

A determined man by his very attitude and the tone of his voice puts a stop to defeat and begins to conquer.

Charlottetown Guardian, Two Cents. Morning Guardian, Founded 1887.

# THE CHARLOTTETOWN GUARDIAN

The People's Paper Read by Everybody

Covers Prince Edward Island Like the Dew

"Forsake not the assembling of yourselves together" is an old exhortation which all the generations will do well to heed.

CHARLOTTETOWN, CANADA, THURSDAY, JANUARY 2, 1941

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## UNCONFIRMED RUMORS OF VICHY-BERLIN RUPTURE

### Unprecedented Move To Block Inflation In U.S.

Federal reserve system plan will need approval of Congress.

(By Irving Perlmeter, Associated Press Staff Writer)

WASHINGTON, Jan. 1.—(AP)—In an unprecedented move to forestall any possible drain of United States money, the Federal Reserve System today proposed removal of the President's power to devalue the dollar, repeal of "greenback" legislation, an overall balanced budget and restrictions on bank lending.

System officials said it was not presented as an administration proposal and neither the White House nor other official quarters would express an opinion on the plan, which would require congressional action to make it effective.

At the Federal Reserve Board, spokesmen said that while the program is only precautionary and does not imply that there is any immediate threat of inflation, the rapidly increasing pace of business under the defence program has changed conditions so that so-called inflationary legislation of the past is no longer desirable, whatever merits it had before.

The report listed five points as follows:

1. Restrict bank lending by increasing the percentage of deposits that the banks must lay aside as reserves. The banks now have a record total of \$7,000,000,000 of idle money in excess of existing reserve requirements. An increase in reserves would make some of this money ineligible for lending or investment.

2. Remove the President's power to make a further reduction in the gold content of the United States dollar. (The President exercised this authority once, in 1934, and under remaining powers he could create nearly \$4,000,000,000 of new money by raising the legal price of gold from \$35 to \$41.34 an ounce.)

(Continued on page 10, col 6)

### Italians bombed in series of Heavy raids

CAIRO, Jan. 1.—(AP)—In a series of raids on a vast area extending from lower Italy to the southernmost gate of the Red Sea, British pilots have bombed a half-dozen vital points in the Fascist war machine, the Royal Air Force announced today.

The pattern of attack was thus described in a Royal Air Force communique:—

"At Taranto the Italian naval base where half of Italy's six battleships as well as four other warships were crippled on Armistice Day. 11 bombs seen to burst around the units of the Italian fleet anchored there.

Palermo harbor, in Sicily, attacked; the southern Albanian port of Valona—chief port of Italian supplies in the campaign against Greece—bombed for the 23rd time. Naples assaulted, as well as the suburb of Torre del Annunziata, along with a chemical factory at Capri, in southern Italy.

Fascist troops and motor truck concentrations "heavily attacked" at Libya.

Flames set off in a Fascist military camp in Italian East Africa, near Gubbio; stores and warehouses bombed at Assisi; "numerous fires" left at Danzha.

A field, British artillery continued today to shell the scarred and beleaguered Italian base of Bardia in Libya.

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### New Year is Greeted in Traditional way

Fine weather greeted thousands of citizens who turned out yesterday for church services, receptions and other functions which marked the advent of the New Year. Special holiday attractions were featured by large attendances both yesterday and New Year's Eve.

Receptions were held yesterday afternoon at Government House, the Mayor's residence and at the residence of the Bishop of Charlottetown. All these functions were informal owing to the fact that Great Britain is at war.

At Government House His Honor, Lieutenant-Governor Page, received over 400 callers who paid their respects to His Majesty's representative. Citizens began to arrive at the clock and kept coming in large numbers until five.

His Honor was attended by his Aides-de-camp Lt.-Col. James Parkes Cooper, M.C., V.D., Lt.-Col. Cecil J. Stewart, M.C., Maj. O. W. Campbell, Lieut. K. Birtwhistle and by his Private Secretary, Mr. W. G. Spencer.

At the Mayor's residence, His Worship Mayor B. Roy Holman and Mrs. Holman received over 400 callers between 9:30 and 6 o'clock. Members of the City Council and many other prominent citizens were among the many callers, who attended the reception on Brighton Road. This was the first New Year's function held by Mayor Holman who came into office last February.

