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NAZI TERMS

Sixteen Points For Settling Of Danzig And Corridor Issue

RETURN OF FREE PORT AT ONCE—INTERNATIONALLY CONDUCTED CORRIDOR PLEBISCITE—IMMEDIATE DEMILITARIZATION

BERLIN, August 31: (CP)—Germany has submitted a sixteen-point offer to Poland for settlement of their dispute, it was announced today. The points follow:

1. Danzig returns immediately to Germany.

2. The Polish Corridor running from Marienwerder to Gruziasz, Kulm and Bydoszez is to be subject to plebiscite to determine to whom it belongs.

3. Eligible to take part in the plebiscite under an international commission will be all Germans, Poles and others who resided in the Corridor on January 1, 1918.

4. Gdynia is exempted from the plebiscite and remains Polish.

5. To allow ample time for a just plebiscite this shall take place within twelve months.

6. During the period when the international commission controls the Corridor Germany is assured of free communication to East Prussia by railway and auto road.

7. A simple majority will decide the plebiscite fate.

8. In case the territory is voted to Poland, Germany will be granted an extra-territorial zone for an auto road and a railroad one kilometre wide. If voted to Germany a similar privilege will be granted to Gdynia.

9. Germany is ready to effect an exchange of populations in case the Corridor is awarded to Germany.

10. Germany shall enjoy the same economic rights in Gdynia as are the Poles in Danzig.

11. To eliminate bad feeling both Danzig and Gdynia will be purely trade centres and hence demilitarized.

12. Whichever way the Peninsula of Hel goes it is in any case to be demobilized.

13. Complaints about the treatment of minorities by both countries will be submitted to an international commission for investigation.

14. Neither country shall expect a minority of the other to render services incompatible with national honor.

15. In case these proposals are accepted, both sides are to demobilize at once.

16. Further measures necessary to be arrived at by negotiation.

German Patrols Cross Border Into Poland; Take Danzig Stations

BERLIN SAYS THAT NEGOTIATIONS HAVE "PAUSED" BUT NOT "HALTED"—UNCERTAIN WHETHER HITLER WILL ANSWER

BRITISH FORCES PUT ON PRACTICAL BASIS OF MOBILIZATION—EVACUATION OF LONDON CHILDREN AND INVALIDS

LONDON, August 31: (CP)—Polish sources asserted today that German patrols had crossed the border into Polish territory at several points. They also asserted that a German bomber had flown over Polish Silesia and had been pursued by Polish planes. Reports from Danzig of what Poles called "new aggressive activity" by Danzig Nazis included one that all communications between the Free City and the Polish port of Gdynia had been cut. Polish railway lines to Gdynia run through Danzig. Already in the Free City Nazis have occupied all Danzig railway stations.

Meantime in Berlin authorized Germans said tonight that a "pause" but not a "halt" had been called in negotiations between Berlin and London. Announcement of full mobilization of the British fleet coming on top of Poland's extension of mobilization yesterday these persons indicated as at least partly responsible for the pause. As a result, it was uncertain whether British questions put to Hitler by Great Britain last night would be answered

The British government announced that armed forces of the country were being placed practically on a basis of mobilization. A communique announcing the step read: "In continuation of measures already adopted, it has been decided to complete naval mobilization and call up the remainder of regular army reserve and supplementary reserve. A further number of Royal Air Force volunteer reserves are also being called up. Officers and men should await further instructions which will be made public immediately by each of the three service departments.

This sudden move on the part of Britain came the day after Poland had put forces in practically the same state of readiness for war and after officials had expressed pessimism over the possibility of settling the Polish-German dispute by negotiation.

The order means that the fleet will be mobilized and, with the Army and Air Force, brought up to full strength. Officials denied, however, that it meant general mobilization.

Precautionary evacuation of school children and invalids from London and other key cities tomorrow—the movement perhaps involving several million persons—has been ordered by the Ministry of Health.

The London Stock Exchange will be closed tomorrow, shortening the trading week by one day. Transportation facilities being so occupied with the exacuation of children from London, it is felt that normal exchange dealings would be rendered extremely difficult.

The government has clamped down censorship on all press dispatches and simultaneously all telephonic communication between London and the European continent has been halted.

Bulletins

WILLING TO NEGOTIATE

LONDON— The British government was reported by highly reliable sources today to have received notes from the German and Polish governments early tonight indicating mutual willingness to negotiate territorial differences. This report was in face of a dispatch from Warsaw stating that hope for peace was dwindling fast on Friday after a government spokesman said Poland had refused to send a mission to Berlin to talk with Hitler.

ITALIAN ARMY DIVIDED

ROME—Division of the Italian army into two parts, respectively commanded by Crown Prince Umberto and Marshal Rodolfo Graziani, is announced. There is no explanation. Foreign observers see no reason for the unusual division of forces unless they are in obedience to some war plan known only to the high command.

