

French Said Masters Of Situation At Sedan

MAXIMS
OF A
MERE MAN

To-day the Pharisee is more often
the man who is too proud to belong
to the Church—too clever, too well-
informed, even too spiritual.



The People's Paper Read by Everybody
Covers Prince Edward Island Like the Dew

MAXIMS
OF A
MERE MAN

Light is a universal symbol of
knowledge, purity, and joy, and it is
written, "God is light and in him
is no darkness at all."

CHARLOTTETOWN, CANADA, FRIDAY, MAY 17, 1940

14 PAGES

Annual Subscription Delivered \$5.00
By Mail—P.E.I. \$1.00; Canada and U.S. \$2.00

BRITISH RE-TAKE LOUVAIN

Commission Report Proposes Drastic Financial Changes

Provinces Would Give Up Income, Corporation Taxing Authority; Dominion Would Assume Provincial Debt.

(By Carl Reinke, Canadian Press Staff Writer)
OTTAWA, May 16—(CP)—The creation of a stronger and more flexible public finance structure for Canada was one step nearer tonight as Governments across the country began study of the vital report of the Royal Commission on Dominion-Provincial Relations.

The report, the result of 2 1/2 years' work, was tabled in the House of Commons today by Prime Minister Mackenzie King immediately after the opening of Parliament. A few hours earlier copies of the report had been delivered to all Provincial Governments.

ROUND-TABLE CONFERENCE

Next step towards a general re-arrangement of Government functions and revenues will be a round-table conference of Dominion and Provincial Governments, expected to be held as soon after conclusion of the parliamentary session as can be arranged.

That conference will examine in detail the broad proposals in the report which envisage overhauling the nation's 75-year-old tax structure in line with the economic and social developments since Confederation.

Basic Re-alignment

The report recommends a basic re-alignment of responsibilities. The Dominion would assume full responsibility for unemployment relief of employables and the entire provincial debt, under the commission's plan. The Provinces in turn, would withdraw from the income, corporation and inheritance tax fields.

In place of present subsidies, national adjustment grants would be paid the provinces to enable them to maintain a national average of services without excessive taxation. A federal finance commission is a key proposal in the whole scheme. This body would advise regarding adjustment grants and emergency grants. It would also approve provincial borrowing where a province cannot not to borrow on its own credit alone.

Advantage In Budgeting

By transferring to the Dominion control over relief and revenue sources which have become national in character, leaving the provinces with the less fluctuating taxes, the commission suggests that the Dominion would be able now to budget for the economic cycle, rather than for a year at a time.

(Continued on page 5)

Coming Events

Rate for Notices in this column 3 cents per word.

••Come One Come All to play Wilshire Hall tonight. L-488-11

••Talkies—Mt. Stewart Monday. L-397-5-16-31

••Cornwall Hall—Three One Act Plays in aid of Institute, Friday, May 17th. L-396-5-16-21

••C.W.L. sale of home cooking Saturday afternoon. L-543-5-17-21

••Cakes, Pie, Bread or Cookies at Baptist Guild Sale on Saturday at Moore & McLeod's. L-597-11

••Wilshire Women's Institute Play postponed until May 24th. L-505-11

••White Spot dance every Monday and Friday night. O. K. Presby's Band. L-390-5-9-15

••Annual Meeting of Ladies Aid of P. E. I. Hospital, Friday, May 17th, 8.30, Cundall Home. L-471-5-16-21

••See "Correspondence Courtship" Lot 40 Y. P. Players, Morell, May 17th. L-414-5-15-17-21

••Reserve Saturday, May 18th for Partridge Women's Institute Party Sale at Maritime Electric. L-397-5-15-17-21

••Rummage Sale at Blue Dot Bingo Hall, in aid of P. E. I. Hospital, May 16th, 4 to 8 P. M. L-465-5-17-21

••Taylor's talking pictures and big stage show, Bradstone Hall, May 17, 18, Victoria. L-533-5-17-21

••The Alumnae Association of the P. E. I. Island Hospital Nurses will meet at the Cundall Home on Friday, May 17th, 8:15 p.m. L-542

FRENCH HALT NAZIS, BEGIN CLEANING UP

Premier Reynaud Has Reassuring Words For People—Situation Serious Not Critical.

PARIS, May 16—(CP)—The French Government extended the army zone to include Paris tonight while Allied warplanes were smothering Germany's attempted lightning war in a vast struggle of modern machinery on the fringe of France.

The decree means that control of the capital is transferred from civilian to military authorities.

HALT GERMANS

Hard-fighting French troops halted the German breakthrough in front of the Maginot line's "hinge" at the Belgian-French-Luxembourg border and began clearing up the "pocket" created by the Nazis across the Meuse River.

