

He that thinks money will do  
everything may well be suspected of  
doing everything for money.

# THE CHARLOTTETOWN GUARDIAN

The People's Paper Read by Everybody  
Covers Prince Edward Island Like the Dew

An honest man will receive nei-  
ther money nor praise that is not his  
due.

## "FAIRY TALES", SOVIETS CALL GERMAN CLAIMS

### REPORT NAZIS WARN IRAN

#### Plastics open Up new vistas Of air speed

OTTAWA, Aug. 7 (CP)—Plastics are opening up new vistas of speed in the air on the basis of tests carried out here. Royal Canadian Air Force officials told The Canadian Press today.

Pilots who have flown the first plane assembled in Canada with an all-plastic fuselage have reported an addition of from 15 to as high as 50 miles per hour to its cruising speed.

The plane, an Avro-Anson, is equipped with one of two fuselages sent here from Bendix Field, N. L., where they were manufactured by the aircraft research corporation under the process invented by E. L. Vidal.

The Dominion Government last year obtained exclusive rights to the use of the process in Canada. A government-owned plant in the Belleville, Ont., area is expected to go into production on plastic plane parts later in the year. It was learned from the munitions and supply department.

Increased speed of the special-equipped plane is attributed to the air force to its lightness and reduced wind resistance. The ordinary fuselage of the Anson is of metal tubing covered with fabric.

#### Threaten action If Nationals Are expelled

London sources decline to comment on report Britain urges expulsion.

NEW YORK, Aug. 7 (AP)—Representatives of both the NBC and CBS in Ankara, Turkey, reported tonight that Germany has threatened to sever diplomatic relations with Iran if the 2,500 German nationals in that country are expelled, a course which British officials recommended.

The CBS representative, Farnsworth Fowle, said in a broadcast that some German business men already are sending their wives and children out of Iran.

Martin Agronsky, NBC representative, said reliable diplomatic sources in Turkey informed him that the British minister in Iran, in conjunction with the Russian government, has informed Iran that Britain must insist on the expulsion of Germans.

Authoritative sources in London said they had no confirmation of a German note to Iran and declined to comment on the report that Britain is insisting on expulsion of the Germans.

#### Canadian Army Reclaims used oil

OTTAWA, Aug. 7 (CP)—Oil used in army trucks and tanks at the larger military camps in Canada is being reclaimed for use over again, Francis Farwell, assistant master-general of the ordnance, said today.

Mr. Farwell gave evidence before a sub-committee of the special parliamentary committee on war expenditures and said the army is using the same reclamation methods used by firms which operate large fleets of trucks and buses.

On every 1,000 gallons of new oil used by the army, \$200 could be saved by reclamation of used oil. In addition to reclaiming its own used oil the army was also reclaiming oil supplied to it by the air force and using the reclaimed product in its motors.

#### Cost - of - living Index expected To show increase

OTTAWA, Aug. 7 (CP)—Government officials, keeping anxious watch on the course of prices in Canada in relation to inflationary tendencies offered tonight the prediction that another comparative sharp rise in the dominion bureau of statistics cost-of-living index for July 1 is calculated.

New figures are due in the next few days and the bureau's monthly cost-of-living index is of great import to Canadians because the government's principle of cost-of-living bonuses is anchored to it.

Where employees are dissatisfied with wages in relation to living costs they may ask the labor department for a board of conciliation to investigate their dispute. The board decides whether or not a cost-of-living bonus is warranted, payment by employers being at the rate of 25 cents a week per worker for every point the bonus rises above 100.

On June 1 the index was 1105 on the basis of the 1935-39 equaling 100. The rise of 1.1 points from May 1 was described as an "unusual increase."

With only partial data available, government statisticians hesitated to suggest that the July 1 increase would be as great, but the consensus was that it would be "comparable." The increase from June 1 to July 1, 1940 was .7 point.

#### Duke reaches Victoria

VICTORIA, Aug. 7 (CP)—The Duke of Kent reached the farthest west point of his Canadian tour late today, stepping from an airplane at the Patricia Bay landing field near here late this afternoon.

Previously at Vancouver the twin-engine Lockheed 12 aircraft carrying the Duke on his tour of schools operated under the British Commonwealth Air Training Plan landed at the civic airport after a flight over the Rockies from Calgary.

#### Believe Only Rain Can Halt Fierce Maine Fire

Fire Warden said humanly impossible to stop it. Threatens set of sporting camps on Millinocket Lake.

