

MAXIMS  
OF A  
MERE MAN  
Neither wise men nor fools can  
work without tools.

# THE CHARLOTTETOWN GUARDIAN

The People's Paper Read by Everybody  
Covers Prince Edward Island Like the Dew

MAXIMS  
OF A  
MERE MAN  
Never burn your fingers to sniff  
another man's candle.

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## FISHERIES, PUBLIC WORKS, ESTIMATES CUT

### HITLER APPROVES CHANGES IN NAZI CABINET

#### NEW SET-UP SOLUTION IN PARTY CRISIS

**Cabinet Rank For Army, Navy And Airforce Heads.**  
BERLIN, Feb. 3.—Chancellor Hitler was reported today to have approved a cabinet reorganization as the solution to a crisis facing the Nazi party.  
Well-informed circles said this solution would mean a reshuffling of the vanished power of Marshal Von Blomberg, resigned Minister of War, by General Hermann Goering, the No. 2 Nazi.  
Cabinet ranks would be given to the heads of the army, navy and airforce, allowing the War Ministry to disappear with Von Blomberg, now on a honeymoon from which he is not expected to return.  
In the new cabinet, Goering essentially would be listed as army minister ranking equally with General Werner Von Fritsch, commander-in-chief of the Army, as war minister and Admiral Erich Raeder as navy minister.  
But as Hitler's right hand man and head of economic defence council, Goering's position as co-ordinator of military and economic economy would give him the dominant voice in National defence.  
In connection with this plan there was some talk of removal of General Ludwig Beck as chief of staff to make room for General Walter Von Reichenau, army corps commander mentioned previously as successor to Von Blomberg.  
It was also possible Von Fritsch might be replaced later by some general not directly involved in the controversy between the army and Nazi political leaders that broke with the resignation of Von Blomberg.  
Von Fritsch acted as army minister suggesting that Von Blomberg resign over his marriage to 23-year-old Eriska Gruhn, a carpenter's daughter.

### COMING EVENTS

- Announcements are inserted in this column at 2 cents per word. Daily payable in advance.
- Dance in Sea View Hall tonight. L-3420
- Huskies Vs. Hornets, Milton rink tonight, game starts 8 o'clock. L-3421
- At the lecture and dance in Whitehall tonight, sale of lunches. L-3418
- East Royals Vs. West Royals, East Royals rink tonight, 8 o'clock. L-3417
- Hockey tonight at New Glasgow Junior Maple Leafs vs. Wildcats. L-3425
- Buying dressed chicken and fish daily. Correct grading. Top prices. Island Cold Storage Co. L-475-12-30-11.
- Hockey Match Victoria, Victoria rink, Victoria rink vs. Kensington All Stars. Tickets 25 cents. L-3360-2-3-21.
- Cake Sale at Prowse Bros. Saturday Feb. 5, auspices Catholic Womens League. L-3374-2-3-31.
- Dance, Corran Bann Monday, February 7th, McInnis Orchestra, ladies please bring lunch. L-3400-2-4-11.
- Buying live hogs, Alden Mease, Kensington, Monday. Lemuel Craswell, Hunter River Monday, and Tuesday forenoon. L-3419
- Hockey in Sea View tonight, Graham's Monarchs Vs. Sea View Maple Leafs. If not fine Saturday night. L-3420
- Horse races on New Glasgow River Saturday, February 5, at 2 P.M. sharp. Three classes. Everybody welcome. L-3345-2-2-21
- Come to the Carnival at Highfield rink Saturday February 6th. No prizes awarded to costumes that have taken prizes before in Highfield Rink. L-3427-2-4-21.
- Annual Meeting of the Stanley Bridge Dairy Co. will be held in the Masonic Hall, Stanley, on Tuesday, February 8th, 1938, at 2 P.M. H. B. MacEwan, Secretary. L-3365-2-3-31.
- Pownal Hockey Friday, February 4th, Mt. Allison vs. Millview, Pownal Garage scene, Saturday moccasin or overboard dance. Music 8 till 10, Skating also. L-3362-2-3-21.
- All assessments due Borden School District No. 84 unpaid will be given to the Clerk of County Court for collection at March term of County Court. Borden School Trustees District No. 84. L-3392-2-4-21.

