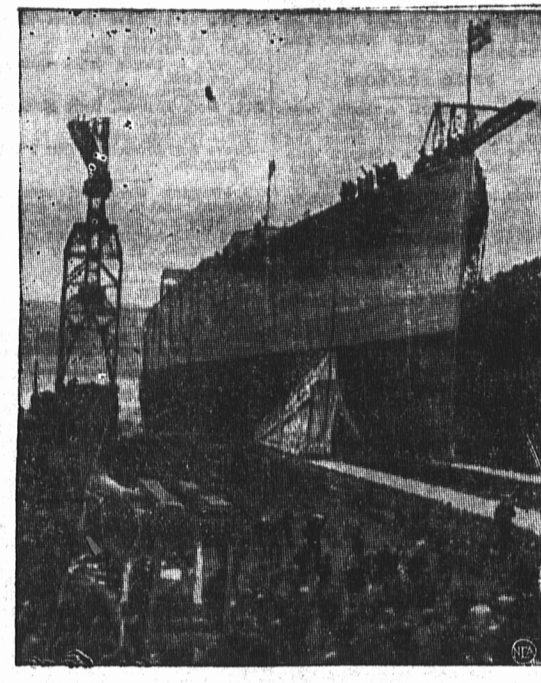


BRITAIN IN UNDERSTANDING WITH FRANCO

EMPLOYMENT IN DECLINE

Production Over February Of Last Year Reported. (By The Canadian Press) OTTAWA, Feb. 27.—Employment in Canada on Feb. 1 showed a decline of 15,623 workers or 1.5 per cent from Jan. 1, the Dominion Bureau of Statistics reported today. The 11,281 firms aggregated 1,026,635 persons compared with 1,042,258 on Jan. 1. A reduction also was shown compared with Feb. 1, 1938, when 10,492 firms employed 1,052,251 persons. The manufacturing industries showed seasonal improvement, but the non-manufacturing industries generally reported curtailment. Trade and construction reported large losses while the trend was downward in logging, agriculture, communications and services. Employment in the Maritime provinces on Feb. 1 showed a decline that considerably exceeded the national average. Total payroll of 802 firms aggregated 73,764 persons, a decrease of 2,283 from Jan. 1. Logging, trade and construction reported reduced activity while transportation showed seasonal improvement. On Feb. 1 last year firms reported a payroll of 81,000 persons. The report also reported a decrease of 2,283 firms had staffs against 2,251 persons compared with 2,275 on Jan. 1. Manufacturing on the whole showed improvement while logging, transportation, construction, services and other reported reduced activity. On Feb. 1, 1938, was 319,215, but was the only area to register higher employment at Feb. 1, that date, 4,910 firms employed 92,000 persons compared with 427,000 on Jan. 1.

British Battleship Launched



First British capital ship launched in 14 years, the battleship King George V is shown leaving the ways at Newcastle, England. The 35,000-ton, 30-knot dreadnaught cost \$37,600,000 and is the Royal Navy's fastest battleship.

Busy Year For Local Chapter Of The I.O.D.E.

Mrs. J. A. Mathieson Re-elected Regent At Thirty-seventh Annual Meeting Yesterday. Activities of the year were reviewed in detailed reports submitted at the thirty-seventh annual meeting of the Royal Edward Chapter, I.O.D.E., which was held yesterday afternoon in the Chapter room in the Canadian Legion Home. Mrs. J. A. Mathieson was re-elected Regent. Mrs. George D. DeBlois is honorary vice president, and Miss Blanche Hayland, honorary vice regent. Other officers elected include: 1st Vice Regent, Mrs. R. H. Rogers; 2nd Vice Regent, Mrs. F. W. Turner; Secretary, Mrs. W. M. Brehan; Assistant Secretary, Mrs. George Millar; Treasurer, Mrs. Howard Smith; Acting Provincial Secretary, Mrs. J. A. MacMillan; Chapter Secretary, Mrs. H. L. Bethune; Standard Bearer, Miss Rose Longworth; Counsellors, Mrs. E. M. Blanchard, Mrs. W. E. Bentley, Mrs. W. S. Stewart, Mrs. A. E. Morrison, Mrs. C. H. B. Longworth, Mrs. J. J. Wheeler. There was a large attendance at yesterday's meeting, at which the Regent, Mrs. Mathieson, presided, and at the close of which tea was served. The reports presented and approved included those of the secretary, educational secretary, chapter secretary and welfare committee. The Regent's address follows: ADDRESS OF REGENT Another year has passed and like our members, we as a Chapter are growing older. The commemoration of Paardeburg reminds us again of the birth of "The Imperial Order of the Daughters of the Empire" on Feb. 13th, 1900 and the "Royal Edward" Chapter was formed the following year. So this is our 37th anniversary. The reason for the change apparently was to provide Jews with passports as swiftly as possible and tell them to leave Germany soon under an order effective today that requires the emigration of 100 Berlin Jews daily.

