

MAXIMS
OF A
MERE MAN

Keeness may brighten others
but tenderness makes them good.

THE CHARLOTTETOWN GUARDIAN

The People's Paper Read by Everybody

Covers Prince Edward Island Like the Dew

MAXIMS
OF A
MERE MAN

The keystone which holds secure
the family arch, is Mother.

Charlottetown Guardian Two Cents
Morning Guardian, Founded 1857

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PRIME MINISTER SOUNDS NOTE OF WARNING

CHINA REJECTS JAPANESE "ULTIMATUM" Vigilance Needed In Maintaining Canada's Security

GRAVE VIEW IS TAKEN OF SITUATION

Chinese Government Refuses to Withdraw or Halt Troop Movements in Hope.

(C. P. by Guardian's Special Wire)
A British offer to arbitrate the Sino-Japanese crisis, confronted the contending parties today as the situation became more tense and Tokyo officials took a grave view of events which were described as leading dangerously in the direction of war.
While the Japanese Army threatened to strike in North China unless the Chinese yielded to its demands and Chinese General Chiang Kai-Shek declared the question of war or peace rested with the Japanese Army, Foreign Secretary Eden made the mediation offer during the House of Commons foreign affairs debate.
While admitting the situation has "grave possibilities," the Foreign Secretary said of troop movements in China: "We have been assured they are purely precautionary and defensive and that there is no intention whatever of starting hostilities."
SHANGHAI, July 20—(Tuesday)—(CP-Havas)—From his summer headquarters at Kuling, General

(Continued on page 3, Col 7)

COMING EVENTS

- *Rustico Tea party, August 4th. L-430-7-17-31.
- *Come to the Belfast Y. P. S. play in Belfast Hall, Wednesday, July 21st. L-480-7-19-21.
- *Dance and ice cream in French Rier Hall Wednesday, July 21st. L-914-7-20-21.
- *Dr. LaCourriere, Dentist, will be at Murray River July 20th, 21st, 22nd and 23rd. L-894-7-20-11.
- *Palmer Road P. Clinic Wednesday, August 18th. Greatest Picnic of the season. L-187-7-9-13-20-25-30.
- *Buying live hogs Albany Thursday 22nd, Emerald 23rd, until noon, C. Green. L-20-65-W-1-1-w-t-f.
- *McQuaid Bus leaves Summerdale 6 P. M. for the Maritime Amateur Boxing. L-910-7-20-11.
- *Haymaker: Dance at Hunter River, Tuesday July 20. Transfer leaves Sunnyside 8 o'clock. L-469-7-17-31.
- *Women's Institute Ice cream social and dance at North Wilshire, Wednesday, July 21. Proceeds for Hall. L-917-7-20-21.
- *Dance in Victoria Rink Wednesday night—music by Charlotteville Rhythm Makers. L-2063-T-W-tf.
- *Borden Line Club loading hogs, calves every Wednesday at Albany. Hours 12-3. L-2091-10-M T W tf.
- *Ice Cream Festival and Dance at Village Harbor, Wednesday, August 11th. If unfavorable for night. L-905-7-20-11.
- *Barn Dance at George MacMillan's, Blacksmith, Covehead, Wednesday, July 21st. Admission cents. L-473-7-19-21.
- *All roads lead to Elmwood tonight. If you like fun don't miss the Cream Festival at Elmwood tonight. L-889-7-20-11.
- *Come to the Fishermen's Carnival Wednesday, July 21st, overlooking Grand Rustico Harbour. Boat racing, old-time dancing. L-888-7-20-21.
- *Loading live hogs and lambs at Kensington till noon Thursday, July 22nd. Nicholson Bros. leading at River Friday till noon. Fred McEwen & Campbell. L-2141-7-6-13-20-27.
- *Old-fashioned Tea Party and Races at Murray Harbour on Wednesday, July 21st. Games, dancing, etc. Supper served on grounds. Dancing in evening. Monique Band in attendance. If not possible the following day. L-432-7-17-31.

ARMIES ARE LOCKED IN COMBAT NEAR MADRID



GENERAL FRANCO who has massed his troops near Brunete, west of the Spanish capital, to meet the Government challenge in "the battle for Madrid."

Bitter Battle Waged Along 30-mile Front By Land And Air.

