

Today's Weather

(8 A.M.)  
PRINCE RUPERT—Part cloudy, southerly wind four miles per hour; barometer, 29.16; temperature, 49; sea moderate.

The Daily News

NORTHERN AND CENTRAL BRITISH COLUMBIA'S NEWSPAPER

Tomorrow's Tides

High ..... 1:24 a.m. 21.0 ft.  
13:16 p.m. 23.3 ft.  
Low ..... 7:19 a.m. 6.1 ft.  
19:55 p.m. 0.5 ft.

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PRINCE RUPERT, B.C., SATURDAY, JANUARY 15, 1938.

PRICE: 5 CENTS

Execution Of Chinese War Lord

Improved Financial Condition Over Period Of Fourteen Years Disclosed In Annual Statement

Has \$20,000 on Hand for Building Now Whereas There Was Then \$11,000 Indebtedness—Further Action In Connection With New Hospital Deferred

Whereas fourteen years ago the Prince Rupert General Hospital Association was some \$11,000 in debt, today it has no obligations and has a fund of some \$20,000 for building extension purposes. This was disclosed last night at the regular monthly meeting of the board of directors of the hospital by W. M. Brown, chairman of the finance committee, in the course of consideration of the annual financial statement of the institution which was received and adopted by the board and referred to the annual general meeting of the Prince Rupert General Hospital Association which, it was decided, will be held in the Moose Hall on January 28.

BULLETINS

**TRYING TO FORM GOVT**  
PARIS—Georges Bonnet, outgoing Radical Socialist finance minister, tonight formally agreed to attempt to form a new government to succeed that of Premier Camille Chautemps which resigned yesterday. Bonnet informed President Albert Lebrun of his decision after conferring with Radical Socialist members of the Chamber of Deputies and with leaders of other parliamentary groups. He undertook the task despite the refusal of Socialists, under former Premier Leon Blum, to participate in any government of his or to promise parliamentary support to any ministry formed without them.

**WIDENS HOSTEL SYSTEMS**  
LONDON—An important social reform in Britain dealing with offenders under 21 years has been announced by the Home Office. In future they won't be sent to the grim depths of an institution but instead to good lodgings where they will have "a decent bed, wholesome food and a kindly welcome."

**ADMIRAL IS DEAD**  
William Oswald Storey, Canada's Naval Dean, Was Known in Prince Rupert  
MONTREAL, Jan. 15: (CP)—Admiral William Oswald Storey R.C.N. retired, one of Canada's best known naval figures and the only full admiral in the Dominion, died here yesterday at an advanced age. Many posts of responsibility he held during his career included once being in command at Esquimaux. He retired before the war but returned to active service while it was in progress.

**Amendments to Act**  
The amendments to the Hospital Act, passed at the last session of the Legislature and soon coming into force were the subject of a lengthy communication from the British Columbia Hospitals Association. It was estimated that, as a result of these amendments, there would be a net loss of \$50,000 to hospitals through decreased revenue and increased expenditure. Under the amendments, additional statistical and financial returns are involved which necessitate additional office help. The British Columbia Hospitals' Association has approved the new regulations providing the government reimburses the hospitals for loss of revenue and additional expenditure involved. Such compensation had been discussed with the provincial secretary but no definite undertaking had been made by the government. The matter was referred by the local board to the finance committee.

**New Export Record For Metals Set**  
OTTAWA, Jan. 15: (CP)—The Department of Mines yesterday announced that a new record was set by Canada in 1937 for export of base metals to foreign countries. The value of metals so exported during the year is placed at \$147,000,000.

**ASHCROFT TO FORT ST. JOHN FLIGHT**  
Pilot Ginger Coote to Take Off Tomorrow on Inauguration of New Air Service to North  
ASHCROFT, Jan. 15: (CP)—Inaugurating a new commercial air service into Northern British Columbia and the Yukon, Pilot R. L. (Ginger) Coote plans to take off from here tomorrow for Fort St. John. During the winter the southern terminus of the service will be Ashcroft, extending to Vancouver in the summer.

