

We judge ourselves by what we feel capable of doing, while others judge us by what we have already done.

Great men are they who see that spiritual is stronger than any material force, that thoughts rule the world.

Covers Prince Edward Island Like the Dew

CHARLOTTETOWN, CANADA, MONDAY, JANUARY 4, 1937

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NAZIS TRUCE OFFER REJECTED BY SPAIN

ITALY AGREES TO KEEP "HANDS OFF" POLICY

ANGLO-ITALIAN PACT SIGNED

Rights and Interests of Powers in Mediterranean to be Protected.

LONDON, Jan. 3.—Britain asked and won an Italian guarantee to keep "hands off" Spanish territory before signing the Anglo-Italian Mediterranean treaty...

So far as Italy is concerned the integrity of the present territories of Spain shall in all circumstances remain intact and unmodified.

Recognized freedom of navigation on the sea is of vital interest to both nations.

Disclaimed any desire to modify present sovereignty in the Mediterranean.

Aimed that the pact "is not directed against any other power."

His Majesty's Government of the United Kingdom and the Italian Government:

Recognize the freedom of entry into, exit from and transit through the Mediterranean is of vital interest both to different parts of the British Empire and Italy and that these interests are in no way inconsistent with each other.

Disclaim any desire to modify, or so far as they are concerned to see modified, the status quo as regards national sovereignty of territory in the Mediterranean area.

Undertake to respect each other's rights and interests in said area; agree to use their best endeavors to discourage any activities liable to impair the good relations which it is the object of the present declaration to consolidate.

This declaration is designed to further the ends of peace and is not directed against any other power.

Supreme Knight Of K. Of C. Dies

PHILADELPHIA, Jan. 3.—(AP)—James A. Flaherty, Supreme Knight of the Knights of Columbus from 1909 to 1927 when he declined reelection, died of pneumonia Saturday night at the age of 88.

One of the most widely known United States laymen in the Catholic Church, Flaherty gained international recognition for his services during the Great War. He was decorated with the distinguished service medal by the United States Government in addition to receiving numerous honors from the Vatican and several foreign countries, including France, Belgium and Sweden.

Flaherty, a practicing attorney for 62 years, is survived by two sons, one of whom James, Jr., is a student at the Maryknoll Novitiate, Bedford, Mass., a daughter, and two sisters.

REBELS ACTIVE AROUND MADRID

Fascists Renew Shelling as Defenders Plan Offensive.

By JAMES OLDFIELD Associated Press Foreign Staff MADRID, Jan. 3.—(AP)—Shrapnel and artillery shells dropped into the centre of Madrid today in a new burst of military activity that sent citizens to cover.

Throughout the morning there was an artillery duel at Villa Verde on the Western Front. Fascist planes flew over the city to reconnoitre but dropped no bombs.

Preparations were pushed for a vigorous offensive against the Fascist besiegers outside Madrid, to be led by international volunteer troops, but the centre of fighting continued to be on the southern front near Cordoba.

Guerrilla skirmishes continued in the northern Guadajara sector, 60 miles from the capital. Madrid military leaders reported steady advances there and were confident insurgents would be unable to push through to Madrid from that area.

A new order to militarize all workers in war industries in an effort to speed mechanization of a nation largely agricultural brought endorsement from Madrid newspapers.

The Madrid Food Commission brought in 21 trucks of food supplies, chiefly cocoa and tomatoes, and ordered a rigid centralization of newspaper distribution system.

News papers published letters between Jose Alcala Castillo, son of the former President and Jose Diaz, secretary of the Communist Party, which indicated Castillo had been admitted to the Valencia cabinet. The letters did not make clear to what post he aspired.

PLUNGES TO DEATH

CARAQUET, N. B., Jan. 3.—Edmond B. Morais, 38-year-old fisherman, fell to death from a 50-foot cliff here before the horrified gaze of his son, aged 14.

Morais is survived by his wife, parents and nine children.

Crew Escape When Vessel Founders Near Shelburne

(C.P. by Guardian's Special Wire) SHELBURNE, N.S., Jan. 3.—Captain Alonzo Dery and his crew of six were safe in Cape Roseway lighthouse near here tonight after escaping from the sinking auxiliary schooner Good Luck.

