

# ANOTHER BIG PROVINCIAL DEFICIT

MAXIMS OF A MERE MAN  
Faithfulness to principle is only proved by faithfulness in detail.

## THE CHARLOTTETOWN GUARDIAN

The People's Paper Read by Everybody

MAXIMS OF A MERE MAN  
Life can never be anything other than a reflection of our thoughts.

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# LARGE FORCES OF NAZI ARMORED VEHICLES POISED

## Debt Increase Of \$627,913.71 Over Last Year

### No evidence of wartime economy in Government's \$121,735 deficit on ordinary account.

A deficit on ordinary account of \$121,735.57 and a debt increase of \$627,913.71 for the year 1940 is revealed in the Public Accounts of the Province, tabled in the Legislature yesterday by Premier Campbell.

The year's financing brings the total liabilities of the Province for Dec. 31, 1940, up to \$9,435,823.81.

Following is the general financial statement:

ORDINARY REVENUE	
For the year ending December 31, 1940.	
Source	
DOMINION GOVERNMENT	
(A) Subsidies	\$647,181.88
(B) Old Age Pensions	202,561.00
(C) Direct Relief	27,007.17
(D) Fishermen's Relief	6,665.23
(E) Blind Pensions	14,359.63
(F) Relief to Enemy Aliens	220.00
TAXES	
(A) Land Tax	\$ 84,961.96
(B) Personal Property Tax	3,493.76
(C) Income Tax	85,910.60
(D) Road Tax	34,754.17
(E) Dog Tax	237.42
(F) Corporation Taxes	22,637.23
(1) Banks	9,686.07
(2) Chain Stores	4,074.60
(3) Electric Light Companies	964.70
(4) Acceptance Corporations	18,665.54
(5) Fire Insurance Companies	800.00
(6) Steamship Companies	2,968.62
(7) Telephone Company	5,095.02
(8) Trust and Loan Companies	11,739.80
(9) Life Insurance Companies	1,325.00
(10) Accident and Guarantee Cos.	59,108.37
(11) Domiciled Companies	132,364.94
(C) Canadian National Railways	40,000.00
(H) Amusement Tax	10,261.82
(I) Gasoline Tax	381,007.18
(J) Succession Duties	44,036.37
816,928.31	
LICENSES, PERMITS, AND FEES.	
(A) Motor Vehicle Licenses	\$159,141.87
(B) Pedlar Licenses	205.00
(C) Prothonotary's Fees	1,766.36
(D) County Court Fees	1,491.12
(E) Land Titles and Registry Office Fees	6,053.02
(F) Letters Patent	1,250.00
(G) Prince of Wales College Fees	7,387.00
(H) Brokers and Salesmen	360.00
(I) Insurance Registrations, etc.	369.00
(J) Marriage Licenses	1,521.25
(K) Vital Statistics	1,054.74
(L) Documents under the Great Seal	41.00
(M) Private Bills	125.00
(N) Ferry Fees	952.64
(O) Falconwood Hospital	11,434.92
(P) Wholesale Oil and Gas Distributors	1,025.00
1,048,177.92	
Administration of Prohibition Act	84,209.42
Fines and Penalties	1,473.30
Sale and Rental of Sundry Commodities	21,665.50
OTHER REVENUES AND REFUNDS	
(A) Public Health	\$ 2,150.00
(B) Old Age and Blind Pensions from other Provinces	839.97
(C) Department of Agriculture	1,778.68
(D) Casual Revenue	6,334.48
(E) Grass Seed Refunds	1.14
(F) Tax Arrears from Collectors	691.89
(G) Departmental Audit Charges	2,100.00
13,896.16	
TOTAL ORDINARY REVENUE	\$2,030,365.52
Carried Forward	\$2,030,365.52
CAPITAL REVENUE	
Fishermen's Loans—Refunds from Fishermen & Fishermen's	

(Continued on page 11, Col 4)

## Venezuela Sends strong Notes to Axis

CARACAS, Venezuela, April 2.—(AP)—Foreign Minister Gil Borges sent strong notes of protest to German and Italian diplomatic representatives here tonight for the burning and scuttling of four Axis ships harbored in Venezuela.

The notes held that the Axis governments were responsible for the conduct of the crews.

Their acts of destruction at Puerto Cabello were characterized as "deliberate" and a "scandalous" violation of hospitality accorded them, as well as an offence against the national sovereignty of Venezuela.

The notes were handed to Erwin Poensgen, German representative, and Baron Giovanni di Giura, Italian.