#### July shipping Losses lowest In past year

NEWCASTLE, Aug. 7 (CP)—A. V. Alexander, First Lord of the Admiralty, disclosed tonight that convoys, planes and patrols in the North Atlantic have cut Britain's July shipping losses to the lowest in more than a year.

Although Mr. Alexander did not give specific figures, he said that "the month of July is the best we have had since I have been at the Admiralty," and he has been at the Admiralty since May 12, 1940 when he joined the Churchill government.

Previously the lowest month under the First Lord was January, 1941, when 306,000 tons of British, Allied and neutral shipping were sunk. June, 1941, was the next lowest with 329,196.

"That does not mean we can relax our efforts," Mr. Alexander told an audience during a political speech. "We want more fast destroyers and convoys and quicker delivery."

He disclosed that the shipbuilding yards of the Tyne and Tees have produced and delivered at least 750,000 tons of new ships since war began.

#### Two Airmen Killed in Moncton crash

MONCTON, N. B., Aug. 7 (CP)—One student pilot was instantly killed and another died of injuries received tonight when two Royal Canadian Air Force Avro Anson training planes from No. 8 service flying training school here collided and crashed over the Moncton airport.

Lac. E. J. Stanley, whose next of kin is J. H. Stanley (75 Cowan Ave.) Toronto, was killed instantly. Lac. P. D. Geldard, whose next of kin is F. Geldard, (4 Goodwood Ave.) Toronto, died after being admitted to hospital here.

The planes were approaching the airport from the north when the collision occurred and both ships crashed to the ground a short distance from the runway. The planes were flying at an altitude of about 250 feet and dropped so swiftly that neither pilot had an opportunity to escape by parachute.

One of the pilots died instantly in the crash and the other was taken from the wreckage of his plane and rushed to hospital here where he died three hours later.

#### Nazis claim Kiev encircled

BERLIN, Aug. 7 (AP)—The German radio tonight broadcast an unofficial claim from the Russian front that Nazi troops had encircled Kiev, the industrial capital of the rich Soviet Ukraine.

The dispatch, from a propaganda company of journalist reporters which travels in the front lines, claimed infantry units had reached the most advanced line of mechanized forces, which were said to have approached within 12 miles of Kiev some time ago.

The German high command contended yesterday that the Germans had driven a wedge to the gates of Kiev.

Germany's high command recounted at length today phases of the battle of Smolensk and again listed Russian manpower losses in seven figures but maintained silence on what the reported victory meant for the Russian front.

It will weigh in the scales of this bloodiest of all Nazi campaigns.

"Our losses were moderate, those of the opponent extraordinarily high," was all the communique said of the price the Germans paid.

The stubbornness of Russian resistance was repeatedly referred to and the communique acknowledged that the Germans in winning their success had met "the most difficult supply problems which were of most decisive importance for the continuance of our operations."

#### Rains improve Prairie crops

MONTEAL, Aug. 7 (CP)—Light to heavy rains over many districts of the Prairie Provinces have proved beneficial to late sown crops and pastures, the Bank of Montreal reported today in its periodic summary of crop conditions.

In the Maritime Provinces, weather conditions continue favorable and crops are making good progress. In British Columbia, threshing of wheat has started and an average yield of grain crops is expected. Roots continue to make satisfactory progress.

#### U. S. Senate gives Approval to longer Active Service Bill

Fate of hotly disputed measure uncertain in House of Representatives.

By Richard L. Turner  
Associated Press Staff Writer

WASHINGTON, Aug. 7 (AP)—The United States Senate tonight approved legislation prolonging the active service of draftees, militia-men, reservists and army enlisted men by 18 months with a pay raise of \$10 a month for all men after they have completed one year in the service.

The bill, hotly disputed for more than a week, went through by a vote of 45 to 30, and now goes to the House of Representatives where its fate is uncertain. Many House members are reported to favor a less drastic extension of service than the 18 months provided in the senate measure.

Until the last minute, administration forces were in secure command of the situation. After defeating proposals for a six-month and 12-month extension, they obtained approval today of the 18-month period by a vote of 44 to 28.

But then, just before the final ballot, the Senate disregarded the desires of the democratic leadership and wrote in an amendment providing for the \$10 monthly pay raise after a year of service. (The present basic pay is \$20.)

The amendment was adopted 39 to 34. It previously an amendment calling for a 25-cent pay increase was rejected 37 to 36.

There were some questions as to the effect of the amendment which was approved. Some war department attorneys expressed the opinion.