### Campbell Government Financing Subject Of Toronto Press Comment

**Premier Reveals Progress Of Further Bond Negotiations In Statement Denying Accuracy Of Financial Post's Allegations Re \$400,000 Issue—30 Day Option Given Pitfield And Co. Limited.**

#### JAP FORCES PUSH FORWARD

#### Foreigners Urged To Leave War Zone.

SHANGHAI, Feb. 3.—(Friday) —(AP)—Japanese columns smashed their way nearer to China's railway network today after Japanese commanders urged for general leave a war zone of nearly 500,000 square miles in Central China.  
The request that foreigners clear the Japanese zone was issued yesterday by the Japanese Embassy in Peking.  
They were asked to mark their properties to save them from aerial bombardment. About 52 towns within the designated area are sites of foreign missions.  
Reports of Japanese victories in the Pespang area were denied by Chinese sources. Chinese declared the Japanese lost at least 3,500 dead and wounded in the past week of fighting and, while admitting their own heavy losses, insisted the Tientsin-Pukow defence had not weakened.  
North of Suichow the Chinese said guerrilla fighters were very active, both east and west of the Tientsin-Pukow line.  
When and how the Chinese and the Chinese central front broken, the invaders are expected to pause for consolidation of their conquest of north China against the Yangtze Valley before trying to submit the Lumbai line for a thrust westward.

Details of further bond negotiations by the Campbell Government, this time concerning an issue of \$400,000, are revealed in a statement issued for publication by Premier Campbell in reply to allegations made in this week's issue of the Financial Post, Toronto. The Premier's statement follows:  
"I am informed that the following statement appeared today in a well-known Canadian financial publication: 'Prince Edward Island has rejected bids for an issue of \$400,000 of bonds. While no public announcement has been made by the Provincial Government in regard to prospective financing, several weeks ago tenders were called for privately on a \$400,000 issue. Several investment houses were asked to submit alternative bids for different maturities. Reasons for rejection of the bids have not been made public.'"  
The Financial Post is informed that one of the difficulties encountered by the investment dealers in making bids was the inability of the Province to provide a detailed financial results for the year ended December 31, 1937. The latest available report is for the year 1936.  
"The above statement is entirely inaccurate in practically every respect.  
"In the first place, no tenders were called for.  
"In the second place, no investment houses were asked by the Government to submit bids. Apparently acting upon a suggestion appearing some weeks ago in the same financial publication, several investment houses approached the Government with the suggestion that they might be allowed to submit bids. The Government agreed to this and received bids from three syndicates.  
"In the third place, the bids were not for different maturities, but all bids were for the same term and as far as the Government was concerned no other maturities were contemplated.  
"In the fourth place, although reasons for rejection of the bids have not been made public, the syndicates which put in bids were informed of the reason, namely that the Government did not consider their bids sufficiently high. After the bids had been tentatively rejected, the company which had submitted the highest bid, namely W. C. Pitfield and Company Limited, asked leave to submit a bid on an option basis at a figure not higher than that of the firm bids received. This request was granted, and an option was given to the company for 30 days.  
"In the fifth place, the obvious reason for the Province's refusal to provide a detailed financial results for the year ending December 31, 1937, is that the Public Accounts for 1937 have not yet been completely compiled and audited. A statement was made, however, to the committee on the Budget for 1937 had forecast a deficit of \$80,000, and that this forecast would not be far astray in either direction.  
"It is obvious that it would be quite impossible for the Provincial Government to issue any definite statement regarding the details of the Public Accounts for 1937 until the report of the Provincial Auditor is completed and tabled in the Legislature."