## Italian Sailors Reveal Swiftess Of British Attack

(By J. Wes Gallagher, Associated Press Staff Writer)

ATHENS, April 3.—(Thursday)—(AP)—Survivors of the Italian cruisers Flume and Zara and the destroyer Alfieri said on arrival here last night that British warships destroyed their craft in last week-end's naval battle "10 minutes before we were able to fire a single shot, and caused enormous casualties."

Rescued by a Greek warship, the Fascist sailors said that hundreds of seamen and petty officers, trapped below decks, went down with the Italian ships when ships of the Royal Navy opened fire Friday night.

(During the lengthy battle, the units of the Royal Navy sank three, possibly four, Italian cruisers and two, possibly three, destroyers, as well as damaging the 35,000-ton battleship Vittorio Veneto. The Royal Navy suffered neither ship damage nor casualties.)

A 21-year-old gunner on the Flume, one of the few on duty when the smashing British attack was launched, said:

"We were cruising along about 9 o'clock Friday night when suddenly in the distance, about three or four miles away, big searchlights flashed on us.

"For a few seconds we thought they were the lights of another Italian cruiser, although we had sighted one British warship just before dark.

"A salvo of shells almost immediately followed the searchlight and simultaneously we were hit by a torpedo.

## Ship building Program discussed In Parliament

OTTAWA, April 2.—(CP)—Canada will build all the cargo ships it is possible to produce consistent with "reasonable business judgment," Munitions Minister Howe said in the House of Commons today.

But there will be no attempt to establish new shipbuilding yards until existing plants are operating to capacity and have been extended to whatever degree is possible, he added.

His statement was made in reply to renewed urging from Conservative ranks that Canada embark upon a commercial shipbuilding program of large dimensions, with government financial assistance or ownership.

After Mr. Howe had given a lengthy statement on shipbuilding, in which he said there would be an "all out" program and that it would be in "separate and capable hands" of which he would give greater detail in a few days, Opposition Leader Hanson thanked him and said his remarks were "heartening."

He compared Mr. Howe's statement with that of Navy Minister Macdonald last night and said:

"Before we could bring a single gun into action the ship was listing, too badly to fire.

"The ship started settling. I just had time to jump aboard a life raft floating alongside as the Flume's deck went under. I'm sure hundreds of others were trapped below deck."

Other survivors told a similar story but the action was so swift many did not know what happened.

One young sailor told how two men went mad on an overburdened raft and a foot under water when the men began fighting among themselves," he said.

"Our raft tipped and spilled all of us into the sea. Just nine of us were able to get back on the raft. The others were drowned.

"We were adrift 30 hours until picked up by the Greek ship."

## Anglo-American Conference In Far East

MANILA, April 2.—(AP)—Sir Robert Brooke-Popham, Commander-in-Chief of British Forces in the Far East, arrived by plane today from Singapore and conferred with senior officials on Philippine defence matters.

The visit was unofficial, authoritative sources said, and was not to be interpreted as meaning any new move toward closer Anglo-American co-operation in the Far East. Sir Robert, who arrived unheralded, was said to be planning to leave shortly for Hong Kong, probably Friday.

For an hour and a half he conferred with Admiral Thomas C. Hart, commander of the United States Asiatic fleet, and Gen. Douglas MacArthur, military adviser to the Philippines. The conference was represented as canvassing the full range of the tactical and strategic position of the Philippines with relation to Anglo-American far eastern defences.

Information obtained in the conference, it was learned, was a recapitulation of data American authorities previously had transmitted to British authorities. However, the meeting was considered significant in military and political circles because it was the first direct contact between the British commander and key American officials.

## German seamen Overpowered in Sabotage try

TAMPICO, Mexico, April 2.—(AP)—German seamen on the 9660-ton liner Orinoco resisted, but were overpowered by a Mexican boarding party tonight as the marines frustrated an alleged plot to scuttle and burn Axis ships harbored here.

Vice Admiral Luis Hurtado de Mendoza said the captains and crews of nine seized vessels in Tampico harbor had plotted to destroy their ships some time tonight.

He said marines had discovered in the exhaust line of the Italian tanker *Fe* a T.N.T. bomb so connected that it would explode the moment the engine was turned over.

## New steps in British aid

WASHINGTON, April 2.—(AP)—New steps in the ever expanding defence and British aid programs apparently were in the making today as President Roosevelt met with an enlarged cabinet and military group after discussing, at a previous conference, ways of meeting British requests for new ship tonnage.

With details kept secret, the President conferred late in the day with what has become known as his "hand-lease" cabinet, council and with Harry L. Hopkins, attorney general Robert Jackson and the heads of the three armed services.

Whether strike disorders at defence plants and axis ship seizures were subjects of discussion was not announced.

