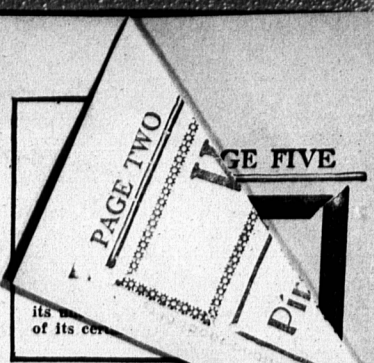


He who cannot forgive others
breaks the bridge over which he
must himself pass.

THE CHARLOTTETOWN GUARDIAN

The People's Paper Read by Everybody

Covers Prince Edward Island Like the Dew



Charlottetown Guardian Two Cents
Morning Edition, Founded 1887

CHARLOTTETOWN, CANADA, WEDNESDAY, JANUARY 5, 1938

10 PAGES

Annual Subscription Delivered \$5.00
By Mail—P.E.I., \$4.00; Canada and U.S.

BLOCKADE OF CHINA HINTED AT TOKYO

SIR GEORGE PERLEY DIES IN OTTAWA

Admiral Warns British Aid To China Must End

Ministry Official Says Action May Be Necessary Even At The Price Of War.

TOKYO, Jan. 5. (Wednesday) (CP Havas) —Interior Minister Admiral Nobumasa Suetsugu today declared Japan might be obliged to blockade all sources of aid to China, such as from the Soviet Union and from Great Britain via Hong Kong.

It could not be helped, Admiral Suetsugu added, if Japan came into conflict with Britain in such action. In an interview with foreign correspondents he declared the Anti-British feeling he said existed in Japan could be attributed to British efforts to prevent Japanese economic expansion in China.

It was his second statement on Anglo-Japanese relations this week. Monday he wrote in an article in the political magazine Kaizo that "to break Chinese resistance we must absolutely stop British aid, perhaps at the price of war."

Today he told the correspondents Great Britain would do an inestimable good deed for the Far East if it ended its aid to China.

Japan's economic situation is excellent, the Interior Minister asserted, declaring the empire could not be conquered by a blockade such as that against Germany during the Great War.

He declared he did not believe the Far Eastern conflict would last as long as Chinese General Chiang Kai-Shek would have the time to believe.

Japan has faith, he said, in its mission, to establish a durable Far Eastern peace and for which the Empire is ready to hurl all its resources.

Raise "Grave Issue"

SHANGHAI, Jan. 5. (Wednesday) (A.P.) —Japanese officials here raised what a foreign authority called a "grave issue" today by threatening to take action in Shanghai's International Settlement unless "anti-Japanese outrages" are stopped.

Japanese North China infantry columns continued their advance southward through Shantung Province, causing the Chinese to withdraw toward Suichow, vital junction of the Tientsin-Pukow and Lunghai railways in north Kiangsu Province.

The kidnapping of China's great sage, Confucius, was captured when Japanese forces marched into Chufu. They promised earlier not to harm the tomb of Confucius or the great Confucian temple.

Japanese planes also struck on several fronts, making raids on Suichow and other cities, railroads near the southern Metropolis, Canton, and the Yangtze river cities, Hanyang and Hankow, one of China's capitals.

The International Settlement "issue" was raised following an official protest by Japanese officials to the Shanghai Municipal Council against Chinese terrorist acts.

Probe Fire On British Warship

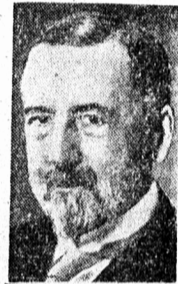
LONDON, Jan. 4. (AP) —The admiralty disclosed today it was investigating a fire Sunday aboard the new 9,000-ton cruiser Birmingham, due to sail shortly for China waters.

The fire was discovered in the Starboard seaplane hanger while the cruiser was in Portsmouth Dockyard and was extinguished before major damage was done.

CANADIAN STATESMAN DIES SUDDENLY

Took Prominent Part In Canadian Affairs During And Since The War.

