

World problems are to be solved only by men of good-will in conference and in the spirit of utter fairness.

Charlottetown Guardian Two Cents Morning Edition, Founded 1887

The Church is not a gallery... the exhibition of eminent Christians but a school for the education of imperfect ones.

ITALY PLANS NAVAL EXPANSION PROGRAM

ANGLO - U. S. TRADE NEGOTIATIONS BEGUN

FORMAL STEP IS TAKEN AT WASHINGTON

Announcement By U. S. Secretary Hull Sets Public Hearings For March 14.

WASHINGTON, Jan. 7.—(CP)—The United Kingdom and the United States took a seven-league step toward economic co-operation tonight by announcing formal "intention to negotiate" a trade agreement.

Holds The Fort



Hon. Joseph Napoleon Francoeur, who was elected in the by-election in Lotbiniere, with a record majority over a "nationalist."

PREMIER WILL PRESENT BRIEF FOR PROVINCE

Supplementary Presentations By Provincial Auditor And Others Will Likely Be Made.

The Charlottetown sittings of the Rowell Commission on Dominion-Provincial relations will occupy three or four days, Premier Campbell anticipates.

VESSEL MAKES PROGRESS IN DRIFT ICE

"Mahone" Reported Off DeSable — C. G. S. Montcalm Expected To Arrive Today.

The auxiliary schooner "Mahone" caught in drift ice in the Northumberland Strait since Monday was reported seven miles off DeSable at dark last evening.

Meanwhile the powerful ice-breaker C. G. S. Montcalm, steaming to the rescue of the three men on the "Mahone", was expected to arrive off Souris, 85 miles away, at midnight.

The mounted police cutter "Urb" which came through the Strait of Canso Thursday morning in an attempt to reach the schooner was forced to abandon her efforts yesterday morning when heavy ice was encountered.

The "Mahone", with Captain Harry Brown and his two sons Clarence and Allison on board, sailed from Georgetown for Victoria Monday. More than 24 hours overdue they were located five miles due south of St. Peter's Island by a Canadian Airways plane Wednesday afternoon.

Seas Scanned For Missing Aircraft

SAN PEDRO, Calif., Jan. 7.—(AP)—Thirty five fighting ships scanned the sea today while 284 planes hunted for the air in an area of 60,000 square miles off the coast here for eight naval fliers lost at sea.

There was no hope for the eighth flier, Cadet Scott P. Hawkins, 29, of Jefferson City, Mo. He fell to death yesterday 100 miles offshore from a catapult plane attached to the cruiser Chicago searching for the other seven missing aviators.

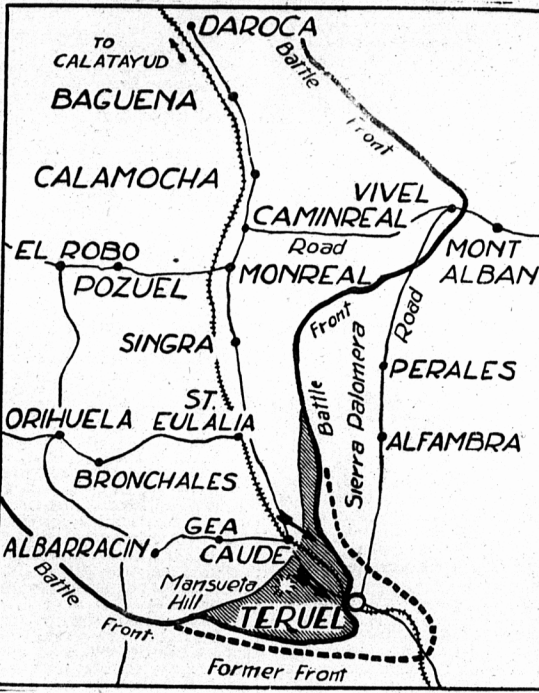
Hope waned for the seven men unreported since Wednesday evening on one of the navy's newest cruisers of the air, a 25 ton patrol bomber.

60 YEARS WITHOUT TIFF

RIMBEY, Alta.—Ole S. Hagen who with his wife recently celebrated 60 years of married life, declared "we have never had a serious quarrel in all our lives."

