

Weather Forecast

Prince Rupert and Queen Charlotte Islands—Strong southeast winds, increasing to gale force, cloudy and mild with rain.

The Daily News

NORTHERN AND CENTRAL BRITISH COLUMBIA'S NEWSPAPER

PRINCE RUPERT, B.C., TUESDAY, JANUARY 2, 1940

C.N.R. TRAINS

For the East—
Mondays, Wednesdays and Fridays 6 p.m.
From the East—
Tuesdays, Thursdays and Saturdays 11 p.m.

PRICE: 5 CENTS

Finns Capture Russian Army Base

Soviet Attacks Are Being Smashed; War Disastrous To Reds

Are Suffering Enormous Casualties—Seven Planes Shot Down During Air Raids At Turku

HELSINGFORS, Jan. 2: (CP)—Capture of a Russian army base and smashing of all day Red attack at two points on the eastern front was reported today in a Finnish Army communique. The Russian base at Aittajoki "passed from hand to hand during the day" before the Finns finally took it, the communique said.

Russian attacks were repulsed near Lake Lavajarvi, northeast of Lake Ladoga, and in Suomussalmi region. Soviet casualties are enormous. The Finns reported seven Red army planes shot down during raids yesterday in which the southwestern port of Turku suffered heavily.

LANDING OF CANADIANS

Second Contingent Reaches England Safely And Is Accorded Great Reception

LONDON, Jan. 2: (CP)—The arrival of a second contingent of Canadian troops at a west coast port of England was announced early Monday. The troops included artillery, signal and ambulance units, infantry brigades and several Scottish regiments with their own pipe band. They are immediately going into camp for training preparatory to joining the British expeditionary forces in France.

The reception accorded the second contingent rivalled in enthusiasm that accorded the first. Rt. Hon. Anthony Eden, Secretary of State for the Dominions, and Hon. Vincent Massey, Canadian High Commissioner, were among the officials on hand to greet them upon disembarkation. There were shouts of "Good Old Canada," and "Poor Old Adolf."

MOVEMENT COMPLETED
The entire First Division of the Canadian active service force, numbering about 16,000, is now in England, it is learned. The division was transported safely in two contingents. They are now encamped at Aldershot where the men will be fully equipped and trained. It will be some time before they are moved to France.

The Canadian troops had spent Christmas day at sea. The voyage was an uneventful one. There was some excitement when one of the ships sighted what was believed to be a submarine at first but which turned out to be a whale and a dead one at that.