(C.P. By Guardian's Special Wire)
OTTAWA, Jan. 4.—Death came suddenly but peacefully early today to Rt. Hon. Sir George Perley, Conservative member of Parliament for Argenteuil, a veteran statesman and one of Ottawa's best loved citizens.



SIR GEORGE PERLEY

Always in good health, Sir George made one of his rare calls on a physician late yesterday but there was no apparent cause for immediate concern and he retired at his customary hour. Early this morning members of his household discovered he had died. It was believed the end came without warning about three o'clock from heart failure.

Sir George was first married in 1884 to Annie Hessler, daughter of W. H. Hessler of Kingston, Ont. She died in 1910 and in 1912 he married the present Lady Perley, daughter of Sir Thomas White. One child, Mrs. Irving Perley-Robertson of Ottawa, and five grand-children, also survive him.

FUNERAL FRIDAY

The funeral will be held here Friday afternoon with a service at All Saints Anglican Church where Sir George worshipped, and burial at Beechwood Cemetery.

(Continued on page 9, Col. 4)

Liquor Seizure Made Near Saint John

SAINT JOHN, N. B., Jan. 4.—Following swiftly on the seizure of the schooner Admiral Beatty with what was claimed to be contraband liquor worth \$35,000 aboard, Christmas eve, Saint John detachment of the Royal Canadian Mounted Police today seized 800 gallons of alcohol, valued at \$10,000.

Seizure was made after a raid on an isolated barn in the St. Martin's area, by a squad of three men under Sergeant W. H. Williams. Police said arrests would follow "within the next few days."

A total of 162 wooden cases, each containing a 2 1/2 gallon tin of what police said was contraband liquor, were found half-buried in straw on the floor of the barn, about 30 miles from Saint John.

POPE CONTINUES ACTIVE

VATICAN CITY, Jan. 4. (AP) —Despite one of the coldest days of the winter Pope Pius adhered today to his normal schedule.

He received nine church dignitaries and members of the diplomatic corps in private audiences. One prelate said there had been no perceptible change in his health.

Germany Plans To Resume Zeppelin Service To U.S.

(A. P. by Guardian's Special Wire)
NEW YORK, Jan. 4.—German airship service between Europe and the United States will be resumed in about five months with a sister ship of the zeppelin Hindenburg, which plummeted to earth in flames at Lakehurst, N. J., last May.

Inflated with American non-inflammable helium instead of the hydrogen which buoyed up the Hindenburg, the new ship, the LZ-130, will have a schedule of 15- to 18-round trips at the rate of three a month until autumn when seasonal operations will be terminated, it was announced today.

This announcement was made by Edward P. Farley, president of the American Zeppelin Transport Corporation which is general United States agent for the German operators of the craft.

Farley reiterated a hope that "necessary government support" would enable his company to embark on an American airship operating program. It was understood that plans called for the leasing of a larger dirigible, the LZ-131, now being built in Germany, by American interests.

The LZ-130, dimensionally identical with the Hindenburg, is 804 feet long and has a helium capacity of 7,000,000 cubic feet. Its flying range is 7,000 miles. Because helium has less lifting power than hydrogen, the new ship will be able to carry only 40 passengers as against 70 accommodated by the Hindenburg. The difference in lift between the two ships will be 17 1/2 tons.

Score Injured As Fire Razes Hall At Pawtucket, R.I.

PAWTUCKET, R. I., Jan. 4. (AP) —Turning American British Hall into an inferno, fire tonight trapped approximately 200 persons attending a "beano" party and sent at least a score to two hospitals with serious burns, broken legs and arms.

An hour later, after firemen brought the blaze under control Pawtucket police expressed the belief everyone had been removed from the building and that there had been no deaths. Running through flames into the smoke filled buildings, firemen carried out scores of persons and brought at least 100 down ladders.

Partly overcome by the dense smoke, several persons toppled from the ladders and were taken to hospital.

Pawtucket Memorial Hospital attaches reported 20 persons, some burned, others with broken legs, had been taken there. Others were sped to a hospital in nearby Central Falls.

Physician late yesterday but there was no apparent cause for immediate concern and he retired at his customary hour. Early this morning members of his household discovered he had died. It was believed the end came without warning about three o'clock from heart failure.