Nov Scotia Legislature Opens Today

HALIFAX, Feb. 27.—(CP)—Members of Nova Scotia's Legislature opened the 18th session of the Province's 18th Legislative Assembly since Confederation, the 41st since Nova Scotia attained responsible government. Traditional ceremony and colorful military and naval uniforms will brighten the sombre walls of the Province House. Military prelude will mark the procedure as Lieutenant Governor Robert Irwin arrives to open the Assembly and a Royal Salute is fired from historic Citadel Hill. The Lieutenant Governor will not enter the Assembly Chamber until a Speaker is elected. He will send a commission, to be read by Premier Angus L. Macdonald, requiring the members to elect a Speaker to succeed Hon. I. C. Gardner, who died last year.

"J" Passports Granted Freely

BERLIN, Feb. 26.—Germany began handing out "J" passports to Berlin Jews today as fast as formalities could be completed. This reversed a previous policy which required that passports would be granted only to those likely to receive permission to enter foreign countries. The reason for the change apparently was to provide Jews with passports as swiftly as possible and tell them to leave Germany soon under an order effective today that requires the emigration of 100 Berlin Jews daily.

Apartments To Cardinals Are Distributed By Lot

VATTOAN CITY, Feb. 27.—(CP)—Rodrigue Cardinal Villeneuve, Archbishop of Quebec, will occupy an unfinished, plaster-white apartment during the conclave opening Wednesday to elect a new Pope. The apartments which will accommodate him and the other members of the Sacred College were distributed by lot today. Cardinal Villeneuve drew apartment No. 50, one of the rooms on the third floor of a new wing of the Vatican Palace which will eventually house the substitute secretary of state and other prelates. Although neither the walls nor doors of the apartment have yet been painted, the Canadian Prince of the Roman Catholic Church made a fortunate choice, as he will have at his disposal an up-to-date private bathroom. This is the only portion of the palace which is so equipped. Like the cells to be occupied by his peers in the conclave enclosure, Cardinal Villeneuve's quarters contain only a small iron bed, a prie-dieu upholstered in red, and an armchair. The frosted casement window looks out on a court and commands a fine view of the eternal city. Twelve nuns of the Little Sisters of the holy family will prepare meals for the cardinals and their aides during the conclave. These nuns prepared the food during the conclave at which the late Pope Pius XI was elected. They will occupy a special enclosure in the barracks of the Palestine Guard.

BRITISH PLAN ON PALESTINE IS REJECTED

Jews, However, Agree To Discuss Plan In Hope Of Evolving New Scheme. LONDON, Feb. 27.—Jewish delegates refused today to continue the three-week-old Palestine Conference negotiations on the basis of the British plan, but agreed to discuss the issue informally in the hope of evolving a new scheme. Informal discussions will be held tomorrow. Today after Jewish delegates had placed a memorandum before Colonial Secretary Malcolm MacDonald rejecting the British proposals, Joseph P. Kennedy, United States Ambassador, had an interview with Viscount Halifax, foreign secretary. The Ambassador told Lord Halifax that United States public opinion opposes relations of the Jews to a permanent minority status in Britain's plan for an independent state in Palestine controlled by Arabs. Shown Plan Lord Halifax showed a draft of the British plan to Kennedy, who subsequently reported to the State Department in Washington. The Jews made their "observations" on the British suggestions for Palestine's future rule after a stormy discussion with British officials. Arab conferees also met with British authorities to discuss the plan and a British spokesman said it is hoped, after informal discussions, we will be able to set a date for future formal discussions. A Jewish agency spokesman said Dr. Chaim Weizmann, president of the World Zionist Organization, and the Jewish Agency for Palestine, had told the British delegation Jews could not accept the British plan for these reasons: 1. "It ignores the rights of a national home in Palestine"; 2. "It gives Jews no safeguards concerning Jewish immigration to the Holy Land"; 3. "It places Jews under permanent domination of Palestinian Arabs." In the House of Commons Colonial Secretary MacDonald avoided questions on the British proposal but it was understood to call for the end of the British Palestine mandate, restriction of Jewish immigration and land ownership, and the eventual establishment of an independent Arab state with Jews in a minority status.

