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Covers Prince Edward Island Like the Dew

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If fear be the predisposing cause of war, ignorance is the most potent of the factors that nourish it.

URGES CAUTION IN PUBLIC EXPENDITURE

Truce Rumors Rife As Japanese Besiege Nanking

Nipponese Forces Mass For Major Attack On Capital

Defenders Said Planning Death-stand — Foreigners And Non-combatants Urged To Evacuate.

(By The Canadian Press)
SHANGHAI, Dec. 9—(Thursday)—Rumors spread today of truce negotiations between China and Japan to save Nanking as Japanese gathered strength under the capital's ancient walls.
Japanese military authorities earlier warned all foreigners and Chinese non-combatants to evacuate Nanking as quickly as possible, declaring "hostilities may engulf the city at any moment."
Both Chinese and Japanese reports indicated the battle to decide the fate of China's evacuated capital already had begun.
Notwithstanding the apparent imminence of a major struggle at Nanking, however, speculation here was rife over a possible bloodless coup in China's Government that might effect a sudden peace.
The Japanese, now surrounding Nanking, have not launched an unreserved attack on the city despite thorough preliminaries. Some sources interpreted the delay as an invitation to the Chinese to sue for peace.

U.S. HOPES TO REGAIN GRAIN SHIPMENTS

Canada May Lose Privilege Under Proposed U.S.-U.K. Trade Agreement.

NEW YORK, Dec. 8—(CP)—United States grain shippers today looked to the contemplated Anglo-American Trade Treaty to bring back to the port of New York its former thriving commerce in Canadian grain.
Small test shipments to the United Kingdom went through here recently, almost the first Dominion grain to move by this route since 1931 when an argosy of ships went to Europe with 51,000,000 bushels. This traffic halted the year following when the Ottawa Agreements went into effect.
Prior to midsummer of 1932 much Canadian wheat came down the Great Lakes and Canals to the United States Atlantic seaboard for Transatlantic shipment. It constituted the major part of cereal shipments from the Atlantic ports, as most of the exportable surplus of the United States crop goes via the Gulf of Mexico.
Grain men here say they have a virtual undertaking of the State Department that the question of simplifying the British customs regulations will go on to the conference table when representatives of the two countries meet to formulate the trade pact now in prospect.

Santa Pals — Ensure Their Christmas Joy

"Because a child was born one winter night in a small town beyond the East's far rim,
All children of the earth should claim our care,
Remembering Him."
—Grace Noel Crowell.

Tommy sighed. "Gee," he murmured, "I hope Santa will remember Dolly and me." Dolly, his little sister, pressed close to the side of her brother as they gazed in wistful rapture into the brightly lighted store window with its glittering array of toys—sleighs, electric trains, tiny soldiers—what an exciting display.
Tugging at her brother's arm Dolly pointed excitedly to a large doll surrounded by several smaller dolls and teddy-bears. "We want one like that, Tommy, will Santa bring it?"
Her brother was silent. His child mind was vaguely troubled by words his mother had spoken that day. "Don't build up too many hopes for Christmas, Tommy. You are the little man of the family now and must help Mummy as much as possible." He was remembering how that things had changed terribly since his father's death. No new clothes, no trips to the country. And now to think that perhaps Christmas would be different too. A lump came into his throat.
Tommy's reflective thoughts were interrupted by his sister's pleading voice. "Maybe he'll bring me a smaller one then, won't he, Tommy?"
Tommy straightened up. He pulled his worn scarf from around his face. "Sure, Dolly, sure," he said.
Will he be sure? That may depend on you Santa Pals. Will you see them through this difficulty, at this most joyful season of the year? Don't fail them, Santa Pals, act now. If you are busy make your donation in money. The Santa Pal Department will see that it is spent to the best advantage. Some little needy child will have a happy Christmas.
More children's names are added today. Who will be Santa Pals for them? Remember the impor-

OPPOSITION TO FRUIT TARIFF CHANGE VOICED

President Of Horticultural Council Warns Loss Of Preference Would Be "Ruinous."