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EXPEDITION MAROONED

Waldeck Party Lost In Hinterlands Of Guiana.

GEORGETOWN, British Guiana, Jan. 4. (CP Cable) —Preparations were being rushed tonight to send relief after the Waldeck Expedition, searching the Hinterlands of British Guiana for Paul Redfern, American aviator missing more than a decade after crashing on a flight to South America.

News of the marooning of the searching expedition of four Americans was brought back to Georgetown today from Bartica, jumping-off place for the search. Crewmen of the boats which took the party upstream returned to say the three men and one woman were on Devil's Hole Isle, on the Cuyuni River.

The porters deserted the expedition following a dispute over food supplies, they said. Food was scarce, they added.

T. Waldeck, prominent American explorer and big-game hunter, was leading the expedition in search for Redfern, who yesterday was declared legally dead at Detroit.

Waldeck's wife accompanied him on the venture into the South American jungle, and the other two members of the expedition are W. A. Chandler, New York Sportsman, and Dr. T. J. Fox, Boston Physician.

Cape Breton District Without Medical Aid

HALIFAX, Jan. 4. (CP) —Although not officially informed of the "medical crisis" in the St. Margaret's district in northern Victoria County, Nova Scotia's Minister of Health was searching tonight for a young doctor to administer to approximately 2,000 residents of the Cape Breton County.

Paul MacNeill, Roman Catholic Priest at St. Margaret's, sent out a plea last night for medical assistance for the winter.

The district in northern Cape Breton is isolated during the winter and Father MacNeill declared the people were "without any doctor or hospital facilities within 100 miles."

Father MacNeill had not communicated with him, Dr. F. R. Davis, head of the Health Department, declared, but his department was endeavoring to secure a doctor for the district.

One Billion Deficit For United States

WASHINGTON, Jan. 4. (AP) —President Roosevelt compiled today a tentative chart of federal spending in the 1938-39 fiscal year and well-informed officials predicted it would indicate a \$1,000,000,000 deficit.

The budget will go to the United States Congress tomorrow. Mr. Roosevelt told the legislators yesterday it would not be balanced but that the deficit would be less than in the present fiscal year ending next June 30.

WILL STUDY PARTITION PROPOSAL

New Commission To Delve Farther Into Proposed Division Of Palestine.

(By George Hambleton)
(Canadian Press Staff Writer)
(C.P. Cable, By Guardian's Special Wire)

LONDON, Jan. 4.—Palestine enters a new phase. William Ormsby-Gore, Secretary for the Colonies, tonight issued the terms of reference to the new technical commission—membership of the commission will be announced later—which will study the proposed partition of Palestine on the spot.

The Royal Commission, headed by the late Earl Peel, which reported last July, recommended the division of Palestine into three areas: (1) a sovereign Arab state consisting approximately of two-thirds of Palestine; (2) a sovereign Jewish state of approximately one-third of Palestine; and (3) a new permanent mandate to Great Britain for the government of Jerusalem, Bethlehem, and Nazareth, with a corridor to the sea. Britain also would retain a temporary mandate over Haifa, Acre, and Tiberias.

The Peel Plan met a storm of criticism. It faced opposition in the British Parliament. The Arabs revolted in Palestine. Only yesterday the Zionist Federation of Great Britain adopted a resolution proposing as a solution of the problem the creation of a Jewish state in Palestine within the boundaries of the British Commonwealth of Nations.

The new commission will have full liberty to suggest modifications in the partition plan, including a variation in the areas recommended for retention under British mandate. Taking into account representations from the communities of Palestine and Trans-Jordan, the new commission is authorized to recommend boundaries for the proposed Arab and Jewish areas and for the enclaves to be retained permanently or temporarily under British mandate, which will:

1. Afford reasonable prospect of the eventual establishment of adequate security, of self-supporting Arab and Jewish states;

2. Necessitate the inclusion of the fewest possible Arabs and Arab enterprises in the Jewish area, and vice versa;

3. Enable the British Government to carry out its mandatory responsibilities.

The commission will examine the economic and financial questions involved in partition, including the possibility of voluntary exchange of land and population, and the provision of "effective safeguards for the rights of religious and racial minorities in the areas to be allocated to the Arabs and Jews, respectively, including protection of religious rights and properties."

