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OF A
MERE MAN

The can conquer who believe
they can.

THE GUARDIAN OF THE GULF

The People's Paper Read by Everybody

MAXIMS
OF A
MERE MAN

Knowledge is the antidote of
Fear.

Covers Prince Edward Island Like the Dew

The Guardian, Three Cents
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CANADIAN SPY TRIALS FUGITIVE IS ARRESTED IN U.S.

FLIGHT FROM NANKING HAS TURNED INTO PANIC

Ottawa Prepared To Aid Steel Plant Expansion On 50-50 Loan Basis

Women's Progressive Conservative Ass'n Holds Annual Meeting

OTTAWA, Jan. 27 — (CP) — The Government is prepared to lend money to steel companies on a 50-50 basis to help them expand primary production, Trade Minister Howe said today.

Expanding an announcement of steel-plant help in yesterday's Throne Speech, Mr. Howe said in an interview the Government would match funds the steel-producing companies provided to extend their facilities.

He declared no ceiling was being placed on the government's loans.

"We will go as far as the companies are prepared to go," he said.

Aim of the new policy is to get new primary units into production to help overcome Canada's acute shortage of steel.

Several months ago, the Dominion Government asked the Canadian steel producers to draw up programs for the expansion of their blast furnace and other primary facilities.

So far, Mr. Howe said, the only company to lay down its program with the Government is the Steel Company of Canada at Hamilton, Ont. The other basic producers are Dominion Steel and Coal Corporation at Sydney, N.S., and Algoma Steel Corporation at Sault Ste. Marie, Ont.

For that reason, the Minister said, he could give no indication of the probable extent of the Government's ultimate financial participation toward the expansion program.

However, he emphasized that it would be by loan only. The loans would be repaid from the proceeds of the output of the projected new facilities.

During the day, he discussed the question with Pat Conroy, secretary treasurer of the Canadian Congress of Labor, and M.E. Corbett, president of the Sydney local of the United Steel Workers of America.

Later, a Congress statement said the interview had provided "much encouragement" for the steelworkers of Nova Scotia.

"It definitely indicated," said the statement, "that the government was moving in the direction of solving some of the problems confronting the steel industry in Nova Scotia and elsewhere, and upon which the employment in the Maritimes is so much dependent."

Coming Events

Special prices on all feeds. McCay Bros., Stanley Bridge.

Washing grain Tuesdays, Thursdays, Fridays, Saturdays, North Wiltshire.

Cross Roads W. I. Pantry Sale. Rogers Hardware, January 29th, 2 P.M. Proceeds for school.

Dance. Earncliffe School. January 28th, sponsored by Cherry Bay Junior Farmers. Luncheon 6 p.m.

Come to Junior Farmers' card party and dance in Fort Augustus, Friday, January 28. Good music and luncheon.

Reserve Saturday, Jan. 29 for bridge sale in Market Building. Invited by W. A. Willing Working group.

Annual meeting East River Drying Company will be held in St. Augustus Hall Saturday, January 28th, 2 p.m. Hugh Trainor, secretary.

Action galore in a super special feature, at MacDonald Bros. Theatre tonight. Don't miss John Smith, Elizabeth Scott in Desertary in Technicolor.

Expecting to unload car of Gain Hog Grower, etc. Friday, Saturday and Monday. Best quality from inspected grains and concentrates. MacKie & Co., Grand St.

Unloading car bulk whole corn, 40 per hundred weight, off car. On basis, Friday and Saturday, all grind into cornmeal, 20 cents per hundred weight extra. Dillon Spillet.

Meeting of all Farmers of West Valley and Wiltshire will be held in the Wiltshire School, Friday, January 28th, at 8 P.M. for the purpose of discussing problems of interest to all. Signed Stephen Lloyd and Jack Bell.

Mr. Archie MacKinnon will resume his cream hauling service in Canoe Cove to Craupud via Wiltshire, beginning Monday, January 31st. Should any Monday units he will make trip first last day following. Craupud January 30.