BY ALEXANDER H. UHL
Associated Press Foreign Staff
MADRID, July 19—The greatest battle of the civil war raged through its fifth day today as the insurgents poured thousands of fresh troops against the Government's newly-won lines west of Madrid.
One hundred thousand men were believed to be fighting on each side. No longer was it a tactical struggle for position or a few miles of territory, but the bitter clash of two armies trying to win a decisive victory.
General Franco hurled his greatest strength against the salient in the Government lines at Brunete, 12 miles west of the capital. The insurgent drive evidently was designed to wipe out the Government's recent gains, which, in a two-weeks' offensive, had been driven far enough to constitute a grave peril to the insurgent forces besieging Madrid.
The battle proceeded over a 30-mile front. Hundreds of airplanes were aloft. The roar of artillery could be heard plainly in Madrid.
"BATTLE FOR MADRID"

Already the conflict was called "the battle for Madrid." Realizing the great danger of their Madrid front unless the Government's wedge is wiped out, the insurgents had drawn men from their Bay of Biscay front as far away as Coruna in the northwest.
Government officers estimated the insurgents had not less than 150,000 men concentrated on the Madrid-Sierra front.
Violent air attacks were the most striking feature of the operations on both sides. Planes by the score savagely bombed enemy positions, while battles in the air were numerous in which 60 to 80 planes at a time fought over miles of territory, struggling desperately to establish supremacy in the air.
Scores of planes already have been shot down, but insurgent losses were reported larger than the Government's. New air squadrons were being thrown constantly into the struggle, for both sides appeared to consider this battle of vital importance.

Beatty Optimistic On Maritime Visit

SAINT JOHN, N. B., July 19—(CP)—An optimistic impression of conditions in the Maritime Provinces was given today by Sir Edward Beatty, chairman and president of the Canadian Pacific Railway, nearing the end of an annual inspection tour of the company's properties in New Brunswick and Nova Scotia.
"In this visit to the Maritimes I have been impressed with the conditions so far as I have seen them and with the prospect for the future," he said. "I shall return to Montreal tomorrow in optimistic mood over this portion of Canada."
Sir Edward declared the conditions were better than last year and "much better" than in 1935. New Brunswick was "keeping step with Canada as a whole in the progress toward normal prosperity."
Sir Edward and his party of railway officials arrived here from Digby, N. S., on the C. P. S. Princess Helene.

Oppose Plan To Partition Holy Land

(C. P. by Guardian's Special Wire)
LONDON, July 19—Jewish opposition to the British Government's proposal to partition Palestine into three regions was voiced tonight at a public demonstration in Shoreditch Hall on the eve of the House of Lords debate on the scheme.
Lord Melchett, expected to be spokesman in the debate for the Jewish view, declared: "The proposals of the Government are of such a nebulous character that no one could express any definite opinion but we will never accept terms which mean the end of the national home in Palestine and we shall fight with all the power that lies in us."

Study Data Secured On Ocean Flights

NEW YORK, July 19—(AP)—Weather and performance data compiled during the round-trip trans-Atlantic flight of the Pan American Clipper III were being studied today by officials of the airline, as they planned additional future survey flights across the ocean.
Probably route and time of the next flight will be determined by results of their study, depending on the type of information to be sought, and development of weather conditions which will enable the fliers to obtain new data, the officials said.

APPEALS FOR ANGL-ITALIAN FRIENDSHIP

Britain Prepared to Defend Rights on Mediterranean Eden Tells Commons.

LONDON, July 19—(CP)—Foreign Secretary Eden pleaded for peace today as he reviewed the world's conflicts, especially those in Spain and the far east, for the House of Commons and made a strong plea for Anglo-Italian friendship.
Eden warned the House to let there be no mistake that "while we are determined to defend our rights we have no intention of challenging the rights of others."
"If the Mediterranean is for us a main arterial road, and it is, there is plenty of room for all on such a road," he said. "If we intend to maintain our place on it, and we do, we have no intention of seeking to turn anyone off it."
Room For All

"Least of all do we wish to interfere with those who geographically dwell upon it. There is room for all. Free traffic through and out of the Mediterranean is the common interest of Britain and all the Mediterranean powers."
Former Premier Lloyd George criticized the Government's policy toward Spain and attacked Italy and Germany. Winston Churchill, wartime first lord of the admiralty, urged the Government to investigate his charges that several of Britain's warships were "rolling about" within range of Spanish guns.

After a lengthy debate in which all phases of British foreign policy were discussed, a labor motion to reduce estimates of the foreign office was defeated 265 to 123.
Sir Archibald Sinclair, Liberal Leader, complimented Eden on his masterly summary of the world.
(Continued on page 9, Col 3)

Canadian Exports To U.S. Increase

OTTAWA, July 19—(CP)—In the first six months of 1937 exports to the United States jumped 38.3 per cent, above the first half of last year, the Dominion Bureau of Statistics said today. Exports reached a value of \$230,709,000 compared with \$166,836,000.
In June alone the outflow soared to \$45,680,000 from \$26,462,000 in June, 1936, a gain of 72.6 per cent.
For the half-year exports of goods affected by the Canada-United States trade agreement mounted to \$120,232,000 from \$98,497,000 last year, an increase of 22.1 per cent. In the month the gain was 4.6 per cent, from \$17,952,000 to \$18,783,000.
Newsprint was the leading export under the agreement in the six months, amounting to \$45,505,000 compared with \$38,499,000 a year ago. Woodpulp increased to \$18,865,000 from \$12,384,000.

