this or that currency. T manufacturers' combine favour of Dutch guilden milliners of Swiss francs. notice of curtailment of er haberdashers have instru the combine to make their voices on the basis that t one thousand marks, an centage supplement in ma rises. Thus, with dollars dred marks, 50 per cent, price of the goods.

In the retail shops, d in which the dollar rate l price charged has quadr and changes are someti even hourly occurrence.

The race goes on betw rush of prices and the advance of wages. Th recently been making use workmen's budgets, com titles his purchasing pow tember's wages with his p on last May's wages. shows that the wages w the same quantity, and that the workman has t The standard of living i likely to be lowered still

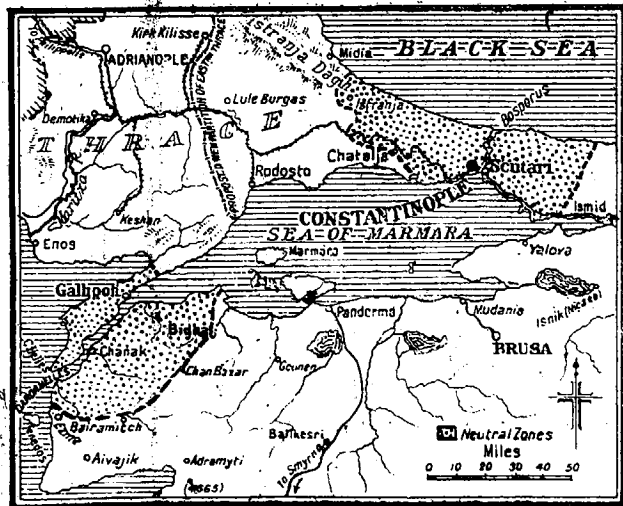
In getting the price to gain deliveries under the bill, the Government has some present to the agrar option. In Committee t the country to ransom, a withhold supplies unless fixed to conform with an scale, based on the inde living for August, Septe ber. The result will be i in the cost of bread. As of standard of measure stuffs, notably potatoes.

All this suggests that, has been doing business going it, from the nation on a false basis. Neith Labour have had the popular supposition is th it personally concealed a

THE AGHA

The Agha Khan arrive night.

THE FOUR NEUTRAL ZONES.



It should be noted that the four Neutral Zones established by the declaration of the Three Powers in May, 1921, on either side of the Bosphorus and the Dardanelles do not coincide with the area of the "Zone of the Straits" provided for in the Treaty of Sevres.