KELOWNA, B. C., Dec. 8—(CP)—Possible changes in Imperial preferences such as had been rumored would be "ruinous" to the Okanagan Valley fruit district of British Columbia, F. A. Lewis of Vernon, B. C., president of the Canadian Horticultural Council, told a meeting of fruit and vegetable interests here today.
The meeting was attended by growers' representatives and board of trade members from Kelowna, Vernon, Penticton and Oliver.
"If there is an emergency," said Mr. Lewis, "then we will be willing to stand our share of the responsibility, but we do object to having industries singled out, which seems to be the case in the matter of any changes in the Imperial preference."
Mr. Lewis, reporting on the recent Horticultural Council meeting in Toronto, said:
"It became more and more evident from information available that the Dominion Government is contemplating an agreement to a change in preference with the old country which would eliminate 50 to 60 per cent of our preference on fresh fruit on the old country market. It also appeared that we would lose our duty on any alteration of the Canada-United States treaty."
Mr. Lewis said the Horticultural Council had wired Prime Minister Mackenzie King requesting an interchange of views with the Premier and his cabinet. He said Premier King "could not agree" to such a meeting and referred the prospective delegation to Finance Minister Dunning.
Mr. Dunning was then in New York and a conference was impossible, Mr. Lewis advised.
"No one in Ottawa would tell us anything about what is contemplated. We do not know what to fight against and can go only on surmise and rumored reports. Members of the government will not discuss it. But we are certain the action is definitely contemplated. The Imperial preferences changes can not be made before next March, and three months must elapse before they are effective."
"We believe that the question is far bigger than the fruit and vegetable industry. It is bigger than the Dominion of Canada. I believe it is tied in with the employment problem of the United Kingdom and entails an alliance of democratic countries. On the other hand some United States citizens are bound to fight any agreement which they believe would tend to draw them into conflict with Europe."

Commerce Head Warns Danger In Mounting Debt

George C. McDonald, C.A. Is Guest Speaker At 50th Anniversary Dinner Of Board Of Trade.

"Instead of realizing that our Confederation afforded us a place to store some of our wealth, so that we could count on a certain stability year in and year out, and comfort and security in our old age, we have regarded it as a convenient place to plunder." Mr. George C. McDonald, president of the Canadian Chamber of Commerce, Montreal, declared at the 50th anniversary dinner of the Board of Trade at the Canadian National Hotel last night. "We have been so greedy for federal benefits that we have anticipated our respective shares for many years to come," he continued. "Reform will only come when the public mind appreciates the situation and instead of clamoring for expenditure insists on thrift and prudence in the conduct of our public affairs," the Chamber of Commerce president said in the course of an intensely interesting address on "Confederation in prospect and retrospect."
Presides
Mr. R. R. Bell, President of the Charlottetown Board of Trade was chairman. Four charter members of the Board were still residing in Charlottetown, the president said, namely Mr. George H. Taylor, still a member of the Board, and Mr. E. W. Taylor, both of whom were present at the dinner. Two other charter members, Mr. George H. Toombs and Mr. B. W. Robertson, were unable to attend because of ill health.
The Charlottetown Board of Trade was incorporated in April 1867. Mr. Bell said, when 113 business men of the city signed the petition of incorporation, in brief their purpose in banding together was to do all in their power to increase the trade and commerce of the Dominion of Canada, and in particular the Province of Prince Edward Island and the City of Charlottetown. And the efforts of the organization had been continued along that line ever since.
Following Mr. McDonald's address Mr. George E. Graham, Nova Scotia vice-president of the Chamber of Commerce, and Mrs. W. McL. Clarke, Montreal, secretary of the Chamber, spoke briefly.
A hearty vote of thanks to Mr. McDonald for his splendid address was moved by Mr. W. F. Tidmarsh and seconded by Mr. J. O. Hyndman.
Greetings to the Charlottetown Board of Trade on the occasion of its 50th anniversary were received from the Mayor of Sarnia, the president and secretary of the Sydney Board of Trade, the Glace Bay Board of Trade, the Sydney Mines Board of Trade, the Moncton Board of Trade, the president of the Amherst Board of Trade, the Associated Boards of Trade of Cape Breton, William Wallace of the Maritime Winter Fair Commission, the chairman of the Amherst Exhibition Association, the Peterboro Chamber of Commerce, the Halifax Board of Trade, the President of the Amherst Board of Trade, the Mayor of Amherst, the president of the Toronto Board of Trade.
Seated at the speakers' table last night were: Lieutenant Governor George D. DeBlois, Mr. George C. McDonald, Mr. George E. Graham, Premier Campbell, Mayor P. W. Turner, Mr. W. McL. Clarke, Mr. Peter Sinclair, M.P., Hon. B. W. LePage, Hon. J. P. McIntyre, Mr. C. H. B. Longworth, Hon. M. R. McGuigan, and Mr. R. R. Bell, the chairman.
About ninety-five were in attendance at the dinner, including several out of town business men.

