

Good thoughts even if they are forgotten, do not perish.

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A good spirit in misfortune makes the misfortune less by half.

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SETS COURSE TO ACHIEVE ECONOMIC JUSTICE

DUMPING DUTY ON N.Z. BUTTER REMOVED

Home Market More Open To Competition

No Compensating Advantage Obtained For Canadian Farm Producers.

OTTAWA, Aug. 31—(CP)—Removal of the exchange dumping duty on New Zealand butter and extension of the present trade agreement with that country until Sept. 30, 1939, was announced today by Transport Minister Howe, acting Minister of Trade and Commerce.

In return for removal of the dump duty, under certain conditions, the New Zealand Government has agreed to cooperate as far as possible by limiting shipments to such proportions as not to "unduly prejudice" the interests of Canadian producers.

Olive Branch Extended To Mr. Hepburn

Receives Invitation To Confer With King Gov't On Waterways Project.

(CP. By Guardian's Special Wire) OTTAWA, Aug. 31—For any conclusion it may reach on the St. Lawrence waterways project, the federal government will be responsible to parliament, Prime Minister Mackenzie King told Premier Hepburn of Ontario in a letter dated yesterday.

Mr. Hepburn's reply of Aug. 19 for an expression of government policy on the subject.

No final conclusion could be reached on the feasibility of the whole project until possibilities of a solution to the power questions, the Prime Minister said, and he renewed his invitation to the Ontario government to join with federal officials in a technical examination of the project, "without prejudice."

General Lacombe, of the Federal government, the Prime Minister said, "is to continue trying to clear away the obstacles to the own freedom to develop its own resources at its own discretion."

"At the present moment, the matter confronting all concerned being simply one of procedure involving no decision on any aspect of substantive policy, our immediate proposal, in view of our international responsibilities, is to re-examine the project, by joint technical examination and discussions, how take place between Federal and provincial officials."

On Aug. 19, the day after President Roosevelt spoke at the dedication of the Thousand Islands bridge and urged Canadian cooperation in completing the St. Lawrence project, Mr. Hepburn wrote the Prime Minister acknowledging receipt of the latest proposals from the state department in Washington, and by Mr. Mackenzie King, last May 31, without comment.

"Inasmuch as ample time has elapsed now for you to give sufficient study to the problem, I would like to know," Mr. Hepburn wrote, "what your policy is, if any, and should you have a policy, what"

World News In Brief

COMPLETES ATLANTIC FLIGHT
PORT WASHINGTON, N. Y., Aug. 31—The huge French flying boat, the *Lieutenant De Valseau Paris*, alighted at the sea base here today at 4:20 p. m. A.D.T. It took off from the Azores yesterday.

BODY OF YOUTH RECOVERED
PORT MORIEN, N. S., Aug. 31—Body of 17-year-old Raymond Wadden was recovered from the waters of Morien Bay tonight, ending a two-day search for the youth who had been reported missing from his home since last Monday.

FAIL TO SETTLE DISPUTE
CHICAGO, Aug. 31—The National Mediation Board announced late today it had failed to settle the dispute between major railroads of the United States and their 929,000 employees over a proposed 15 per cent pay cut.

CUSTOMS GUARD FIRED ON?
BERLIN, Aug. 31—DNB, official German News Agency, in a dispatch from Oelsen, Saxony, said tonight that Czechoslovak frontier guards fired from ambush across the border on a German customs officer. The agency said the officer was not injured.

TOKYO LASHED BY TYPHOON
TOKYO, Sept. 1—(Thursday)—A 75-mile-an-hour typhoon struck the Tokyo area early today, paralyzing communications and wrecking or inundating hundreds of homes.

Yokohama, seaport 18 miles from Tokyo, was thrown into darkness as the gale snapped wires and poles. Omori, one of Tokyo's outlying wards, reported several hundred homes blown down or flooded.

PLANS SPEEDY ARMS INQUIRY
OTTAWA, Aug. 31—Defence Minister Mackenzie will hold a press conference at 11 a. m. EDT (noon A.D.T.) tomorrow when it is expected he will announce plans for a speedy inquiry into the Bren machine gun contract with the John Inglis Company of Toronto. It had been expected the contract would be investigated by the Public Accounts Committee at the next session of Parliament but the Minister's announcement tonight concerning tomorrow's conference is interpreted here as indicating the Government has decided to act immediately and get the inquiry under way.

Britain Presses For Conciliation In Czech Dispute

Outcome Of Problem Which May Mean Peace Or War Rests With Hitler, Belief.