The vessel ran aground late last night on rocks two miles east of the lighthouse situated on McNutt's Island at the mouth of Shelburne harbor.

Running to shelter before a strong easterly wind, the Good Luck struck a shoal and swiftly pounded to pieces. She sank five minutes after the crew abandoned her in small boats and headed for Cape Roseway light which shone in the distance.

THREE KILLED IN QUEBEC TRAIN CRASH

Passenger Train Ploughs Into Rear Of a Freight Near St. Hyacinthe.

ST. HYACINTHE, Que., Jan. 3.—(CP)—Looming suddenly out of a hail and snow storm which made visibility impossible, Canadian National Railway passenger train ploughed into the rear of an extra freight near here last night, killing three trainmen and injuring a number of passengers, none seriously.

The dead: W. H. Carvell of Montreal, engineer of the passenger train. J. E. Brady of Richmond, Que., conductor of the freight train. F. Cheney of Richmond, freight train brakeman.

The caboose, in which the conductor and brakeman were riding, was demolished as the big locomotive overtook the freight at St. Rosalie, three miles out of St. Hyacinthe, 40 miles east of Montreal. The three men were crushed to death, Brady and Cheney in the debris of the wooden car.

Railway authorities immediately ordered an investigation into the crash which occurred at the height of a storm that swept Eastern Quebec. Officials said a number of passengers had been bruised and shaken but none required hospital attention. All were taken to Montreal as rescue crews were called to the scene.

In the wreckage they found the bodies of the trainmen, all veteran employees of the line.

All cars of the passenger train, bound for Montreal with many persons returning from the New Year's holidays, remained upright and railway officials said bruises apparently were the most serious injuries suffered by the occupants.

Coroner Dr. C. E. L. Auger of St. Hyacinthe said he had received no details of the crash. No inquest, he said, will be held tomorrow morning.

ONE KILLED IN AUTO PLUNGE

PERTH, N. B., Jan. 3.—Victim of a highway accident Friday night, Garfield McLaughlin, 25, was buried here today. He was a son of the late Effie McLaughlin and Eldon McLaughlin, Charlestown, Mass.

McLaughlin, born at Perth and a resident of this place for most of his life, was driving a car owned by Harry J. Mallory. The latter and Charles C. Palmer were riding in the back seat.

The driver lost control of the car on the icy highway near here when he caught his hand in attempting to close a door. The vehicle plunged over a 40-foot embankment, overturned twice and landed right side up.

His neck broken, McLaughlin was killed instantly. Palmer lost consciousness but later managed to reach a nearby residence and obtain assistance. He suffered head and face cuts and internal injuries. The wreckage had to be moved to free Mallory but he escaped with minor injuries.

Some days later when the men-folk of Lockport had returned with their catch, and the tale had been recounted around the hearth in each cozy little home, many a bearded face glowed with pride for the courage of their women.

Was Native Of This Province

NEW GLASGOW, N.S., Jan. 3.—(CP)—John S. Jenkins, a native of Alberton, P.E.I., died here today after a short illness. He was 77.

Mr. Jenkins came to New Glasgow in 1887 and opened a grocery business, retiring several years ago. He was an honorary member of the Bluenose Curling Club and an active member of the Abercrombie Golf Club. He had served as a member of the town council.

Surviving are one son, Harry S. and a daughter, Mrs. Isaac Moeller, both of this county; two sisters Mrs. Sadie Lane, Charlottetown; Mrs. Lena MacLean, Alberton; one brother, Benjamin, also of Alberton.

LOCKPORT, N. S., Jan. 2.—(CP)—When tales are told of the courage of women in war-torn Spain, residents of this Shelburne County town recall the deed of Paddy Locke, who in 1780 saved the town from the ravages of American privateers.

It was early autumn. The hardy men-folk of Lockport, known then as Ragged Island, were away fishing on the banks while their wives and daughters were busily engaged at home getting in the season's crop of hay.

Teeny Locke's wife, Paddy, pausing for a moment's rest from her work, gazed absently out over the sparkling ocean. Suddenly she tensed as she sighted a ship at anchor some distance off shore, and recognized it as an American privateer. Even as she looked the privateers were embarking in their boats to come ashore and pillage.

