

**PRINCE EDWARD**

TWO DAYS ONLY  
TODAY & THUR.

LUCKY LEW!  
FIVE GORGEOUS GIRLS  
ON A MAN HUNT!

Now Showing!

**SPRING MADNESS**

Plus  
CARTOON  
HOLLYWOOD  
HOBBIES  
PASSING  
PARADE  
PETE SMITH

MAUREEN O'SULLIVAN  
RUTH HUSSEY  
ANN MORRIS  
SILVIAN SIMON

LEW AYRES  
BURGES MEREDITH  
JOYCE COMPTON

DAILY 2.30  
7.00  
9.00

FRIDAY—"KID FROM KOKOMO"

FINAL TODAY—2.30-7-8.45 P. M.  
JANE BRYAN—RONALD REAGAN

IN "GIRLS ON PROBATION"

PLUS: TRAVEL—SPORT—MUSICAL—NOVELTY

**The Capitol**: Thurs. - Fri. - Sat.

AT 2.30-7-8.45

GENE SWAPS HIS HORSE FOR A DOG-SLED...  
AND TRAILS A BAND OF KILLERS IN A THRILLING, ACTION-PACKED, SIX-GUN ADVENTURE.

**GENE AUTRY**

with SMILEY BURNETTE

JUNE STOREY  
WALTER SHROM AND HIS COLORADO HILLBILLIES

ALSO: LONE RANGER—CHAPTER TWO  
ANDY CLYDE—CARTOON

**Personals**

Miss Ruth Saunders, Charlottetown, is visiting relatives in Fredericton, P. E. I.

Mrs. James McDonald, 329 Euston Street, City, is visiting friends in Georgetown and Dundas.

Mr. Claude Jones, Pownal, and Mr. Gordon Carver, Hazelbrook, spent the week-end at Camp Klora, Brimdenell.

Mr. and Mrs. Frank Pucher and daughter Marion left this morning for New York on a visit to the World's Fair.

Mr. and Mrs. Sterns and daughter Marjorie returned home to Columbus, Ohio, after spending their vacation at Stanhope.

Mr. and Mrs. William Grafto, Arlington Mass., are visiting the home of Mrs. Grafto's brother, Mr. Nelson Gamster. They were accompanied to the Island by Mrs. John Potter.

Mr. and Mrs. Carlyle and son Kenneth Toronto, Ontario, have rented a cottage at Stanhope and will spend a two weeks vacation there.

Dr. and Mrs. Dean, Columbus, Ohio and their two children left on return after spending their vacation at Stanhope. Dr. Dean is a noted blood specialist, some of his researches appearing in five different languages.

Mr. Malcolm Stuart of Bradalbane has returned from Nova Scotia, where he visited his son, Dr. Charles E. Stuart of Parrsboro and his daughter, Mrs. Vernon Palmer of Melville Square.

Mr. Percy Happers, Boston, is on his annual visit to the province, arranging his vacation in order to be here for Confederation Week Celebration. He is accompanied by his friend, Mr. Edward Roche, who has "crossed the line" into Canada for the first time.

Messrs. James Dimock and Jack Coleman of Halifax arrived in Charlottetown last night to spend a short holiday. They are staying at Glen Alden Cabins, Malpasque road.

Mr. and Mrs. Harold Riggs and children of Princeton, N. C., have arrived in the city to spend a vacation with Mr. Riggs' parents, Mr. and Mrs. Frank Riggs.

**Great Improvement in C.N.R. Equipment**

MONTREAL, Que., July 10.—New mail express and baggage equipment is being received by the Canadian National Railway, embodies improvements in detail aimed at greater efficiency for the particular services for which they are intended. Altogether 65 units of this equipment is on order with the Canadian Car and Foundry Company and deliveries are being effected from that corporation's Montreal plant.

Of three types of equipment the largest order was for fifty 40 ton box baggage cars which will be used for handling consignments of less than carload freight on certain passenger and way freight trains. These cars are so designed and built on trucks with steel tired wheels that they can be incorporated in passenger trains. The advantage of this is that considerable merchandise required in a hurry is shipped in less than carload lots and by loading in these cars it can be forwarded by passenger trains. The cars are painted in Canadian National standard passenger color green and lettered similar to box cars.