Charge C.P.R. Is Aiming At 1950 Rate Boost

By JOHN LEBLANC
OTTAWA, Jan. 27 — (CP) — A provincial lawyer charged at today's freight-rate hearing that the Canadian Pacific Railway was moving into position to apply for a new rate increase in 1950.

Saskatchewan counsel M.A. MacPherson made this suggestion during a day of considerable confusion and skirmishing over the purport of new C.P.R. evidence in the railway application for a 20-per cent rate increase.

(Continued on Page 5 Col. 2)

Mr. Beaton Elected As City Councillor

B-29 Missing

LONDON, Jan. 27 — (AP) — United States Air Force headquarters here announced tonight a B-29 with 15 men aboard is missing on a flight from Dakar, French West Africa, to England.

The B-29 left Dakar at 7:20 p.m. G.M.T. yesterday and was due at Markham, England, its home base at 9:30 a.m. today, the Air Force said.

Gov't Fails To Make Peace Deal With Reds

NANKING, Jan. 28 — (Friday) — (AP) — Well-informed sources said Acting President Li Tsung-jen today sent a direct appeal to Communist leader Mao Tse-tung to name peace negotiators at once.

NANKING, Jan. 27 — (AP) — Evident breakdown of Chinese Government efforts to make a surrender deal with the Reds turned the flight from Nanking into a panic tonight.

Gen. Chang Chih-chung, a leader of the government's peace delegation, announced he was flying to Lanchow in the far northwest to discharge his official duties as commander there "during the lull in peace negotiations."

This deepened the pessimism in Nanking over the chances of settling with the Communists.

Premier Sun Fo and Foreign Minister Wu Te-chen flew to Shanghai, ostensibly for a peace conference with non-government leaders, but nobody believed this reason.

Gen. Teng Wen-yi, official military spokesman, charged the Communists with "insincerity" about peace and told a press conference the government is "fully prepared to resist any attack on the Yangtze cities."

This only enhanced the panicky exodus from Nanking.

Latest military reports in Nanking said the Communist armies were deploying just north of the Yangtze from points 80 miles southwest to 35 miles northeast of Nanking.

The Reds were said not to have appeared in strength on the north bank and apparently had prepared to support the north of the Yangtze from points 80 miles southwest to 35 miles northeast of Nanking.

The government military spokesman insisted the government has 300,000 troops in the Yangtze area, compared with 200,000 for the Communists.

Will Continue Work Of Children's Aid Society

"The life of the Children's Aid Society is at stake," stated Rev. G. Carlyle Webster, chairman of the 39th annual meeting of the Society held last evening in the City Council Chambers, as he called for a free discussion as to "whether there is a place for the Children's Aid Society in Charlottetown."

After an outspokel discussion of the problems of the care of neglected children in Charlottetown, the meeting unanimously resolved that "the Children's Aid Society should continue to function."

On the resignation of last year's officers, the chairman was elected to appoint a committee to nominate the officers for the current year, reporting back to a continuation of the annual meeting which was adjourned until Thursday February 3.

Record Income For Farm Products In Canada Last Year

OTTAWA, Jan. 26 — (CP) — Canadian farmers received a record cash return from sale of their products during the first nine months of 1948, the amount totaling \$1,768,635,000, the Bureau of Statistics reported today.

This was more than 37 per cent higher than for the similar period of 1947.

In addition, farmers received a total of \$16,821,000 in supplemental cash payments made under provision of the Prairie Farm Assistance Act of 1946, 1947 and 1948, the Wheat Acreage Reduction Act of 1946 and 1947, and the Prairie Farm Income Act of 1946, bringing their cash receipts for the period to \$1,785,456,000 against \$1,292,008,000 for the same period of 1947.

According to the index number of farm prices of agricultural products the general level of farm product prices during the first nine months of 1948 was approximately 20 per cent higher than for the corresponding period a year earlier.

Generally higher prices for grains, together with increased marketings of wheat and flaxseed, have more than offset smaller deliveries of coarse grains to give an increased cash income from this source in 1948.

Total cash income of \$668,496,000 from the sale of livestock and livestock products during the first nine months of 1948 was 36 per cent higher than for the corresponding period of 1947, while the total derived from the sale of field crops was \$765,960,000, compared with \$550,562,000, a rise of 39 per cent. The sale of dairy products was the top contributor to the 1948 total, followed by wheat and cattle and calves.