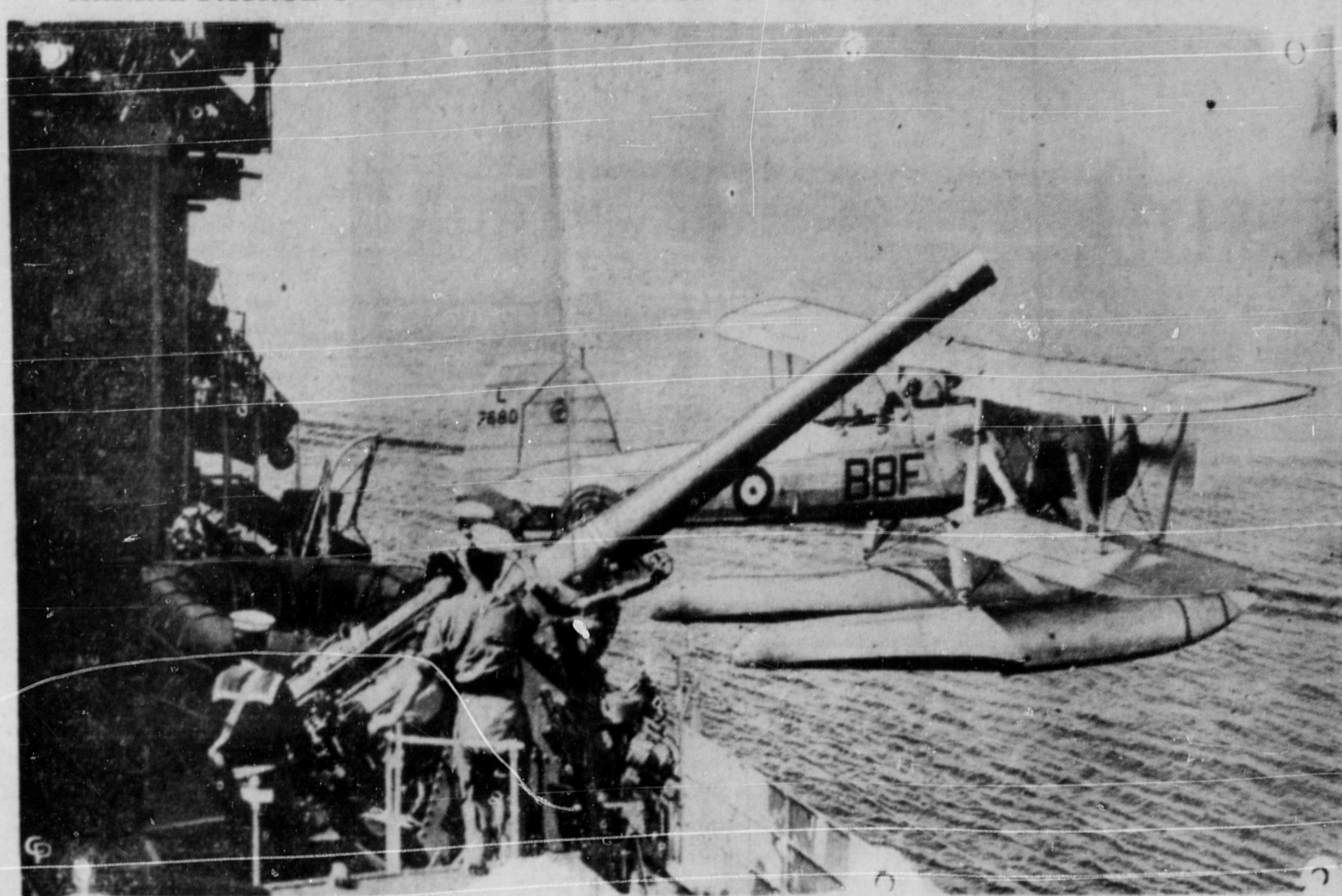
RUSSO-JAP AGREEMENT

One Year Settlement of Fishing Rights And Railway Matters Reached Between Moscow And Tokyo

TOKYO, Jan. 2: (CP)—A temporary agreement for one year has been reached with Russia on the subject of fishing rights off Kamchatka and the Sakhalin Islands. An arrangement has also been made in regard to payment by Manchukuo of the final instalment to Soviet on the former Chinese Eastern Railway.

The agreements between Japan and Russia on the long troublesome question of Japanese fishing rights in Russian waters and on the railway payments were published today. The fishing agreement constitutes an extension through this year of special contracts for Japanese exploitation with twenty canneries and thirty-nine fishing lots.

AERIAL PATROL UNDER THE PROTECTION OF THE GUNS OF THE ROYAL NAVY



A seaplane is shown in a perfect catapult takeoff from a British warship on patrol duty in the war zone. The plane rises to a high level to scan the surrounding seas, flashing word back to the ship via radio. The gun crew stands ready here, to protect the plane should she be attacked from the air or water.

BIG FIGHT IMMINENT

Russian Activity In Bringing Up New Forces Presages Decisive Russo-Finnish Battle

Division Wiped Out

Finns Claim to Have Decimated 15,000 Reds—Petsamo Recaptured

HELSINGFORS, Jan. 2: (CP)—With veteran Red troops replacing conscripts under cover of continuous artillery bombardment of Finland's Karelian Isthmus defences at the week-end, many military experts believe that the first major battle of the Russo-Finnish war is under way.

Meanwhile Finnish communiques claimed that the Red Army had been thrown back across its own frontier at three points—north, east and southeast of Lieksa on the central sector. Unofficial reports also told of the penetration of Russian territory by ski-troops in the Sala region.