The first of five units of all steel mail and express cars has been received. These cars are 77 feet 3 1/2 inches overall, mounted on 6 wheel trucks so that they can be used in the fastest passenger trains operated on the National system. The roofs are of the rounded or turtle back type presenting a smooth flow appearance. These cars are adequately insulated and are provided with all facilities and conveniences for the expeditious handling, of express and mail. The mail section has been built to the specifications of the Railway mail service.

The order included ten all-steel baggage cars which are designed for fast passenger train passenger service being mounted on 6 wheel trucks. These cars are well insulated and equipped for the easy handling of baggage and are windowless except for the use windows in the side doors. A considerable use of copper bearing steel has been provided. The cars are adequately ventilated and insulated against stress of all weather. The cars were designed under the direction of John Roberts chief of motive power and car equipment.

**Central Guardian**

This column is reserved for news of local interest but insertions of a newsy nature may be inserted at 5 cents a word strictly payable in advance.

**CONFEDERATION LIFE INSURANCE.** L-9789-7-21-31.

**HIGHLANDS** Wednesday night, L-54.

**BATTERY CHARGING,** repairing and service. Mallett's Battery Service. L-64-5-12.

**ATTENTION ADVERTISERS.**—Advertisements for insertion the following day must be in this office not later than 11 a. m. 5-3-14.

**S. S. MAGNILD ARRIVES FRIDAY.**—The S. S. Magnild will arrive at the Buntain and Bell Co. Wharf on Friday morning where she will load livestock and general cargo for St. Pierre and Newfoundland.

**GOLDEN WEDDING.**—Mr. and Mrs. Robert Smith, 68 Chestnut Street, were receiving congratulations yesterday on the occasion of their Golden Wedding Anniversary, which they observed quietly at their home. The Guardian joins in extending hearty congratulations.

**VISITING GOVERNMENT HOUSE.**—Mrs. Stanley Hall of Winnipeg arrived in Charlottetown Saturday evening and is a guest of her brother The Honourable G. D. DeLois and Mrs. DeLois, at Government House. She has been here since Mrs. Hall has been here and she is receiving a warm welcome from all her old friends.

**EXCURSIONS ARRIVE ON FRIDAY.**—The C. N. R. Excursions will arrive on the 13, 14, and 15 bringing people from all over the Maritimes, Upper Canada and also other points throughout the Dominion for the Confederation Celebration which will be held here between the 16 and 21 of July. There will be special fares from Boston also for this special occasion.

**FAMILY REUNION.**—Mr and Mrs. E. E. Strick (formerly Ethel Henderson) and family of Los Angeles, Calif., who are visiting their former home at St. John's, are leaving shortly on return home. They want all their relatives and friends to meet with them at a family reunion to be held on Saturday afternoon, July 15th at Mr. Ivan Clow's Shore, Meadowbank. If the day is not fine the reunion will take place on the following Monday. Those attending will bring their own refreshments.

**CORRECTION.**—In the City Council it was reported that the City Surveyor would be instructed to investigate a building which recently erected fence on property occupied by Mr. J. M. Murley, Brighton, was "over the street line." Mr. Murley informs the Guardian that he neither owns nor occupies the property in question.

**PRECIPITATION LOWEST IN YEARS.**—While the water level was not abnormally low, nor had it reached a serious stage, it was lower in the Charlottetown water system than in recent years. It was learned last night from Mr. J. Macdonald, member of the Board of Water Commissioners, that in the reservoir for the past few years had been unusually high and exceeded 1921. The average for the month of June was 25 to 27 inches. Mr. Burns said. Last month it amounted to only 11.8 inches. Weather conditions fair throughout the Province without immediate prospects for rain, though for the past few days showers had threatened. Maximum temperature yesterday was 76 degrees above zero. At 8 a.m. yesterday it was 66 above.

**WEDDING AT CANOE COVE.**—The home of Mr. and Mrs. Hector Irving, Canoe Cove, was the scene of a happy event, a wedding evening, July 5th at 6 p.m., when their daughter Jessie Isabel was united in holy bonds of matrimony with George Bell, son of Mr. and Mrs. Dan MacPhee, Cumberland. The ceremony was performed by Rev. J. H. Bishop. The bride, who was given away by her father was attended by her sister Christine MacNevin, while Mr. Harold Betts supported the bride. The wedding march was played by Miss Viola Bell. After the ceremony, supper was served to about fifty of the immediate friends and relatives. An object of much comment was the large number of shower and wedding presents which were both costly and beautiful. After receiving their congratulations and good wishes of a large number of serenades, the happy couple left amid showers of confetti on their joyous trip through the Maritimes. The Guardian joins their many friends in wishing Mr. and Mrs. MacPhee every happiness and that their journey down life's road together.