Gains in cash income from the sale of farm products occurred in all provinces.

Totals in Maritime Provinces, with figures for the nine months of 1947 in brackets: Prince Edward Island, \$15,949,000 (\$11,341,000); Nova Scotia, \$25,326,000 (\$21,000,000); New Brunswick, \$31,409,000 (\$24,713,000).

Expect N. S. House To Open In March

HALIFAX, Jan. 27 — (CP) — The fourth session of Nova Scotia's third Legislature probably will open in the second week in March, Premier Angus L. Macdonald said tonight.

Mr. Macdonald said the opening date usually is governed by the number of annual reports available at the time.

Cabinet sources indicated the legislature would handle the slimmed agenda of government legislation in some years, but one item might be consideration of a bill banning the sale and manufacture of margarine in the province. Until now the government has maintained a "no-comment" on its course of action.

These same sources said they felt that Premier Macdonald might call a general election this fall or earlier if a federal election is called within that time.

Reviews Past Activities

Rev. Mr. Webster opened the discussion by a review of the work of the Society during its thirty nine years of existence. "Practically 300 wards have been under our care and at present there are almost 100," he stated. He pointed out the two functions of the Society, both providing living accommodation for neglected children, and counsel for the parents and those who were on the verge of delinquency. "The vast majority of these children are now in the hands of their parents."

(Continued on Page 5 Col. 7)

Saskatchewan Gov't To Probe Coal Industry

REGINA, Jan. 27 — (CP) — The Saskatchewan Government is appointing a royal commission to investigate coal industry problems in the Province, Premier T.C. Douglas said today.

His announcement followed a request by Provincial Liberal Leader Walter Tucker that the Government call for an investigation into the recent price increase of Estevan coal.

Mr. Tucker said yesterday that "apparently simultaneous 20 per cent-percentage increases by all producers make it appear that there was price-fixing among all producers in the (Estevan-Bienfait) fields, by a tacit understanding if not by agreement."

Aquitania To Continue In Service This Year

MONTREAL, Jan. 27 — (CP) — Cunard White Star Limited, announced today the liner Aquitania will sail from Southampton to Halifax March 8, and continue trans-Atlantic operations throughout 1949.

WOMAN BEST OFFICER — OHESTER, England — (CP) — Policewoman Cynthia Turner, 32-year-old brunette, won a £100 (\$500) silver cup as Chester's best police officer of 1948. She defeated 60 men members.

Bevin Is Determined To Remain Foreign Secretary

LONDON, Jan. 27 — (AP) — The cabinet weighed today the revolt within the Labor Party against its Palestine policy, amid signs Foreign Secretary Bevin is determined to ride out the storm.

A source close to the cabinet said Britain probably will extend recognition to Israel before the Labor members hold their next caucus next Wednesday and that this may help to kill off the intra-party squabble.

"Will Bevin Go?" asked a headline in Lord Beaverbrook's Daily Express. The question was echoed elsewhere in the press and in the lower ranks of the government itself. The answer seems to be: Not right now, anyway.

Bevin was absent when the cabinet gathered with Prime Minister Attlee at 10 Downing Street to talk over the Foreign Secretary's future and the party's future course.

He went instead to a London conference of the five Brussels-pact powers — Britain, France, Belgium, The Netherlands and Luxembourg — which is expected to help pave the way for Britain to recognize Israel.

Prime Minister Attlee closed the Palestine debate in the House of Commons last night with the declaration Britain has "accepted in principle" the recognition of Israel.

On the two-day agenda of the five foreign ministers were talks on Western European unity and the North Atlantic defence pact.

The unfinished state of these two projects is one of the main reasons why few in London expect Bevin to step out of office now.

Press comment on the situation cut across party lines.

The Daily Express said Bevin may ask to be assigned to some other government post. It commented: "Mr. Bevin has lost his hold."

The pro-Labor Daily Mirror said some members of Parliament felt it would be impossible for Bevin to remain at the Foreign Office.

