

He who loses his honesty has nothing else to lose.

Little offenders we punish, great ones we let go free.

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SHANGHAI FALLS TO THE JAPANESE ARMY

Visiting Royalty Entertained At Buckingham

LONDON, Nov. 8 (CP Havas)—Three Kings and Queens dined together in Buckingham Palace tonight. King George VI and Queen Elizabeth were hosts to King Boris III and Queen Ioanna of Bulgaria and King George II of Greece. Queen Mary also attended.

SEEK NEW TRIAL

(AP By Guardian's Special Wire) CINCINNATI, Nov. 8—Attorneys for Mrs. Anna Marie Hahn, 31 year old mother facing a death sentence as the poison slayer of Jacob Wagner, filed a motion for a new trial late today.

COMING EVENTS

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

*Big Dance in Victoria Rink on Wednesday. Summerside Orchestra.

*Chicken Supper, Bingo and Dance, Kelly's Cross Hall, Wednesday, November 10th. L-1484-11-8-21.

*School concert Clyde River Hall Wednesday Nov. 10th at 7:55 p. m. L-1522-11-8-21.

*Buying live hogs Albany Thursday 11th, Emera 12th, until noon. G. C. Green. L-20-65-W-t-t-w-t-t.

*Belle River V. P. U. play at Murray Harbor Saturday at 8. L-1550-11-9-12.

*Big Masquerade Dance in Victoria Rink on Wednesday. Summerside Orchestra.

*Chicken Supper in Lot 65 Hall on Monday, November 8th. Admission 20c and 35c. L-1332-11-3-5-51.

*Haymakers big dance, Bradalbane Wednesday, Nov. 10th. L-1526-11-8-31.

*Entries for Victoria Fiddling contest November 12th. Apply at once to Box 5, Victoria. L-1486-11-6-31.

*Borden Line Club loading hogs, lambs, calves every Wednesday at Albany. Hours 12-20-10-M T W T F. L-2091-10-M T W T F.

*Chicken Supper at Heber Weeks, Fredericton, Wednesday, November 10th in aid of Pleasant Valley Church. L-1539-11-9-21.

*Monthly Meeting Ladies Aid P. E. I. Hospital at Cundall Home, Wednesday, 3:30 P. M. Country collections collected. L-1540-11-9-21.

*Hear two One-Act Plays and Concert in Millview Hall Friday, November 12th by Millview Y. P. U. L-1537-11-9-21.

*Don't forget Afternoon Tea Presbyterians Manse, Kensington, Wednesday, November 10th. 4 to 6. L-1538-11-9-11.

*Caledonia Adult Education Group meeting Thursday, Nov. 11th. 7 p. m. Guest speaker Mr. C. E. MacKenzie. L-1527-11-8-21.

*Loading live hogs and lambs at Kensington Hill noon Thursday, Nov. 11th. Nicholson Bros., loading at Hunter River Friday till noon. Sigurd McEwen & Campbell. L-2141-7-6-13-20-27.

*All arrears owing to Heatherdale School not settled before December 1st, 1937, will be given to Attorney for collection. By order of Trustees, D. A. MacPhee, Secretary. L-1551-11-9-11.

*We expect to load two cars of hogs and calves for Montreal next week, starting a car at Souris and another at Charlottetown on Tuesday November 16th. Will pick up at other stations enroute to Borden. Better prices expected. List with local secretary. Livestock Marketing Board. L-1532-11-8-21.

*When a farmer sells his hogs to a packing plant's agent he is contributing his utmost to continued lower prices. If you are in that class you have no kick coming when you get a disappointing cheque. Co-operative marketing help. We invite your support and patronage. Livestock Marketing Board. L-1532-11-8-21.

*Farmers are vigorously protesting against the recent severe slump in hog prices, and they have reason to complain. We are trying to get a better price for their pork, but a good many are selling direct to packing plants or their representatives, in direct opposition to our efforts. We need your help. You need ours. Let us cooperate. Livestock Marketing Board. L-1532-11-8-21.