**Eastern Guardian**

"This column is reserved for news of local interest but insertions of a newsy nature may be inserted at 2 cents a word strictly payable in advance."

**SUBSCRIPTIONS** to the Charlottetown Guardian may be handed to their Rep. Archie Hume.

**Detailed Report Of Special Audit And Investigation**

Following is the beginning of the full text of the special auditor's report on audit and investigation of the City Accounts, which will be published in The Guardian in daily instalments:

His Worship, Mayor Foster, and Members of the City Council, City of Charlottetown.

Gentlemen:—

At an emergency meeting of your Council held on the 28th day of February, 1939, the following resolution was passed:

THAT D. F. Archibald, C. A. of Charlottetown and W. A. Morrell, C. A. of Amherst be appointed to prepare a financial report for the year ending January 15th, 1939, and a statement of assets and liabilities of the City of Charlottetown as of that date.

There are also certain 1938 vouchers, in the total amount of \$665.15, the payment of which was not approved by the Finance Committee and which are being carried in Suspense pending final decision as to the best method of dealing with them.

To apply against this shortage, there has been paid in to the City on January 15, 1939, a total of \$6,387.11 to appear in the Housing Cash and Over-draft Interest, and in addition to this, we have found in the City Office, cash in the total amount of \$917.99 over and above the amount required to be on hand. This also applies as a reduction of the shortage.

When this situation became apparent, we made an immediate written report to His Worship the Mayor and members of the Finance Committee on March 20, 1939, setting out the fact of a shortage in the Housing Funds which appeared at that time to be at least \$6,810.00.

**Lack of System**

As the work progressed, the difficulties presented by the complete lack of system and order in the City Office became more apparent. Vouchers and documents that should have been instantly available for our inspection could only be located through hours of searching through the vault and storeroom, and in many cases, documents which would have been of great value in clearing up questionable points had not yet been located. Important among such items is Ledger C, of the City, covering the period from 1922 to 1929, which would have been of inestimable value in tracing City vouchers back to 1924. This Ledger C has been ill and not available for questioning since late in March, which further delayed the work as apparently he alone knew what had been done with certain vouchers and accounts.

In the course of our search we found numerous items of cash in out of the way places, together with many cheques made out to the City and never presented for payment. We had all such cheques presented to the banks, with the exception of two written by firms which are now of existence, and in many cases, they were returned unpaid. There were certain cheques, however, which were in order, and on being presented, had never been cashed. These, together with the sundry small items of cash, have all been deposited in the City Bank Account, and included in the item of \$917.99 set out above as cash found in the vault and above the amount required to be on hand. This feature of more cash being on hand than is required by the cash book may indicate that there has been a systematic misappropriation of sundry cash receipts. We have uncovered at least four such items which have not been reported, and which may be of some value in themselves, but to which were attached coupons complete with the facsimile signatures of the City Clerk, and therefore, fully negotiable on their due date. These bonds had only a few of the last coupons attached, and there were indications that all previous coupons, some of which have already fallen due, had been removed. It is not possible for us to say whether or not any of these particular coupons were cashed on the due date, owing to the fact that cancelled coupons in them of what we found to be the actual facts. Such thing as the showing of a bank account with a credit balance when it was actually over drawn because of shortages is no mere accidental error.

**Cancelled Coupons**

We further found cancelled coupons for the years 1926 and 1930, which were of material aid in confirming the act of an issue of certain unrecorded bonds prior to those years, and various bond registers covering the period from the incorporation of the City to about the year 1920.