SOMETHING NEW HERE

Mining Superintendent Below Ground Talks to Airplane High In Sky

Unique Event

Modern Communications Demonstrated to Toronto Rotary Club

TORONTO, Jan. 14:—A mining superintendent a quarter of a mile underground, an airplane a mile above the ground and a radio hookup, which extended the length and breadth of Canada, were all linked together in a unique demonstration of modern communication methods given by D. F. Galloway, Assistant Vice-President of the Canadian National Telegraphs, before the Rotary Club here yesterday. A part of the demonstration was the installation of the latest type automatic teletypewriter upon which an operator sent greetings from President "Jack" Deegan to various Rotary clubs from Vancouver to Halifax within 12 minutes and long before the demonstration was finished answers were received and delivered to the President. One of the interesting sidelights of this demonstration was that all types of facilities were co-ordinated to act as a single unit of communication. More than 8,000 miles of Canadian National Telegraphs' wires were required. The long wave of radio communication was brought into use by the Canadian Radio Commission to give a national broadcast of the event. The short wave was pressed into service to establish a connection with Flight No. 4 of the Central Vermont Airways, flying regular passenger service between Montreal and Boston. Telephone loops were linked up to complete the talking circuits.

In the opening demonstration Mr. Galloway called E. W. Todd general superintendent of the Lake Shore Mines, at Kirkland Lake, more than 400 miles away, who spoke from the 1,800 foot level of No. 5 shaft of the mine. During the course of the two-way conversation between Mr. Todd and Mr. Galloway, interesting data was given as to the importance of the mining industry to Canada and of the great wealth which it contributed to the national treasury.

**Canada Challenges States**  
Questioned further by Mr. Galloway as to Ontario's position in gold production, Mr. Todd explained that Ontario leads all provinces in gold production, with a per capita of \$23.80 from 2,346,528 fine ounces, followed by British Columbia with \$22.61, from 281,492 fine ounces. The percentage of Ontario's contribution to the total gold production was given as 63.46, with Quebec as 17.80 and British Columbia, 13.06. "Canada," Mr. Todd concluded, "is challenging the United States' position for second place among the gold producing nations of the world, the first position being held by South Africa, another member of the British Commonwealth of Nations."

At the time Mr. Todd was speaking (Continued on Page Two)

Halifax Having Strike Violence

HALIFAX, Jan. 15: (CP)—Police reinforcements patrolled the narrow waterfront streets here today seeking to prevent a recurrence of violence which met a fleet of taxis carrying men into the plant of the strike-harassed Maritime National Fish Co. Windows were broken by stones but none were hurt.

ALBERTA DEFENSE

Presents its Argument in Connection with Three Contentious Bills

OTTAWA, Jan. 15: (CP)—Defense by the province of Alberta of the three measures of the Legislature of that province assent to which was reserved by the Lieutenant Governor pending signification of the pleasure of the Governor General commenced before the Supreme Court of Canada yesterday. Chief counsel for province of Alberta, submitted that the duty of the court was simply to decide whether the bills having to do with control of banking, currency and newspapers were within the competence of the provincial legislature. All other questions were but side issues.

COLLAPSES AND DIES

Louis Lazzarotto Expires in Lock-Up After Removal from Hospital

Louis Lazzarotto, bartender at the Commercial Hotel and resident of the city for several years, collapsed and expired at 10 o'clock this morning in the city lock-up where he had been taken last night after becoming unmanageable in the Prince Rupert General Hospital. He had been drinking heavily and evidently outdid his strength. An inquest will be held Monday.

Lazzarotto was an Italian, about fifty-five years, unmarried and lived on Fulton Street.

Wales Defeats England Today In Rugby Game

CARDIFF, Wales, Jan. 15: (CP)—Playing in a gale, Wales defeated England by a score of 14 to 8 in the initial international rugby match of the season. The victors scored one goal and two penalty goals and a try against the Englishmen's goal and try.

Ashcroft To Fort St. John Flight

Pilot Ginger Coote to Take Off Tomorrow on Inauguration of New Air Service to North

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Chiang Kai Shek Finds One Of His Aides Is Derelict In Duty Causing Collapse In Shantung

NEED OF DEFENSE

Japs Know More About This Coast Than Do Canadians, Declares Mrs. George Black

WINNIPEG, Jan. 15: (CP)—The Japanese know the "Inland Passage" between Vancouver Island and the British Columbia mainland better than the Canadians or Americans do, Mrs. George Black, M. P. for Yukon, said here Friday night. "I have been going up and down the coast for forty years," Mrs. Black said. "Where there was one one Japanese fish boat there are hundreds now. Now we're scared, at least we are doing something about Pacific Ocean defence."

