

Lightheartedness is at its best
the gay companion of innocence.

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Covers Prince Edward Island Like the Dew

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It is a comely fashion to be glad:
joy is the grace we say to God.

REBEL ATTACK BY LAND AND AIR REPULSED

REBEL WARSHIP CAPTURES BRITISH CRAFT

Fierce Aerial Combat Is Waged West Of Madrid

18 Insurgent Planes And Four Government Craft Shot-down — Franco Forces Mass On Cebreros Sector.

BY MARCEL GULLERIT

(Copyright, 1937, By The Havas News Agency)
MADRID, July 18.—(CP-Havas)—Insurgent and Government planes engaged today in one of the greatest aerial combats in history in the mountainous Brunete sector about 15 miles west of Madrid, coincident with a tremendous insurgent land attack in the same sector.

Battling on the ground lasted all afternoon. Above the field of battle 100 insurgent planes and 60 Government craft took part in the aerial combat. The Insurgent squadrons were engaged in bombing Government trenches where they encountered the strong force of Government planes.

The "dog-fight" lasted an hour. The Government said 18 Insurgent planes and four defending craft were shot down in the fight.

Attack Halted

The land attack was finally stopped by Government guns and the Government announced, the Insurgents were hauled back with an estimated loss of 1,000 dead.

The Brunete land and air battle was believed to be the beginning of an Insurgent counter-drive of the Government offensive which was aimed at clearing the Madrid sector of Insurgent troops.

It was apparently timed to coincide with the first anniversary of the Spanish war.

For the past few days Government flyers have noted long Insurgent convoys of war materials on the Avila-Cebreros road and important troop reinforcements moving into the Cebreros sector.

According to later information available here the troops are concentrating near Brunete and Quiljorna, west of Madrid. Insurgent forces in the sector west and northwest of this capital were estimated at 150,000.

While the Brunete fight was underway an intense Insurgent artillery barrage was noted in the Guadalupe sector, where the rebels are trying to encircle the Government forces at Valderoso de Las Monjas. Government batteries dispersed the attackers it was reported.

Get Money Back By Prosecution

(By The Canadian Press)

NEW YORK, July 18.—Restoration of \$25,768.70 in cash and securities to hundreds of investors victimized in stock swindles was effected by the New York City Bureau of Securities during 1937, according to John J. Bennett, Jr., Attorney General.

The figure for recoveries, which set a new record, was accompanied by an increase of more than 70 per cent in the number of successful prosecutions by the bureau.

A simultaneous decline in civil suits resulting in injunctions, Bennett said, showed that "share pushers" now resort to larceny rather than mere deception and fraud, attempting to induce prospects to hand over good securities and cash.

The fake stock salesman, he said, is finding it more difficult to deceive the investing public which has become wary of alluring pamphlets.

Dr. Piccard sent a brief telegram to his wife at Rochester, Minn., which read: "Landed safely Lansing Iowa. Balloon under perfect control. All equipment burned up." Then he went to a hotel here and could not be reached immediately for a statement on what caused the fire and on whether he considered the flight a success.

He rose into the air from Rochester at 12:08 A. M. lifted by clusters of 80 latex balloons, each four feet in diameter, which he said he hoped would prove more practical for stratosphere exploration than a single large balloon.

It was his intention to remain in the air for about seven hours, or until daybreak.

New Agreement In Sino-Jap Crisis

China Accepts Japanese Demands In Step Towards Peaceful Settlement Of Dispute

TIENSIN, July 18.—(AP)—Japanese officials said today the ranking Chinese official in the north had accepted verbally the principal demands for a settlement of the far eastern crisis.

Both sides indicated an agreement on immediate issues, constituting a new armistice, had been reached.

Authorities agreed, however, that with reinforcements still arriving for the large Japanese force in this area and with the Chinese Government at Nanking announcing refusal to approve any local settlement, danger of conflict still persisted.

General Sung Cheh-Yuan, chairman of the Heph-Chahar political council and commander of the 29th Army which garrisons the Peiping-Tientsin district, called on Lieut.-General Kiyoshi Katsuki, Japanese commander, at the Japanese Military Club.

General Sung was accompanied by General Chang Tze-Chung, Mayor of Tientsin and commander of the 38th division, a unit of the 29th Army. With General Katsuki was Mayor-General Gun Hashimoto, his chief of staff.

Formal Apology

The Japanese asserted the Chinese Commander offered formal apology for the "Lukochiao incident", the clash between Japanese troops and part of the Chinese 29th Army west of Peiping the night of July 7 which gave rise to the Sino-Japanese crisis.

General Sung refused to sign anything but the Japanese said they accepted his oral assurances his 29th Army would evacuate the area west of Peiping where the trouble started. He also promised, according to the Japanese, he would dismiss several officers below the rank of regimental commander and declared suppression of anti-Japanese movements and of Communism continued to be his settled policy.