The minister merely said defence estimates had not yet been considered by cabinet council, when asked if this year's estimates would equal the \$35,000,000 of last year.

The Battle of the Teruel Salient



The greatest battle of the Spanish civil war is in progress in and around Teruel. Two weeks ago the loyalists launched a surprise attack and captured the town of Teruel and nipped off the toe of the salient.

British Forces Protest Attacks

Japanese Invade Defence Zone At Shanghai

SHANGHAI, Jan. 8.—(Saturday)—(AP)—While a Japanese Army manoeuvred for a stranglehold on China's lifeline railway the Japanese ambassador to China declared today that peace negotiations were "out of the question for the present."

The envoy, Shigeru Kawagoe, told Japanese newspapers that "Japan should repudiate the National Government as China's central administration."

"A new regime is needed," he said, "one absolutely relying upon the technical and economic support and guidance of Japan."

The principal theatre of the war was more than 400 miles northwest of Shanghai, on both sides of the east-west Lunghai Railway—known as China's "last line of defence"—but there were fresh international complications in Shanghai.

The commander of British forces at Shanghai, Major-General A. P. D. Teifer-Smollett, protested against attacks on two British officers of the Shanghai Municipal Police by Japanese soldiers.

General Teifer-Smollett was reported to have warned Japanese military authorities that repetition of the incident might bring "gravest consequences."

Body Of Infant Found At Moncton

MONCTON, N. B., Jan. 7.—Moncton city police announced tonight they are investigating finding this afternoon of the body of an infant child near the Canadian National Railways freight sheds.

IS AWARDED LIFE-SAVING CERTIFICATE

Miss Eleanor Cooke Presented With Royal Humane Assn. Award.

Miss Eleanor Cooke of Charlottetown was presented last night with a certificate from the Royal Canadian Humane Association for "prompt action and presence of mind in the rescue of Verna Vall from drowning at Stanhope Beach, P. E. I., August 1, 1937."

The presentation was made by Premier Thane A. Campbell at a ceremony in the Confederation Chamber of the Provincial Building.

Mr. Peter Sinclair, M.P., president. Speakers included the Hon. J. P. McIntyre, Minister of Public Works; the Hon. W. H. Dennis, Minister of Agriculture; Dr. I. J. Yeo and Mr. Lester Douglas.

Hon. Mr. McIntyre congratulated Miss Cooke on her noble deed in saving the life of a child. She had probably done what anyone else would have done in similar circumstances.

On this occasion it fell to her to exercise quickness of thought and action, wade into the water and bring the child safe to shore. If she had not done so the child would have been lost and he was glad, Hon. Mr. McIntyre said, that the Humane Society saw fit to grant the diploma.

Hon. Mr. Dennis heartily concurred with the statements of the previous speaker. Miss Cooke claimed she did not endanger her own life but when she started to wade into the water she did not know the depth, Mr. Dennis said.

He referred to her victory over doubts and fears and pointed out the certificate was a symbol of honor which he felt Miss Cooke would cherish as long as she lived.

Dr. Yeo, who was at Stanhope Beach when the rescue was effected, said he wished to express his appreciation of the noble deed. He felt that Miss Cooke had been very modest in the presentation of her case and that she had endangered her own life in making the rescue.

The day, he said, was dark and very rough and the little Vall child would certainly have suffered a fate similar to the two unfortunate victims but for the action of a brave girl. The certificate was "a very proper reward for a splendid deed of heroism."

Gov't Intervention May Be Sought

(C. P. by Guardian's Special Wire) LUNENBURG, N. S., Jan. 7.—Government intervention to end the Lunenburg fishing fleet tie-up, might be asked if all other means fail to bring an early settlement, Captain Angus Walters, President of the Fishermen's Federation, announced today.

The statement brought cheers from the fishermen's meeting before which it was made.

Admitting "everyone is worried," Walters said: "We've asked the dealers twice to meet us and they've absolutely refused. Our next move, I suggest, if we can't come to a settlement by any other means is to apply to the (Nova Scotia) Government to have the matter settled."

New Battleships And Other Fleet Units Ordered

Britain And France Ready To Meet Threat By Mussolini In Mediterranean.