WILL AID FARMERS

Agricultural Problem to be One of Principal Matters Before Coming Session of Parliament

OTTAWA, Jan. 15: (CP)—The farming industry of Canada will be given a good deal of attention at the forthcoming session of Parliament opening on January 27. Legislation may be based on the report of a special committee which, among other things, has recommended a reduction of tariff on farm implements and the subsidizing of co-operative distribution of such implements.

NEW PLANE FOR ROUTE

Pan American Airways Plans to Replace Samoan Clipper With Huge Flying Boat

SAN FRANCISCO, Jan. 15: (CP)—A new forty-ton flying boat, with capacity for seventy-two passengers, which is now being built, may replace the ill-fated Samoan Clipper in the new air service between Honolulu and New Zealand, it is indicated by officials of Pan-American Airways. The new ship is expected to be ready for test flights by March.

Weather Forecast

(Furnished through the courtesy of the Dominion Meteorological Bureau at Victoria and Prince Rupert. This forecast is compiled from observations taken at 5 a.m. today and covers the 24 hour period ending 5 p.m. tomorrow.)  
General Synopsis—A storm centre is approaching the British Columbia coast. Heavy rains have occurred in the Prince Rupert district and mild weather is reported over the interior accompanied by rain and sleet.  
Prince Rupert and Queen Charlotte Islands—Strong east to southeast winds or gales, unsettled with not much change in temperature.  
West Coast of Vancouver Island—Strong winds, probably reaching gale force tonight. Cloudy and mild with rain.

Rich Agricultural Regions Menaced as Japanese Advance After Capturing Tsining and Vital Rail Junctions—'Conflict Must Continue,' Decides Tokyo

TOKYO, January 15: (CP)—The Japanese cabinet and high navy and army officials decided today that the conflict with China must continue to "its ultimate objective." Draft of the government policy in China has been prepared after lengthy conferences by the cabinet and Imperial headquarters of military leaders directing hostilities.

SHANGHAI, January 15: (CP)—The Chinese reported today that General Han Fu Chu, once dominant war lord and governor of Shantung Province, had been court-martialled and executed on orders of Generalissimo Chiang Kai Shek for "dereliction of duty." General Han was held responsible by the Chinese for collapse of resistance to Japan in Shantung.

TODAY'S STOCKS

Table with columns for Vancouver and Oils, listing various stock prices such as B. C. Nickel, Big Missouri, Bialorne, Aztec, Cariboo Quartz, Denbora, Golconda, Minto, Fairview, Noble Five, Pend Oreille, Pioneer, Porter Idaho, Premier, Reeves McDonald, Reno, Relief Arlington, Reward, Salmon Gold, Taylor Bridge, Hedley Amalgamated, Premier Border, Silbak Premier, Congress, Home Gold, Grandview, Indian, Halda Gold.

NO TRACE IS FOUND

Moonlight Search Flight of Sir George Hubert Wilkins For Russian Fliers Unavailing

FAIRBANKS, Alaska, Jan. 15: (CP)—After cruising by Arctic moonlight to within four hundred miles of the North Pole, Sir George Hubert Wilkins returned to Akla-vik, Northwest Territories, today without reporting any trace of Russia's missing transpolar flier, Sigismund Levaneffsky, and five companions who vanished last August.

**Vancouver Wheat**  
VANCOUVER, Jan. 15: (CP)—Wheat was quoted at \$1.43 1/4 on the Vancouver market yesterday, dropping to \$1.41 1/4 today.

New Canadian Loan Floated

OTTAWA, Jan. 15: (CP)—Hon. Charles A. Dunning, minister of finance, announced yesterday that a new £10,000,000 loan had been underwritten in London by a banking group headed by R. Mivison & Co.

FOUR ARE DROWNED

Quadruple Tragedy When Party Goes Through Rotting Ice On Ontario Lake

SUTTON, Ont., Jan. 15: (CP)—Three men and a woman were drowned in Lake Simcoe last night when an auto bearing a fishing party crashed through rotting ice.

The dead are Jack Bird, Mrs. John Wilkinson, William Jones and Emmanuel Nelson. Three men and a boy escaped. The party planned to fish through ice holes.