

Diligence, ambition, are noble words, but only if touched by fine issues.

We cannot attach a feeling value to anything that has not a thought value.

Covers Prince Edward Island Like the Dew

CHARLOTTETOWN, CANADA, TUESDAY, APRIL 13, 1937

10 PAGES

Annual Subscription Delivered \$5.00 By Mail Canada and U. S. \$6.00

GASOLINE TAX RAISED TO 10 CTS. PER GALLON

BRITAIN PURSUING CAUTIOUS POLICY—EDEN

\$63,288 Deficit Is Budgeted For On Current Acct.

100 Per Cent Increase In Life Insurance Company Taxes. Income Taxes To Be Collected Through Federal Dept., With Promised Extension Of Exemptions, And Gasoline Rebate To Fishermen.

Budgeting for a deficit on current account next year of \$63,288, Premier Campbell also announced in the course of his budget speech in the Legislature last night that the gasoline tax would be increased from 8 cents to 10 cents, and the tax on life insurance companies from 1 per cent per premium income, to 2 per cent.

Total ordinary revenues were estimated at \$1,799,816, as against ordinary expenditures of \$1,863,104. "Uncontrollable increase" in expenditure for the current year, totalling \$70,500, was given as the reason why a balanced budget promised in the Liberal platform could not be anticipated this year.

The Premier departed from the customary practice in reviewing only a part of the estimated capital expenditures. Under this classification he included: renovations to Law Courts Building, Charlottetown, \$15,000; repairs to Court House, Summerside, \$3,000; repairs to Court House, Georgetown, \$1,500; equipment of agricultural class room at Prince of Wales College, "a sum sufficient"; for National Park, "a sum sufficient"; for fishermen's loans, "a sum sufficient"; unemployment relief projects in cooperation with the Dominion Government, "a sum sufficient".

The Government had been obliged to ask for emergency estimates of \$20,000 to repair the ravages to highways caused by the severe rains and frosts of the late autumn and early winter. The increased gasoline tax, the Premier stated, would not be used for budget balancing purposes but would be earmarked for highway work.

The policy of "standard sub-grading" for hard surfaced highway purposes would be continued this year. Restoration of the full gasoline rebate to fishermen and farmers was announced, along with the statement that income tax exemptions would be extended for the benefit of married persons with large families. Arrangements have been made to have the income taxes collected through the Dominion tax department.

The Premier warmly commended the services of the Mounted Police, "not only to this Government but to all Governments of this province in carrying out systematic and thorough enforcement both of the provincial statutes and of the criminal code."

Mr. Campbell spoke for two hours and was followed by Hon. J. P. McIntyre, Minister of Public Works, who at 10:40 p.m. moved the adjournment, when the House adjourned until 11 o'clock this morning.

Text of Speech

OTTAWA, April 12—(CP)—The Department of National Defence tonight announced personnel of the Advisory Board of the Royal Military College of Canada, Kingston, Ont., for the year starting May 1. Maritime members are: Nova Scotia—Dr. H. L. Stewart, Dalhousie University, Halifax; New Brunswick—A. S. McFarlane, Chief Superintendent of Education, Fredericton; Prince Edward Island, Lieut.-Col. T. L. Lowther, Charlottetown.

More Taxes



PREMIER CAMPBELL

EXPULSION STILL IN FORCE

QUARRYVILLE, N.B., April 12 (CP)—Expulsion of 12 students from the rural school here was still in force today and trustees declared it would continue until the children were ready to obey regulations.

The expulsion was made on March 5 because the 12, owing to religious beliefs of their parents, refused to salute the flag and rise for the National Anthem.



METEOROLOGICAL SERVICE

Location	Temperature
Dawson	32
Victoria	44
Edmonton	26
Regina	34
Winnipeg	42
Toronto	33
Ottawa	26
Montreal	38
Quebec	36
Saint John	32
Halifax	32
Charlottetown	32

Plan No Action To Split Europe Into Two Blocs

Foreign Secretary Warns Critics False Step May Result In Consequences Of Utmost Gravity.

LONDON, April 12—Foreign Secretary Eden declared tonight Britain was following a cautious foreign policy because "we refuse to lead Europe over the precipice."

He answered critics of the Government with the assertion Britain would not take any action likely to divide Europe into two blocs. "It is easy and popular to rattle the sabre," he said, addressing the Liverpool Conservative Association. "It is far more difficult and unpopular to face criticism for being poor spirited because we refuse to lead Europe over the precipice."

Contending the Government were fully aware of Britain's responsibility, Eden said: "We are acutely conscious that a false step by His Majesty's Government at this juncture might have consequences of the utmost gravity."

REBELS WARN ALL SHIPPING Will Seize Or Sink Ships In Bay Of Biscay.