U. S. Cruiser Omaha Aground In Bahamas

JACKSONVILLE, Fla., July 19—(AP)—Five Coast Guard boats started today to aid the United States Navy Cruiser Omaha, aground off Castle Island in the Bahamas.
Coast Guard divisional headquarters here reported it had no details of the grounding or the seriousness of the cruiser's position.

'SALADA' TEA is delicious

Warns Japan



GENERAL CHIANG KAI-SHEK who yesterday warned Japan he will not permit "the loss of a single inch of territory" when rejection of Japanese demands again created a critical situation in the Far East.

EX-GOVERNOR OF MAINE ON VISIT HERE

Hon. Percival P. Baxter, Governor of the State of Maine from 1921 to 1925, arrived in the city yesterday by motor on a short visit.
Interviewed last evening Mr. Baxter stated that it was his first visit to the island, but he was already much impressed with what he had seen on the trip from Borden to the city. "The friendliness of the people, the prosperous-looking farms and the magnificent scenery give me the impression that the island would be a delightful place to live in," he said.
"My father and brothers as owners of the Portland Packing Company," Mr. Baxter added, "were frequent visitors down here at one time and I had heard them speak so much of this country that I had often planned to visit your Province. Now I am more than delighted with it, and although my stay this time will be necessarily short, I am already looking forward to the time when I may return and see more of it and enjoy some of the fishing I hear so much about."
Or a short walk throughout the city last evening Mr. Baxter was impressed with the attractive public buildings and remarked especially upon Saint Dunstan's Basilica, stating that it was one of the finest edifices he had ever seen.
Mr. Baxter met an old acquaintance in the person of Mr. A. H. Mould, manager of the Canadian National Hotel, immediately upon

Note Is Believed Sequel To Tragedy

OWEN SOUND, Ont., July 19—(CP)—Word reached here tonight that a bottle containing a note was picked up in Club Island Harbor, near Killarney, revealing what may have been a tragedy of the Great Lakes 21 years ago.
Cruising in their yacht from Detroit to Killarney, Mr. and Mrs. Harry Dodd, Detroit, stopped at Club Island and while there picked up the bottle. Inside was a slip of paper containing the following message: "Message boat overturned. All exhausted. Can't hang on much longer. Save us, O Lord, goodby."
The slip of paper was dated August 8, 1916, and the names written on it, as near as they could be deciphered were: Noot Opel; Cat Lidley; Fred or Red Birch.

Duplessis Bans Newsprint Mills

MONTREAL, July 19 (CP)—No new newsprint mills are to be allowed into Quebec Province, Premier Maurice Duplessis said today.
The Union Nationale Premier, in an interview, announced also that hereafter no wood cut on Crown Land in this province was to be exported.
Both these measures were Government policies, Duplessis said. He did not elaborate, except to say that the ban on further newsprint mills did not extend to mills already established which are now idle.
His Government, he declared, was working to have such closed mills re-opened.
The Premier's announcement was made as he outlined steps he said his Government had taken to re-habilitate the Gaspé Peninsula, at the southeastern end of the province. A progressive colonization and forestry policy, he said, ensured brighter days for the Peninsula.

FRANCO HINTS RESTORATION OF MONARCHY

Prince Juan de Bourbon Favored as Likely Successor to Spanish Throne.

BY EDWARD J. NEIL
Associated Press Foreign Staff
SALAMANCA, Spain, July 19—(AP)—Insurgent General Franco gave assurances today to his Royalist followers that the Spanish Monarchy eventually may be restored.
In an interview in the Royalist newspaper ABC of Seville, Franco made fewer conditions about a restoration than in his proclamation last spring uniting all the insurgent parties.
The Insurgent Leader showed increasing favor toward 24-year-old Prince Juan de Bourbon, third son of former King Alfonso, as successor to the throne his father was obliged to leave in 1931.
The Insurgent Leader indicated there was no hope, however, of a return of Alfonso himself when he said:
"If the moment for a restoration arrives the new monarchy ought to be very different from the one that fell, different in theory, in practice and—even as to the person of the monarch himself."
"He (the new monarch) would be a new link between the new order and the traditional glories of Spain."
Sought To Enlist