Bandits Escape With \$40,000 Loot

NEW YORK, Jan. 3.—Eight men, two of them armed with sub-machine guns, held up 30 clerks and 60 customers of Barney's Clothes Inc., at 7th Ave. and 17th Street Saturday night and within eight minutes fled with money and jewelry totalling \$40,000.

Half an hour after police started their investigation they found the body of one thief, 29 year old Fred Dunn, in a rooming house, a single bullet through his heart. Authorities said he apparently had been killed in a quarrel over division of the spoils.

Scattered about the room were envelopes containing cheques made out to Barney's and \$200 in silver. The loot included jewels and money taken from customers and clerks, between \$20,000 and \$25,000 cash taken from a safe, and a payroll of more than \$2,000.

OUTWITTED AMERICAN PRIVATEERS

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Dropping her rake, Paddy ran to her house, grasped a musket, and then rushed through the village spreading the alarm to the rest of the women. She led them back to her house after telling them to bring muskets and any articles of red clothing they might have about their homes.

Then Paddy set them to work making dummies clothing in red, with rusty muskets and bean poles strapped to their backs.

These they placed in conspicuous places near the shore in full view of the privateers.

As the sailors neared the shore they noticed the red-coated figures, and taking them for British sentries, stopped to confer.

In the meantime Paddy and her amazons had hurried back to the house and donned more red clothing. Then, led by Paddy beating on an old drum, they marched down the hill in some sort of formation, firing their muskets in the air.

Startled at this show of apparent power, the privateers turned their boats around and rowed rapidly back to their ship. They hoisted anchor and quitted the vicinity with all possible haste, relieved they had not attacked their stronghold so plentifully garrisoned by British redcoats.

Some days later when the men-folk of Lockport had returned with their catch, and the tale had been recounted around the hearth in each cozy little home, many a bearded face glowed with pride for the courage of their women.

OF PONTIFF CONDITION UNCHANGED

Receives Cardinal Dougherty, Papal Legate to the International Eucharistic Congress.

By ANDRE BERDING Associated Press Foreign Staff VATICAN CITY, Jan. 3.—(AP)—After a night of fitful sleep, much troubled by pain in his legs, Pope Pius had himself propped in bed this morning with pillows and talked for half an hour with Dennis Cardinal Dougherty of Philadelphia. Papal Legate to the International Eucharistic Congress.

The gravely-ill Pontiff's condition was "unchanged," Vatican prelates said. He gave his special blessing to the Cardinal, who is leaving shortly for Manila, and bade him Godspeed.

A sedative was administered to His Holiness to relieve a sudden attack of pain just before dawn, reliable informants said. The recent days of suffering have reduced somewhat his resistance, Vatican sources asserted.

KIDNAPPED BOY MISSING WEEK

Federal Manhunters Seek Clue to Mattson Abduction.

(A. P. by Guardian's Special Wire) TACOMA, Wash., Jan. 3.—A large but well-concealed body of federal manhunters "moved in" formally on the Charles Mattson kidnapping case tonight.

Various sources disagreed as to whether a contact had been made with the abductor. The family clung to its deep silence.

It appeared Tacoma and its environs had been "packed" with federal agents. Garages reported a heavy increase in the number of Federal Bureau of Investigation automobiles. Scores of persons reported their private wires had been tapped.

There was no direct information on the number of Federal men in the case, although during mid-week 40 or more were reported on the job. The sudden increase became noticeable last night.

Federal authorities laid claim to jurisdiction with the passing of the seventh 24-hour period since the swarthy, bearded man smashed his way into the Mattson home with his pistol butt, carried off 10-year-old Charles and left a \$28,000 ransom demand.

The seven-day interval ended at 8:45 o'clock tonight.

The Federal "Lindbergh Law" presumes a kidnapper has crossed a state line with his victim unless the victim is returned within seven days, thus giving the Government jurisdiction. The law prescribes the death penalty in cases where the victim is harmed.

Friends said Dr. W. W. Mattson and his family were "calm." Mrs. Mattson, however, was showing the strain, they said.

Several sources of information insisted there had been no contact with the abductor. Others disputed this, but none of the informants would talk for publication.