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#### House to house Bread delivery To be continued

OTTAWA, Aug. 7 (CP)—The War-time Prices and Trade Board assured bakers throughout Canada there would be no order for the discontinuance of house to house delivery of bread in the immediate future and if it became necessary to stop house to house delivery of bread in order to keep down the price to consumers as had been suggested in communications to the board.

The official today emphasized that so far the situation had not developed which would require such action and that no one could foresee whether it would be necessary.

#### International At A Glance

(By the Canadian Press)

MOSCOW—Russians say their lines holding, call German triumph communique "Arabian Fairy Tales."

BERLIN—Germans repeat stories of past victories, saying nothing of present or prospective operations.

LONDON—Britain's military aid to Thailand in case of Japanese attack will be determined by extent of United States willingness to aid with action stronger than blockade, London hears.

LONDON—Commons recesses for month; R. A. F. pounds invasion coast, German cities.

NEWCASTLE—Shipping losses lowest in year in July first lord of admiralty A. V. Alexander says.

#### Interpreting The War News

(By Kirke L. Simpson, Associated Press Staff Writer)

The latest chapter in Hitler's amazing story of Russian armies destroyed fails to furnish convincing evidence of smashing German victories but it may explain why the main Nazi attack has shifted southward toward the Ukraine.

It is not yet clear whether the Russians still hold the great bend of the Dnieper—the Orsha-Smolensk-Mogilev triangle. If they do, the Germans' chances of pressing on toward Moscow are not bright. It may have been tough going there that led the Germans to make a radical change in their plans and strike southward below Kiev at Red armies holding the Black Sea flank.

The German radio has broadcast a claim that Kiev is already encircled. Intimations from Berlin that Hitler has gone to the Ukraine front, southwest of Kiev, bear out his declaration that a turning movement via Bel Tserkov in an attempt to sweep the region between the Dnieper and the Dniester to the Black Sea is in progress. It also serves to argue to widen their boasted gains in the Smolensk area.

The most recent Hitler bulletin told of German advances.

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#### High Flyer Style



This attire adorns RAF flyers to keep them in oxygen when soaring in a Boeing Flying Fortress 30,000 feet over enemy objectives.

#### Nazi Airdrome, Ships bombed In day raids

German night fighter shot down; Industrial towns bombed.

By Pat Usher  
Canadian Press Staff Writer

LONDON, Aug. 7 (CP)—The Royal Air Force bombed a German airdrome at St. Omer, German-held France, German shipping and other targets near Gravelines today in two daylight offensive sweeps that cost Britain 10 fighter planes and the Nazis four, the Air Ministry announced tonight. No bombers were lost.

The day's assaults followed Wednesday night's storm-defying raid on northwestern German industrial centres, during which an R.A.F. bomber shot down a Junkers 88 fighter, described as a Nazi night fighter. The twin-engine Junkers 88 originally was designed as a dive bomber, but the Germans seem to have converted it to a night fighter similar to the British Havoc, also originally a bomber.

(Continued on page 3, Col 4)

#### Reds Savagely Holding On All Battlefronts

Moscow lists material losses for both sides; Says Berlin claims only to bolster failing German morale.

MOSCOW, Aug. 8 (Friday)—(AP)—The German army that overran most of Europe before tackling huge Soviet forces now has lost more than 1,500,000 men to Russia's 600,000, and the Red army still is savagely holding its own on all battlefronts, Soviet authorities announced today.

German official claims that the Russians had lost 895,000 prisoners and many times that figure in dead and wounded were termed "Arabian fairy tales" designed to bolster falling morale within the Reich.

The communique said it was significant that the German people thus far had not been told how many Nazi troops were slain on the plains of Russia.

It set forth this table of material losses for both sides:

Tanks destroyed or captured—German 6,000; Russian 5,000.

Artillery destroyed or captured—German 8,000; Russian 7,000.

Planes destroyed or captured—German 6,000; Russian 4,000.

In Berlin Wednesday the Germans announced that Soviet losses totalled 13,145 tanks, 10,388 guns and 9,082 planes. The Soviets said these figures were "fantastic."

The Russians said their armies still were fighting grimly well out in front of Leningrad, Moscow and Kiev. The sectors named, Kaldsalmi, Kholm, Smolensk and Bel Tserkov, all have been mentioned in previous communiques.

The latest reports said Red troops still held at least part of strategic Smolensk, 230 miles west.