JAPS TO PRINCE GEORGE

JUNEAU—Pan American Airways office announced today that the Japanese goodwill plane had taken off from Whitehorse for Prince George. The plane arrived at Whitehorse last night from Fairbanks. If weather is favorable, the plane may not stop at Prince George but go through to Vancouver or Seattle.

PATTULLO AT DAWSON

DAWSON—Premier Pattullo arrived here yesterday afternoon from Fairbanks enroute home after a northern aerial tour including Fairbanks. He plans to fly to Whitehorse, Atlin, Prince Rupert and then Victoria.

Halibut Sales

American

Foremost, 40,000, Royal, 8c and 6c.

Yacquina, 24,000, Cold Storage, 8c and 6c.

Angeles, 21,000, Booth, 8.1c and 6c.

Canadian

Lois N., 40,000, Cold Storage, 7.3c and 5c.

Goney, 12,000, Booth, 7.2c and 5c.

Weather Forecast

Prince Rupert and Queen Charlotte Islands—Moderate northwest winds, cloudy and cool with showers.

West Coast of Vancouver Island—Moderate to fresh northwest winds, cloudy and cool with occasional showers and fog patches.

Situation Is Unchanged—

BOTH SIDES IN DANZIG CRISIS STANDING FIRM—MEDIATION ONLY HOPE

Change of German Policy is Denied in Berlin—Warsaw Says Latest Hitler Proposals Unacceptable—Britain And France Ready To Fight

LONDON, August 31: (CP)—With Chancellor Adolf Hitler of Germany still insisting upon the return of Danzig and a motor road passage across the Polish Corridor for the Reich and Poland Remaining firm in her refusal to surrender Danzig under any consideration, sources close to the British government say that the situation in regard to the crisis is about the same as it was last Saturday when Hitler sent his first proposals to London. It is recalled that Prime Minister Neville Chamberlain, in his statement to the House of Commons on Tuesday, said there was a precarious balance between peace and war. Notwithstanding this, officials said last night that the latest British note to Hitler yesterday was of such a nature as to invite a further reply from the Reischfuehrer. Mediation still appears to be the only hope of averting war.

Berlin newspapers insist that there has been no change in German policy as a result of the exchange of views between London and Berlin. Hitler is reported to have suggested that British pressure must be brought to bear upon Poland to "make her see reason." While still expressing hope for a peaceful settlement of the issue, Berlin papers agreed that the situation was still serious.

At Warsaw it was said in authoritative quarters that Hitler's latest message to Great Britain, that de-

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ACTIVITIES IN RUPERT

Militia Officers Busy In Connection With Local Garrisoning In International Crisis

Local militia officers and those who arrived from Vancouver yesterday with the Irish Fusiliers and other units have been busy arranging for the dispatch and billetting of patrols for guard duty in the city and interior. Headquarters are at the local Armory but the office in the new Federal Building, which was at first meant for the use of Government Telegraphs and later reserved for the Department of National Defence, is being taken over.

Some twenty-five of the Fusiliers left last evening by train for guard duty of bridges along the railway, relieving men of the local battery who went out temporarily and will be back tonight.

Billetting quarters for the militia men from the south have been arranged at the armory, dry dock and the W. H. Malkin Co. warehouse.

The freighter Border Prince was in port last night from Vancouver with supplies for the maintenance of the additional militia men here.

Lieut. Col. S. D. Johnston, officer commanding, 102nd. Battery, had no comment to make today about local military preparations. "It is all a matter of administration and we are very busy," he said.

"If you would like to do something for us," added Col. Johnstone, "you could say we are anxious to receive recruits and now would appear to be a good time for young men to join up."

Call For Recruits In Permanent Units

Men Wanted For Artillery, Engineers and Ordnance Corps

Inspector C. G. Barber, provincial police, received a message yesterday afternoon from the officer commanding Military District No. 11 announcing that recruits were required for permanent duty in the Royal Canadian Artillery, Royal Canadian Engineers and Royal Canadian Ordnance corps. Prospective recruits will present themselves to Inspector Barber who, if he deems them suitable, will send them up for physical examination by the Royal Army Medical Corps examiner following which, if they are found physically fit, transportation to Victoria will be arranged.

VOLUNTEERS ARE ASKED

Naval Officers and Ratings For Office Staff Invited In Message From Ottawa

Lieut. O. G. Stewart, commanding officer of the local unit of the Royal Canadian Naval Volunteer Reserve, has received from naval service headquarters in Ottawa calls for volunteers for officers and ratings for office staff for active service. There had been no call up to early this afternoon for volunteers from ratings generally.

Miss Enid McKee, who has been spending the summer vacation here with her brother-in-law and sister, Mr. and Mrs. Arnold Flaten, will sail by the Prince Rupert tonight on her return to Victoria.