#### Apology Accepted By United States

WASHINGTON, Feb. 2.—(AP)—Once more the United States indicated its eagerness to avoid incidents with Japan by accepting today the Far Eastern Government's "profound regrets" for the slip-in-the-face administered by a Japanese entry to John M. Allison, American Diplomat at Nanking.  
Though satisfied with the prompt apology United States officials declined to list the incident as "closed," any more than the apology for the sinking of the American gun-boat Panay terminated that affair.  
**SUGGESTS 'ISLANDS' BE GIVEN U.S.**  
WASHINGTON, Feb. 2.—(AP)—Senator Lewis (Dem.-Ill.) suggested today in the Senate that European nations, now asking American co-operation in aiding China against Japan, turn over to the United States some of their island possessions, naval and air base.  
Lewis said these nations now owe the United States \$12,000,000.00 in Great War debts. The islands he added would be transferred in payment of the debts.

#### Regional Tariffs And F.C.A. Act Repeal Urged In House

OTTAWA, Feb. 3.—(CP)—A free trade area for the Prairie provinces where tariffs would not be imposed was urged in the House of Commons today by Gordon Ross (Lib. Mace).  
Protective tariffs, the Saskatchewan free trader said, were imposed in the West in 1913. At that time Eastern Canada benefited from the same tariffs. He said that the repeal of tariffs were both helpful and necessary. The only logical remedy was to impose a system of regional tariffs—permit the east to retain its tariffs and leave the Prairies a free market.  
"The west demands justice," exclaimed Mr. Ross at the conclusion of a general onslaught on the principle of protective tariffs. "We demand a free trade area in the three Prairie Provinces."  
The address debate continued all afternoon with Hon. Hugh Stewart (Cons. Leeds) suggesting the time had come when the Farmer's Creditors Arrangement Act should be rendered inoperative. It might be wise to arrange no more applications under its terms and leave it in operation only long enough to clear up the list, he said. Or it might be wiser to stop its operation in certain provinces, gradually withdrawing its application.  
The former minister of public works made the suggestion "because a number of farmers have told me they believed the operation of the act, while beneficial and useful in the province of Ontario, has practically reached the limit of its usefulness and they have told me in their opinion it is standing in the way of their receiving new loans. Not only do they advocate its repeal for that reason but they suggest the repeal of provincial moratorium laws along the same lines."

### BLONDE SECRET AGENT FOILS TREASON PLOT

#### "Miss X" Frustrates Attempt Of Foreign Power To Gain British Arms Secrets.

LONDON, Feb. 3.—A slim, blond secretary disclosed today how she turned spy and foiled an alleged plot to smuggle British arms secrets to a foreign power.  
A trim figure in black, the woman counter-espionage agent was corroborated the prosecution story in a hearing for four men accused of copying plans smuggled out of Woolwich Arsenal.  
The defendants, arrested under the official secrets act, were remanded to Feb. 7 when "Miss X" unfolded her romantic story in an ancient Bow Street police court.  
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#### Will Augment Naval Reserve In Canada

OTTAWA, Feb. 3.—(CP)—Canada's naval reserve will be augmented in the Naval Reserve under a policy adopted by the department of national defence and militia. When the estimates for the department are tabled in the House of Commons tonight, enrollment will involve no training and no pay. It was reported that the estimates will include a list of names and addresses of men physically fit for naval service in case of need.  
The present Naval Reserve is composed of men who undergo short periods of training in various parts of Canada. Some of them are engaged in maritime occupations and some are not. Some reside in centres far removed from the sea.  
The new classification will include yachtsmen and others who have maritime experience and who are willing and able to enter the naval service should occasion arise.  
A statement from the department of National Defence tonight said: "The naval reserve is to be augmented by a new classification of seafaring Canadians whose permanent homes are in Canada, physically fit for naval service. The age range will be from 18 to 35 and the period of enrollment five years."  
Details of the new plan have not been worked out and will probably be announced by Hon. Ian MacKenzie, Minister of National Defence, when the estimates for the department are before the House.

