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VICTORIA, B.C.

Today's Weather
(8 A.M.)

Prince Rupert—raining, southeast wind, 14 miles per hour; barometer, 30.20 (rising); temperature, 45, light chop.

The Daily News

NORTHERN AND CENTRAL BRITISH COLUMBIA'S NEWSPAPER

Vol. XXVI., No. 294. PRINCE RUPERT, B.C. SATURDAY, DECEMBER 18, 1937. PRICE: 5 CENTS

Tomorrow's Tides

High	2:20 a.m.	21.4 ft.
	14:07 p.m.	23.5 ft.
Low	8:12 a.m.	6.3 ft.
	20:50 p.m.	0.4 ft.

Chinese Sink Japanese Warship

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31 MAR 38
PARLIAMENT BLDGS.

FLOODS IN ROME ARE VERY BAD

More Than a Dozen Dead, Thousands Homeless and Damage Extensive—Censorship Applied

ROME, December 18 (Canadian Press)—Troops have been called out to reinforce thousands of men in the struggle to keep the rampaging River Tiber from inundating central Rome. The river is sweeping through the city at the highest level in sixty-seven years. More than a dozen are known drowned, thousands of Romans have been forced from their homes and damage is extensive. Continued steady rains give rise to fears that there may be even higher water yet.

Strict censorship in regard to the flood situation has been applied by Premier Mussolini in order to prevent undue public alarm. Sending out of flood pictures is banned and newspapers of Rome are publishing but meagre reports of the situation.

Succeeds In Mercy Flight

Ted Dobbin Completes Rescue of Postmaster of Kyoquot

VICTORIA, December 18—Pilot E. C. W. Dobbin of Air Travel and Transport has been able to get back after a flight to the West Coast of Vancouver Island with Dr. W. E. M. Mitchell, called to attend J. E. Gilmore, general merchant and postmaster of Kyuouot who is seriously ill. A boat was sent from Kyuquot, a distance of fifteen miles, to pick up the doctor. Bad weather had seriously hampered Capt. Dobbin in making the flight. On his return he brought in the 70 year old Gilmore who is now in hospital here.

BUDDY BAER IS WINNER

Scored Knockout Over Eddie Hogan Last Night and Earns Shot at Louis' Title

NEW YORK, Dec. 18: (CP)—Buddy Baer, younger brother of Max Baer, former world's heavyweight boxing champion, knocked out Eddie Hogan of Waterbury, Connecticut, in a third of a scheduled ten round bout at Madison Square Garden last night, thus earning a promised shot at the champion, Joe Louis. Baer weighed 243 pounds and Hogan 222½ pounds.

In another bout on the same card Glen Lee won over Harry Balsimo.

Australia Wins Over Uncle Sam; Budge Is Beaten

SYDNEY, Australia, Dec. 18: Adrian Quist of Australia beat Gene Mako of United States 6-0, 6-4, 6-4 to give Australia the victory in a tennis exhibition tournament here. Jack Bromwich, rising young Australian star, sprang a big surprise by upsetting Donald Budge, Wimbledon champion, 6-2, 6-3, 8-10, 6-4 in the final game today. Australia won four matches to one. In doubles Budge and Mako were beaten by Quist and Bromwich.

FISHERMEN ARE SAFE

Seven Dories, Each With two Men, Return to Schooner on Grand Manan Banks

BOSTON, December 18 (Canadian Press)—After seven dories each presumably manned by two men, had been reported missing the schooner Richard Nanan of Portland, Maine, in advices received by coastguard headquarters here today, reported all safe on board. The schooner was fishing in the vicinity of Grand Manan Banks.

Walter Thompson Will Look After Air Publicity

MONTREAL, Dec. 18—The president and directors of the Trans-Canada Air Lines have announced the appointment of Walter S. Thompson as director of publicity for the company. As director of publicity of the Canadian National system, Mr. Thompson has been in charge of publicity for the Trans-Canada Air Lines since the formation of the company last April. Mr. Thompson will continue also as director of publicity for the Canadian National Railways, Steamships and associated enterprises.

MISQUOTED, HE CLAIMS

Premier DuPlessis Has Explanation To Make Regarding Sensational Speech

QUEBEC, December 18 (Canadian Press)—Premier Maurice Du Plessis of Quebec says in a verbal statement that he was misquoted in his address Wednesday at Shawinigan Falls.