LONDON, Aug. 31—Great Britain applied stronger pressure tonight on both sides of the German-Czechoslovak dispute for conciliation but all Europe waited a fateful decision from Adolf Hitler which might mean peace or war.

Whether this answer might come through a Sudeten German reply to new Czech proposals for settlement of the minority issue, or a pronouncement next week at the Nuremberg Nazi party congress was uncertain.

Sir Neville Henderson, Britain's Ambassador to Germany, flew back to Berlin today. He was reported unofficially to be carrying a secret communication to the German Government.

Some diplomatic quarters believed he carried a personal message from Prime Minister Neville Chamberlain to Hitler, possibly embracing a plea for peace.

It was generally believed in Britain that with Hitler rests the final decision whether the present crisis, gravest since 1914, will lead to another major war.

Diplomats Active

The parade of foreign diplomats to the Foreign Office showed the gravity with which all nations considered the situation.

A significant case was the Polish Charge D'Affaires, Antoni Jazdzewski, whose country lies between Germany and Soviet Russia—a possible corridor for Soviet troops to go to the aid of their Czech allies.

British officials still hoped camp counsels among the Nazis of both Germany and the Czechoslovak Sudeten area would prevail in favor of conciliation.

A warning came from authoritative British quarters that failure of any party concerned in the dispute to show a "real desire to contribute toward settlement" would be "criminal folly."

Winston Churchill, a strong defender of Anthony Eden, former Foreign Secretary when he broke Feb. 20 with Mr. Chamberlain over dealing with dictators, was a surprise visitor to Lord Halifax, sending 40 minutes with him.

Churchill's speech last Saturday, however, indicated he is now more

Tokyo Rejects U. S. Protest

Large Scale Manoeuvres Field Marshal Hermann Wilhelm Goerring's mouthpiece, the National Zeitung, termed the exercises the biggest since the Great War.

TOKYO, Aug. 31—(AP)—Japan tonight rejected a United States protest against destruction of a Chinese-American airliner by Japanese warplanes near Canton Aug. 24.

A note handed the United States Ambassador, Joseph Grew, denied the incident was of any concern to America. The note disclaimed all guilt and even admitted Japanese planes continued to machine-gun the liner after she landed on the National Aviation Corporation in Macao in South China.

The United States protest registered Aug. 26 pointed out the airliner was property of the China National Aviation Corporation in which "Pan American Airways has a very substantial interest."

The only American aboard, pilot H. L. Woods of Winfield, Kansas, was still in the plane. He escaped unharmed, but 14 Chinese passengers or crewmen were believed killed.

The Japanese reply stressed that the American-piloted airliner "acted in such a manner as to invite suspicion" when it dove into cloud banks after sighting five Japanese warplanes approaching.

Berlin Awaits Report From British Envoy

Sir Neville Henderson Returns From London With Detailed Information.

(By Melvin K. Whiteleather, Associated Press Foreign Staff) BERLIN, Aug. 31—Great Britain's Ambassador, Sir Neville Henderson, reached Germany by plane tonight bearing what Nazi officials considered an important communication from the British Government concerning central European war tension.

Fresh from long consultations with the British Cabinet and highest British officials, Sir Neville was expected to see Foreign Minister Joachim von Ribbentrop soon.

Whether he would see Chancellor Hitler apparently had not been decided tonight and exact whereabouts of the Reichsruhr remained a mystery. Presumably Hitler was still in the French frontier region where he started a fortifications inspection tour five days ago.

While German officials awaited Sir Neville's report on his hurried trip to London, it was disclosed that Germany's current naval exercises in the North Sea are far more inclusive than was at first announced.

Large Scale Manoeuvres

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Sixty units participating in the squadron games will assemble for even bigger manoeuvres in the first part of September.

Britain's Home Fleet also has been ordered out for Autumn manoeuvres in the North Sea to start Sept. 5, the day the Nazi party congress will open in Nuremberg. Admiralty officials assert the manoeuvres are "routine."

Extensive German army manoeuvres are in progress throughout the Reich to continue for another month, involving apparently all Germany's 36 divisions of approximately 250,000 men each, or a total of 900,000. They are based on an estimated 500,000 reserves.

War fear still grips the German people, although the Nazis have toned down their sharp press and

Ship's Deserter Is Held At Hamilton

Miles Leura Baine of North River, P. E. I., in address said there had been an improvement of social conditions in India but in most cases it had been accompanied by increases in the cost of living.

HAMILTON, Ont., Aug. 31—(CP)—Hungry, and unable to make his sea legs take him any farther on his cross-country journey, Arnold Kilgas, 25-year-old Estonian sailor, laid his problems before police today. Kilgas said he had jumped ship at a New Brunswick port. He was held for alleged breach of the Immigration Act.