Before the conference met, critics in Congress challenged administration leaders to state their views on the issue of convoys.

If United States naval vessels are assigned to convoy supply vessels across the Atlantic then war will follow "as sure as death," said Senator Charles Tobey (Rep.-N.H.).

His views were supported by Senator Burton Wheeler (Dem.-Mont.) who said that if President Roosevelt took such action "the people will lose faith in their government."

Tobey, who is seeking to get the Senate to pass a resolution forbidding convoys, asserted that some time ago the President had indicated he was opposed to convoys but that now "the weather vane has flopped 180 degrees and the war clouds are on the way."

## Fascists Flee From Eritrea

Almost all Italy's oldest Colony in British hands.

(By Eric Bi to Associated Press Staff Writer)

CAIRO, April 2.—(AP)—Between 30,000 and 40,000 Italian soldiers, the beaten remnants of the Fascist army in Eritrea, are fleeing southward toward Addis Ababa, Ethiopian capital, as fast as they can, British military sources said tonight.

The only major point left under the Italian flag in Italy's oldest colony is Massaua, Red Sea port, and that city was described as on the brink of capitulation.

The Fascists reported leaving Eritrea, plus approximately 80,000 other Italian troops isolated in Ethiopia, are all the Italian troops left to fight in East Africa.

The navy announced the sinking of an Italian destroyer and capture of a German merchantman in the Red Sea at Massaua, and the sinking of an Italian submarine and a tanker in the Mediterranean.

Army sources pictured 60,000 Italians as isolated in the wilds of Ethiopia and another 48,000 hemmed in between the Eritrean mountains and the Red Sea.

In the Libyan desert of North Africa, British and German advance units sparred inconclusively. A military spokesman described it as "mild skirmishing" in desert operations around Mersa Brega, 150 miles southwest of Benghazi in Libya.

A mixed force of Italians and Germans supported by tanks, light artillery and aircraft had progressed along the shore of the Gulf of Sirte, with British forces for the present withdrawing according to a fixed plan.

## Nazi ships flee To burn and sink

LIMA, Peru, April 2.—(AP)—The German merchant ships *Muenchen* and *Hermann* this week fled Callao harbor on Monday and were discovered burning and sinking more than 200 miles south of the Peruvian naval ministry reported tonight.

The Peruvian cruiser *Grifo* located the ships and then began looking for the crews. Lifeboats were missing from the ships.

## Report Japs Agree on move If U. S. fights

ROME, April 2.—(AP)—The Japanese Foreign Minister, Yosuke Matsuoka, has agreed with Mussolini and Hitler on a joint plan of action against the United States in the event of American involvement in hostilities against the Axis powers, Italian sources claimed today.

The Japanese statesman said goodbye to Mussolini before returning tomorrow to Berlin for his conferences with Hitler.

He also talked with Pope Pius XII at a 45-minute interview at the Vatican, one of the longest any statesman has ever had with the Pontiff. Those in a position to know said the Pope surveyed the situation with the Foreign Minister.

Diplomatic observers ruled out any possibility of a Japanese attempt at mediation between Britain and the European Axis powers, taking as their cue Matsuoka's boast of confidence in victory for Japan and her allies in Europe, Africa and Asia.

## Brazil protests To Germany

RIO DE JANEIRO, April 2.—(AP)—Brazil protested to Germany today against an aerial attack on the Brazilian freighter *Taubate* in the Mediterranean March 22 and demanded "legal and moral reparations."

The 5,000-ton freighter was reported bombed by German planes 100 miles northwest of Port Said. One man was killed and three wounded. The ship continued her voyage to Alexandria.

## Long Way For Poetry

NEW YORK.—(CP)—Miss Elizabeth A. Sheppard, an Australian school-teacher born in New Zealand, has been awarded an American University Women scholarship to complete a comprehensive study of early Scottish poetry at the Huntington Library in California.

## Apparently All Set For Drive Against Belgrade

Yugoslav quarters take increasingly grave view of situation.

BELGRADE, April 3.—(Thursday)—(AP)—Formidable concentrations of German motorized blitzkrieg units were reported in diplomatic messages early today to be concentrating in Rumania just across the frontier from the Yugoslav town of Bela Crkva.

That border point is less than 50 miles from Belgrade and is near the Danube River.

The report caused alarm in the capital because it would be one of the logical points from which the Germans might launch an attack on Belgrade itself.

Other diplomatic dispatches said east German divisions were massing near Szeged, in southern Hungary, across from Yugoslavia.

Although a new Serb-Croat understanding was reported to have been reached, consolidating the Yugoslavian internal situation, the chances of war were seen by diplomats as greater than ever.

