

The Church exists not upon dollars merely but upon men and women.

Our own faults should be our chief concern for these we can correct.

Charlottetown Guardian Two Cents Morning Guardian, Founded 1887

CHARLOTTETOWN, CANADA, MONDAY, JANUARY 3, 1938

8 PAGES

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

PLANE LOCATES FAMISHED SURVEY PARTY

BATTLE FOR TERUEL RAGES IN BLIZZARD 15 - Man Crew

CONFLICTING REPORTS FROM BATTLEFRONT

Government Denies Capture Of Strategic City By Insurgents.

(A. P. by Guardian's Special Wire) HENDAYE, Jan. 2.—Spanish Government and insurgent advances indicated tonight the critical battle for Teruel still raged with undiminished fury despite earlier insurgent reports the city was captured.

Two feet of snow covered the battlefield as an estimated 200,000 men fought on in freezing winter weather for control of the city whose fate might determine the outcome of the 17-month-old civil war.

Dispatches indicated Government troops held at least the eastern section of Teruel, 135 miles east of Madrid, and preparing a counter-attack to recapture the strategic heights of La Muela, 112 miles southwest of the city.

Government artillery was reported pounding insurgent forces entrenched there along a line separated from Teruel by the wooded valley of the Turia River.

Conflicting insurgent and Government dispatches obscured the exact progress of the fighting.

Though the insurgents reported they completed occupation of the city, Government sources asserted they still held Teruel and that counter-attacks had "permitted

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COMING EVENTS

*Dixons Mill, DeSable, now grinding wheat. L-481-1-3-11.

*Bingo and Lotery Dance, Webster's Orchestra in Cardigan Hall, January 4th. L-434-12-31-1-3.

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

*Card party tonight Bedeque at home of Mr. and Mrs. Frank MacDonaid. L-502.

*Borden Line Club leading hogs, calves every Tuesday, Hogs 12 to 3. L-348-12-25-1f.

*Meeting P. E. I. Poultry Association, Agricultural Hall Monday, January 3rd, 8 p. m. L-498.

*Meeting Millon Junior League will be held at rink tonight. L-499.

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

*KINKORA HALL, bingo, lunch and dance in Kinkora Friday evening January seventh. L-493.

*Livestock Marketing Board leading livestock at Railway stock pens Monday afternoon and Tuesday forenoon January 3rd, and 4th. L-496.

*Book your orders for corn requirements from our first car for 1938. Off-car prices will prevail while we are unloading. Livestock Marketing Board. L-496.

Nations Expand Aerial Armament

(By Devon Francis) (Associated Press Aviation Editor) At least 30,000 military airplanes ready for duty the world over emphasized today the start of the fifth year of international armament.

The number of military machines on six continents is estimated to have increased 75 per cent or more during 1937.

A quarter of the increase, however, went toward replacement of obsolete equipment. The rest gain for the 12 months, based on reports of factory production, appeared to be about 12,000 machines.

As of Jan. 1, 1937, the powers were estimated to have had on hand more than 20,000 warplanes divided among the categories which have grown up since the Great War—pursuit, attack, observation, bombing, photographic, training, coastal patrol and transport.

Data from foreign capitals showed aerial rearmament probably was geared to a higher production schedule in Europe at least, than any other branch of the fighting services.

An United States airplane equipment manufacturer calculated world production of airplanes for 1937 in excess of 20,000, four-fifths of which would be warplanes. Later, in revising figures on announced production, he surmised that many of the machines were being put in "cold storage" against emergency.

Military aircraft production in Great Britain probably is higher than in any other European country. The Empire as a whole is estimated to have between 4,500 and 5,000 airplanes ready.

Most notable among the new disciples of rearmament in the air was Japan, heartened by performance of its fliers in the conflict with China.

The biggest unknown element in the international military picture is the Soviet air force, estimated to have as high as 4,500 airplanes. Italy and Germany have concentrated their energies on the aviation branch of national defence.

Military observers say a Russian MiG-3 could count on 10,000 first-line pilots in emergency. Germany's air force, regular and reserve, is described as between "80,000 and 110,000 men" but the figures may be subject to discount.

In first-line airplanes, the United States has less than 2,000 in the army and navy, but the building program is heavy.

NEW YEAR'S DAY RECEPTIONS WELL ATTENDED

Hundreds of citizens attended the New Year's day receptions held Saturday afternoon by His Honour the Lieutenant Governor, His Excellency the Bishop of Charlottetown and His Worship the Mayor.

At Government House the guests were received by Lieutenant Governor DeBlois and Mrs. DeBlois. His Honour was attended by his aides.