Miles Leura Baine of North River, P. E. I., in an address said there had been an improvement of social conditions in India but in most cases it had been accompanied by increases in the cost of living.

Loyalists Occupy Strategic Hills

HENDAYE, France, Aug. 31—(AP)—The Spanish Government said its troops smashed a bid on the Estremadura front today, completing occupation of the important hills of Benquerencia despite stiffened insurgent resistance in southwest Spain.

New Hospital At Kentville Opened

KENTVILLE, N. S., Aug. 31—(CP)—The New Blanchard-Fraser Memorial Hospital was opened at a ceremony today by Nova Scotia's Health Minister Dr. F. R. Davis.

The hospital was built at a cost of \$150,000 through bequests and endowments. During the opening ceremony a tablet was unveiled to the memory of George E. Calkin, who made the institution possible when he bequeathed his entire property to the Kentville Hospital Commission 18 years ago.

Supervisor of the hospital is Miss Elizabeth Richardson, a graduate of Jeffrey Hale Hospital, Quebec.

Conflicting Claims Of Success On Far East War Fronts

SHANGHAI, Aug. 31—(CP)—Chinese and Japanese spokesmen said conflicting claims of success on war fronts of the Far East tonight.

Spokesmen for the Japanese Army and Navy said tonight their combined air force had executed one of the heaviest aerial onslaughts of the Chinese-Japanese war in an effort to wipe out Chinese defences about 100 miles south-east of Hankow.

Attacks were centred south of the Yangtze River, west of Jichang. The spokesman said a rain of bombs virtually laid waste to the whole countryside to pave the way for an infantry advance.

Chinese soldiers were killed or scattered and their artillery positions shattered throughout the sector, the spokesman said.

At the same time, the Japanese Navy reported its south China air force shot down an entire Chinese squadron of 17 British-built planes over Nanyung, on the Kwangtung-Kiangsi border. The air battle occurred when Japanese planes bombed the Nanyung airfield.

Back-to-land Seen As Need

(C. P. By Guardian's Special Wire) WOLFVILLE, N. S., Aug. 31—Community leaders were urged today to find some means of keeping young people of rural districts on the land by Dr. W. V. Longley, director of extension at the Nova Scotia Agricultural College.

He found the rural population of the Maritimes had been decreasing over a period of years. "We should also recognize that for years the greatest export from the Maritimes has been our young people," Dr. Longley said, speaking before the United Baptist Maritime convention here.

He said local leaders were necessary and extension work was contributing much in the development of such leaders. Dr. Longley also found a very definite relationship between the rapid increase of boys' and girls' club work in Nova Scotia and the number of local leaders.

Mrs. L. Duval of Saint John, N. B., led in prayer at a meeting of the United Baptist Missionary Union held in conjunction with the convention.

Miles Leura Baine of North River, P. E. I., in an address said there had been an improvement of social conditions in India but in most cases it had been accompanied by increases in the cost of living.

Pilot Suspended In Grounding Of Liner

OTTAWA, Aug. 31—(CP)—Pilot Henri Pouliot who was in charge of the *Liner Ascania* when she grounded in the lower St. Lawrence River July 3 has been suspended for the remainder of the shipping season, it was learned today.

An investigation conducted for the Transport Department by Mr. Justice Philippe Demers recently found the pilot and navigation officer were responsible for the disaster.

Daladier Says Army Ready For Emergency

PARIS, Aug. 31—(AP)—Premier Edouard Daladier today assured the Chamber of Deputies Army Committee that the armed forces of France are strong enough to meet any emergency in war-jittery Europe.

The Premier's words before a secret session of the 44-man committee in Bourbon Palace were not disclosed, but deputies said Daladier declared the military machine was at its highest efficiency since the Great War.

A questioner, said to have been approved previously by Daladier, was submitted to the Premier-Defence Minister by Committee chairman Edmond Miellet.

Replying to it, Daladier drew a complete picture of the European crisis centring on relations between Germany and Czechoslovakia and guardedly furnished some facts and figures on German, Italian and other armed forces which had

Fisheries Official Stricken Suddenly

(CP. By Guardian's Special Wire) WINNIPEG, Aug. 31—A heart seizure forced A. H. Whitman of Halifax to hospital here two weeks ago, Dr. C. E. Corrigan said today.

Mr. Whitman, member of the Dominion Government Fisheries Committee, was stricken while en route to Vancouver with other committee members.