Claim Quality Of Foxes Bred In Maritimes Must Be Improved

(C. P. By Guardian's Special Wire) AMHERST, N. S., Nov. 8 (CP)—Quality of foxes produced in the Maritime Provinces must be improved greatly if breeders were to command top prices, F. H. Copp, M.L.A., of Port Elgin, N.B., chairman of the Fox Breeders Association, declared in an address before the annual meeting here tonight.

Hon. W. H. Dennis, minister of agriculture for Prince Edward Island, supported the chairman's statement and said there were 3,500 ranches on the island with an annual production of 217,000 pelts.

The industry has reached a point now where it would not pay to breed inferior animals, and he urged closer co-operation between Maritime Province breeders.

Hon. A. C. Taylor, New Brunswick's minister of agriculture, said he believed the three provinces had advanced in the production of foxes and also urged co-operation in the industry.

EDEN STRESSES NECESSITIES OF BRITISH TRADE

(G.P. By Guardian's Special Wire) LONDON, Nov. 8—Foreign Secretary Eden tonight told the House of Commons the proposed exchange of commercial agents between Great Britain and the Insurgent Spanish administration at Salamanca would be completed within a "very short time."

Winding up a debate on trade negotiations with the Insurgents, the Foreign Secretary said a communiqué to be issued would make it "absolutely clear that neither as a government nor as a belligerent was (Insurgent) General Franco recognized by the arrangement."

When the Foreign Secretary concluded the government's motion of adjournment carried by a vote of 241 to 107.

He told the House necessities of British trade alone prompted the negotiations.

During the first three quarters of 1937, he said, Insurgents Spain purchased goods from Great Britain valued at £2,000,000 (about \$10,000,000) out of a total of £2,800,000 exported to the whole of Spain.

Coal, tinplate, cotton goods, petrol and jute were among commodities sent to Insurgent-held territory.

Denies Charge

The Foreign Secretary denied a charge by A. V. Alexander, Labor, that the proposal constituted a breach of the Non-Intervention Agreement.

Answering R. F. Fletcher, Labor, who asserted the step was taken without consulting France, Mr. Eden said the French Government was informed long before the negotiations reached the concluding stage.

Mr. Eden said the agents' activities would be limited to trade. The task was to get the arrangement to both practical and reasonable.

The government believed the arrangement also "is in the interest of British trade. There is no ulterior motive."

United States To Export Gold

(A.P. By Guardian's Special Wire) WASHINGTON, Nov. 8—Treasury Secretary Morgenthau announced today gold would be exported from the United States Wednesday for the first time in nearly two years.

He said \$10,250,000 worth of the metal would leave New York on the Normandie for France. The French stabilization fund purchased it to prevent the franc from increasing over the dollar too sharply.

Morgenthau explained that the price of gold in London has reached \$35.22 cents an ounce, thus making it profitable to transport gold from this country to Europe.

Russia Protests To Italy Adherence To Anti-Red Pact

(A. P. By Guardian's Special Wire) ROME, Nov. 8 (AP)—The Italian Foreign Office announced tonight that Russia had protested against Italy's adherence to the German-Italian anti-Communist Pact as "not friendly towards the Soviet."

"Not friendly" was issued after a communiqué issued after Soviet Ambassador Boris Stein made an official call on Count Ciano, foreign minister, said Ciano took note of the communication.

Stein told Ciano, the communiqué said, the Soviet Government considered the pact "contrary to the agreement of 1933 and regarded the Italian action as not friendly towards the Soviet."

Facist officials had indicated earlier Italy had rejected protests against the pact which the Soviet made under the trade treaty binding Russia and Italy to friendly relations.

They intimated Count Ciano told Stein Russia had no grounds for complaint as the accord signed Saturday specifically stated it was directed against no other power but solely against international Communism.

As Stein sought official clarification of the pact's meaning, Russian quarters hinted the Soviet might cut off oil supplies now being sent to Italy.

MOTION RE POLICE SERGT. IS DEFEATED

Council Votes Down Resolution Making Recommendation to Magistrate.