ROME, Jan. 7.—(CP)—Premier Mussolini today announced an unforeseen naval building program to increase Italy's strength in the Mediterranean Sea.

He said construction would begin immediately on two 35,000-ton battleships, 12 destroyers and an undisclosed number of submarines.

Completion of the program by 1941 would give Italy her largest navy—more than 600,000 tons—and place her second in rank only to Russia in submarines.

There was a hint in some press comment Italy intended to assert her position outside the Mediterranean. Virginia Gayda, authoritative Fascist editor said "the Rome-Tokyo axis is a typical manifestation of this new, broadening spirit."

Mussolini's step was presented chiefly as necessary to protect North African possessions and communication with Africa, and to defend Italy against "attempts to strangulation and intimidation."

United States naval building and reports the United States planned to create a special Atlantic Fleet were mentioned in the press along with British and French programs as the reason for the Italian plans.

The building plans, with those already completed, will give Italy four modern 35,000-ton and four reconconditioned 23,000-ton capital ships.

Great Britain normally keeps two battle cruisers and three battleships in the Mediterranean, France three battleships and seven cruisers.

(The Italian announcement caused French officials at Paris to declare France must meet it. The Naval Committee of the Chamber of Deputies prepared for an immediate conference with the Naval Ministry on building two 35,000-ton battleships.)

France already is building the Richelieu and Jean Bart, of 35,000 tons each, to meet the Italian battleships Littorio and Vittorio Veneto launched last July.

LONDON, Jan. 7.—(CP)—Havas—Italy's accelerated naval program was generally viewed here tonight as calling for even further strengthening of Great Britain's rapidly growing navy.

Scarcely had the wires from Rome ceased humming with the news when Admiralty circles openly talked of laying the keel this year for battleships of from 46,000 to 52,000 tons carrying 16-inch guns. (The largest man-of-war afloat, the British battle-cruiser Hood, is of 42,000 tons, carrying 15-inch guns.)

British sources saw Premier Mussolini's latest armament gesture as bringing to the fore anew the problems of balance of power in the Mediterranean. It goes without saying, they declared, that Italy's move will figure heavily in the British Admiralty's deliberations of the next few months.

It Duce's new naval program was believed related at least in part to President Roosevelt's call on Wednesday for an enlarged United States navy.

MERCY FLIGHT PROVES FUTILE

Woman Dies Of Lack Of Medical Aid.

HALLIFAX, Jan. 7.—A plea from the northernmost tip of Nova Scotia, isolated during the winter months, came to the provincial capital today with news that the mercy flight of a young aviator and doctor had proved to no avail.

The woman they sought to save died a few hours after they left for the return flight to Sydney.

Rev. Paul MacNeil, Roman Catholic parish priest, sent a telegram to Halifax today, demanding a doctor be secured for his 2,000 people in northern Cape Breton.

Bob Smuck of Brantford, Ont., flew Dr. Phil Magonet of North Sydney from Sydney to Bay St. Lawrence yesterday to attend Mrs. Joseph McNeil, critically ill 11 days after she gave birth to a baby. The young doctor attended her and left medicine, declaring his presence would be of no additional benefit.

It was impossible to move her by plane to hospital, Dr. Magonet said. Father McNeil, in his message to Halifax demanding a doctor for the district, said she had died shortly after the plane left for the return flight to Sydney.



METEOROLOGICAL SERVICE, Toronto, Jan. 7. Minimum and maximum temperatures:

Table with 2 columns: Location and Temperature. Rows include Regina (12B-6), Winnipeg (14B-zero), Toronto (20-30), Ottawa (10-22), Montreal (10-18), Quebec (10-18), Saint John (24-44), Halifax (24-42), Charlottetown (14-34).

FORECASTS Maritime East: Strong southerly winds with some rain at first, followed by westerly winds and becoming somewhat colder with snow-flurries.

High tide this afternoon at 2.50 and tomorrow morning at 3.11. Sun sets this afternoon at 4.39 and rises tomorrow morning at 7.37. First quarter moon Sunday, Jan. 9, 9.13 a. m. Summerside tide eighteen minutes later than Charlottetown.