(C. P. by Guardian's Special Wire) BAYONNE, April 12—The Spanish insurgent cruiser Amirante Cervera tonight broadcast a warning that all Spanish Government or foreign ships entering Spanish waters in the Bay of Biscay will be seized or sunk.

The warning followed an earlier report that an unidentified British freighter was seized by the Amirante Cervera within Spanish territorial waters and forced into the insurgent port of El Ferrol or Los Pasajes. It was believed here this report was not correct.

Tension has existed in the Bay of Biscay since 10 days ago, when the insurgent officer commanding the Biscay capital of Bilbao got underway.

COMING EVENTS

- *Wood Island... mills closed until next wheat crop. L-148-4-13-31.
- *Cake Sale in aid of Basilio Altar Society, Prowse Bros., Saturday afternoon. L-1437-4-12-61.
- *Ross' Mills, Vernon River, will saw last three days of each week. L-1497-4-13-21.
- *Buying live hogs Albany Thursday 15th, Emerald 16th until noon. G. C. Green. L-2022-1-W-t-t-w-t-t-t.
- *Borden Line Club loading hogs, lambs, calves every Wednesday at Albany. Hours 12-3. L-6972-10-M-T-W-t-t.
- *At Borden Wednesday night, April 14 at 8 p.m., three one-act plays sponsored by the Y. P. U. Admission 25 and 15 cents. L-1504-4-13-21.
- *The annual meeting of Afton Arena will be held in Afton Hall Tuesday, April 13th. Lem MacDonald, Secretary. L-1335-4-10-21.
- *Leading live hogs at Kensington all day Thursday, April 8th. Nicholson Bros., loading at Hunter River, Friday till noon. Signed McEwen & Campbell. L-1468-4-6-13-20-21.

Seeks Throne



EX-KING ALFONSO

(A.P. By Guardian's Special Wire) PARIS, April 12—Former King Alfonso's 73 year old aunt demanded tonight that he be restored to the Spanish throne in reward for financial aid to the insurgent General Francisco Franco.

"All the Royal Family have given their last cent to Franco," the aging but vigorous Infante Eulalie said. She added that her nephew has given "nearly \$10,000,000" in the civil war against the Spanish Republican government.

Herself once banished from Spain by Alfonso, for publishing memoirs of life at court, the Bourbon Princess nevertheless considers him "the greatest patriot that ever lived in Spain."

"Now they must call him back to the throne—they must give him his reward for what he has done," she declared.

The time, she admitted, "of course, is a little early for my nephew to return, with all this battling going on—but he'll get back. Don't you worry."

"Franco will put Alfonso back on the throne as soon as possible. I gave him all my belongings and all my property. He's got to win."

CITY COUNCIL MEETING HELD LAST NIGHT

Routine Business Transacted At Regular Session—Estimates And Street Program On Special Meeting Agenda.

Estimates of expenditure for the City of Charlottetown will be presented at a special meeting on Tuesday night next it was decided at the regular monthly meeting of the City Council last night. At that meeting the program of street work for the year and the disposal of the city asphalt plant will be decided upon.

Routine reports were presented by Dr. P. A. Cree man, assistant deputy Minister of Health; Dr. I. E. Croken, food inspector; and the following Councillors, committee chairmen: G. W. McLeod, finance; A. A. Hennessy, streets; Dr. Charles Dougan, tenders; A. E. Foster, public property; H. F. VanDerstine, market; Dr. Heath McIntyre, police.

His Worship Mayor P. W. Turner presided. Regret was voiced at the continued absence from Council meeting through illness of Councillor Henry Laphorne. His Worship expressed the hope that Councillor Laphorne would soon be restored to health.

In connection with the report of the Light Committee Councillor Chandler presented an interim report of the appraisal of the assets of the Maritime Electric Co. Ltd. The report appears elsewhere.

After discussion the Council approved of a resolution authorizing the Police Committee to have the police patrol completely overhauled and put in good condition for the summer season. Consideration had been given suggestions that the patrol be traded in for a new one. Councillor McIntyre said, it was felt however, that retaining the old one would be to the best advantage of the city from a financial standpoint.

The City Clerk was authorized to order a sufficient number of yards of cloth to make new uniforms for the police.

(Continued on Page 9)

Cautious



ANTHONY EDEN

British Foreign Secretary who yesterday told the House of Commons Britain's foreign policy will be one of caution in relation to events arising from the Spanish civil war.

BATTLE RAGING NEAR MADRID

MADRID, April 12 (CP)—The four-day offensive to lift the siege of Madrid neared a climax tonight with ebullient militiamen and dynamiters inching their way up to the slopes of El Agulla hill, key sector to the Casa De Campo.

Insurgent fortifications on the summit of El Agulla and nearby Garabita hill were reported as isolated by the advancing Government troops while fire from planes and artillery broke up numerous attempts to rush additional troops and supplies to the aid of the insurgent garrisons.