Assisting at the reception were the following wives of the City Councillors: Mrs. R. G. Chandler, Mrs. Henry Lamborn, Mrs. J. E. Blanchard, Mrs. F. C. Dougan, Mrs. J. E. Sterns, Mrs. B. Earle Macdonald and Mrs. Martin, wife of City Recorder K. M. Martin, and the two daughters of the Mayor.

(Continued on page 10, Col 3)

### Three drowned While skating

SYDNEY, N.S., Jan. 1.—(CP)—Two men and a girl were drowned tonight when they plunged through the ice of Cabarus Lake, five miles from here, while skating.

The victims, all from the Cabarus area, were Edward MacIntyre, 18, and Alex. MacIntyre, 26. Their bodies were recovered shortly after the tragedy.

Mild weather of the last few days had weakened the lake ice in spots. As the trio skated, they struck a thin section, going down before help could reach them.

The accident marked the first drowning in Cape Breton since the skating season in general.

Mrs. Dowling was the daughter of Mrs. Ethel Dowling. The men were unmarried.

Two men who were skating nearby located the bodies and brought them to the surface in a short time.

A fourth member of the party, Miss Dowling, 19, also broke through but was rescued by Laura Macdonald.

### British Launch Daylight Raids

Stalin says U.S.S.R. fully Mobilized?

LONDON, Jan. 2.—(Thursday) (CP)—The Daily Mail reported early today it had picked up a broadcast by Joseph Stalin today in a variety of languages.

Stalin declared "Soviet Russia is ready for every eventualities and for this purpose is in a state of total mobilization." (This broadcast has not been reported from any other source at the time the Daily Mail had it.)

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### Fliers Daring Raids

(By Drew Middleton, Associated Press Staff Writer)

LONDON, Jan. 1.—(AP)—The air ministry tonight announced a series of daylight raids against Nazi targets which neutral observers regarded as the most daring and significant blow of this winter's war in the air.

Attacks yesterday on selected objectives from the nearby Netherlands coast to the Rhineland were disclosed by the air ministry to have been carried out with the loss of only two planes.

Neutral sources said this accomplishment on the last day of 1940 indicated not only the growing strength of the Royal Air Force's bomber squadrons but the ability of new long-range fighters to protect a striking force far from home airbases.

The air ministry, listing the targets during the daylight hours yesterday, said bombs were seen to hit a factory at Cologne; that an anti-aircraft ship (something new in German coastal defence, apparently) was put out of action off the Netherlands port of Flushing and that the docks at IJmuiden in German coastal defence, apparently, were bombed.

Also "an important bridge" near Emmerich, on the right bank of the Rhine, was bombed and demolished, and an airplane busling at Hamstedde, on the Netherlands island of Schouwen was damaged.

Neutral sources pointed out that British bombers penetrated to Cologne and bombed it with loss of only two planes. If this conclusion is correct, it is a reason why it shouldn't, they said, the R.A.F. "has gone a long way to achieving vital mastery of the air by day."

J. H. Lemon, director-general of aircraft production from June, 1938, to August, 1940, told the Associated Press that British production has increased 570 per cent since 1938 and believes that "our new types are superior to anything the Germans have."

AMHERST, N. S., Jan. 1.—(CP)—The first interceptor airplane ever assembled in the Maritimes was tested in flight here today. It was put together at the Amherst branch of the Canadian Car and Foundry Company, which has been converted into a plane assembly plant.

Similar machines are already in use for intercepting and patrol work and for training purposes. They are Avro Anson.

WASHINGTON, Jan. 1.—(AP)—United States military men expressed belief today that British scientists have developed a way to equip Royal Air Force planes with a detector for locating enemy aircraft in the dark.

Ground detectors of that nature have been in use in Britain for some time and well-informed sources here said the statement of Air Chief Marshal Sir Hugh Dowding that the menace of enemy night bombers would be greatly reduced some time this spring indicated the device has been adapted for installation in planes.

"It's just a repetition of the old military maxim that for every new weapon there is always a defence development," one official here said. "The question is whether the British can develop the defence in time."

Some published accounts of a ground type of plane detector have described it as capable of accurately locating airplanes 100 miles away in 150 miles under favorable conditions. It is said that clouds, fog and noise cannot interfere with it and airplane engines cannot be shielded or protected against it.

The latter fact led to conjecture in some quarters that the device picks up infra-red rays from the exhausts of airplane engines.