The Conservative Graphic reported members were saying his days as Foreign Secretary are numbered.

All these newspapers usually back Bevin's foreign policy.

Threaten C.C.F. Commons Member With Expulsion

By George Kitchen
OTTAWA, Jan. 27 — (CP) — A C.C.F. member, new to Parliament, was threatened with expulsion in the Commons today for charges that his fellow-members are "a bunch of crooks."

Slipping easily into customary boisterous skirmishes, the chamber heard James Sinclair (L-Vancouver North) belabor Rodney Young (C.F.—Vancouver Centre) for a Vancouver speech in which Mr. Young pinned the label "crooks" on the parliamentarians and assured C.C.F. audience he would "really go after those guys."

Rising on a question of privilege, Mr. Sinclair gave the C.C.F. member the choice of withdrawing the charge or being summoned before the house committee on privileges and elections "to decide whether he is a fit and proper person to sit in this company of honest and honorable members."

By his silence, Mr. Young declined to withdraw, and Mr. Sinclair said he himself would move the motion for his appearance before the committee, seconded by a third Vancouver member, Cecil Merritt, V.C. (PC—Vancouver - Burrard).

This opportunity will come within a few days, after the committee is established.

In a side issue to the main election, The C.C.F. member was struck in a June by-election last year and came to the chamber only 10 days before prorogation of the 1948 session. In those 10 days, he spoke five times—unusual for a newcomer.

Mr. Sinclair forced Mr. Young to withdraw a statement that the Liberal member apparently felt the "cap of a crook" fitted him since he objected to it.

The exchange between the two members, with most of the chamber thumping for Mr. Sinclair, took the spotlight away from the opening of the Throne Speech debate. It began with Donald Brown (L—Essex West) moving the address in reply and Leopold Demers, the newly-elected Liberal member for

(Continued on Page 5 Col. 7)

Quebec Labor Federation Rejects Proposed Code

MONTREAL, Jan. 27 — (CP) — The Quebec Provincial Federation of Labor, with an estimated total membership of more than 100,000, announced today its flat rejection of the Quebec Government's draft labor code and established a \$100,000 voluntary fund to "prevent this bill from becoming law."

About 400 delegates met in emergency session to deal with the draft made public after the opening of the legislature last week.

The Quebec code, affiliated to the American Federation of Labor, urged that the Catholic Syndicates in Quebec Province and the Canadian Congress of Labor (C.I.O.) join in forming a united front against "this subversive legislation."

The draft code was announced by Premier Duplessis without comment and suggestions from labor were sought.

The code would bar Communists, subversive agents and supporters of subversive organizations from holding office in any union.

Strike decisions would be preceded by secret ballot; sympathy strikes and slow-downs prohibited.

Strikes among employees in public services would be prohibited and organizations of police and firemen could not be affiliated to organizations of other classes of employees.

Workers could join and leave a union any time they wished.

The Quebec Federation, by resolution, branded the draft code a violation of "the basic principles of industrial democracy" and a danger to "harmonious relations existing between labor and management in this province."

Appointed New Leader Of Red Cross



Dr. W. S. Stansbury, who is new national commissioner for the Canadian Red Cross Society, is a leading medical authority on blood. For the past two years he has been national director of the Red Cross National Blood transfusion service. His appointment follows the retirement of Dr. F. W. Routley.

SAM CARR FOUND IN NEW YORK

By JOHN DAUPHINEE
NEW YORK, Jan. 27 — (CP) — Sam Carr, fugitive for three years from a Canadian spy trial, was arrested here today.

Tonight he is at Ellis Island, detention centre of the United States Immigration Service, first step in his forced return to Canada and a warrant charging that he disobeyed the Official Secrets Act.

His capture means a revival of the post-war Canadian spy trial in which nine persons were imprisoned or fined and nine others were acquitted.

Carr was listed in the report of Canada's spy-royal commission as a recruiting agent for a Russian espionage ring.

J. Edgar Hoover, director of the Federal Bureau of Investigation, announced in Washington that Carr had been picked up this morning in an Upper Manhattan basement apartment.