These statements were accepted at meeting Japan's four demands, evacuation, punishment, suppression of anti-Japanese movements and cooperation with Japan in fighting Communism.

The conference entrusted General Hashimoto and Chang with arranging for execution of details. General Katsuki informed the Chinese that Japanese troops would remain in the area between Peiping and the Yungting River until the Chinese fulfilled all conditions of the agreement.

Also, he said, they would stay until the Nanking Government withdraws all elements of the Central Army from Heph Province.

Trains for Shanhaikwan, on the Manchurian border, brought to Tientsin the second large Japanese troops contingent of the movement into North China. More trains were expected tonight.

Japanese authorities indicated their total reinforcements, including those already arrived, would be about 12,000 officers and men, to be added to the 7,000 in the Peiping-Tientsin region before the crisis arose.

The cars apparently met head-on and were badly damaged. One caught fire after the impact. Bell was taken from the wreck dead. Tony Baker was dead when an ambulance brought him to hospital, while the other two died during the night.

Blood transfusions are being given Mrs. Bayer in an effort to save her life.

UNEMPLOYMENT AT LOW EBB

WASHINGTON, July 18.—(AP)—Francis Perkins, United States Labor Secretary said today that registered unemployment was at the lowest in the history of the United States employment service last month and that private placement of workers was the second highest of record. She said 224,692 private jobs had been filled by the service in June.

WASHINGTON, July 18.—(AP)—The first two coaches were tele-scoped and buried beneath the wreckage of the two behind them. Europeans were in the rear two coaches which did not derail. Uninjured, they gave first aid to the injured natives.

Railway officials investigated the possibility of sabotage or a roadbed weakened by a monsoon as the cause of the Patna disaster. Several attempts had been made recently, an official said to wreck Delhi-Calcutta trains.

First unofficial estimates said the number of deaths might reach 300.

A railroad official described the scene as "like any battlefield". The first two coaches were tele-scoped and buried beneath the wreckage of the two behind them.

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HUGE BRITISH AIR PROGRAM WELL ADVANCED

Factories Working Overtime to Supply Modern Defence Requirements—New Ships Developed.

BY EDWIN S. JOHNSON
Canadian Press Staff Writer

LONDON, July 18.—Great Britain, for generations dependent on naval might for the defence of her shores and protection of the Empire's trade lanes, is emerging from the present phase of her gigantic re-armament program with another powerful protective arm—an air force comparing favorably with that of any other power in the world.

Established aviation firms and "shadow" factories throughout the United Kingdom have been working overtime since the defensive program was launched, turning out aircraft of every type, accessories and equipment. Mass production in the ordinary sense of the term cannot be attained in modern airplane production, as the rapid progress of the art defies standardization. Methods, however, have been devised making rapid "quantity" production possible with the result that output is climbing day by day.

Lead During War

During the war Great Britain was in the van of aircraft construction, performance and research. But tremendous strides have been made in the past 20 years. Today, some of the craft that performed so efficiently during the war are classified as "crates" compared with the latest models.

One expert has said that to liken the service planes of the last war to the modern military craft would be tantamount to comparing the present-day cruiser to the wooden man-of-war in the battles of more than 100 years ago.

Only a few weeks ago Britain paraded a portion of her air might before thousands of spectators at Hendon Airfield. Machines of every size and type were put through daring evolutions, inverted flying in close formation, mass parachute descents, mock air-duelling and bombing by means of latest devices.

Large Air Fleet

The supreme moment of the pageant, however, was the appearance of the largest formation ever assembled in the United Kingdom—250 airplanes which spread over half a square mile of sky, flying the air with the thunder of 200,000 horsepower.

The spectators had seen enough to realize that Britain was a real power in the air and ready for any eventualities. But what they saw in action was only a foretaste of what they may be shown in a year or so, for in a small enclosure on the field, guarded by aircrewmen with fixed bayonets, were a few of the latest air force wonder craft, examination of which at close range was denied to all except a chosen few.

The Air Ministry, however, has lifted partially the veil of secrecy concerning the performances and armaments of these machines. Two are medium bombers, the Fairy Battle and the Bristol Blenheim, and two others heavy bombers, the Handley Page Harrow and the

Hundreds Welcome Craft

Hundreds gathered on Point du Chene wharf to see the Clipper land for the second time in a fortnight on Shediac Bay. Two weeks previously Captain Gray had manoeuvred his craft down to reef here before the eastward passage.