"I did not say that the Maritime Provinces were included in an alliance of eastern provinces," he explained. What he had said was that he "hoped" an "economic agreement" just concluded between Ontario and Quebec might be extended to the Maritimes.

TWEEDSMUIR'S MOTHER DIES

Mrs. Helen Buchan Passes Away at Peebles, Scotland, At Age of Eighty

PEEBLES, Scotland, December 18 (Canadian Press)—Mrs. Helen Buchan, mother of Lord Tweedsmuir Governor-General of Canada, died here today at the age of eighty. She visited Canada in June of last year to see Lord Tweedsmuir. Mrs Buchan was a devoted worker in the cause of the sick and the poor and was a keen supporter of the Scottish League of Wives and Mothers.

Vancouver Wheat

VANCOUVER, Dec. 18: (CP)—Wheat was trading at $1.32 on the Vancouver market yesterday, and at $1.31¾ today.

Miss Dorreen Eastman, who is attending King Edward High School here, left on last evening's train for Burns Lake to spend the Christmas and New Year holidays.

Card of Thanks

The family of the late Mrs. Martha Kenny wish to thank all those kind friends who extended sympathy and assistance at the time of their recent bereavement.

Tweedsmuir Is College Head

EDINBURGH, Scotland, Dec. 18: (CP)—Lord Tweedsmuir, Governor General of Canada, has been elected Chancellor of the University of Edinburgh succeeding the late Sir James Barrie. A postal poll of graduates gave Tweedsmuir 4082 votes and the Marquis of Lothian 2582.

BULLETINS

BOTH SIDES WINNING!

MADRID — Teruel, southern spearhead of General Franco's Aragon line, has been ringed by besieging government forces, a war communique announces, and battle is progressing within the city. Reports reaching Hendaye on the Franco-Spanish frontier are contradictory. Both the insurgents and governments supporters claim successes.

LINER SINKING

CAPETOWN— The liner Stuart Star, with twelve passengers in addition to her crew on board, is reported in a sinking condition off the Cape of Good Hope following a stranding.

PASSENGERS LEFT BEHIND

NEW YORK—The liner Monarch left yesterday for Bermuda with freight but no passengers on board as a result of a strike of the crew. The Duke and Duchess of Manchester were among 450 passengers to be left behind.

NO SHIP SUBSIDY

LONDON—There will be no subsidy for British freight vessels during the coming year as there has been during the past two years, it is announced by the British Board of Trade. Subsidies are allowed only when rates go below a certain level and they are now above that level.

G.O.P. Program Committee Head

Dr. Glen Frank Chosen to Pilot Steering Committee of Republicans

ST. LOUIS, December 18— Dr Glen Frank, former president of the University of Wisconsin, it was announced yesterday, had been chosen chairman of the Republican program committee of two hundred.

Dr. Frank is a well known Liberal Republican. He was removed last year as head of the University of Wisconsin, supposedly for political antagonism to Senator Lafollete.

One hundred members of the platform committee had already been named up to yesterday and one hundred more are to be chosen.

One Dead And Another Hurt

DAWSON CREEK, Dec. 18:—One man is dead and another beaten up and in hospital as a result of an early morning affray in a lane here. Morley Keir of Dawson Creek was found by Constable Devlin lying in a pool of blood in a lane near his shack. He was badly battered and frozen and died soon after admission to hospital.

SESSION IS INTERESTING

Matters of Importance Expected To Come Up in Federal House

OTTAWA, December 18 (Canadian Press)— Political observers prophesy that the session of Parliament which Premier W. L. Mackenzie King has announced will open January 27 will be one of the most interesting in recent years.

Speculation on the Parliamentary program includes the possibility that during the session preferences in the British market enjoyed by Canada since 1932 Imperial Conference may be at stake in trade negotiations between United States and the United Kingdom and also that there may by a decision on the requests of Ontario and Quebec for permission to export surplus electric power to United States customers which permission was recently refused by the Prime Minister.