A resolution requesting Stipendiary Magistrate K. M. Martin, K. C., to dismiss Sergeant Dominic Doyle for conduct, "unbecoming to a police officer," was defeated by a vote of five to three at the regular monthly meeting of the Charlottetown City Council last night.

These voting for the motion were Councillors McIntyre, chairman of the police committee, Foster and Laphorne. Those voting against, Councillors Hennessey, McLeod, Chandler, Dugan and VanDerstine.

Under section 129 of the City by-laws disciplining and dismissal of all members of the police force is vested in the Stipendiary Magistrate. It had been customary in all cases of sufficient public interest for the Magistrate to give consideration to a report from the Council, the meeting was told.

Following defeat of the resolution His Worship Mayor P. W. Turner announced that the matter would be dealt with by the Stipendiary Magistrate and a report made by the police committee at the next meeting.

The Council accepted an offer by the property owners involved to convey to the City land necessary to extend Brighton Place from York Lane to Admiral Street.

Authority to make settlement as they saw fit was given the finance committee in connection with a claim for damages by Mrs. Gladys Carter as the result of injury to her son's foot from a piece of iron which had become detached from the fire escape at the market building. At the September meeting Magistrate Martin was authorized to investigate the claim for damages and his report read last night stated that while the City was probably under no legal liability he suggested a sympathetic payment to compensate for medical expenses.

A request from Canadian Oils Ltd., to erect tanks for wholesale purposes adjacent to the McColl-Frontenac tanks on Grafton Street east was granted. Construction would be under supervision of City Engineer H. A. Messervy and in accordance with City by-laws, the meeting ruled.

In reply to a question by Coun. Hennessey the Mayor announced that the Council had been definitely assured by the Government that \$33,000 would be contributed to the cost of the Victoria Park roadway paving project just completed. An additional amount was

(Continued on page 7, Col 3)

Rowe Is Elected By Acclamation

(C.P. By Guardian's Special Wire) ALLISTON, Ont., Nov. 8—Hon. Earl Rowe, Ontario Conservative leader, was elected to the House of Commons for Dufferin-Simcoe by acclamation today when nominations for the Nov. 15 byelection closed.

The Liberal party decided several days ago not to oppose Mr. Rowe's return to Parliament and no other candidate except the Conservative fled nomination papers.

Shortly before Ontario's general election Oct. 6 Mr. Rowe resigned his Dufferin-Simcoe federal seat to run for the provincial House in Simcoe Centre. He was beaten by the Liberal Minister of Education, Hon. L. J. Simpson.

Wedding Of King Farouk Postponed

(By The Associated Press) CAIRO, Nov. 8—The wedding of King Farouk of Egypt to Farida Zulfikar, 17-year-old daughter of an Egyptian high court judge, was postponed today from Jan. 6 to Jan. 20.

Hope Held For Long Overdue Freighter

ST. JOHN'S, Nfld., Nov. 8—Shipping along the Newfoundland coast was on the look-out tonight for the Great Lakes freighter Calgadoo, long overdue on a voyage from Sydney, N. S., to Wabana, Bell Island.

The coal-laden vessel carried a crew of about 20 and has not been reported since she left the Cape Breton port a week ago last Saturday on the ordinary 60 hr. voyage. She was not equipped with wireless.

Hope the 1,644 ton Calgadoo was still afloat was heightened today when the Newfoundland schooner Govin arrived in St. John's after taking eight days to complete the 38 mile voyage from Harbor Grace to St. John's. The Govin, with 11 persons aboard, sailed the same day the Calgadoo left Sydney.

Fragrant and Delicious "SALADA" TEA

Advertisement for "SALADA" TEA, featuring the brand name in large stylized letters and the word "TEA" below it.

Russo - Japanese Relations Near Breaking - point

TOKYO, Nov. 9—(Tuesday) (AP)—Both foreign and Japanese observers were almost unanimous today in the belief that Russo-Japanese relations were nearing the breaking point as reaction to recent strengthening of the anti-Comintern Pact and friction over fishing treaty negotiations.