It is acknowledged officially that Swedish volunteers are in Finland.

Enormous Red Losses

The Finns claimed New Year's Eve to have wiped out the entire 163rd Russian Division after a fierce two-day battle. Twenty thousand Soviet soldiers were dead and remnants were being pursued through the forests. The Russians were allowed to advance and then the Finns, with cool and deliberate restraint, closed in upon them with wide encircling movement and virtually annihilated them. The Red dead lay in great heaps.

Further north in the Arctic region another 10,000 Russians were cut off between Petsamo and Murmansk. Land mines have been used with devastating effect.

Confirmation of the reported recapture of Petsamo by the Finns is awaited.

Further victories over the Russian invaders are claimed by the Finns in cutting the Leningrad-Murmansk Railway at three points, causing a food shortage in the Murmansk area.

As three hundred thousand soldiers massed on the Karelian Isthmus for a great assault, continuous heavy bombardment of the Mannerheim Line was kept up by the Russians but it held out stubbornly without breach.

North of Lake Ladoga first Finnish-Americans, who rushed home to assist the motherland, have gone into action.

A small Finnish vessel was sunk and another damaged.

As if in retaliation for the defeats of their army, Red planes ruthlessly bombed Finnish cities as the New Year dawned. At least six cities were thus attacked and hospitals, plainly marked, were among the targets. Hundreds of planes engaged in the raids. Vasa on the Gulf of Bothnia was one of the air-raided cities. At least one hundred bombs were dropped in four raids there. An ancient Finnish castle with valuable relics was destroyed.

WARSHIP ADMITTED

British Government Asked to Have Ajax Enter Montevideo

MONTEVIDEO, Jan. 2: (CP)—The British government request to the Uruguayan government to permit the cruiser Ajax to enter Montevideo for supplies has been granted and the Ajax is in for 48 hours. The Ajax was one of the warships which engaged recently in battle with the German pocket battleship Admiral Graf Spee off the coast of Uruguay.

UNCLE SAM OBJECTING

Sends Protest At Mail From United States To Germany Being Seized By Great Britain

WASHINGTON, D.C., Jan. 2: (CP)—The United States informally protested to the British government today against the seizure of mail destined from the United States to Germany.

The Department of State cited four specific cases where British authorities had taken mail from American and other neutral ships.

VICTIM OF DROWNING

Walter Cory Lost His Life In Local Waterfront Saturday Night

Walter Cory, a resident of Wantage Road, who had resided in Prince Rupert for some years, lost his life by drowning about 10:45 Saturday night when he fell from the slippery dock back of the F. E. Hunt ship chandlery store, struck a float below and went into the water. Police are still dragging for the body today.

Eye-witnesses of the fatality were Roy Rapp and Walter Hansen. Corey has relatives in New Brunswick.

BIG FLOOD IN TURKEY

At Least Seven Hundred Perish From High Water In Regions to West of Quake Area

ANKHARA, Jan. 2: — Floods came to Turkey to add to the horrors of earthquakes and blizzards. Around Smyrna, Adrianople and other cities the floods were centred about seven hundred miles west of the earthquake zone and were the result of torrential rains. At least 700 are dead. High winds and torrential rains sweeping in off the Black Sea did heavy damage. Intense cold and heavy blizzards continue in the earthquake area.

Bulletins

ERECTING NEW STORE

Principal in a building permit list in Prince Rupert for 1939 totalling \$5,925 was \$5000 for a new store building for the Prince Rupert Fishermen's Co-operative Association at Cow Bay in Waterfront Block F. December brought the 1939 building total up to \$79,625 as compared with \$344,082 for the year 1938.

GERMAN SHIP ARRIVES

HAMBURG—The safe arrival at Hamburg of the German steamer St. Louis, after running the British blockade, is announced.

RUSSIA SEEKS AID

MOSCOW—Russia is seeking to have Germany send thousands of technical experts to the Soviet to assist her in rehabilitating her badly disorganized industries.