LAST NIGHT OF AUCTION OVER RADIO

Entertainment Innovation Here Is Still Going On

Last night's Radio Auction was a bigger success both financially and artistically than was ever anticipated. Al Newman, the cashier, banged up the cash register to an all high of $60.50. The Varden Singers, under the leadership of Peter Lien, contributed greatly to the artistic end of the program. Little Miss Hilda Bond was the individual star of the evening and her "Neapolitan Nights" went a long way in swelling the receipts. David Jones and the carol singing of the Anglican Choristers was greatly appreciated. Saunders Stuart and Reid went over big with "Melancholy Baby" and they have promised to show up again tonight. The high light of the whole performance was that rousing sea chantey by Messrs. Fulton Armour and Elfert. This almost wrecked the microphone with its power. Many other stars were there and, as the bids came in, they were called to the "mike" and did their bit for the Santa Claus Fund.

Tonight's performance, starting at 7:30, is the last and it is the last chance to keep making a real Christmas for some unfortunate child. Toys, food, and clothing are equally acceptable as cash.

Tonight's talent is some of the best available, including Jack Roaf, Jim Harvey, C. V. Evitt, Col. Sid Johnston, George Mitchell and Al Newman. Others in demand, for whom bids have already been received, are Dr. R. G. Large, Len Cripps, Frank Morris, Jack McIntosh, Varden Singers and Mae Murray.

Contributions can be either left at the office of the Daily News or the Salvation Army and this will greatly facilitate collections.

Weather Forecast

(Furnished through the courtesy of the Dominion Meteorological Bureau at Victoria and Prince Rupert. This forecast is compiled from obversations taken at 5 a.m. today and covers the 36 hour period ending 5 p.m. tomorrow).

General Synopsis—The barometer is high over southern British Columbia. Rain has occurred on the north coast. Elsewhere the weather is fair and mild.

Prince Rupert and Queen Charlotte Islands — Cloudy with not much change in temperature.

West Coast of Vancouver Island—Moderate winds shifting to southeast, fair and mild.

HEPBURN CHARGES

Mackenzie King Denies Scheme to Force Ontario Into St. Lawrence Waterways Project

TORONTO, December 18 (Canadian Press) — Premier Mitchell Hepburn charged yesterday that the "Made in Washington" policy of the Dominion government, designed to force Ontario into supporting the St. Lawrence Waterways development scheme, was responsible for the inability of the province of Ontario to export power to the United States. He charged that an agreement existed between Ottawa and Washington that Ontario be now allowed to divert more water at Niagara Falls until the province becomes a party to St. Lawrence development.

King's Denial

OTTAWA, December 18 (Canadian Press)—Prime Minister William Lyon Mackenzie King last night denied the charge that there was a scheme between United States and Canada to force Ontario to join the St. Lawrence Waterway project." Such a charge is utterly without foundation," declared Mr. King who said that no agreement had been entered into with the United States and that none was contemplated.

The federal government power export policies followed those of provious administrations and were not dictated by any agreement with the United States or associated with Ontario's stand against the St. Lawrence deep waterways project, Prime Minister King said.

ASSISTING PRAIRIES

Regina Board of Trade Proposes Extensive Program of Federal Aid

OTTAWA, Dec. 18: (CP)—A great federal credit corporation to take over all farm mortages would be a great aid to the farmers of the prairies, declared a brief from the Regina Board of Trade presented to the Rowell Royal Commission on intergovernmental matters. This was one of the principal solutions proposed for social and economic problems of the prairies.

Contributory unemployment and health insurance schemes along national lines were also proposed.

Hon. Newton Wesley Rowell K.C., chairman of the commision, observed that Ottawa should not be considered an unlimited source of means for the financing of all manner of relief measures.

Amalgamating Provinces

Premier Patterson, in appearing before the Commission, expressed the belief that no economies could be effected by amalgamation of the three prairie provinces although it might improve their status and prestige.

Greater representation in the Senate for the west was advocated before the Commission.

Having concluded the session here, members of the Commission were last night on their way back to Ottawa for Christmas.

Sessions will be resumed in Ottawa on January 17.

Record War Budget For Italy Again

ROME, December 18—Italy's war budget for this year is $16,000,000 more than last year when it was an all time record.

Artillery Duel At Sea Near Amoy As Scene Changes To Southward

Official Inquiry Proceeds Into Panay Affair—No Doubt That Incident Was Deliberate Declares Commander Of Sunken Vessel

HONG KONG, Dec. 18: (CP)—Chinese coastal batteries sank a Japanese destroyer in an artillery duel with attacking warships near Amoy, Fukien Province port, it was reported here today. Amoy is three hundred miles north of here and action there indicates that the Japanese are moving their campaign southward as had been predicted. Foochow and Swatow are other coastal points of China which the Japanese may now have their eyes on, it is believed. There is also evidence that Hankow, the new capital of China, may be an early interior objective. Troops, it is reported, are being withdrawn by the Japanese from Shansi Province in the north to other sectors and, as they go out, the Chinese are moving in again.