(Insurgent headquarters at Salamanca said 3,000 Loyalists had been killed in a desperate attempt by 16,000 militiamen to storm the insurgent positions atop the two hills.)

Planes, tanks and artillery poured tons of shells and high explosive bombs on insurgent concentrations. The land-air barrage was launched in all sections simultaneously to prevent any insurgent attempt to rush reinforcements to the besieged caravans atop Garabita and El Agulla, which are ringed with powerful machine gun pits.

Government detachments fought their way into several strategic buildings in the suburbs of Aravaca and from their new positions poured a devastating fire into insurgent ranks.

WILL PROTECT SHIPPING ON THE HIGH SEAS

Baldwin Couples Blunt Warning To Insurgents With Note Of Caution To British Shipping.

(Copyright 1937 by the Havas News Agency) LONDON, April 12 (C. P. Havas)—Prime Minister Baldwin today bluntly warned Spanish Insurgents that Britain "would not tolerate" interference with its merchant ships on the high seas.

He coupled his warning, however, with a note of caution to British shipping to avoid running the gauntlet of insurgent warships and mines blockading the Northern Spanish Government port of Bilbao.

Authoritative quarters tonight denied previous reports that M. A. J. Pack, British commercial attaché at Hendaye, France, would go to Burgos tomorrow to seek Gen. Francisco Franco's assurance insurgent warships would not molest the British ships transporting food supplies to Bilbao. Pack will visit the insurgent headquarters at Burgos and Salamanca but his talks will be confined to purely trade questions, it was said.

Britain's largest ship—the 42-100-ton Battle Cruiser Hood—has been sent to the Bilbao zone because of the "difficult position in those waters," the Prime Minister told the House of Commons. It arrived off Bilbao today.

Liberal and Labor spokesmen characterized Baldwin's statement as a "concession" to General Franco.

Sir Archibald Sinclair, Liberal Leader, asked the Prime Minister what measures the Government proposed to take to prevent interference with peaceful British shipping endeavoring to enter the Spanish port of Bilbao.

"His Majesty's Government have had under consideration during the weekend the present situation for shipping in the neighborhood of Bilbao," Baldwin replied.

(Continued on page 9)

Voice Loyalty Of Nova Scotia

(C. P. by Guardian's Special Wire) HALIFAX, April 12—Nova Scotia's Legislature passed a resolution tonight conveying to Their Majesties King George VI and Queen Elizabeth "the unwavering loyalty and devotion of the people of this Province."

Premier Angus L. Macdonald extended congratulations upon His Majesty's accession to the throne. It was seconded by Opposit leader Col. G. S. Harrington.

Mola Threatens To Destroy Bilbao

(A. P. by Guardian's Special Wire) HENDAYE, France, April 12—General Emilio Mola, reports from Northern Spanish insurgent headquarters said tonight has warned Basque supporters of the Madrid Government that he will destroy all Bilbao unless the defenders surrender unconditionally.

"Neither mountains nor fortifications nor soldiers will stop the advance of my soldier," Mola's manifesto said. "Only guns can do it."

Ethiopians Flee Into Somaliland

BERBERA, British Somaliland, April 12—More than 1,000 Ethiopian natives, many of them wounded, fled into British Somaliland territory today, according to word reaching here from inland tonight. The reports stated violent gunfire was heard across the Ethiopian border.

According to dispatches, a tri-motored Italian army plane flew over the village of Borama looking for the fugitives, who had forded a border river when fleeing into British Somaliland.

Misadventures in the sector mobilized aid and shelter for the wounded. It was reported, many of the natives were women and children.

Salvation Army Officer Promoted

LONDON, April 12—(CP cable)—Commissioner John McMillan, Canada, tonight was appointed chief of staff of the organization, second only to General Evangeline Booth.

U.S. Court Upholds Wagner Labor Act

(A.P. By Guardian's Special Wire) The United States Supreme Court upheld the Wagner Labor Relations Act, which guarantees workers the right to organize and bargain collectively.

The justices decided unanimously that the act is constitutional as applied to a transportation company. They split five to four, in sustaining the statute as applied to manufacturers and the Associated Press.

Jean Batten Again Awarded Trophy

(C.P. Cable, By Guardian's Special Wire) SYDNEY, Australia, April 12—Jean Batten, New Zealand aviator, who recently flew from England to the Antipodes in record time, today was presented with the Harmon trophy for 1936.

The trophy, for "world's outstanding aviator," was offered by Clifford Burke Harwood of the Ligue Internationale des Aviateurs. Miss Batten won the trophy jointly with Amelia Earhart in 1935 and thus is the winner twice running.

Tea for every Taste "SALADA" TEA