### Every cup a delight

# "DALLAN" TEA

### N. S. Premier Bases Claims On Fiscal Need

#### Claims History Supports Contentment That This Is Dominant Factor In Granting Provincial Subsidies.

(By CARL REINKE)  
(Canadian Press Staff-Writer)  
HALIFAX, Feb. 3.—(CP)—Frank recognition of fiscal need as the basic factor in determining provincial subsidies was urged by Premier Angus L. MacDonald today as the Nova Scotia Government began its submission before the Royal Commission on Dominion-Provincial Relations.  
"Expenditures on Government services have been the dominant factor in granting provincial subsidies," Premier MacDonald asserted. "In spite of the fact the Federal Parliament has refused to recognize that rule in express terms, history supports our contention in every example."  
The Premier traced the list of subsidy adjustments since Confederation, holding that each was premised on a consideration of Maritime needs at the time of the adjustment. The question today still was whether local revenue sources were adequate to carry on the services devolving upon a country such as Nova Scotia, he said.  
Premier MacDonald's vigorous stand for recognition of the actual basis in the granting of subsidies closed the first day of the Nova Scotia presentation in which the Government proposed a series of amendments to the British North America Act turning over to the Dominion several powers currently administered provincially.  
Basically, the Province urged a re-enactment of national tariff and freight rate policies to reduce the economic disabilities affecting the Maritime Provinces. Where this could not be completely effected, the Province advocated added subsidies awarded by a Federal Grant Commission similar to the Australian model.  
The Province was prepared to transfer to the Dominion exclusive jurisdiction over marketing, most Labor Legislation, Old Age Pensions, Mothers' Allowances and Insurance. In compensation to the Dominion, it was also ready to turn over income taxes and succession duties now collected by the Province.  
The Province was not prepared to commit itself to giving the Dominion jurisdiction over minimum wage legislation, although it would accept Dominion control of Unemployment Insurance and Employment, exchanges, wages-and-hours and weekly day of rest.

#### Justice Minister Reserves Reply

OTTAWA, Feb. 3.—(CP)—Justice Minister Lapointe today reserved his reply to a question from C. C. Leader J. S. Woodsworth, asking if the Government would take any action with respect to certain classes of military organization in Canada.  
Mr. Woodsworth referred to a picture in a Montreal newspaper showing a formation of men in Fascist uniform with hands upraised in salute and said to be getting under former army officers. He asked if this might be investigated under the provisions of the Criminal Code, or orders in Council passed to forbid such movements.  
Mr. Lapointe said he would answer tomorrow.

### Eleven Die In Crash Of U.S. Bombers In Battle Practice

SAN PEDRO, Calif., Feb. 3.—(AP)—A mid-air collision crash which destroyed two giant sky bombing patrols, took its 11th life today and raised the death toll to 18 within four weeks in sea maneuvers. The crash was the Navy's newest sky weapon.  
In the midst of the night battle exercises, 70 miles at sea, during a heavy rain squall last night, battleship and destroyer officers saw two of the world's most powerful sky cruisers collide. One burst into flames. The other fell in splintered wreckage.  
Four of the 14 men aboard them were picked up. One died later. Three survivors are under treatment aboard the fleet hospital ship relief. Rain squalls hampered search for the 10 other men.  
Ninety-eight warships and 260 fighting planes of the United States were on five days battle exercises off the southern California coast at the time of the crash. With divided forces the ships moved into night battle manoeuvres. There were 40 sky cruisers in the air.  
Rain squalls and choppy seas made the dangerous manoeuvres even more tense than usual. It was 8:37 p.m. when the blackness of the night was pierced by flaming collision of the two sky cruisers.  
The 11-p-3, commanded by Lieut. Cooper, crashed in flames. The crew of seven perished. The 11-n-4, commanded by Lieut. Hutchins, spun hurtling into the choppy seas, a mass of splintered wreckage.  
High tide this afternoon at 1:26 and tomorrow morning at 1:22. Sun sets this afternoon at 5:11 and rises tomorrow morning at 7:16.  
First quarter moon Monday, Feb. 7, 8:22 p.m. and 15 minutes later than Charlottetown.  
THE CAR FERRY  
Leaves Charlottetown at 8 a.m. 1 p.m. Leaves Tormentine at 8 a.m. 1:30 p.m.