From Nanking come reports of looting and terrorism by the Japanese troops. On behalf of fourteen American missionaries who are still there, an appeal has been sent for aid.

Investigation Proceeding

SHANGHAI, Dec. 18: (CP)—The official investigation by a United States naval court of inquiry into the Japanese attack which sank the United States gunboat Panay on Sunday and destroyed three Standard Oil Co. tankers, all laden with refugees, is being pushed aboard the flagship Augusta. The Japanese, at the same time, announced they were undertaking another thorough investigation of the incident. The Japanese public has so far been kept in ignorance of the alleged machine gunning of the Panay as she was sinking after being bombed.

Evidence taken at the United States inquiry indicates that there could have been no mistake about the sinking of the Panay being deliberate. Lieut. Commander J. W. Yeath of the Panay declared that his conviction. At the inquiry yesterday he went so far as to assert that the Japanese had fired on refugee-laden boats as they were endeavouring to escape after the sinking. The decks of the sinking vessel had been sprayed with machine gun fire both from Japanese ships and aircraft. Japanese officers had boarded the Panay but they offered no help to save the refugees.

Informed sources in Tokyo say that Vice-Admiral Koyoshi Hasegawa, commanding the Japanese naval forces in the war with China, has assumed full responsibility for the Panay attack and had offered to resign. Informed persons said the resignation had been refused but rumors persisted that he had been or would be relieved of the China command and given another post.

TODAY'S STOCKS

(Courtesy S. D. Johnston Co.)

Vancouver

B. C. Nickel, .08½.
Big Missouri, .36.
Bralorne, 7.95.
Aztec, .06½.
Cariboo Quartz, 1.70.
Dentonia, .11.
Golconda, .05.
Minto, .03.
Fairview Amal., .04¾.
Noble Five, .02½.
Pend Orielle, 1.90.
Pioneer, 2.95.
Porter Idaho, .03.
Premier, 1.92.
Reeves McDonald, .35.
Reno, .61.
Relief Arlington, .16.
Reward, .06.
Salmon Gold, .06.
Taylor Bridge, .04.
Hedley Amal., .04¾.
Premier Border, .01¼.
Congress, .02¼.
Home Gold, .01¼.
Grandview, .08.
Indian, .01¾.
Quatsino Copper, .03.
Quesnelle Quartz, .05½.

Oils

A. P. Con., .35.
Calmont, .61.
C. & E., 3.05.
Freehold, .08¼.
Hargal, .28.
McDougal Segur, .26.
Mercury, .20½.
Okalta, 1.96.
Pacalta, .15.
Home Oil, 1.50.

Toronto

Beattie, 1.32.
Central Patricia, 2.40.
Gods Lake, .47.
Little Long Lac, 5.10.
McKenzie Red Lake, 1.01.
Pickle Crow, 5.35.
Red Lake Gold Shore, .21.
San Antonio, 1.37.
Sherritt Gordon, 1.32.
Smelters Gold, .01¾.
McLeod Cockshutt, 1.38.
Oklend, .14.
Mosher, .11.
Medsen Red Lake, .35.
Stadacona, .49.
Frontier Red Lake, .05¾.
Francoeur, .45.
Moneta Porcupine, 2.17.
Thompson Cadillac, 35.
Bankfield, .66½.
East Malartic, .95.
Preston East Dome, 1.10.
Hutchison Lake, .08½.
Dawson White, .03.
Aldermac, .50.
Kerr Addison, 1.80.
Uchi Gold, 1.01.
Martin Bird, .40.
Int. Nickel, 45.25.
Smelters, 56.00.
Noranda, 53.00.
Athona, .09.

Miss Sally Finlayson and Miss Lorraine Kenney, who are attending St. Joseph's Academy here, left on last evening's train for their homes at Terrace to spend the Christmas and New Year holiday season.

Santa Claus Fund Growing

Albert & McCaffery have donated two tons of coal toward the Salvation Army Santa Claus Fund. Donations up to noon today were:

Previously acknowledged	$152.00
Mrs. J. E. Arnold	5.00
Premier T. D. Pattullo	25.00
Cash Received from Radio Auction	56.50