Tacoma police still held a 33-year-old former convict whom they picked up Friday night when he attempted to sell a cameo ring. The man's appearance tallied in some respects with the official description of the abductor, but police made no open move toward clearing up that angle.

Urges Support Of Anti-Soviet Policy

BERLIN, Jan. 3.—(AP)—German Catholics were urged to support Reichsfuehrer Hitler in his battle against Bolshevism in a pastoral letter read today from pulpits throughout the nation.

All German Bishops signed the letter, in which they said they "regard it as their duty to support with all means at their disposal the head of the German Reich in his defensive struggle."

"We Catholics," the letter said, "know that if Moscow's armies should—which God forbid—carry the Red flag victoriously through central and western Europe, everything would be transformed into ruin and churchly life also would be plunged into chaos and destruction."

The triumph of Bolshevism would strike the Church equally with the present-day state—indeed, it would wreak havoc first and most ferociously against the Church.

Red Troops Unite In Northern China

(A. P. by Guardian's Special Wire) NANKING, China, Jan. 3.—Chinese Communist troops, 100,000 strong, are effecting unification as a formidable fighting power, authoritative reports reaching here disclosed today.

The Communists, who gave support to Marshal Chang Hsueh-Liang in the recent Shensi Province revolt, have achieved a stable organization and are allied more closely than at any time in the past three years, North China advisers revealed.

The Communists, who until a few months ago were scattered in small and comparatively feeble bands throughout the western and northwestern areas, now occupy 40 counties in Kansu Province alone, with large districts also in the adjacent provinces of Shensi, Ninghsia and Suiyuan.

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Two Children Lose Lives In New Year's Eve Fire

(C. P. by Guardian's Special Wire) NEW LISKEARD, Ont., Jan. 3.—Word reached here today of the death of two small children in a fire which New Year's eve destroyed the home of their parents, Mr. and Mrs. Ferdinand Tourigny in Brethour township, small isolated community 18 miles northeast of here and near the Quebec border.

The children were Maurice, aged two, and Philippe, 12 months.

According to meagre details available here, Mrs. Tourigny and her two children had retired for the night while Tourigny and a hired man were in a garage nearby making repairs to an automobile. The mother was awakened by the smell of smoke and seeing the house afire

she ran outside calling for help. Tourigny and the hired man responded. They attempted to enter the house but were forced back by the flames. Mrs. Tourigny was badly burned as she escaped from the blazing home and was taken to a neighbor's home, half a mile distant, where aid was secured.

A few hours after the fire started Tourigny assisted by neighbors entered the charred remains of his home and brought out the burned bodies of his two children. Coroner Dr. J. A. McCullough, New Liskeard, has ordered an inquest while it is expected that provincial police will investigate the fire, believed to have started from a spark from the stove.

Marine Incidents Heighten Tension In Civil Strife

Germany Offers To Cease Attacks On Socialist Ships For Return Of Cargo And Passenger.

(By The Canadian Press) Uneasy Europe today viewed the possibility the Spanish civil war might spread outside of that country following German-Spanish maritime incidents.

Encouragement of hopes that Europe at large would not become entangled, however, came with the signing of an Anglo-Italian Mediterranean agreement which was accompanied by an Italian pledge to keep "hands off" Spanish territory.

Highlights of the situation were: LONDON—Coincident with publication of the new Anglo-Italian treaty it was disclosed Italy had assured Britain that "so far as Italy is concerned the integrity of the present territories of Spain shall in all circumstances remain intact and unmodified."

The Admiralty confirmed that the British freighter Blackhill was fired on by insurgent Spanish warcraft on New Year's day. It was indicated the freighter was not hit. She escaped to Santander, Spain.

The Bishop of Winchester, preaching in Westminster Abbey, seemed to many to have summarized the state of Europe's alarm in saying "the world is like a gunpowder magazine in which lunatics walk with flaming torches."

BAYONNE, France.—The Basque Government officially announced the execution Nov. 11 of Lothar Guedde, 19-year-old German, for leading a group of insurgent volunteers in the civil war. Indignation was expressed in Berlin's official circles.