Polish Students In New Outbreak Clash With Nazis

WARSAW, Feb. 27.—(AP)—Polish students rioted against Germany at Krakow and Poznan today and clashed with Nazis at Danzig while Berlin accepted a Polish apology for an attack Saturday upon the German Embassy. The rioting took a grave form at Poznan, where the students smashed windows of a German restaurant. Scuffling followed in which several Germans were injured. At Krakow several hundred students made a determined effort to storm the German Consulate, but police finally drove them back after a long struggle. These demonstrations occurred along with a City of Danzig and as further strain was being put on relations between Poland and Nazi-dominated Danzig. Germany assured the Polish Government that the apology for the smashing of windows in the German Embassy by angry Polish students was regarded as closing the incident.

P A A R DEBERG VETERANS ARE GIVEN DINNER

Guests Of Canadian Legion At Enjoyable Function. South African War veterans were guests of the Charlottetown branch of the Canadian Legion at a dinner in the Queen Hotel last night as the 39th anniversary of the "Battle of Paardeburg" was celebrated. Eighteen South African veterans answered roll call. Approximately eighty attended the dinner which was presided over by Mr. L. W. Goodwin, president of the local Legion Branch. The following toast list was honored: The King; Canada and the Empire, responded to by Mr. John P. Leisner; the City of Charlottetown, responded to by His Worship Mayor E. A. Foster; the military forces of Canada, Lieut. E. Robins, our guests; Col. H. D. Johnson; the nursing sisters, Major James Walker; the Canadian Legion, Mr. W. S. Hughes. During the program Major T. E. McNair read a paper on the return of the soldiers from South Africa. Mr. W. Chester S. McLean spoke on the position of Canada at present time. Other speakers included Superintendent J. O. Scott of the Royal Canadian Mounted Police, Capt. L. A. Moore, Capt. A. Hennessy. Honored guest last night was Mr. Fred Wuest, South African veteran who has been in a patient hospital for some time. During the course of the dinner hearty sing-songs were a feature of the program. In addition vocal selections were rendered by Mr. Arthur Bruce and Dr. T. E. E. Robins. Mr. Albert Dennis was pianist. South African veterans present included: James Walker, Superintendent J. O. Scott, Dr. H. D. Johnson, Michael McCarthy, Donald Kennedy, Reg. Cox, Walker Lane, Patrick Ryan, Sumner MacNeil, Patrick MacDonald, Georgetown, P. C. Brown, Fred Wuest, C. F. Poole, Charlie Hine, and John Lawler. Heartly votes of thanks were tendered the Canadian Legion, citizens and the Queen Hotel at the conclusion of the dinner.

Is Convicted Of Smuggling

SYDNEY N. S., Feb. 27.—(CP)—Lambert Mathieson of Point Edward and Peter Blanchini of Reserve, charged with smuggling following the seizure last October of liquor having a duty paid value of \$26,000, were convicted in Supreme Court today. They will be sentenced at the end of the sitting. A total of 325 five-gallon kegs was seized in the raid.

Premier Dysart Ordered To Rest

FREDERICTON, Feb. 27.—(CP)—Attorney-General McNair said today that Premier Dysart had been ordered to take a complete rest and was leaving for the south. It is unlikely he will return before the present session of the New Brunswick Legislature ends. Montreal physicians found the Premier is suffering a heart condition caused by overwork, said Mr. McNair. They believe a long rest will restore his health.