The Tokyo newspaper Hochi reported the Soviets were making herculean efforts to bolster their Far Eastern Army and that Marshal Klement Voroshiloff, Russia's Defence Commissar, was hurrying to Siberia to engineer "a sweeping reformation" of forces.

Dispatches to the new paper from Vladivostok, Russia's principal Pacific port, said that Voroshiloff's "report to the Kremlin regarding the strength of the Far Eastern Army, was expected finally to determine the decision in Moscow."

The Vladivostok sources said Russia had extended the term of service for Siberian troops and rushed other to that region.

For many months Japan and Russia have been at odds over Japan's desire for renewal of fishing rights in Russian waters north of Japan.

PREMIER KING IN ARMISTICE DAY MESSAGE

Appeals For Interested And Enlightened Public Opinion On International Problems.

OTTAWA, Nov. 8—(CP)—Early failure of efforts to effect world peace is fraught with possibilities of "unparalleled disaster to mankind," Prime Minister MacKenzie King said today in an Armistice Day message to the Canadian people.

Linking the annual service of Remembrance on Nov. 11 with the peace campaign instituted by the League of Nations Society in Canada, the Prime Minister appealed for the development of "an interested and enlightened public opinion on matters affecting international friendship and good-will."

Three provincial premiers added their voice to that of the Prime Minister in asking that Canadian sacrifice of the war years be remembered as a pledge to work for elimination of armed conflict.

They were Hon. Angus L. Macdonald, Nova Scotia; Hon. A. A. Dymally, New Brunswick; and Hon. W. J. Patterson, Saskatchewan.

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Chinese Forces Retreat To Winter Defence Lines Under Heavy Shelling



Above is pictured a Japanese light field unit on the Shanghai front with the Rising Sun banner prominently displayed.

(By The Associated Press)

SHANGHAI, Nov. 9—(Tuesday)—Shanghai fell today to a wildly excited Japanese army which swept across the once-bitterly defended Soochow Creek on the western fringes of the heavily guarded International Settlement.

Before noon Japanese legions captured Hungjao Air-drome—China's Sarajevo where the spark fell which started the Chinese-Japanese conflict.

Retreating Chinese troops, who left China's great commercial city within the Japanese battlelines, fired numerous buildings throughout the Hungjao area as they fell back toward winter defence lines further to the west.

Japanese planes, taking to the air quickly in the face of the Chinese withdrawal, heavily bombed the Chinese lines while mobile shock troops raced forward in an attempt to wipe out Chinese stragglers.

GENERAL WITHDRAWAL

Vast dozens of smoke in the vicinity of Nanzhang, important railway point directly west of Shanghai, were believed by foreign military observers to indicate that the Chinese probably had withdrawn along the entire western line which they had defended vainly since Japanese captured Chapei Oct. 27.

The Japanese advance had no military effect on the French Concession, the area packed with foreign refugees immediately adjoining the region evacuated by the Chinese, but it left all foreign and Chinese sections surrounded by Japanese warships and troops.

Foreign observers were of the opinion that the Chinese were not defeated south of Soochow Creek, where they had engaged heavy Japanese concentrations, but were forced to withdraw to avoid being cut off by a Japanese expeditionary force which was marching up from the south after landing along Hangchow Bay.

BESIEGE SUNGKIANG

This expeditionary column was said to be making a strong attack against Sungkiang, a key point in China's communications to the west.

It was believed the Chinese would take new positions several miles from Shanghai in an attempt to bar the Japanese advance toward Nanking.

With two victorious Japanese forces smashing their last defences west of the city, the Chinese began withdrawing at 1 a. m. The retreat was scheduled for completion in three hours, but the chaos created by Japanese infantry assaults supported by artillery and a planes made it apparent it would take much longer.

BUILDINGS FIRED

While the meagre Chinese defences tottered under tremendous shelling, fires broke out throughout districts already abandoned.

Meanwhile the International Settlement and the French Concession remained completely isolated, while anxiety gripped the foreign residents. A cordon of Japanese troops was flung around both areas, completely isolating them from Nanking and the interior.