### Canucks put Resourcefulness Into practice

By ROSS MUNRO Canadian War Correspondent ON THE ENGLISH COAST, Jan. 1.—(CP)—Defending a stretch of high coastline, formations of the 1st Canadian Division are putting into practice with resourcefulness and enthusiasm all the lessons of defensive warfare they learned during their prolonged training.

Senior commanders planned the defence with scrupulous care and most officers assume heavy responsibilities in carrying out patrols and manning pill boxes and outposts.

This experience for our junior officers, particularly, is most valuable, said Maj.-Gen. G. R. Pearkes, division commander in an interview. "They have these new responsibilities and can test their training knowledge and gain confidence now under actual conditions at the front."

Among the troops there is universal approval of the coastal role. Most of the units work much harder than in the area where they formerly were stationed, but there is no grumbling about weather, night duties or long hours on guard. No longer is it make-believe soldiering and the men like this touch of the real thing, even if it is just defensive now.

"There is no question that our men are keen about the operations here, for the most part, and approach to the type of work for which they volunteered," the Winnipeg officer said. "The patrols are the most popular feature of their duties."

The western battalions replaced Ontario and Maritime units, who previously had relieved the British troops in the coastal position.

### Bulgarian Premier goes On "Holiday"

SOFIA, Jan. 1.—(AP)—Bulgarian premier Bogdan Philoff, while on a possible German army steadily expanding in neighboring Rumania, dashed off to Vienna today "for his health," leaving the pro-Nazi Minister of Interior to act as premier in his absence.

Just before taking a train, Philoff made a New Year's broadcast in which he thanked the axis dictators for helping Bulgaria get back to the front. He said that the Southern Dobruja from Rumania, but warned his people that the coming year might be difficult.

Philoff's Vienna trip was described officially as for "medical consultation," but some observers believed his chief object is to learn what Hitler plans to do with Nazi troops in the Balkans and whether Bulgaria would be asked to play.

"Bulgaria, caught between leanings toward Soviet Russia and increasing axis pressure, is being viewed as the next objective of an axis thrust into the Balkans, toward Greece, Turkey or both."

(The little kingdom had been considered a likely convert to the axis, but on Nov. 25 Berlin sources disclosed that Bulgaria, for the present at least, was staying out.)

Diplomatic circles in Sofia at the time took this to mean that Germany and Russia had failed to see eye-to-eye on their respective spheres of influence in the Balkans.

When Philoff left Sofia today King Boris III appointed Peter Grabovsky, Bulgaria's leading pro-Nazi Minister of the Interior, as acting premier.

Philoff was accompanied in his special railroad car by the German Minister to Bulgaria, Baron Herbert von Rintelen, brother of the German ace of the last war. His trip to Vienna was considered especially significant as that city seems to be the favorite place for the axis leaders to decide Balkan questions.

### Tension Grows In French Gov't Circles, Report

One news source indicates negotiations with Germany broken off, fleet goes to Africa; London cautions reserve.

By HAROLD FAIR Canadian Press Staff Writer

LONDON, Jan. 1.—(CP Cable)—A Reuters news agency dispatch from Lisbon said today that Premier Petain's Vichy government has broken off negotiations with Germany. Other reports circulating in London said the French fleet has been moved from Toulon, Africa. None of these reports could be confirmed.

Authoritative sources in London said that "all reports of this character should be treated with reserve."

Berlin sources claimed that "nothing is known here" of the report that Vichy-German negotiations have been broken off.

The Daily Express in a Lisbon dispatch said "doubts are being removed the naval units which remained loyal to Vichy to 'his African ports in preparation for any sudden ultimatum from Hitler to the government at Vichy.'"

The newspaper added that when Petain visited Toulon some weeks ago he found the straits in harbor with a dozen destroyers and torpedo boats but that today the Strabouk, only battleship left in the harbor, only battleship left in the harbor.

BERNE, Jan. 1.—(AP)—A report from informed sources in Vichy—believed to be well-founded—said tonight 12 to 18 German divisions are concentrated in the eastern frontier of the occupied zone, but whether they were there for action or merely a threat remained to be seen.

(These troops could be massed there for two purposes: possible occupation of Vichy-controlled France, or for a Nazi drive south into Spain.)

The Vichy fleet, and two destroyers, alone remain in that port. Informed sources observed that if such action was taken it is directly against the armistice terms with Germany which provide that Vichy may not move its ships without permission from the armistice commission.

These sources said that if the fleet moved without permission, the Vichy fleet, and two destroyers, alone remain in that port.