The general in immediate command of the sector north of Sedan, where the Germans broke through, reported to headquarters that the French were "masters of the situation" and would regain complete control of their front within a week.

BATTLE CONTINUES

Throwing tanks and planes into a wide open war of movement, the French command announced that "the battle is continuing... with the same intensity." In a reassuring broadcast

(Continued on page 7, Col 1)

WHERE NAZIS HELPFUL?

SPSWICH, England—(CP)—Refusing to believe reports that her 21-year-old son was killed in action, Mrs. Caroline Mallett listened to German broadcasts and heard an announcement her son was alive and well.

Britons Asked To Beware Of Rumors

LONDON, May 16—(CP)—Alfred Duff Cooper, minister of information, tonight called upon Britons not to believe or spread rumors and to be as prepared to "receive bad news as those in the battle line are prepared to receive bullets."

He spoke in a broadcast, his first since Prime Minister Churchill appointed him to the government last Monday.

Mr. Duff Cooper said that not all rumors are as laughable as the one being spread by the Germans that "the King is packing up his trunks and leaving for Canada immediately."

"Such rumors make us laugh, but older rumors only a little less absurd might make some faint-hearted people tremble."

His hearers should not only "refuse to believe rumors yourselves" but also "warn those to whom they spread rumors, and see in them the enemies of public confidence, people who should be reprimanded, and then punished if they persist."

The minister quoted Lord Haig, British commander-in-chief in the last war, as saying "no news is so good as the news that you first hear it."

"I would advise all listeners to remember that saying as often as they can in the days that lie before us, when sensational news is reported to them," Mr. Duff Cooper declared.

Enemy Aliens Rounded Up In Britain

LONDON, May 16—(CP)—Britain swept about 3,000 enemy aliens into "protective custody" today in a drive to stifle "fifth column" threats, accompanied by a warning from the Ministry of Home Security that "there now is a risk that enemy parachutists may attempt to land in this country."

Aliens affected by today's order of the Home Ministry were male Germans and Austrians between 16 and 60 who had been under surveillance but not detained.

In warning of the parachutist menace the Ministry told automobile owners to keep their cars "ready and alert" and to be available to parachute troops landing at night.

"All owners of vehicles should see that from dusk to dawn their vehicles cannot readily be taken away," the warning said.

The Ministry suggested locking cars in garages and "removal of distributor covers or spark plugs."

The War Office announced more than 250,000 had volunteered to join the home defence force against invasion by parachute troops up to last midnight.

Romantic Flight To Marry In Tokyo.

WANTWATER, B. C., May 16—A recently arrived but slightly travel weary young woman dropped out of the sky in Trans-Canada Air Lines plane for an overnight stop here and a trip half way around the world to keep an appointment. She was 26 year old Dorothy Mary Lacy formerly of Kansas City, who after a courtship that set a record for brevity, sailed at noon on the Sio Maru for Japan to marry Klas Van Der Weg, 32, of the Royal Dutch Shell Oil Company. The couple will then depart for their home in Placido, Sumatra.

"It happened just like that" explained Miss Lacy, recounting how she met her fiance at a party in San Francisco Friday night. "Yes" and "I agreed to sail with him Saturday." "I'll have to spend the next 15 days by myself. I tried to get passage on a clipper plane, but my passport trouble delayed me until after Mr. Van Der Weg sailed Saturday, but I couldn't get away until after he had sailed. Tomorrow we are going to be married in Tokyo."

War—25 Years Ago Today

(By The Canadian Press)
May 17, 1915—Allied gave on Lille gained momentum; many persons captured. Attempt made to assassinate Joao Chagas, president of the Portuguese cabinet. Three injured in explosion when Zeppelin dropped 40 bombs on English coast coast.

ROOSEVELT ASKS HUGE DEFENCE SUM

Congress Prepares To Carry Out President's Recommendations At Top Speed.

WASHINGTON, May 16—(AP)—President Roosevelt warned a joint session of Congress and the United States today that "unprepared nations and themselves overrun by the enemy" and proposed a \$1,182,000,000 program to make "our defenses invulnerable, our security absolute."

He called for planes, and more planes—for the expansion of the country's capacity to produce aircraft until 50,000 can be turned out annually, and until an actual armada of 50,000 fighting planes is ready to meet any lightning offensive against our American interest.

The sum he proposed will push next fiscal year's defence spending to \$2,700,000,000—by far the largest in the peacetime history of the United States.

A Congress tense with realization of the sweep of events abroad heard the President, cheered him as he has seldom been cheered at the Capitol, and prepared to carry out his recommendations with the utmost speed.