### NO PROVISION FOR HARBOR IMPROVEMENT

Charlottetown Port Requirements Ignored In Main Estimates Tabled Yesterday.  
(C. P. by Guardian's Special Wire)  
OTTAWA, Feb. 3.—Forecasting expenditures on Government services and administration for the next fiscal year of \$118,958,359, exclusive of railway deficits and reflecting costs, Finance Minister Dunnington tonight tabled the main estimates for the year starting April 1, 1938.  
This is a reduction of \$2,900,478 compared with the \$121,858,837 voted for the same purpose during the current fiscal year.  
Provision for the Canadian National Railways deficit and unemployment relief will be made by special supplementary estimates, as in the case of the main estimates, amounted to \$55,991,664 for the current fiscal year.  
Other supplementary and special supplementary estimates will be brought down later to swell the grand total of all expenditures. For the current fiscal year the grand total voted for all purposes was \$172,858,629.  
Most notable decrease in departmental votes was in the finance department where savings in the annual interest payments on the public debt by \$6,550,000 and resulted in a net decrease of \$5,552,900 in the total vote.  
Transport Department Vote Large  
For the Transport Department the vote was \$20,830,000, an increase of \$1,732,652, accounted for in measure by enlarged expenditures for marine and meteorological services, increased capital costs and larger payments under the Maritime Freight Rates Act due to increasing traffic.  
The Maritime Freight Act estimates was boosted to \$2,376,000 compared with the previous of \$1,600,000 for the Canadian National Railways and \$800,000 compared with \$700,000 for other lines.  
Defence estimates at \$5,141,634 were lower than the current year's vote by \$2,000,000 and the vote for pensions and national health and public works were each reduced by more than \$600,000.  
Heaviest Increase  
Heaviest increase was in the Department of the Postmaster General which will get \$53,941,334 compared with \$53,783,494 for the current year. The increase is more than accounted for by increased appropriations for air and land mail services, staff supplies and equipment and the railway mail service.  
Votes for the Department of Mines and Resources and National Revenue were increased \$400,000 and \$387,000 respectively. Chief increases in Mines and Revenue:  
(Continued on page 7, Col. 5)

#### Fire In N. S. Coal Mine Under Control

(By The Canadian Press)  
HALIFAX, Feb. 3.—(CP)—Deputy Minister of Mines Dr. A. Cameron announced today that a coal mine at Westville, N. S., early this morning was under control, and the mine would be probably be back in operation tomorrow.  
An emergency crew had succeeded in backing off the section of No. 11 balance of No. 1 slope that had been burning. Deputy Minister said he had been told by Deputy Inspector of Mines H. H. Gray who was investigating cause of the outbreak.  
As a precautionary measure, 160 men were withdrawn from the mine as a crew under underground management Thomas MacEwan walked off the balance. It was expected the flames would die down quickly in the enclosed space.  
The Drummond mine is operated by International Coal Mining Company of Montreal.

### YOU CAN GET FAT WITHOUT BROADENING YOURSELF AT ALL!



#### BETTING INCREASES

LONDON.—Last year was a big one for English mechanical betting—the totalizators. Betting turnover was \$7,895,000 (\$38,475,000) an increase of more than \$500,000 (\$2,500,000) over 1936.

Location	Temperature
Victoria	36 46
Clagary	16 23
Winnipeg	43 3
Toronto	29 42
Ottawa	20 42
Montreal	14 24
Halifax	6 43
Quebec	4 24
Charlottetown	10B 14

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