COMING EVENTS

- *Announcement are inserted in this column at 50 cents per word strictly payable in advance.
*Skate in Victoria rink to-night. L-655-1-8-11.
*League Game Rovers vs. Hornets, Mt. Zion rink tonight. Game starts 8 o'clock. L-651-1-8-11.
*Borden Line Club leading hours lambs, ca. every Tuesday. Hours 12 to 3. L-348-12-M-2-6-11.
*Come and see "Correspondence Courtship" by Tryon players in Crapaud Hall Monday, Jan. 10, at 8 p. m. L-633-1-8-21.
*Reserve Jan. 15th. for Parkdale Women's Institute pantry sale at Moore & McCleod's. L-664.
*Buying dressed chicken and fowl daily until March. Correct grading. Geo. Leightner Co. L-198-12-21-11.
*Buying dressed chicken and fowl daily, correct grading, top prices. Island Cold Storage Company. L-475-12-30-11.
*Hockey at New Glasgow tonight. Rustico Rangers vs. New Glasgow Imperials. League game. If not fine Monday. Game starts 8 o'clock. L-665.
*Annual Meeting of Hillsboro District L. O. L. will be held in Berno Lodge 8 P. M. Tuesday, January 11th. L-654-1-8-2.
*Annual meeting of Whitehill Dairy Co. will be held in the Hall on Monday, January 10th at 2 P. M. Roland Easter, Secretary. L-510-1-14-41.
*The Annual Meeting of Southern District L. O. L. will be held in Luther Lodge, Murray Harbor, Tuesday, January 11th after arrival of train. L-661-1-8-11.
*The Annual Meeting of Union District L. O. L. will meet in Lion Lodge, Upton, on Tuesday, January 11th at 2 P. M. R. C. MacPhee, District Recording Secretary. L-617-1-8-11.
*The Annual Meeting of the Union Dairyman's Association will be held on Tuesday, January 11th at 2 P. M. in Vernon Hall. As there is important business, all patrons and those interested are asked to attend. Also tenders for the cutting and storing of ice will be received on above date. J. W. MacLeod, Secretary. L-580-1-8-31.
*Livestock Marketing Board leading hogs, lambs and calves through local shipping clubs during week of January 10th as follows: Monday afternoon: Balfie, Souris, St. Peters, Morell, Murray River, Melville, Charlottetown; Tuesday forenoon: Charlottetown, Kensington, Mt. Stewart, Bedford, Brantford, Hunter River; afternoon: 12-3-Albany. Hog markets at the moment are reported strong. Ship cooperatively and make sure of highest prices. L-623-1-7-11

Canadian Defence Proceeds Rapidly

(By The Canadian Press) OTTAWA, Jan. 7.—Defence Minister Ian Mackenzie said today, on his return from a southern holiday, Canada was strengthening its defences "as rapidly as our financial resources will permit."

U.S. Probes Disappearance Of New York Woman In Russia

MOSCOW, Jan. 7.—The United States today demanded Russia tell whether Ruth Marie Rubens of New York—the mysteriously missing "Mrs. Donald L. Robinson"—had been arrested and, if so, on what charges.

The note was presented to the Foreign Office on instructions from Washington after previous requests for information were unanswered.

The United States asked full details of Mrs. Rubens' disappearance from a Moscow hotel Dec. 9. A week earlier her travelling companion, known only as "Donald L. Robinson" vanished from the hotel. The formal demand for information on the case was based on Washington findings that Mrs. Rubens was a United States citizen. She arrived in Moscow Nov. 6, with Robinson, travelling on passports later shown to have been obtained fraudulently.

Child Dies Under Large Snowplow

(C. P. by Guardian's Special Wire) BATHURST, N. B., Jan. 7.—Seven-year-old Norman Lantaigne was killed last night, when the rear wheels of a large snowplow passed over him, crushing his head, body and legs.

Solloway Is Acquitted Of Theft Charges By Jury

TORONTO, Jan. 7.—(CP)—After a 35-day trial which had its climax in a 17-hour deliberation by the jury, Isaac W. C. Solloway, former head of the brokerage firm of Solloway, Mills and Company, was acquitted today of theft charges involving \$2,144,740.

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WINNIPEG — John Gilmour, Pretoria school teacher, told members of the Natural History Society of Manitoba recently that ox-carts were still used by many South African farmers.