In issuing the instructions, Mr. Ormsby-Gore makes clear that the British Government is in no sense committed to the Peel Partition Plan. The government, in particular, "have not accepted the commission's proposal for compulsory transfer, in the last resort, of Arabs from the Jewish to the Arab area."

Investigations of the technical commission are expected to occupy many months. If, as a result of these investigations, the partition scheme is regarded as equitable and practicable by His Majesty's Government, it will be referred to the League of Nations Council for consideration. If the League Council approves the scheme a further period will be required for the establishment of a new system of government under mandate and negotiation of treaties with a view to the eventual establishment of independent states.

Destroyers Sail On Winter Cruise

OTTAWA, Jan. 4.—The Department of National Defence announced tonight the four destroyers of the Royal Canadian Navy sailed today on their annual winter cruise.

H. M. C. S. Skeena and the H. M. C. S. Fraser sailed from the naval base at Esquimalt, B. C., while H. M. C. S. Saguenay and H. M. C. S. St. Laurent left the naval base at Halifax.

The Saguenay and St. Laurent will join the other two destroyers in the Pacific.

It was also announced the Canadian training schooner H. M. C. S. Venture, which sailed from Halifax Jan. 1, was approximately 375 miles north of Bermuda and proceeding at 12 knots. It was expected she will arrive at Bermuda Jan. 4.

Battle For Control Of Teruel Rages In Driving Snowstorm

HENDAYE, Franco-Spanish Front, Jan. 4.—The battle for Teruel swirled today around the eastern Spanish provincial capital in a driving snow.

Insurgent and Government troops fought savagely in freezing weather over the ice-covered banks of the River Guadalquivir west of the city.

Casualties from cold and conflict mounted into thousands.

The river flows east toward Teruel and then bends sharply southward on the outskirts of the city.

Insurgent reports said the Government soldiers were forced to leave ground in the bend where tanks ploughed through the snow, spilling fire into the ranks of entrenched, cold-numbed militiamen.

Reports from the two camps on the situation in Teruel itself continued to be contradictory.

Insurgents said the city, which they lost Dec. 21, had been "liberated" while Government officials asserted an insurgent garrison in the downtown quarter still was being besieged.

NEW C. N. R. BOND ISSUE

Sale Of \$50,000,000 Issue Will Open Monday.

OTTAWA, Jan. 4.—Finance Minister Dunning announced late today subscription would open next Monday for a new issue of \$50,000,000 in Canadian National Railway Dominion-guaranteed bonds.

The issue will be used to reimburse the Government for advances made since 1932 for redemption of debt and capital expenditures by the road, the Finance Minister said.

The issue will be made in two maturities consisting of four-year, two-per-cent bonds dated Jan. 15, 1938, and 13-year, three-per-cent bonds dated Dec. 15, 1937.

The four-year bonds will be non-callable but the 13-year bonds will be callable at the option of the railway company as a whole only on or after Dec. 15, 1945.

The price of the four-year bonds is 99 1/2 to yield approximately 2.20 per cent and the 13-year bonds are priced at 97 to yield approximately 3.29 per cent.

The bonds will be guaranteed unconditionally as to both principal and interest by the Canadian Government. Books will open Monday morning and will be closed as to either issue or both at the discretion of the Minister of Finance.

Saint John M. P. Dies In Hospital

SAINT JOHN, N. B., Jan. 4. (CP) —William M. Ryan, K. C., M.P., for Saint John-Albert, died in hospital here this afternoon after two weeks illness and an emergency operation. He was 50 years old.

Mr. Ryan had represented the constituency since the General Election of 1935. He was born in Saint John, of Irish descent a son of the late Patrick and Catherine (Cummins) Ryan.

WITNESS IS SILENT WHEN QUESTIONED

Preliminary Hearing Of Robicheau On Murder Charge Is Continued.

SAINT JOHN, N. B., Jan. 4. —Preliminary hearing into a charge of murder against William Robicheau, 24, was adjourned until tomorrow after 23 year old Frances Ward refused to answer questions in the witness box tonight.