BUSINESS AND FORECAST IN WHEAT POLICY

Agriculture Minister Fails To Give Any Light On Policy During Debate. OTTAWA, Feb. 27.—(CP)—Confidence in the Government's new wheat policy would create better conditions in Canada at less cost to the treasury than the present policy was expressed in the House of Commons tonight by Agriculture Minister Gardiner. At his suggestion a resolution calling for a minimum price of 30 cents a bushel for wheat at local elevators was withdrawn by the mover, E. C. Johnston (S. C. Bow River) and further discussion of the wheat question postponed until the Government's legislation is introduced. A charge that the operations of the Wheat Board would have a depressing effect on the wheat market was made by E. E. Perley (Con. Qu'Appelle). Mr. Perley said there should be a full investigation into the Board's handling of the 1938 crop before the present system was condemned. Farmers' Day It was farmers' day in the House. The Social Credit members' wheat resolution provided debate for the greater part of the sitting and then Harry Leader (Lib. Portage La Prairie) proceeded to urge an inquiry into all phases of the livestock industry by a committee of the House. Mr. Gardiner added nothing to the outline of the Government's new wheat policy which he gave more than a week ago. He indicated then that the present system of a minimum price would be discontinued and a scheme involving an acreage bonus for farmers suffering from crop failure launched. The Government had been trying to encourage co-operative marketing agencies and regulation of the Winnipeg Grain Exchange. No Objections? Western farmers were reasonable in the Minister, and in view of the inequalities which resulted from the fixed price this year they did not want that system continued. He had not received a single letter from an individual farmer urging its continuance without change. Over the past year, he said, the Government had been giving continuous study to the wheat problem and had looked into the policies followed in Australia and New Zealand. As a result of his study he had been worked out which would be suitable to Canadian conditions and would help to maintain a prosperous population on the farms. Robert Fair, K. C. (Battle River) supported the resolution, as did M. K. Caldwell (C.F.E. Roseau-Beige), who thought the fixed price should be still higher, and T. C. Douglas (C.O.F. Weyburn). H. A. McKenna (Lib. Lambton-Kent) and Hervey Brunelle (Lib. Champlain) opposed it on the ground Ontario and Quebec farmers should not receive their troubles, who also had their troubles, which includes limitation of guaranteed prices to western growers. This year, said Mr. McKenna, Ontario farmers produced about 20,000 bushels of wheat which they sold at around 50 cents a bushel. Some of the 50 cents they received went in taxes to help pay much higher prices to western farmers.

Fire At Montague

A grocery store, owned by Mr. Howard Vickersson and a barber shop, run by Mr. Edward Kerr, were badly damaged in a fire which raged through a basement building at Montague early this morning. The fire broke out shortly after one o'clock and it was not until about an hour later that the stubborn blaze could be brought under control by the Montague Fire Department. The building was badly gutted and the loss to Mr. Vickersson especially heavy. Mr. Kerr, his wife and a family of three occupied living quarters in the building but escaped unharmed.

Scores Killed And Wounded In Holy Land Disorders

JERUSALEM, Feb. 27.—(AP)—Explosions erupted with napalm bombs patrolled turbulent centres of the Holy Land tonight following a week-end renewal of Arab-Jewish strife in which 22 persons were killed and 54 wounded. (Havas News Agency reported tonight from Jerusalem that eight Jewish extremist nationalists prominent in Vladimir Jabotinsky's new Zionist organization were arrested by police.) Military police enforced curfew at Haifa, scene of the heaviest bloodshed, which came in the midst of an Arab celebration over reports that Great Britain proposed to make an independent state of Palestine. Bombs planted in vegetable baskets at Haifa's Arab market killed 24 Arabs and wounded 39. The explosions were set off during the morning marketing hour and created a scene of horror. Except for a few military patrols, Haifa streets were deserted tonight. From the Arab quarter came the wails of relatives over the mangled bodies of the bomb victims. In Jerusalem's market place three Arabs were killed and six were wounded by exploding bombs and one Arab was shot to death. Three land mine explosions outside Jaffa killed one Arab and wounded four others. In Jaffa proper two Jews were reported to have slain an Arab youth. Two Arabs were found shot to death near the Jewish community of Tel Aviv. Gloom filled Jewish settlements where it was feared the Palestine conferences in London might mean the end of their hopes for a national home in the Holy Land.