Marriage Bill Is Passed By Lords

LONDON, July 19—(CP Cable)—By an overwhelming majority the House of Lords today gave third reading to the Marriage Bill.
The bill has now passed both houses of Parliament but must return to the House of Commons for consideration of amendments adopted by the Lords.
The vote on the measure was 79 to 28 Lord Elders, representing the sponsors of the bill, among who is A. P. Herbert, the humorist and author of "Holy Deadhead," said the bill was now approaching its journey's end. He described it as the most far-reaching bill of a domestic character introduced into parliament for a generation.
The bill represents a major reform in British divorce law. It adds desertion, cruelty and insanity, as grounds on which divorce petitions may be presented, to adultery, the only one recognized under present laws.

Plans To Continue Search For Fliers

(A. P. by Guardian's Special Wire)
LOS ANGELES, July 19—The Los Angeles Herald and Express quoted unnamed friends of George Palmer Putnam today as saying he plans to charter a yacht and search the south sea for his missing wife, Amelia Earhart, and her navigator, Capt. Frederick Noonan.
The Herald and Express reports friends said he also would take along several speed boats and spend from six months to a year searching in the vicinity of Howland Island.

Vigilance Needed In Maintaining Canada's Security

Premier Is Guardedly Optimistic In Summing Up European Situation. Stresses Importance Of Empire Unity.

OTTAWA, July 19 (CP)—Warning that in some world holocaust there was no certainty Canada would escape, was voiced by Prime Minister Mackenzie King who, in a broadcast speech tonight, declared "vigilance in Canada as elsewhere throughout the world, is the price of our security." But the Prime Minister was hopeful that world conflict would be avoided.
"Despite all appearances," the Prime Minister said, "the (nations of Europe) are prepared, in an effort to work out a solution, to cooperate to a greater degree than has been the case for a long time." He was convinced none of the European countries he visited desired war.
PLEA FOR UNITY

Reiterating his previous declaration that Canada had made no commitments to the Imperial Conference on Empire defence or any other matter that would require advance consideration by Parliament, the Prime Minister made a plea for unity within the Dominion.
"Not to have a realization of the many strains and cleavages which are imperiling Canadian unity is to shut one's eyes to the problem of government in Canada today," the Prime Minister said. "This problem, however, can be met and solved, like all other problems, through understanding—understanding, on the part of the provinces, of the vast burdens and considerations of which the Dominion has to take account, and understanding, on the part of the Dominion, of difficulties and perplexities, scarcely less harassing, with which the provinces are faced."
Mr. Mackenzie King delivered the broadcast message to the people of Canada promised when he returned home 10 days ago after attending the Coronation and the Imperial conference, and visiting the capitals of France, Germany and Belgium.

Bonnet Moves To End Fiscal Crisis

PARIS, July 19—The French Cabinet tonight completed the final draft of Finance Minister Bonnet's "stabilization" program of government economy for the approval of President Lebrun tomorrow, while industrial and commercial circles expressed confidence in Bonnet's ability to lead France out of its financial crisis.

Received by Hitler

In Germany the Prime Minister was received by Chancellor Hitler and in Brussels he was given an audience by King Leopold. He headed Canada's delegation at the Imperial Conference and represented the Dominion at the Coronation.
"Two convictions, long held, have immeasurably deepened as a consequence of all I have recently seen and heard," the Prime Minister said. "One is how terrible a thing is hate; and the other, how necessary, to the cure of all our ills, is an attitude of good-will. So long as the minds of men are filled with hatred and jealousy and mistrust of their fellow-men—whether that hatred and mistrust be directed against their fellows as citizens of some other country, or members of some other class or party or group; whether that hat-

(Continued on page 9, Col 4)

TORONTO, July 19—Minimum and maximum temperature—	
Dawson	50 —
Victoria	54 — 67
Edmonton	62 77
Regina	63 64
Winnipeg	69 92
Toronto	58 79
Ottawa	50 80
Montreal	69 86
Quebec	56 80
St. John	60 76
Halifax	62 74
Charlottetown	58 72

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PRIME MINISTER KING



FORECAST

Maritime Province: Moderate variable winds; fair and warm. High tide this morning at 7:21 and tonight at 9:23.
Sun sets this evening at 7:40 and rises tomorrow morning at 4:32.
Full moon Friday, July 23, 7:45 a.m.
Summer tide eighteen minutes later than Charlottetown.
Leaves Borden 9:15 a.m., 1 p.m. and 3:15 p.m. Leaves Tormentine 11 a.m., 2:35 p.m. and 6:50 p.m. daily except Sunday.