Nervously twisting her fingers, and gazing fixedly at the floor, the young woman replied to the questions about her name and age, then refused to speak in reply to more than an hour's questioning about Robicheau, charged with the murder of Aaron N. Cohen, Prince Edward Street merchant.

Only time she broke her silence was to deny the statement of Magistrate S. W. Palmer that she had been in jail for her own protection because she had "threatened to do away with herself."

The evening session was entirely taken up with attempts to question Miss Ward, and with frequent technical discussions between E. J. Henneberry acting for the Crown, and G. Earle Logan, senior counsel for Robicheau.

Morning and afternoon sessions of the hearing put testimony or more than a dozen witnesses into the records. Majorities of them repeated testimony they had given at the coroner's inquest into Cohen's death after he was fatally shot late at night, Dec. 7.

During the hearing today, G. Earle Logan, counsel for Robicheau announced that if his client was sent up to a higher court for trial, he would apply for change of venue, on the grounds a confession Robicheau had been printed in Saint John newspapers.

Ruth Gauvin, 16-year-old school girl testified Robicheau was the man she seen loitering outside the Cohen store a few minutes before the 58-year-old storekeeper was shot and fatally wounded.

Robicheau was not asked to plead, and gave no evidence during the afternoon sitting.

Learns Missing Daughter Eloped

DETROIT, Jan. 4. (AP) —Harry H. Bennett, Ford Motor Company personnel director who spent a sleepless night directing a search for his vanished 17-year-old daughter, Gertrude, learned today she had eloped to Indiana with a college sweetheart.

His fear that she had been kidnapped was not dispelled until he had confirmed by telephone the news that she was married last night at Auburn, Ind., to Russell Hughes, 21-year-old trap drummer.

Both were students at Michigan State Normal College. The families are neighbors.

WATER LINK TOO COSTLY

OTTAWA, Jan. 4. (CP) —The expense of constructing a deep inland-waterway from Montreal to New York City would not be warranted at least until the St. Lawrence seaway is an accomplished fact, the International Joint Commission found in a report filed today with the Governments of Canada and the United States.

Lunenburg Fishermen Seek Aid Of Halifax Fish Handlers

LUNENBURG, N. S., Jan. 4.—A special session of the Lunenburg Fishermen's Federation today decided to send a delegation to Halifax to discuss the tie-up of Lunenburg's fishing fleet with the city's fish handlers and cutters union.

The two organizations will endeavor to set up a joint committee to meet the fish dealers, and should no satisfactory agreement be reached on demands of the fishermen for increased prices, possibility was seen the case might be appealed to the Nova Scotia Government under the Trades Union Act.

Not a vessel moved from Lunenburg today, seventh day since the fleet tied up in an effort to gain demands for better prices for their catches. Lockport vessels were also idle at the wharves.

LOCKPORT, N. S., Jan. 4. (CP) —President Benjamin MacKenzie of the Lockport Fishermen's Union said tonight the town's fish firms had agreed to meet the scale of prices asked by the union and the tie-up of the Lockport fleet was over.

The committee appointed today to journey to Halifax to interview the fish handlers and cutters union was under Captain Angus Walters, president of the Fishermen's Federation and skipper of the famed Lunenburg schooner Bluenose.

Other members of the committee are Captain William Deal, Captain Frank Rissler, Captain Arnold Parks, Captain Foster Corkum, Captain Leo Corkum and Captain Eddie Whynacht.

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Canada Still Faces Serious Unemployment

OTTAWA, Jan. 4. (CP) —Although relief figures now stand at a new low for recent years, Canada is still faced with serious problems of unemployment and dependency according to "The Relief Outlook in Canada," an annual review prepared by the Canadian Welfare Council.

The Council, national clearing house for social agencies, headed by F. N. Stapleford of Toronto, analyses relief figures for the past seven years and concludes:

"There is a heavy tide of seasonal dependency in Canada that engulfs 300,000 to 400,000 individuals each year in recurring dependency on public aid; that involves an unascertained number in idleness and dissipation of savings and reserves and that must affect some 150,000 adult workers."