Dr. Corrigan said Mr. Whitman, 66 years of age, was "quite ill." The doctor added he was unable to say when his patient would be strong enough to leave St. Boniface Hospital and return to his Halifax home.

Increase Shown In Building Contracts

TORONTO, Aug. 31—(CP)—Building contracts awarded throughout Canada in August totalled \$22,113,400, the highest of the eight months this year, according to figures compiled by Maclean Building Reports Ltd. The July total was \$21,138,200.

Awards for the eight months of 1938 aggregated \$123,926,800, the highest for the same period since 1931 with the exception of 1937 when the eight-months total was \$159,691,900.

Nova Scotia reported \$1,067,000 New Brunswick \$881,600, and Prince Edward Island \$52,600.

Island Cattle Place High At Nova Scotia Exhibition

HALIFAX, Aug. 31—Prince Edward Island cattle captured major awards in nearly all classes at the Nova Scotia Provincial Exhibition as judging continued yesterday.

In the Ayrshire Class the junior championship male born before July 1, 1936, A. McRae and Sons, Charlottetown. They also were the winners of the reserve senior champion male. In the same breed McRae and Sons carried off honors in the female class, while Ings and Sons' entry captured the junior champion

Manion Stresses Urgent Need For Sweeping Reform

"Work And Wages And Opportunity For Youth" The Major Issue Before Canada Today, Says Conservative Leader.

(By NORMAN CAMPBELL, Canadian Press Staff Writer) SAINT JOHN, N. B., Aug. 31—(CP)—Hon. Dr. R. J. Manion, National Conservative leader, said in an address here tonight he would not be swayed from the issue of a political appointee.

Three years ago said Mr. Manion he was able to announce the letting of a "contract for the improvement of port facilities in Saint John. At the same time he outlined the improvement that should be made so that Saint John would become an all-year port instead of a winter one.

"That contract is completed but the present Liberal Government has not taken a single step toward the program I outlined as necessary. I want to leave this question with you, who is there on the National Harbors Board to speak for Saint John?"

The convention that elected him leader was truly representative of all classes, creeds and races in Canada, said Dr. Manion. He felt his support on the banking was truly representative of the convention's cross-sections.

"I will make mistakes," he said. "I hope you show an indulgence toward them. The man who never makes mistakes, never makes anything. The test of friendship was in standing by a man when he was wrong.

"Let the enemies do the criticizing," said Dr. Manion. He recalled the standing pledge of loyalty given him.

Human Rights First

The National Conservative Party must put human rights above special privilege, said Mr. Manion. It must preach and teach that wealth and power are impossible of accumulation without the opportunity. We must correct this with a definite responsibility to the community and to the people of the nation.

It was disheartening to think that the social conscience was not as keen in Canada as it should be. "We must awaken a social conscience in this Canada of ours," he said. "It should be a land of huge opportunity. We must correct this with a definite responsibility to the community and to the people of the nation.

Individual liberty, economic freedom and social justice were the things the democratic system must guarantee to assure its continuance, said Dr. Manion. The first two were here but they were incomplete without the third and to the achievement of this he was determined to dedicate his leadership of the Conservative party.

With a million on relief and half a million unemployed the Canadian scene could be painted as a sorry picture, said Dr. Manion. The failure of the distributive system had enlarged the extremes, the rich and the poor at the expense of the great middle class, the backbone of any nation. To rectify this was the task of a Conservative party bent on a crusade of reform.

Solving of the system would here work and create opportunity for youth. "I am determined to set my course to solve it," he said.

WARMLY RECEIVED

SAINT JOHN, N. B., Aug. 31—(CP)—Hon. Dr. R. J. Manion, National Conservative Leader, tonight tendered a cross-simentary dinner here by New Brunswick's Conservatives.

Dr. Manion accompanied by Dr. J. Walter Jones with the grand champion and reserve grand champion male and the junior and senior champion males, R. A. Profit, P. Stewart, and Dr. Manion.

Major Holsteins awards went to J. Walter Jones with the grand champion and reserve grand champion male and the junior and senior champion males, R. A. Profit, P. Stewart, and Dr. Manion.

Heavy winners in the sheep section were George L. Boswell, Charlottetown, R. R. and Almon Boswell, Dunstan.

THE CAR FERRY SAILINGS

Leave Borden 7 a. m. 9.45 a. m. 1 p. m. and 4.45 p. m. Tormentine 8.15 a. m. 11 a. m. 3.05 p. m. and 6.50 p. m.

Sundays, Leaves Borden 9.00 a. m. and 1 p. m.

Leaves Tormentine 10.15 a. m. and 3.70 p. m.



Enjoy tea at its best
"SHILDA" TEA