Almost immediately, chairman Andrew May of the House of Representatives military committee introduced a \$726,000,000 army expansion bill to authorize the acquisition of anti-aircraft equipment and ammunition expedite the manufacture of munitions, modernize combat planes, train 15,000 new troops, and improve the defences of the Panama Canal.

To Expand Defence

(Continued on page 13, Col 7)

Suggests Grant For Expansions In P. E. I. Plans

Royal Commission Reports It Necessary To Foster Some Intensive Domestic Development In Island Province.

By CARL REINKE
Canadian Press Staff Writer
(Copyright, 1940, by The Canadian Press)

OTTAWA, May 16—(CP)—Prince Edward Island should spend an additional \$200,000 or \$250,000 on education and public welfare—principally the latter—to achieve real equality with other Canadian provinces, the Royal Commission on Dominion-Provincial Relations reported today.

Accordingly, it recommended an annual national adjustment grant of \$750,000 for Prince Edward Island, to permit this expansion of services while maintaining a balanced budget on an average tax rate.

"Expenditures have been economically administered and the Island's credit and prospects of financial stability are good," the report said. On the other hand, the province had little prospect of being able to raise sufficient taxation from sources available to increase services substantially without help.

This problem was accentuated by the cessation of emigration which formerly absorbed the Island's natural increase in population. The report added:

"To provide for this population increase, it would appear necessary either to foster some intensive domestic development, for which no economic base is at present evident, or to equip potential emigrants with at least as good training and education as possessed by other Canadians."

(Continued on page 13, Col 4)

Quality Guaranteed

"SALADA" TEA

Highlights Of Speech From Throne

OTTAWA, May 16—(CP)—Highlights of the speech from the throne, delivered in the Senate chamber today.

The government will propose an amendment to the British North America Act preliminary to establishing unemployment insurance on a national scale.

A full report on the national war effort, both in the military and economic fields, will be placed before Parliament and further measures will be suggested.

Other legislation forecast included measures for the "social and economic requirements of the country."

Parliament will be asked to plan "as far as may be possible" for the post-war period.

The national "provincial relations on dominion-provincial relations will be tabled immediately."

The government will propose financial provision for wartime expenditures, and estimates for the current fiscal year will be submitted without delay.

The national grief at the death of Lord Tweedsmuir was expressed in official terms, and a warm welcome was assured for the Earl of Athlone his successor as governor-general.

May 26 To Be Day Of Prayer

LONDON, May 16—(CP)—King George asked Britain today to make May 26 a day of "national prayer on behalf of the nation and Empire, their Allies and of the cause in which they are united."

SOLDIER'S FATALISM

HERTSLEY, England—(CP)—Sapper Douglas Orchard, 19, of the Royal Engineers, while telephoning his girl friend told friends his wedding plans were "all off." Later he was found snort in a lorry.

DETERMINATION AS PARLIAMENT OPENS SESSION

War Is Keynote In Speech From Throne At Ottawa Yesterday.

By C. R. Blackburn
Canadian Press Staff Writer

OTTAWA, May 16—(CP)—Canada's Parliament opened today in an atmosphere of harmony and determination to devote every effort to the achievement of victory and peace.

In the speech from the throne representing the government's attitude and the utterances of party leaders, were pledges to share to the utmost in Allied efforts to halt German aggression.

Although war was the keynote of the throne speech the only specific legislation forecast had to do primarily with the problems of peace.

It was announced that the government would at once introduce a resolution leading to amendments to the British North America Act empowering Parliament to enact a measure establishing "unemployment insurance on a national scale."

Tomorrow afternoon the address in reply to the speech from the throne will be moved by Hughes Lambie, (Lib. Lethbridge) and seconded by James Sinclair, (Lib. Vancouver north).

Debate on the address will open Monday when Prime Minister Mackenzie King is expected to give a review of the government's war activities to date and possibly list the government's future plans. The senate adjourned until Tuesday.

Members speculated on the probable length of the session, and many discussed the possibility of an adjournment after a month or so for resumption of the session in the fall.

Sir Lyman Duff, chief justice of Canada and administrator of the government since the death of Lord Tweedsmuir, governor-general, opened the first session of Canada's 19th Parliament at 4 p. m. A.D.T. by reading the throne speech.

Only the essential ceremonies and ritual of tradition were observed.

The throne speech told members they were meeting at a time of "the greatest conflict in the history of mankind" but the struggle for Europe, it said, "have but served to"

(Continued on page 7, Col 5)

Special Claims In P. E. I. Brief Meet Rejection

Cancellation Of Old Loan And Request For Improved Mainland Communication Dealt With.

OTTAWA, May 16—(CP)—The Royal Commission on Dominion-Provincial Relations in its report today reviewed two old grievances of Prince Edward Island against the Dominion government, but found neither justified.