CALIFORNIA WINS

PASADENA—University of Southern California, scoring touchdowns near the end of each half, defeated Tennessee 14 to 0 in the annual New Year's Day Rose Bowl football classic before a crowd of 93,000 fans.

HITLER AND GOERING

BERLIN—Rumors of a split between Adolf Hitler and Herman Goering continue. One report is that Hitler may step down in favor of Goering. German leaders appear to agree that Germany must win the war in 1940 or face extinction.

BRITISH BOMBERS MISSING

LONDON—The Air Ministry announced tonight that two of three British bombers were missing after a North Sea battle with twelve German Messerschmitts.

HONG KONG CLOSED

HONG KONG—The British navy closed the harbor today as a necessary defence precaution. The order was a result of an alarm from an offshore patrol. Cause of the alarm is being investigated. Ships of all nationalities are prohibited from entering or leaving the harbor pending further notice.

CANADA IN TRAIN IS FINE SHAPE DERAILED

Vastly Stronger and More Resourceful Than In 1914, Declares Sir Edward Beatty

MONTEVIDEO, Jan. 2: (CP)—Canada, in the present war, is a vastly stronger and more resourceful country than in 1914 and her people have a "stronger consciousness of their heritage and responsibilities," Sir Edward Beatty, president of the Canadian Pacific Railway, said in a year-end statement. He declared there had been a definite business improvement last year.

Accident Near Malachi, Ontario, Sends Five Persons to Winnipeg Hospital

WINNIPEG, Jan. 2: — Some twenty persons sustained injuries New Year's Day when a Canadian National Railways train hit a split rail near Malachi, Ontario, and eight or nine cars were derailed.

Byrd Expedition Leaves Dunedin

Sails Today From New Zealand Port For Antarctica

DUNEDIN, New Zealand, Jan. 2: —Rear Admiral Richard E. Byrd and his expedition sailed from here today for the Antarctic Ocean on their third South Polar expedition.

ALL ARE RESCUED

Two Hundred and Eighty Crew Members and Passengers of Burning Spanish Ship Safely Landed

CADIZ, Jan. 2: —A French vessel successfully rescued 280 crew members and passengers of the Spanish liner Cabo San Antonio which burned at sea in the Atlantic Ocean five hundred miles off the Canary Islands. The stricken vessel was bound from Buenos Aires to Cadiz.

Operators of the Cabo San Antonio, following the abandonment of the ship, announced today at Seville that the 280 passengers and members of the crew had been landed at Dakar.

British Columbia Industrial Output Greatly Increased

VICTORIA, Jan. 2: —British Columbia's industrial production for 1939 totals \$210,000,000, an increase of \$8,000,000 over 1938.

TO BUILD SHIPS ON THIS SIDE

Hon. W. J. Assestine Suggests That Yards on This Coast May Be Put to Use

VICTORIA, Jan. 2: —The possibility of ships being built in British Columbia for the purpose of carrying lumber cargoes from the Pacific Coast to the United Kingdom is suggested by Hon. W. J. Assestine.

TACOMA IS INTERNED

Uruguayan Government Ties Up Ship for Duration of War at Montevideo

MONTEVIDEO, Jan. 2: —Having failed to leave Uruguayan waters within the twenty-four hours given her, the German freighter Tacoma has been interned for the duration of the war.

Renew Western Front Activity

Improved Weather Conditions Permit of Action by Patrols, Artillery and Aircraft

PARIS, Jan. 2: (CP)—With improved weather conditions, there was renewed patrol, artillery and aerial activity on the western front. German planes flew over northern France and also approached the British shores but were driven off. No bombs were dropped.

CONTRACT IS SIGNED

Official Undertaking In Connection With Two Bridges

The City Commissioner this morning signed the contract with Bennett & White Construction Co. for the building of the bridges, one across Hays Creek and the other across Morse Creek, the amount involved being slightly over \$40,000. The contract was signed by the contractors and arrived here this morning for the commissioner's signature.