The guests were ushered into the dining room by Mrs. Noel H. DeBlois, Mrs. G. E. Full, Assisting in serving were: Mrs. H. L. Palmer, Miss Iphigenie Arsenault, Mrs. J. R. Paton, Mrs. M. R. McGuigan, Mrs. G. H. Bun-ling, Mrs. R. H. Morris, Mrs. P. D. Wickham, Mrs. F. J. Andrew, Mrs. W. E. Cotton, Mrs. F. J. Rogers, Mrs. R. B. Bell, Miss Lena MacLure, Mrs. John Auston, Miss Norah Longworth, Miss Edith Ings, Miss Virginia Scarth, Mrs. R. T. Holman, Mrs. J. David Stewart, Mrs. Benjamin Rogers, Jr., Mrs. M. A. Farmer, Mrs. W. J. MacDonaid.

At the Canadian National Hotel, guests were received by His Worship Mayor Turner and Mrs. Turner. Tea was poured by Mrs. G. W. McDonald and Mrs. J. A. Webster and Mrs. A. A. Hennessey cut the ices serving were Mrs. Heath McIntyre, Mrs. R. C. Chandler, Mrs. Harry Laphorne, Mrs. H. S. Van-Inderster, Mrs. H. A. Messervy and Mrs. W. A. Smith. Mrs. E. A. Foster, owing to illness, was regrettably absent.

At the Bishop's Palace, His Excellency Bishop O'Sullivan was assisted in receiving by Rev. Dr. McMahon, Rev. Father Dougan, Rev. Wilfred Keefe and Rev. George McCormack.

FINANCE MINISTER DUNNING SAYS BUDGET NOT TO BALANCE

(C. P. by Guardian's Special Wire) OTTAWA, Jan. 2.—Pre-sessional work of the Government will open this week with a meeting of Cabinet Council Tuesday at which it is expected plans will be laid for the Government's program of meetings prior to the opening of Parliament Jan. 27.

EDWARD J. NEIL SUCCUMBS TO WAR WOUNDS

Noted A. P. Writer And Two Other Newspapermen Killed On Teruel Front.

(A. P. by Guardian's Special Wire) ZARAGOZA, Spain, Jan. 2.—Edward J. Neil, Associated Press war correspondent with the insurgent armies, died today at the Red Cross Hospital of shell wounds he received New Year's eve on the Teruel civil war front.

Two of Neil's newspaper companions were killed and a third slightly wounded when a 75 millimetre shell struck the automobile at the village of Caude, five miles from Teruel. They were reporting the insurgent offensive which resulted in recapture of Teruel in the greatest battle of the civil war.

Neil was with E. R. S. Shephard, former Reuters News Agency, Bradish, Gallard, Johnson, Harvard graduate and correspondent of the magazine "Spur" and "News Week", and Harry Philby of the Times of London when the shell ploughed into the front of the automobile.

Johnson was killed outright. Shephard, also taken to Zaragoza, died Friday night. Philby was only slightly injured.

Neil was given one blood transfusion on the battlefield before being taken to the hospital at the insurgent base here, 100 miles north of Teruel. Other transfusions followed and he seemed out of danger until complications developed. He died at 12:15 a. m.

The tall white-haired Neil, who would have been 38 years old Jan. 17, first became known to North American sports fans for his colorful accounts of heavyweight championship fights and other big sports events. His outstanding war exploits—first in Ethiopia and later in Spain—were written in the same graphic style.

At death Neil was surrounded by fellow journalists, officials of the insurgent press department and specialist surgeons who had done their utmost to save him. Neil had suffered fracture of one leg and other wounds to his legs and arms.

The message informing the Associated Press of Neil's death was sent by Lieut. Col. Lamberti, an insurgent press officer. It said: "Deeply grieved state Eddie Neil died at 12:15 p. m. today complications arising in spite yesterday's two litre blood transfusions. Offer most sincere condolences."

Two days before the shell of a Government barrage struck the newspapermen's car Neil fled from Caude what was to be his last story.

In it he told how with glasses from the edge of Caude he could see the Teruel Seminary where the beleaguered insurgent garrison of Teruel and civilians in their care had withstood 10 days of attacks by the Government forces that held the city.

He reported how "foreign newspapermen circulating freely on this insurgent front" were witnessing an assault on Govern-

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Stevens Backs Fishermen

HALIFAX, Jan. 2.—(CP)—Hon. H. H. Stevens, leader of the Reconstruction Party in the last Canadian election suggested here Saturday the presidents, directors and managers of the Nova Scotia fish firms which refused to raise their prices, should go out on the schooner and trawlers and "stay until they make a settlement."

The officials thus would "get some knowledge of what the fishermen are up against," Mr. Stevens said.