(Continued on page 3, Col 5)

#### Says enemy could Drop 10,000 troops On East U. S. cities

NEW YORK, Aug. 7 (AP)—Lt. Col. George R. Hutchinson, who has been ferrying bombers to Britain for a year, told a rotary club luncheon today that several hundred bombers could cross the ocean in 11 or 12 hours and drop enemy parachute troops on major eastern United States cities.

Having flown the Atlantic several times in both directions, Hutchinson said he was convinced that as many as 10,000 troops could be dropped on strategic eastern airports, which are not protected by barrage balloons, air raid detectors or anti-aircraft batteries.

#### Parliament In Britain Takes recess

By Harold Fair  
Canadian Press Staff Writer

LONDON, Aug. 7 (CP)—Britain's Parliament recessed today for a month to give tolling ministers and members their first long reprieve from legislative duties since Christmas.

Members departed with the knowledge that never had the prestige of the "mother of Parliaments" stood so high. It has been the sounding-board for grievances, for demands that Britain's war effort be accelerated and served as the rostrum for Prime Minister Churchill's most important statements.

Although there has been no official opposition since the Churchill coalition was formed May 12, 1940, criticism nevertheless has been vigorous with such able "watchdogs" as Emmanuel Shinwell, Labor, and Earl Winterton, Conservative, sitting on the opposition side of the House of Commons. Leslie Hore-Belisha, former war secretary.

(Continued on page 3, Col 3)

#### Hint drastic action To keep yards busy

NEW YORK, Aug. 7 (AP)—Hints of drastic government action if necessary to keep shipyards in full production were thrown out by high officials today after walkouts halted work at four yards on the eastern United States coast.

About 25,000 workers were affected by the disputes which involved the Kearny, N. J., yard of the federal shipbuilding and drydock company and three yards operated by Bethlehem Steel—two at Brooklyn and one at Staten Island N.Y.

YOU CAN'T WIN

LONDON, Aug. 7 (CP Cable)—Daily Thomson, American newspaper columnist now visiting Britain, said in a broadcast tonight addressed to the people of Germany: "You can't possibly win this war."

She spoke in London before German women journalists who had been expelled from Germany, and her speech was broadcast to the Third Reich. Miss Thomson, who speaks fluent German, once was expelled from Germany.



TORONTO, Aug. 7—Minimum and maximum temperatures:

Dawson	42	64
Victoria	57	82
Edmonton	51	75
Regina	51	79
Winnipeg	56	82
Toronto	56	84
Ottawa	52	87
Montreal	52	87
Boston	64	87

BOSTON, Aug. 7 (AP)—Forecast for Northern New England Fair south, considerable cloudiness in the north, followed by showers and scattered thunderstorms in the afternoon or night; continued warm Friday, Saturday, fair and slightly cooler.

Synopsis: Showers have occurred in Northern Ontario, while in southern and eastern Ontario and the western provinces the weather has been fair.

High tide tonight at 12:00 and tomorrow noon at 12:06.

Sun sets this evening at 7:18 and rises tomorrow morning at 4:54.

Summer tide—eighteen minutes later than Charlottetown.

BORDEN — CAPE TORMENTINE SERVICE

(Standard Time)

Leave Borden 6:45 A.M. 9:35 A.M. 1:00 P.M. 4:45 P.M. 7:30 P.M.

Leave Cape Tormentine 8:00 A.M. 11:00 A.M. 3:15 P.M. 6:30 P.M. 8:40 P.M.

SUNDAY SERVICE

Leave Borden 9:00 A.M. 12:00 noon. 4:45 P.M. 7:00 P.M.

Leave Cape Tormentine 10:05 A.M. 3:30 P.M. 5:30 P.M. 8:10 P.M.

WOOD ISLANDS FERRY

Leaves Wood Islands 7:00 A.M. 11:00 A.M. 3:00 P.M.

Leaves Cape Tormentine 9:00 A.M. 1:00 P.M. 5:00 P.M.

#### Coming Events

- Wanted to buy Chicken, Fowl and Cold Storage L-219-7-9-7
- August 18th, Tea Party at West Point Hall. L-186-8-8-9-12-14-16
- Ice Cream and Dance in Inna Hall, Friday. L-134-8-8-8
- August 19th Tea Party at Brae. It not like following day. L-186-8-8-9-12-14-16
- Charlottetown Girls Band Cake Sale, Rogers Hardware, Saturday, August 9th. L-189-8-8-8
- Wanted to buy—Bologna Cattle Sheep and Veal Calves, all grades. Please write for prices. Island Cold Storage Co., Ltd.