"This is a load that Canada must plan to carry in her ordinary stride, apart from economic collapse or drought."

The total of relief recipients in Canada for December, including the drought areas, is estimated by the Council at 900,000, in any case not more than 925,000. This compared with officially recorded totals of 1,043,166, in November and 1,118,582 in December of 1936.

"When it is realized that in this year's totals the Saskatchewan drought area supplies approximately 200,000 persons as against 110,000 in the rest of the country."

(Continued on page 9, Col. 6)

COMING EVENTS

**Announcement are inserted in this column 2 cents per word strictly payable in advance.

**Dance St. Avaris School, Friday, January 7th. L-548-1-5-21.

**Talkies — Montague Saturday, Western Show. L-563-1-5-21.

**York rink Thursday, January 6, Dunstaffnag Maple Leafs vs. York Rangers. L-561.

**Crown Bakery vs. Hornet's, Milton Rink tonight. Game starts 7:45 sharp. L-564.

**Chicken Supper and Dance, Savage Harbor School, Wednesday, January 12th. L-564-1-5-21.

**All Harness left for repairs not called for in 30 days will be sold. S. L. Hardy & Co. L-528-1-4-21.

**Hockey at Milton rink tonight, Maple Leafs vs. Huskies Skate after. L-536.

**Buying dressed chicken and fowl daily until March. Correct grading. Geo. Leightner Co. L-198-12-21-1f.

**Private sale of furniture at 266 Grafton Street, Thursday, Friday and Saturday, 6th, 7th, and 8th of January. L-566-1-5-21.

**Buying dressed chicken and fowl daily, correct grading, top prices. Island Cold Storage Company. L-475-12-30-1f.

**Credit Union—All interested in Credit Union meet in Catholic Women's League Hall, Montague, Thursday, 8 P. M. L-519-1-4-21.

**Annual meeting of Wiltshire Dairy Co. will be held in the Hall on Monday, January 10th at 2 P. M. Ro and Easter, Secretary. L-510-1-4-41.

**Come to the card party and dance in Masonic Hall Thursday January 6. Sponsored by Hunter River Royals. L-563-1-5-21.

**Drop in and get Grade A eggs at producers' prices. They're strictly fresh. The Candling Station, Weymouth Street. L-567-1-5-31.

**I will be loading live hogs at Albany January 13th, Emerald 14th until noon. Every two weeks until further notice. G. C. Green. L-504-1-4-21.

**Parties having board and lodging accommodations for young men attending agriculture short courses call Provincial Department of Agriculture at once. L-535-1-4-21.

**We are still offering low prices on flour and feeds in stock. Also paying top prices for poultry of which we require a large quantity. Will take poultry from non-members to get our requirements. Ship all available to the Egg and Poultry Association, Charlottetown. L-537-1-5-31.

Inaugurate Mail Service To Magdalenes

1200 pounds of mail were carried by a Canadian Airways twin-engine ed mine passenger Dragon in two trips to the Magdalenes Islands yesterday, Mr. H. S. Jones, pilot of the plane which inaugurated the winter mail service to the isolated Gulf islands yesterday, reported uneventful flights. Weather conditions were very good but the ice at the islands where the big plane landed was fairly light. Several passengers booked passage for the next trip, scheduled for Monday of next week.

Yesterday the short wave radio transmitter installed in the plane for the hazardous winter service, was operated satisfactorily, officials said. Installation of the short wave transmitter at Upton Airport, carried out under supervision of Mr. S. A. McLean of the Department of Transport, Halifax, was expected to be complete by Saturday. Mr. George Neale, also of Halifax, will operate the Upton station while transmission of weather reports and reception of messages from planes and airport will be carried on by the Marconi station at the Magdalenes.

Japanese planes also struck on several fronts, making raids on Suichow and other cities, railroads near the southern Metropolis, Canton, and the Yangtze river cities, Hanyang and Hankow, one of China's capitals.

The International Settlement "issue" was raised following an official protest by Japanese officials to the Shanghai Municipal Council against Chinese terrorist acts.

The fire was discovered in the Starboard seaplane hanger while the cruiser was in Portsmouth Dockyard and was extinguished before major damage was done.

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