The gleaming silver flying boat roared over the bay shortly before noon yesterday. It circled once, then settled down on the water like a great bird, its sharp prow throwing up white spray. Spectators cheered as it taxied to the floats

(Continued on page 7, Col 5)

Filling Station Proprietor Shot

NORTH BAY, Ont., July 18.—(CP)—Ernest Colson, proprietor of a filling station and refreshment booth half a mile north of Powassan, was shot and wounded when he resisted two holdup men who robbed him of between \$40 and \$50 shortly before midnight last night.

Colson was shot through the fleshy part of his left leg when he slammed the refreshment booth door in the faces of two masked men who accosted him as he was closing his place of business for the night. He is not seriously injured.

(Continued on page 7, Col 5)

Will Salvage Hulks Of Grounded Ships

HALIFAX, July 18.—(CP)—Hulks of the Norwegian freighters Aranda and Gaard, which ran aground on reefs off Cape Breton Island July 1 and 15 respectively, will be salvaged for their metal content, it was learned here tonight.

Fatal Highway Accident In Cape Breton

(By The Canadian Press)
SYDNEY, N. S., July 18.—One man was killed and five other persons injured today when an automobile and a heavy truck collided on the main highway between here and Port Hawkesbury at Reid's Islands, about 45 miles from Sydney.

The death of Daniel Campbell, 30-year-old resident of Reid Islands, marked the first automobile fatality in Cape Breton this summer. He was killed instantly in the crash which demolished both machines.

George Oram, operator of the truck in which Campbell was driving, was held tonight by Royal Canadian Mounted Police without charge pending the outcome of a coroner's inquest.

The five injured, including two women, were not hurt seriously. Four of them were occupants of the automobile, driven by John Bisson, Jr., of New Waterford.

CLIPPER SHIP ARRIVES AT HOME BASE

Air Pioneers of Transatlantic Route are Given Reception At Shediac.

PORT WASHINGTON, N. Y., July 18.—(AP)—Pan American Airways Transatlantic Clipper plane landed here at 2:21 P. M. ADT today, five hours and 15 minutes after taking off from Shediac, N. B., on the last leg of a 7,000-mile round trip experimental transatlantic flight.

The 600-mile trip was made by Commander Harold Gray, a crew of six, and airline executive Gray commented that while the test had been entirely satisfactory, feasibility of regular transatlantic service would be ascertained only by additional test flights over the same and other routes.

HISTORICAL MILESTONE

SHEDIAC, N. B., July 18.—Complimenting a round trip across the Atlantic which the head of Canada's air services termed one of the most important milestones in the history of aviation, Pan-American Airways Clipper III put down yesterday on the blue waters of Shediac Bay.

"You are present," Commander C. P. Edwards, chief of the air service division of the Federal Department of Transport, told guests at a luncheon in honor of Clipper Captain Harold Gray and his fellow officers, "at an historic event to be treasured over years to come."

"The remarkable thing about the whole flight is that it was on schedule. There was absolute assurance that the plane would arrive on the minute. Everybody knew it would be here at the stated time, and it was. There was never any doubt. It is significant that commercial aviation has reached this stage."

The big ship flew to Port Washington, N. Y., today.

(Continued on page 7, Col 5)

Piccard Uninjured As Fire Damages Craft On Test Flight

LANSING, Iowa, July 18.—(AP)—Dr. Jean Piccard's initial ascension in his multi-balloon aircraft ended precariously today on a hillside about eight miles from this Mississippi river town.

The Swiss-born Scientist, experimenting for an excursion into the stratosphere, fought a fire in bringing his novel craft to earth at 6 A. M.

Ropes and shrouds were burned away. The padding inside the gondola was partially burned; an Associated Press photographer who reached the scene of the landing reported several holes appeared to have been melted through the gondola.

(Continued on page 7, Col 5)

Busy Week In Ottawa Looms

Prime Minister to Broadcast Tonight — R. B. Bennett en-route Home.

OTTAWA, July 18.—With at least three cabinet meetings tentatively scheduled for this week, a half-hour broadcast address by Prime Minister King tomorrow night, and Opposition Leader R. B. Bennett returning home with an important announcement to his followers, this week promises much of interest from a Government and political standpoint.

Mr. Mackenzie King will give, in his radio talk, his considered views so far as he is free to confide in the public at this time, of political and economic studies he made during his visit abroad.

It is also possible the Prime Minister will touch upon some of the political events at home during his absence, including the provincial elections in British Columbia and Nova Scotia, and the recent pronouncements of Premier Heppburn of Ontario respecting his attitude toward the Mackenzie King Government of which he was once a prominent supporter.

Mr. Bennett has been concerned

(Continued on page 7, Col 2)

LARGE SEIZURE OF LIQUOR AT TRACADIE

Mounted Police made one of the largest seizures of liquor ever to take place on the Island early Sunday morning when 170 5-gallon kegs of rum were discovered in the sand hills at Tracadie. The liquor is valued at \$3,400 at the ship's side.