BERLIN—Germany offered to release the captured Spanish freighter Aragon and cease attacks against Spanish (Socialist) Government ships upon release by Basque authorities of cargo and a passenger of the German freighter Palos.

PARIS—Both the Valencia (Spanish) Government and the Basque administration at Bilbao, announced through representatives they flatly refused the German offer and were determined to answer with shells any new attack on their shipping.

MADRID—Several pedestrians were wounded by insurgent shells. Fascists asserted they had captured Abejuncar and now dominated the highway between Cordoba and Valenzuela in the Cordoba sector.

(By Robert B. Parker, Jr.) (Associated Press Foreign Staff) PARIS, Jan. 3.—The Spanish government refused flatly today a German offer to cease firing on its ships in return for restitution of cargo and passenger of the German freighter Palos.

The autonomous Basque government of Bilbao also declined the truce, and announced its determination to return fire against any ship interfering with Spanish merchantmen.

The Valencia government has no intention even of sending a reply to the German note addressed to it by the commander of the German cruiser Koenigsberg, the Spanish Embassy in Paris announced. Basque representatives in Paris said their government would have "nothing to do with such an offer."

Representatives of both Bilbao and Valencia conceded they assumed the German threat of continued attacks against Spanish Socialist ships still held good.

British Ship Underfire Reports reaching here today said Spanish insurgent trawlers had fired on the British merchant-

man Blackhill and seized the Soviet ship Postyshev.

Meantime, France was without detailed information on the reported shelling Saturday of a French vessel by an insurgent warship off the Bay of Biscay.

The Bilbao Basques announced they were determined to stand their ground against seizure of vessels by German warships and carry out their order that shell fire will answer any new attack, such as the shelling of the Spanish freighter Solon and capture of the freighter Aragon.

The offer to suspend retaliatory measures if the Basques would surrender the passenger and cargo of the Palos, itself a ready release, was sent by wireless to the Valencia government by the commander of the German fleet in Spanish waters, the Spanish Embassy announced.

Would Release Ship Germany offered also to give up the Spanish steamer Aragon seized Jan. 1.

"All further measures of retaliation will be suspended," a wireless message from the cruiser Koenigsberg announced if the German demands are granted.

Spanish Socialist circles in Paris (Continued on page 3)



Table with 2 columns: City and Minimum temperature. Includes Toronto, Dawson, Victoria, Edmonton, Regina, Winnipeg, Toronto, Ottawa, Montreal, Quebec, Saint John, Halifax, Charlottetown.

FORECAST

Maritime East: Strong westerly winds of moderate gales; partly cloudy with somewhat lower temperature.

High tide this afternoon at 3.43 and tomorrow morning at 4.18. Sun sets this afternoon at 4.32 and rises tomorrow morning at 7.38.

Last quarter moon Monday, Jan. 4, 9.22 a. m. Summer tide eighteen minutes later than Charlottetown. THE CAN FERRY Leaves Borden 9.45 a. m. 1 p. m. Leaves Torment 11 a. m. 3.35 p. m. Daily except Sunday.

COMING EVENTS

**Geo. Leighton Co., (next Queen Hotel) now buying all kinds of dressed poultry. Try L-954-12-2-tf.

**Poultry—Buying Poultry all kinds, daily. Paying highest market prices. Island Cold Storage Co., Ltd. L-1828-12-30-tf.

**Annual Meeting Wiltshire Dairying Co., will be held in the hall on Monday, January 11th, at 8 P. M. Roland Easter, Secretary. L-1931-1-2-4f.

**Borden Line Club loading hogs, lambs, calves every Wednesday at Albany. Hours 12-3. L-6972-10-M T W T f.

**North Wiltshire Club loading livestock, Wednesday forenoon, Jan. 6th, until train time. Please list with Secretary, E. N. Easter. L-1967.

**Livestock Marketing Board loading hogs, lambs and calves at Railway Stock Pens, foot of Prince St., Charlottetown, Tue-day, Jan. 5th, until 3 o'clock. Start the new year right by shipping co-operatively. L-1967.

**Loading live hogs at Kensington, Thursday morning, January 7, 1937. Nicholson Bros. loading at Hunter River same date. McEwen and Campbell. L-1969.