COMING EVENTS

- Announcements are inserted in this column at 2 cents per word strictly payable in advance.
- Talkies—Souris Thursday. L-704-12-8-21.
- Talkies—Montague Saturday. L-704-12-8-21.
- Buying live hogs Albany Thursday 9th. Elms 10th, until noon. G. C. Green. L-20-65-W-t-t-w-t-t-f.
- West Royalty School Concert Tuesday, Dec. 21, 7.15 p.m. L-738-12-9-11.
- Cake Sale and Precious Blood Sisters Saturday, December 11th at St. Peter's. L-532-12-4-8-9-11.
- Dance in Millview Hall, December 27th, in aid of Millview Hockey Team. L-749-12-9-11.
- D. M. McKinnon will buy dressed poultry at Cook's Store, Murray River every Monday and Thursday until January 13th. L-748-12-9-21.
- Buying Geese, Chicken, Ducks and Fow. Bring us your Poultry this year and receive full market price. R. L. Dickeson. L-657-12-7-31.
- A general meeting of all rural mail couriers of P. E. I. will be held Oddfellows Hall, Charlottetown, December 11 at 8 o'clock. L-725-12-8-31.
- Buying live and dressed poultry Wednesday, December 15th. Paying highest market prices. Signed Matthew McLean, Bridgetown. L-693-12-8.
- Everybody is coming to the big Variety Concert by Summerside's best talent in Cape Traverse Hall, Thursday evening, December 9th. Don't miss it. Proceeds in aid of new kitchen. L-717-12-8-21.
- "The Quints" will be with the Wiltshire Players when they present their play at the opening of the new hall at Brookfield Friday night, December 10th. If stormy tilt. Admission 25c and 15c. L-710-12-8-31.
- Livestock Marketing Board—loading hogs at Railway Stock Pens, Charlottetown, Thursday afternoon and Friday morning, December 9 and 10. Hog prices are stronger this week. Ship cooperatively and get the full benefit. L-729-12-8-21.
- We are giving a discount on feeds in stock to make room for poultry shipments. Your chance to get fish-meal, laying mash, corn, etc., at rock bottom prices. We can handle your poultry produce to your advantage. Take advantage of cooperative marketing by shipping to us. Best prices and prompt returns. P. E. I. Co-operative 1730-12-8-31.

MAY SEEK SETTLEMENT

Some sources expressed belief the departure of General Chiang Kai-Shek from Nanking might cause his subordinates to seek a settlement.
Because Chiang is the driving force of Chinese resistance, these sources reasoned, his followers even might form a new government, win Japanese recognition and divorce themselves from Chiang's leadership.
Others believed the Japanese hope of taking the capital almost without a fight appeared crushed. General Chiang's reported last-minute decision to hurl every available soldier into the city's defence. The Japanese predicted slaughter. If the Chinese persisted in holding out, their Shanghai spokesman said Nanking now was one great armed camp, and Japanese army officers could guarantee no security zone in the battle for it.
Domei (Japanese) news agency reported "an area 10 miles long around Nanking has now been turned into a sea of flames" by retreating Chinese.
Reports from Hankow, one of the new government seats, where Chiang was believed to have flown with his wife on Tuesday, said several crack Chinese divisions, rested and reorganized after the Shanghai retreat, were being concentrated in Nanking for a death-stand.
Neutral observers doubted, however, that even the most heroic Chinese efforts could hold off the machine-like Japanese attack.
Chinese reported skirmishes around Nanking were rapidly developing into a major battle.
(Direct word from behind Nanking's beleaguered walls at 10 a.m. Wednesday, Nanking time, said Chinese troops had dynamited Chinese walls to destroy all possible protection for Japanese attackers in a direct assault on the city.
(Despite the thunder of artillery from all sides, the populace was orderly.)
At Tokyo, meanwhile, a Japanese foreign official spokesman hinted that the machine-like Japanese attack, Germany and Italy were attempting to mediate the conflict. None of those nations' embassies, however, would comment.

Manitoba House Will Open Today

WINNIPEG, Dec. 9—(CP)—Lieutenant-Governor W. J. Tupper will officially launch the second regular session of Manitoba's 29th legislature today. Opening ceremonies of the session, expected to be held in the morning, will start tomorrow afternoon.
Although Premier John Brocken has given no intimation of legislation to come before the House, the province's relief problem is expected to occupy the members until adjournment for Christmas holidays.

N. S. Government Receives Offer For Debenture Issue

HALIFAX, Dec. 8—(CP)—The Nova Scotia Government tonight announced an offer received from a syndicate of bankers and brokers for \$5,000,000 province debentures, 3 1/2 per cent payable in 12 years and to be dated Dec. 15, had been accepted.
Purpose of the issue was to meet general governmental capital expenditures, principally for highways, it was announced.
The issue will be available in \$50 and 1,000 denominations, payable at Halifax, Saint John, N. B., Montreal, Toronto, Winnipeg, and Vancouver.

Commission Ends Manitoba Hearings

WINNIPEG, Dec. 8—(CP)—The Royal Commission on Dominion-Provincial relations moved to Regina tonight after completing a nine-day session in Winnipeg where briefs of the Manitoba Government, municipalities and various organizations were presented. The Commission will open its Saskatchewan session in Regina tomorrow morning.
At its final sitting here the Commission heard representations from 14th Native Sons of Canada, whose brief noted "the liberties of the subject are no longer completely safe in the legislative hands of the province." Professor A. R. M. Lower presented the brief from the Native Sons, who favored abolition of appeals to the Privy Council.