This was notwithstanding attempts of the Italians to stave it off by what the diplomats called "feeble manoeuvring."

## Quebec Gov't To contribute To direct relief

QUEBEC, April 2.—(CP)—Hon. T. D. Bouchard, provincial minister of public works, announced today that the Quebec government will contribute 50 per cent of the expenses incurred by municipalities in the payment of direct relief from now until the government can put unemployed to work on relief projects.

The decision was taken, he said, to help municipalities meet the situation caused by the Dominion government's action in halting direct relief payments yesterday.

## Munitions Inspectors Refuse to transfer

OTTAWA, April 2.—(CP)—Labor Minister McLarty told the House of Commons today that 21 munitions inspectors today refused to leave their city, and given up their positions rather than accept work in other points.

He was answering earlier complaints from Clarence Gillis (C.C.F., Breton South) about treatment accorded the men.

## Wilhelmstrasse Greatly irritated

BERLIN, April 2.—(AP)—Germany is working out carefully her official attitude toward the seizure of German, Italian and Danish ships in North and South America, and the Philippines.

Authorized quarters today left no doubt, however, that the Wilhelmstrasse was greatly irritated. The United States action was termed "ranksterism" by the Nazis.

## Budget date Still uncertain

OTTAWA, April 2.—(CP)—Finance Minister Isley told the House of Commons today he was not yet in a position to say when the budget would be presented.

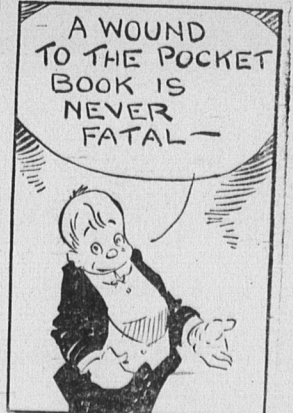
He was questioned by Opposition Leader Hanson.

He said he could not fix a date for the budget as it was assumed he would make a definite statement tomorrow.

## Sees chances of Peace slim

ZAGREB, Yugoslavia, April 2.—(AP)—Yugoslavians' chances of peace with Germany are extremely slim, Vladimir Macek was quoted as declaring tonight to persons who conferred with him in the Croatian centre.

Macek, the Croat peasant leader who has not yet fully decided to accept the proffered vice premiership in the new Yugoslav government, was said by these reliable informants to have declared: "It is still possible to preserve peace, but the situation is very, very serious."



TORONTO, April 2.—(CP)—Minimum and maximum temperatures:

City	Min	Max
Dawson	25	48
Victoria	46	58
Edmonton	27	33
Regina	19	29
Winnipeg	19	24
Toronto	36	47
Ottawa	24	37
Montreal	29	40
Quebec	29	41
Saint John	28	47
Halifax	31	45
Charlottetown	31	49

## FORECAST

Maritime Provinces: Moderate to fresh winds; partly cloudy, not much change in temperature.

Synopsis: The weather has been cloudy and cold in Manitoba and Saskatchewan but fair and a little milder in Alberta. It has been fair with moderate temperatures in Ontario.

High tide this afternoon at 2:29 and tomorrow morning at 3:38.

Sun sets this afternoon at 6:29 and rises tomorrow morning at 5:56.

First quarter moon April 4, 8:12 p.m.  
Summerside tide 18 minutes later than Charlottetown.

## CAR FERRY SAILINGS

Leaves Borden 9:35 A.M. 1:00 P.M.  
Leaves Tormentum 11:00 A.M.  
5 P.M., daily except Sunday.

## Coming Events

- Rate for Notices in this column 2 cents per word.
- \*W. I. Concert, Cornwall Hall Friday, April 4th. Sale of candy. L-534-4-2-21.
- \*Unloading Albion Nut coal at Milton, B. C. Webster. L-569-4-3-21.
- \*Loading hogs at Albany every Thursday afternoon, Friday at Emerald until 11:30 a.m. A. C. Green Albany, G. O. Green, Emerald.
- \*All tax arrears due Heatherdale School must be paid before April 10th or books will be given in for collection. By order, Secretary, Mrs. Murdoch Buchanan. L-585-4-3-11.

## Nfld. Gov't will Keep report secret

ST. JOHN'S, Nfld., April 2.—(CP Cable)—The Newfoundland Government has received the report of a special court of inquiry that investigated the plane crash in which Sir Frederick Banting and two others were killed, but it will not be made public in this country.

"It has been decided by the Government that publication of the report would not be in the public interest," a Government statement said tonight. The report was submitted by a court composed of three Canadian air experts which investigated the Feb. 21 crash at the request of the Newfoundland authorities.