(Continued on page 10, Col 1)

### Has new slant On invasion try

LONDON, Jan. 1.—(CP)—The British Broadcasting Corporation tonight gave its listeners what it termed a "new explanation" advanced by the Italian radio for the invasion of Greece.

The BBC said:—"A person described as an Albanian and speaking in Arabic as a Moslem, said in a Rome radio broadcast that the Albanian government decided to wage war against the Greeks to free Albanians living under the Greek yoke, and that the Albanian government had called on Italy for military help."

LONDON, Jan. 1.—(AP)—Water E. Lucas, Lisbon correspondent of the Times of London, was ordered last night to leave the country within 48 hours because of the government's objection to a series of articles he wrote entitled "Portuguese and Hitler schemes against Britain."

### Contracts awarded During December Make big gain

TORONTO, Jan. 1.—(CP)—Contracts awarded throughout Canada in December for all types of construction amounted to \$169,300, showing a gain of 79.4 per cent over the total for the same month of 1939.

The figures for the last six months of 1940 totalled \$220,574,300 against \$125,436,500 for the first half of the year.

Ontario led in December with a total of \$57,100, while Nova Scotia reported \$55,200. New Brunswick \$52,800, and Prince Edward Island \$9,000.

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STILL SERVING  
Brig-Gen. George S. Cartwright, C.B., C.M.G., passed his allotted three score years and 10, but the white-haired veteran of 35 years' military service is still serving. When war broke loose in Europe, Gen. Cartwright had been retired 19 years. But with a war on, it was asking too much for the general to stay quiet. He scouted around headquarters of Military District No. 2 and offered his services. A spot was found for him where his knowledge of military engineering could be used. He was made special lecturer to the department of militia studies at the University of Toronto, a job he has held since.

### War—25 Years Ago Today

JAN. 2, 1916—British steamer Glengyle sunk in the Mediterranean. Russians occupied several strategic positions near Czernowitz, Bucovina and drove the enemy back on the Strypa. British thwarted threatened raid by Arab forces in the Western Desert.

### Coming Events

Talkies—Souris Thursday, 1-896-12-31-21.

Show—Mt. Stewart Friday, 1-896-12-31-21.

Talkies—Montague Saturday, 1-896-12-31-21.

Loading Live Hogs Hunter River Friday, January 3rd until noon. Mervyn Bulman and Roy Bagshaw, 1-921-1-2-11.

George Lightfoot's water Street, buying dressed poultry, all kinds, top prices. Try us, 1-751-1-2510 Dec. 21

Buying live hogs as usual for winter months. Albany Thursday afternoon, Emerald Friday until 11 o'clock A.M. A. C. Green, Albany, G. C. Green, Emerald.

Thousands of chickens and other fowl are still to be dressed and marketed. Bring them to our "killing plant" where an expert job adds materially to their value. Livestock Feeds, Charlottetown, 1-924.

Since opening our "killing plant" we've dressed and marketed hundreds of birds to the entire satisfaction of all clients. We incidentally got a little "mooey" money in every instance. Livestock Feeds, Charlottetown, 1-924.

The "Semi-Sealed" method of dressing poultry is as far in advance of other systems as "dry-plucking" outdistanced the "beheading and scalding" practices of several generations ago. Try it and see. Livestock Feeds, Charlottetown, 1-924.

Ship in your live birds in light crates, express collect—we will expertly kill, sell and send out your money in big time, feed and finish job properly then let us finish the job. Livestock Feeds, Charlottetown, 1-924.

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GETS CZECH MEDAL  
Wing Commander John F. Grit (fifth D.G.C., son of Mr. and Mrs. Griffiths of Niagara Falls, has been awarded the Military Cross of Czechoslovakia. The decoration was conferred personally by Dr. Edward Benes, former president of Czechoslovakia. Wing Commander Griffiths was in charge of Czechoslovak fliers in July, but now has been assigned to other work. The decoration is in recognition of his services in that capacity.

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BLOSSOM CANADA The all purpose FLOOR

BETTE DAVIS MARRIED  
HOLLYWOOD, Jan. 1.—(AP)—Movie star Bette Davis and Arthur Farnsworth were married last night at Rimpok, Ariz. Warner Brothers studio said today.

THE CAR FERRY SAILINGS  
Leaves Ferry n. 9:45 A.M. 1:00 P.M. Leaves Tormentine 11:00 A.M. 3:15 P.M.