Foreign troops stood to their defence posts awaiting developments. Retreat of the Chinese troops produced utter panic among the Chinese civilian population of Nantao and the region west of Shanghai. Tens of thousands of refugees besieged the western and southern borders of the French Concession this morning.

As the day wore on it appeared that the Japanese were reluctant to pursue the retreating enemy too far.

"Mop Up" In Shansi

TIENTSIN, Nov. 9—(Tuesday)—Complete occupation of Taiyuanfu was left to "mop up" divisions today as the Japanese vanguard drove southwest from the Shansi provincial capital in pursuit of the retreating Chinese army.

Hand-to-hand fighting raged in Taiyuanfu's streets, with the fate of the city's foreign missionary colony in doubt.

According to Japanese claims, Tokyo's most advanced troops reached Singyuan, 22 miles southwest of Taiyuanfu, and were pressing on toward Fenchow, a further 40 miles to the southwest.

The retreating Chinese apparently planned a rally along a line running between Fenchow and Chinghin. Determined to prevent reorganization, the Japanese pressed their pursuit, supported by other divisions which swung south from the Shihnkiachwang-Taiyuanfu railway.

Reich To Aid In Economic Development

TOKYO, Nov. 9—(Tuesday) (CP Havas)—The newspaper Asahi reported in a dispatch from Berlin today Germany plans to send a mission to north China to study possibilities of economic development of that area in cooperation with Japan.

Arrival in Berlin of Vice-Admiral Takuo Godoh, former minister of commerce and industry, was believed of importance in the light of this report.

Godoh was one of four "popular envoys" who left Japan Oct. 15 on separate visits to the United States, Germany, and Italy to explain Japan's positions regarding China to the various nations.

Japan now controls vast territories in North China ranging from Manchoukuo south almost to the Yellow river and west to include Inner Mongolia and much of Shansi Province.

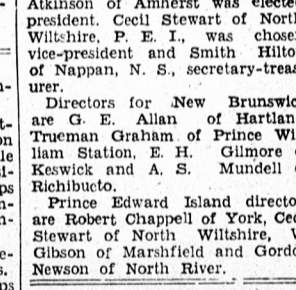
Form Clydesdale Breeders Club

(C. P. By Guardian's Special Wire) AMHERST, N. S., Nov. 8—The Maritime Clydesdale Breeders Club was formed today at a special assembly called at the Maritime Winter Fair and Russell Atkinson of Amherst was elected president. Cecil Stewart of North Wiltshire, P. E. I., was chosen vice-president and Smith Hilton of Nappan, N. S., secretary-treasurer.

Directors for New Brunswick are G. E. Allan of Hartland, Truman Graham of Prince William Station, E. H. Gilmore of Keswick and A. S. Mundell of Richibucto.

Prince Edward Island directors are Robert Chappell of York, Cecil Stewart of North Wiltshire, W. Gibson of Marshfield and Gordon Newson of North River.

I NEVER HEARD OF AN ABSENT MINDED PROFESSOR WHO FORGOT TO FLUNK ANYONE!



(Canadian Press)

TORONTO, Nov. 8—Minimum and maximum temperatures:—

Table listing minimum and maximum temperatures for various Canadian cities: Dawson (20, 22), Victoria (48, 52), Edmonton (26, 42), Regina (28, 44), Winnipeg (18, 44), Toronto (46, 57), Kingston (46, 58), Ottawa (32, 44), Montreal (32, 44), Quebec (24, 34), Saint John (32, 50), Halifax (36, 48), Charlottetown (32, 42).

FORECAST

Maritime Provinces: Strong southeast to southwest winds and gales with occasional rain; probably some fog.

High tide this afternoon at 2:59 and tomorrow morning at 1:50. Sun sets this afternoon at 4:39 and rises tomorrow morning at 6:49.

First quarter moon Thursday, Nov. 11, 4:33 a. m. Summerside tide eighteen minutes later than Charlottetown.

THE GUN FERRY Leaves Borden 9:45 a. m., 1 p. m. Leaves Tormentors 9:45 a. m., 1 p. m.