Later, Justice Minister Garson said in Ottawa that if the United States does not deport Carr, Canada will take extradition proceedings to have him brought back for trial. A departmental official said the trial probably would be in Toronto where Carr used to live.

Charges against him in Canada are understood to be:

1. Conspiracy.
2. Uttering a false passport.
3. Giving false statements in connection with a passport application.

The F.B.I. in New York barred newspaper reporters from the dining hall, red-brick building where Carr

(Continued on Page 5 Col. 1)

Cave-in At Saint John Is Puzzle

SAINT JOHN, N.B., Jan. 27 — (CP) — Engineers and geologists today probed the cause of a landslide near the bank of the St. John River below Lancaster Avenue on the western city limits of Saint John.

Sections of land settled as much as 33 feet during the past two days in an area stretching more than 200 yards. Puffs of steam and some crossed the Fair View Drive, looking Saint John's famous Reversing Falls.

An undermined barn gradually tilted and finally toppled over a newly formed precipice. Two houses, in possible danger, were evacuated and preparations were made for evacuation, if necessary, of a veterans' home housing about 40 pensioners.

One theory was that river waters had eroded a limestone vein, cutting the earth to sections. The rate of subsidence had noticeably lessened tonight.

Officials decided to request the assistance of Dr. Graham S. MacKenzie, professor of geology at the University of New Brunswick, in determining the cause of the land drop.

Threat Drop In Cocoa Prices Is Reported

PORT OF SPAIN, Trinidad, Jan. 27 — (CP) — The third drop in cocoa prices in five weeks will go into effect Jan. 31, it was announced today.

Prices have been falling steadily since April 29, 1948. The new price will be \$26 a fanega — about a bushel — for estate cocoa, compared to \$40 in peak years. Plantation cocoa is \$4 a fanega higher.

MEMORIAL SERVICE FOR COMEDIAN

LONDON, Jan. 27 — (Reuters) — Thousands surged around the steps of St. Paul's Cathedral in the heart of London today trying to gain admittance to the memorial service for Tommy Handley, Britain's ace radio comedian. Police closed all doors a few minutes after the service began.



TORONTO, Jan. 27 — (CP) — Minimum and maximum temperatures: Victoria 31-37; Edmonton 17-9; Regina 2-3; Winnipeg 7-3; Toronto 16-25; Ottawa 4-17; Montreal 4-16; Quebec 6-19; Saint John 4-21; Moncton 3-21; Halifax 9-23; Charlottetown 8-19; Sydney 12-22; Yarmouth 17-28; B.-below.

HALIFAX, Jan. 27 — (CP) — Official inland forecasts issued tonight by the Dominion Public Weather Office at Halifax and valid until midnight Friday.

Synopsis:

Snowflurries are still falling in Prince Edward Island, and north-eastern Nova Scotia tonight. Elsewhere skies are clearing and some morning clouds should break up in these portions. Temperatures will fall quite low in all regions.

Fine weather has previously been forecast from this office for the whole of Friday but now a storm developing southwest of the Great Lakes threatens to change the whole outlook for late Friday. The storm is moving quite rapidly and present signs indicate it will head for Northern Quebec. There is a broad area of snow and rain, however, which will certainly reach the Maritimes early Saturday morning. Skies will cloud up by Friday evening and there is the risk of some precipitation Friday evening.

Regional forecasts:

Prince Edward Island: Overcast with snowflurries during the night. Cloudy Friday morning clearing by afternoon, but becoming overcast again in the evening. Milder Friday. Light winds becoming south 15 in the evening. Low early Friday morning and high in the afternoon at Charlottetown 8 and 25.

High tide this morning at 11.16 and tonight at 10.06.

Sun rises this morning at 7.02 and sets at 5.02.

Summerside tide eighteen minutes later than Charlottetown.

WEEK-DAYS

Leaves Borden 9.10 A.M. and arrives at Cape Tormentine at 10.15 A.M.

Leaves Cape Tormentine 2.40 P.M. and arrives at Borden 3.35 P.M.

No Sunday schedule in effect.

BLOSSOM OF CANADA FLOUR

FOR LIGHTER BREAD, CAKES AND PIES

The flour that blooms in the oven