Although no direct evidence as to the ownership of the liquor is known as yet the police nevertheless are investigating the matter further.

R. A. F. PILOT KILLED

BETCHWORTH, Surrey, July 18 (CP-Havas)—A Royal Air Force pilot was killed today when his plane crashed into a house at Peblecombe Hill here. A resident of the house was injured.

COMING EVENTS

*Rustico Tea Party, August 4th. L-430-7-17-31.

*Reserve Wednesday, August 11 for Cavendish Tea. L-2185-Mwfff.

*Come to the Belfast Y. P. S. play in Bella Hall, Wednesday, July 21st. L-480-7-19-21.

*Dance in Forest Hill Hall Wednesday, July 21st. Webster's Orchestra. L-478.

*Haymaker's Dance at Hunter River, Tuesday July 20. Transfer leaves Sunnyside 8 o'clock. L-469-7-17-31.

*Borden Line Club loading hogs, lambs, calves every Wednesday at Albany. Hours 12-2. L-2091-10-M T W Tt.

*Barn Dance at George MacMillan's, Blacksmith, Covehead, Wednesday, July 21st. Admission 5 cents. L-473-7-19-21.

*All persons in arrears to the Mr. Stewart School are requested to pay same before August 1st, 1937. By order of Trustees, R. S. Pat. Secretary. L-447-7-17-21.

*See Borden players at Afton Hall Tuesday July 20. Part proceeds A. T. League. Auspices Fairview Women's Institute. L-468-7-17-31.

*Hog and lamb prices are going up. Don't sell in the dark. List with your Club Secretary and let us do our selling. Then you are safe. Livestock Marketing Board. L-460-7-17-21.

*Elmwood's Mammoth Ice cream festival will provide you with a real good time. Come and enjoy the dancing on a perfect carpet. Refreshment booth and the usual side attractions. Elmwood Tuesday, July 20. L-460-7-17-21.

*Old-fashioned Tea Party and Races at Murray Harbour on Wednesday, July 21st. Games, horse-racing, etc. Supper served on grounds. Dancing in evening. Monique Band in attendance. If not come the following fine day. L-432-7-17-31.

*Robt. Brehaut, Kinross will look hogs to Uigg Station on Tuesday afternoon, July 20th at moderate rates for farmers requiring this service. Telephone W. D. Secretary or send word to Bert. Livestock Marketing Board. L-460-7-17-21.

*Kensington Shipping Club please remember that Harry Hildebrand, New London will truck hogs to loading point at a moderate rate. Get him on phone or call John R. Sharpe, Secretary. Ship cooperatively for better prices. Livestock Marketing Board. L-460-7-17-21.

*Maritime hog prices are entirely out of line with Montreal Toronto values. There is only one remedy and it is in the hog dealers hands. List your hogs in the local club secretary to be arranged through shipments to Montreal. It is easy. Your part is to attend to the rest. Livestock Marketing Board. L-460-7-17-21.

107 Killed, And 65 Injured In India Railway Disaster

PATNA, India, July 18.—(AP)—Death list in the wreck of the Calcutta Express reached 107 persons today as authorities continued their investigation of one of the worst rail disasters in India's history.

The dead include six women and one child. Sixty-five persons were injured. The engine and seven coaches of the express left the rails and plunged over an embankment 15 miles from Patna yesterday.

Relief workers recovered the bodies and pushed ahead with a search of the first two coaches where it was feared more bodies may be found.

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BUSY WEEK IN OTTAWA LOOMS

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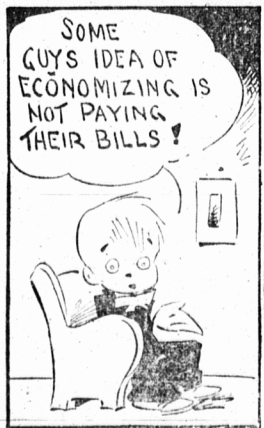
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(Continued on page 7, Col 2)



(By The Canadian Press)
TORONTO, Ont., July 18.—Minimum and maximum temperatures

Victoria	62 68
Edmonton	56 66
Regina	59 65
Winnipeg	52 60
Toronto	60 65
Ottawa	59 78
Montreal	60 78
Quebec	58 76
St. John	58 76
Halifax	60 80
Charlottetown	64 70

Forecast: Maritime Provinces: — Moderately northerly winds; partly cloudy with stationary or somewhat low temperature.

High tide this morning at 6:2 and tonight at 8:30.

Sun sets this evening at 7:41 and rises tomorrow morning at 4:31.

Full moon Thursday July 23, 7 A. M. Summerside 18 minutes later than Charlottetown.