(The Lunenburg, N. S. fishing fleet was ordered tied up by the Fishermen's Federation last Thursday when the buyers declined to meet the fishermen's request of 1-4 cent per pound increase in the price of haddock.)

The former Canadian Minister of Trade and Commerce in the Bennett Administration termed the refusal "absurd." He sailed for England aboard the Steamship Montclare Saturday.

Ex - Moderator Dies At Guelph

GUELPH, Ont., Jan. 2.—Rev. A. J. MacGillivray, 70, former moderator of the General Assembly of the Presbyterian Church in Canada and one of the most widely known clergymen in the Dominion, died in the Guelph General Hospital Saturday. His death followed a short illness.

For 25 years minister of Knox Presbyterian Church in Guelph, Dr. MacGillivray was recognized as one of the leaders of the church in Canada and his work on various church boards and committees gained for him a wide connection throughout Canada.

Born near Port Elgin, Ont., Dr. MacGillivray was educated at Hildesheim High School and the University of Manitoba. He received his Master of Arts degree at Princeton University and graduated from the Princeton Theological Seminary.

NUFFIELD IS RAISED TO RANK OF VISCOUNT

LONDON, Dec. 31.—One new Viscount, five Barons, three Privy Counsellors, five Baronets, 59 Knights Bachelor, and one Companion of Honor lead the long list of those whom the King honors on New Year's Day.

Baron Nuffield, whose philanthropies are counted in the millions sterling, is elevated to the Viscountcy.

"The five new peers, each with the rank of Baron are: Field-Marshal Sir William Birdwood, former Commander-in-Chief of the Army in India. The peerage is conferred for public services since the Great War.

Sir Leonard Campbell Brassey, former member of Parliament for the northern division of Northamptonshire; for political and public services in India.

Sir Francis Gazon, M. P. for Ipswich. His elevation to the peerage will mean a bye-election. Sir Henry Lopes, chairman of the Devon County Council.

Sir Percival Perry, chairman of the National Industrial Council and a director of the National Privy Councilors. Sir John Henderson, former Governor of Bengal.

R. S. Hudson, parliamentary secretary to the department of overseas trade. General Earl Lucan, former lord-in-waiting to the King.

Bo. Parliament Concludes Sessions

WOLFVILLE, N. S., Jan. 2.—Concluding sessions of the Maritime Tuxis and O'eder Boys Parliament at Acadia University passed a resolution New Year's eve, establishing the leader of the opposition as deputy premier.

Gilby, Premier of Saint John, was named New Brunswick assistant on the Howard Trail, the parliament's official publication, and Earl Leard of Casumene, Prince Edward Island's assistant.

Neil Center of Woodstock, N. B., minister of organization, was named leader of the Reconstruction party, with Lawrence Hall of Fredericton, minister of world brotherhood, as alternate.

Premier Allison London of Saint John, was elected speaker for next week. Premier Robert Bois of Halifax, minister of physical affairs, was named to attend the leadership training camp at Chatham, N. B., next summer as parliament representative.

Egyptian Premier Prorogues House

CAIRO, Jan. 2.—The Government of Mohamed Mahmoud, new premier, confronted by Wafd (nationalist) party majority, decided today to prorogue parliament for one month starting tomorrow.

JAPANESE PUSH DEEP INTO SHANTUNG

Advance On Three Fronts — Terrorist Reign In Shanghai Feared.

SHANGHAI, Jan. 3.—(Monday)—Two Japanese columns drove deep into the heart of rich Shantung Province on the Yellow Sea today, cutting off the westward avenue of escape from the important port of Tsin-tao toward which a third army advanced.

The southward advancing columns reported capture of Taian, key city on the Tientsin-Pukow Railroad, after a bitter defence by large Chinese forces. Japanese said the Taian defenders retreated along the railroad to Yenchow, a junction point near the southern border of Shantung Province.

At Shanghai, 400 miles south of the Shantung battlefield, the Japanese conquerors feared a Chinese campaign of terror was developing against their efforts to consolidate control of the city.

A spokesman expressed the Japanese army's increasing concern at the attacks on Japanese and Chinese cooperating with them. He expressed appreciation of the emergency measures taken by authorities of the International Settlement to halt violence but indicated the Japanese felt they should have been more drastic.

The terrorists claimed another victim today was Chang Hsin, a Chinese newspaperman, who was shot to death. The band believed responsible for his death warned newspapers they would kill anyone discovered having dealings with the Japanese. They accused Chang of espionage for the Japanese.

Lo Puh-hong, leader of the Shanghai citizens' association and one of China's greatest philanthropists, was assassinated Thursday because it was believed he favored cooperation with Japan.