Stormy Scene As Chamberlain Orders Debate

Labor And Liberal Opposition Attack Government's Appeasement Efforts. (By J. F. Sanderson, Canadian Press Staff Writer) LONDON, Feb. 27.—Great Britain has reached an understanding with General Franco for removal of Italian and German soldiers from Spain at the conclusion of the civil war, Prime Minister Chamberlain hinted in the House of Commons today when he announced formal recognition of the Nationalists as the paramount Spanish Government. Britain and France acted simultaneously in according full recognition to General Franco's Nationalist regime after a week-end in which Madrid Government leaders stated an armistice was being arranged to end the civil war. There was a stormy scene in the House of Commons as the Prime Minister made his announcement. Labor members charged Mr. Chamberlain with betraying democracy while he referred to Franco's determination to "secure the traditional independence of Spain and to take court proceedings only in the case of those against whom criminal charges are laid." Full Dress Debate The nature and extent of the Nationalist assurances of removing Italian and German forces will be disclosed when the House holds a full dress debate tomorrow on the diplomatic recognition of General Franco. The Prime Minister will defend his policy against Clement Attlee, Labor Leader, and the latter's followers. "There can be no doubt now of the ultimate issue of the struggle," the Prime Minister said this afternoon. He added that Franco now controls most of Spain's territory and resources, and that "in these circumstances" the Cabinet had decided on recognition. Labor Motion The motion the Labor opposition will put in Commons tomorrow states that recognition "constitutes a deliberate affront to the legitimate government of a friendly power, is a gross breach of international traditions and marks a further stage in the policy which is steadily destroying in all democratic countries confidence and good faith in Great Britain." To an accompaniment of bitter opposition charges that he had misled the House he ordered debate tomorrow on the Government's action. International Conference He also told Commons he was anxious to call an international conference for the "removal of economic and political grievances" whenever such a meeting would be assured "any chance of success." However, he added, the time had not yet come and a "considerable amount of preliminary preparations will be necessary." Such a conference, Mr. Chamberlain said, would work for "a settlement which includes limitation of armaments and removal of all barriers to international trade." His statement was in reply to a question whether he "in association with the American President" would summon such a conference. Positions Reversed With British recognition of Franco, a diplomatic climax of the 31-month-old civil war, the position of the Madrid and Burgos Governments were reversed. Britain, however, did not extend belligerent rights to Franco. France and long demanded belligerent rights from Britain and France in order to place an effective sea blockade which would enable them legally to halt and search foreign vessels carrying food and munitions to the Madrid Government. Some observers wondered whether this vital step by London, with Paris following, would persuade the Madrid Government to abandon its apparent hopeless plan of holding out.

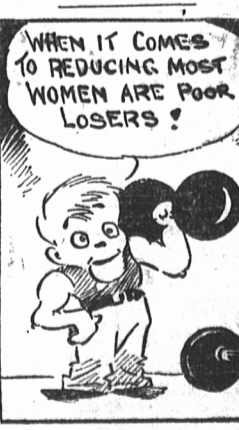
Will Remember "Friends" Says General Franco

BUEGOS, Spain, Feb. 27.—Nationalist General Franco will "wildly cheer" through today that he would not "forget" those countries who came to our aid in time of need. Although General Franco made his speech in response to a demonstration in connection with recognition of his regime today by Great Britain and France, his remarks were interpreted as obviously referring to Italy, Germany and Portugal. Appearing on a balcony after a crowd below had called for him, General Franco in a 16-minute speech said Spain has "fought a winning battle against communism and the forces seeking to destroy her." He thanked Germany, Italy and Portugal "and other countries who were among the first to extend us friendship."

Flood Threatens Truro District

TRURO, N. S., Feb. 27.—(CP)—Heavy rains and an ice jam in Lepper Brook threatened Truro's east end district with flood conditions today. Streets were covered with nearly two feet of water and cellars were flooded. Truro and railway workers with ice and picks prevented a bad jam at the Prince Street railway bridge as water reached the top.

When It Comes To Reducing Most Women Are Poor Losers



TORONTO, Feb. 27.—Minimum and maximum temperatures: Dawson 4B 19, Vancouver 34 46, Edmonton 16 20, Regina 6B 12, Winnipeg 6B 13, Toronto 24 36, Ottawa 20 32, Montreal 24 34, Quebec 24 26, Saint John 32 40, Halifax 32 44, Charlottetown 42 43. FORECAST Maritime Provinces: Fair with moderate temperature; followed by increasing easterly winds at night with snow or rain by Wednesday. High tide this afternoon at 4:13 and tomorrow morning at 6:48. Sun sets this afternoon at 5:45 and rises tomorrow morning at 6:30. Full moon, March 5, 2 p. m. Summerside tide eighteen minutes later than Charlottetown. THE CAR FERRY SAILINGS Leave Borden 9:45 a. m. 1 p. m. Tormentine 11 a. m. 3:05 p. m.

The Quality Tea "SARAWA" TEA