Former Islander Dies In Sydney

SYDNEY, N. S., Dec. 8—(CP)—Samuel Penny, 70-year-old native of Prince Edward Island who came here in 1910, died in hospital today. He was employed with the Cape Breton Electric Company before entering the carpenter shop of the Dominion Steel and Coal Corporation.

Eden Replies To Questions On Sino-Japanese Situation

LONDON, Dec. 8—(CP Haves)—Foreign Secretary Eden answered a barrage of questions in the House of Commons today on the fast-developing Sino-Japanese conflict.
Britain cannot lodge protests with Viscount Kikijiro Ishii, Japanese "good-will" ambassador, over recent attacks against British soldiers and nationals committed by the Japanese in China, since the Viscount is here on a purely personal visit, Mr. Eden declared in answer to one question.
Viscount Ishii, who arrived Monday after his trips to Paris and Rome, was received at the Foreign Office this afternoon by Mr. Eden.

Snow Blankets Upper Canada As Cold Spell Grips West

(By The Canadian Press)
Winter rode through Canada today on his twin steeds of cold and snow. With sub-zero temperatures, he chilled the west; with snow and blizzards, he blanketed Ontario and Quebec.
Most violent conditions yesterday were experienced in the Fort Erie district of the Niagara Peninsula where snow that drifted in a blizzard brought traffic to a standstill.
While Welland, Lamberton, Middlesex, Huron and Simcoe Counties of Ontario dug themselves out of the year's worst snowstorm yesterday, a heavy snowfall continued in eastern sections of the province for the second consecutive day.
Biting cold weather—with temperatures hitting the 30-below-zero mark in some sections—was general throughout the Prairie Provinces and blizzards were reported in the Regina and Moose Jaw districts of Saskatchewan yesterday.
Snow that had fallen in almost every section of Ontario since the week end was also common in the Province of Quebec. Today, a mantle of snow lay over both the Provinces.
Fairly mild temperatures prevailed in the Maritimes, but snowdrifts during the past two days have not been uncommon in the Dominion's three easternmost provinces.

DISPOSE OF WHEAT SURPLUS

200,000,000 Bushels Sold By Board Since 1935.
(C. P. by Guardian's Special Wire)
OTTAWA, Dec. 8—(CP)—Trade Minister Euler disclosed tonight the Canadian Wheat Board had disposed of all the wheat it held, having reduced to nothing in two years an accumulated carry over of 200,000,000 bushels it inherited in 1935.
Unsure of exact figures which he did not have available, Mr. Euler said he believed the board held lately 7,000,000 bushels of wheat futures and that it converted these to cash wheat, distributing them afterwards as seed and feed.
Rising wheat prices in 1935, 36 and 37 relieved the board of the obligation of buying wheat at the guaranteed minimum price of 37 1/2 cents a bushel.

Rebels Launch Madrid Attack

MADRID, Dec. 8—Fighting flared on the Madrid front today as insurgents launched a sudden thrust at Government lines 15 miles due west of the old capital.
It was the first engagement of any importance on the central front in several weeks.
A government communique reported the insurgents were turned back after 90 minutes of severe fighting using machine guns, grenades and artillery. The attack came near Quijorna.

14 MORE SHOPPING DAYS

SMOKING IS SAID TO CUT THE WIND BUT IT DOESN'T SEEM TO AFFECT RADIO ANNOUNCERS.
THE CAR FERRY
Leaves: Horden 9:45 a. m. 1 p. m. 5 p. m.
Leaves: Tormentine 11 a. m. 3:55 p. m. 7 p. m.
TORONTO, Dec. 8—Minimum and maximum temperatures:
Dawson 20b 16a
Victoria 36 44
Edmonton 30b 12a
Regina 14b 2b
Winnipeg 10b 2b
Toronto 20 30
Ottawa 20 28
Montreal 22 28
Quebec 24 28
Saint John 32 40
Halifax 36 42
Charlottetown 36 40
Forecast:
Maritime East: Fresh or strong south and southwest winds; partly cloudy and becoming a little colder; probably scattered snowflurries.
High tide this afternoon at 3:03 and tomorrow morning at 2:21.
Sun sets this afternoon at 4:14 and rises tomorrow morning at 7:27.
First quarter moon Friday, Dec. 10, 8:12 p.m.
Summerside tide eighteen minutes later than Charlottetown.

PILOT KILLED, FIVE INJURED

LYON, France, Dec. 8—(AP)—The pilot was killed and five other persons injured today when an Air-France line plane crashed near the village of Saint Sauveur.