A home-made bomb yesterday was thrown at the home of Ku Shing, the second most important member of the association, but did no damage. Japanese also disclosed a bomb was thrown into the garden of the Japanese Consulate-General in the French concession but failed to explode.

Thousands of Chinese refugees were turned back to Tsin-tao by the Japanese drive. Dispatches from Tsin-tao said many foreigners equipped their homes with shotguns and revolvers in the event of an outbreak of lawlessness.

Spasmodic looting continued, making the streets dangerous from intermittent firing. The Chinese police, their ranks depleted, operated under the emergency civilian government.

Wolfville Store And Warehouse Burned

WOLFVILLE, N. S., Jan. 2.—Third fire in Wolfville in less than 30 hours, a blaze New Year's day destroyed a store and warehouse owned by Charles Salzman. Damage was estimated at \$2,000.

A fire in the heart of this Annapolis Valley town's business district New Year's eve caused death of Roy Pulsifer, 40, proprietor of the Pulsifer electrical shop and caused \$30,000 damage to a two-story wooden building.

Wolfville firemen extinguished another small blaze before it was able to cause much damage.

Threaten To Leave Canton In Ruins Before Surrender

(A. P. by Guardian's Special Wire) HONG KONG, Jan. 2.—Canton officials threatened today to leave their populous southern port city in ruins before surrendering to any Japanese offensive. Again it was China's policy of "scorched earth" broken here.

Intensification of the Japanese aerial bombing of Canton and Tokyo's naval scouting and preparation of island bases along the coast of Kwangtung Province, in South China convinced officials that the Japanese offensive was near.

No Kwangtung leaders pretended of holding back the Japanese once they made a full-powered assault on Canton, at the head of the leeward of waterways forming the estuary of the Pearl or Canton River.

15 - Man Crew Are Rescued From Desperate Plight

Isolated 39 Days In Frozen Muskeg Country Near Ontario-Quebec Boundary.

By KELLY CHAMANDY Canadian Press Correspondent (Copyright, 1938, by The Canadian Press) MOOSONEE, Ont., Jan. 2.—Six men of a 15-man stamper crew, snatched from death New Year's Day in the frozen muskeg country of Northern Quebec, was landed safely in Moosonee today.

Pilot G. R. Spradbrow, who found the survey party weak and foodless beside the Missiskibi River near the Ontario-Quebec boundary, flew seven men here late today. Yesterday he brought in Leo Bernier, most emaciated of the Quebec Government crew that lived 39 days on the flesh of 14 rabbits.

Spradbrow, piloting a Dominion skyways plane, left at 2 p. m. on his second flight to the survey camp, about 60 miles southeast of Moosonee, Ontario's end-of-steel town on James Bay, and 13 miles from the Provincial boundary. He returned two hours later.

IS ELECTED MAYOR OF OWEN SOUND

(Special To The Guardian) OWEN SOUND, Ont., Jan. 1.—Mr. Alan S. Stewart, City Councillor since 1934, was today elected Mayor in the annual Majority contest here. He received a 900 majority.

Mayor-elect Stewart, one of the youngest men ever to fill the office, is a son of Mr. and Mrs. W. A. Stewart, Charlottetown. Since coming to Owen Sound he has actively identified himself with civic improvements.

Mexico City Is Shaken By Quake

MEXICO CITY, Jan. 2.—A severe earthquake shook Mexico City today at 4:28 p. m. (6:28 p. m. AST). Police said there were no immediate reports of serious damage within the capital.

The epicentre of the quake, stronger than the shock here Dec. 23, was estimated at about 225 miles southwest of Mexico City in the Pacific Ocean, near the coast of Oaxaca.

CRY FOR JOY

"They threw their arms around our necks and cried," Spradbrow said on his arrival here later New Year's Day with Leo Bernier, considered to be in worse condition from starvation than his 14 companions.

"The men all came out to the plane to greet us but some were so weak we had to help them walk back to their tents."

Leaving Houde to care for the remaining 14 and feed them, Spradbrow headed for Rouyn, about 200 miles south, intending to fly along the Nottaway River. Stormy weather conditions forced him to turn around and he dashed in.

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METEOROLOGICAL SERVICE Toronto, Jan. 2.—Minimum and maximum temperatures:

Table with 2 columns: Location and Temperature. Locations include Dawson, Victoria, Edmonton, Winnipeg, Toronto, Ottawa, Montreal, Quebec, Saint John, Halifax, Charlottetown.

FORECASTS Maritime East: Strong winds shifting to westerly; mostly cloudy and somewhat colder; probably light snowfalls or flurries.

THE CAR FERRY Leaves Charlottetown 9:45 a. m., 1 p. m., Leaves Toronto 11 a. m., 2:55 p. m.