When the commission visited the Island province, the provincial government raised the old question of cancellation of a Dominion loan for \$282,402, made in 1873 when P. E. I. entered Confederation and to be used to buy lands held by absentee landowners and resold to tenants. The Dominion also agreed to pay an annual subsidy of \$45,000 less interest on the loan.

As to the cancellation claim, the commission said "we do not think this is a matter on which any finding in favor of the province based on legal grounds could now be made."

It added that "any hardship suffered by the province over its land transactions has been considered and provided for in previous financial adjustments between the Dominion and the province."

"It, however, our general financial proposals are to be implemented, including the proposal that the Dominion should assume provincial debts, we feel that the province should be relieved of this debt of \$282,402 to the Dominion along with all other provincial debts," the report said.

"In such an event, the province could be relieved of annual interest payments on this loan, and its subsidy would be subject to the recommendations which we have made as to adjustment payments from the Dominion to the province of Prince Edward Island."

Complaints Heard

Briefs of the Charlottetown Board of Trade and of the transportation commission of the Maritime

(Continued on page 3, Col 1)

Aerial Operations Are Continuing On Huge Scale

Fierce Hand-to-hand Fighting As Enemy Is Hurlled From Belgium City.

Military Situation

(By The Canadian Press)

MEUSE FRONT—R. A. F. bombs Nazi communications; French announce German breakthrough at Sedan under control.

CENTRAL BELGIAN FRONT—British tear Germans out of foothold in Louvain, 16 miles before Brussels.

WESTERN BELGIAN FRONT—German troops reported by Berlin massing for assault on channel ports.

MAGINOT LINE—Heavy artillery action on the northern sector between Moselle and Rhine.

(By Pat Ussher, Canadian Press Staff Writer)

LONDON, May 17—(Friday)—(CP)—British forces in Belgium repulsed German attacks on historic Louvain, a general headquarters bulletin announced early today while Royal Air Force bombers dealt smashing blows behind the German lines.

"The British Expeditionary Force is in contact with the enemy and fighting is in progress," the brief bulletin stated. "Attacks on Louvain have been repulsed."

HAND-TO-HAND BATTLE

Dispatches from the front said that British troops drove the Germans from the outskirts of the Belgian city in fierce hand-to-hand fighting and that the battle was continuing with undiminished intensity along the Meuse River from Namur, Belgium to Sedan, France where a huge French army is in action.

The largest force of R.A.F. bombers yet employed in a single operation caused widespread havoc and many ex-

(Continued on page 3, Col 5)

International At A Glance

(By The Canadian Press)

PARIS—French announce "complete mastery of situation in Sedan area," supreme war council meets; Paris made military zone; Reynaud expresses confidence in victory.

LONDON—R. A. F. dumps tons of bombs on Germans in Allies' greatest aerial attack; three Nazi planes downed to one Allied craft; aliens rounded up in drive against "fifth column" threat.

WITH THE B. E. F. IN BELGIUM—British drive Germans back from edge of Louvain in fierce hand-to-hand fighting.

OTTAWA—Canadian Parliament opens; members told session will be concerned mainly with Canada's war effort.

WASHINGTON—Roosevelt calls for \$1,182,000,000 emergency national defence program; advocates gear-up air production to be capable of producing 50,000 planes a year.

ROME—British and French through consulates for visas; Americans told to go home at "earliest moment."

ALEXANDRIA—Egyptian government cancels plan to move government from Cairo to Alexandria, because of war possibility.

ZURICH—Swiss-German frontier closed along Rhine from Basel to Lake Constance; Swiss down German bomber over Swiss territory.



TORONTO, May 16—(CP)—Minimum and maximum temperatures:

| | |
|---------------|-------|
| Dawson | 35 56 |
| Vancouver | 52 63 |
| Edmonton | 40 58 |
| Regina | 40 63 |
| Winnipeg | 30 68 |
| Ottawa | 47 52 |
| Montreal | 53 67 |
| Quebec | 51 60 |
| Saint John | 43 67 |
| Halifax | 42 54 |
| Charlottetown | 46 60 |

FORECAST

Maritime Provinces: Moderate winds; unsettled with occasional showers and some fog. Saturday, still unsettled.

Synopsis: The weather has been unsettled with light showers in Ontario and mostly fair in the West with light scattered showers in Saskatchewan and Alberta.

High tide this morning at 6:44 and this evening at 7:07. Sun sets this evening at 7:24 and rises tomorrow morning at 4:28.

Full moon Tuesday May 21 9:38 a.m. Summer time 18 minutes later than Charlottetown.

SATURDAY ONLY

Leaves Borden 4:45 P. M. Leaves Tormentine 7:00 P. M.