In this connection we would bring to your attention the fact that such 1929 and 1930 coupons were deliberately withheld from published reports that is almost beyond belief. As will appear in greater detail at later stages of this report, shortages as at January 15th, 1939, have come to light in the total amount of \$69,436.43, made up as follows:—

Unauthorised Debentures interest to January 15th, 1939— \$ 2,845.08  
Housing Cash and Over-draft Interest— 6,715.10  
Sinking Fund— 14,965.00  
\$69,436.43

**Utter Chaos**

This condition of utter chaos, together with the very significant fact that, in case after case, documents concerning suspicious items were completely missing when other documents concerning items that were perfectly in order were available, leads to the conclusion that these conditions may have been deliberately created in order to prevent any proper investigation being made. In any event, there appears to be no other explanation than this for the destroying of cancelled coupons.

Further difficulties were placed in our way through numerous common errors of action in the published statements, together with apparently deliberate misstatements in them of what we found to be the actual facts. Such thing as the showing of a bank account with a credit balance when it was actually over drawn because of shortages is no mere accidental error.

It is because of this situation that the establishing of a starting point as at January 15, 1939, required an amount of time that would be both unnecessary and unreasonable in any other circumstances. We wish it clearly understood that, in so establishing the Balance Sheet as at January 15, 1939, we have made no detailed check of all transactions from this date back to 1921, but have investigated all irregularities which came to our notice during the course of the work. In view of the

your special external auditor in 1932. We quote from his report as follows:—

"Due to scanty records, and in some instances practically no records at all, a great deal of difficulty was experienced in attempting to verify the outstanding debentures, particularly the older issues. In fact the most reliable check was furnished by the coupons paid during the year 1931; previous years being available, thus making possible comparisons, for two or three years, more complete information in respect of outstanding bonds would in this way have been furnished."

The writer offers no apology for any lack of definiteness concerning the amount of outstanding debentures. As a workman can only exercise or display his skill to the extent of the means placed at his disposal, so in the instance under consideration, lack of material with which to work prevents the making of a positive or definite statement that your bonded indebtedness is the amount stated in the attached Balance Sheet, and no more or less."

**Warning Unheeded**

Had the Council at that time given heed to his warning that sufficient old coupons had not been made available to him, and ordered that these old 1929 and 1930 coupons be given to him for examination, the whole question of debenture shortage would have come to light. It is difficult to understand how these burnt warnings could have been disregarded full and complete consideration, and careful detailed check of the old bond registers, there was an expensive book opened as a bond register in 1932, which we were able to utilize by a slight modification of the sheets, and bring up to date as the complete Bond Register. Further details of this are set out in the section of the report dealing with Debentures.

We also found two excellent visible record tax arrears ledgers which had been opened in 1936 with outside assistance, according to our information, and then apparently discarded.

A small personal statement of account from a local firm to your City Clerk, which we investigated only for the purpose of satisfying ourselves that it was, in fact, personal, and not an unpaid bill of the City, revealed the fact that a receipt for taxes was issued to this firm in November of 1938 out of an official City Receipt Book which was apparently not in the hands of the City Clerk, and that such cash had not been included in Civic Receipts. Further details of this are included in the section of the report on Taxes.

From this same source, we also learned that a horse had been sold by the City in the Spring of 1938, and that the purchase money had been paid to your City Clerk. We were unable to find any record of this cash having been received by the City.

One item which came to light in our search was a Post Office Savings Bank book in the name of the Mayor of Charlottetown, in trust for the Charlottetown Reformatory. There was a small balance of \$96.32 as at Nov. 20th, 1928 shown in this book, and on sending it away to be written up, we found that the only entries in this account since that date were for funds which he deposited in the bank daily. This provision was not being carried out in your City Office, and we have insisted a system whereby the cash is advanced each day and deposited in the bank. Such a procedure is only a matter of sound accounting practice, and is a reasonable and desirable provision in the Act. The proper enforcement of similar balancing is one of the first requirements in proper prevention of fraud.

(b) The question of the form of assessment book to be used has been dealt with both in the Consolidated Act and in the various amendments, and the present situation appears to require, by virtue of Section 4 of the Act (25 Geo. V 1935, Cap. 25), an assessment book with "tabulated headings suitably arranged for..." (among other things) to give the City Clerk or any other person the power to change assessed valuations apart from the findings of the Appeal Court, and thereby all such changes which have been made in the City Rate Books would appear to be without justification.

(c) Section 33 as amended by 22 Geo. V 1932, 24 Geo. V 1934, Cap. 20, and 25 Geo. V 1936, Cap. 26 provides that all arrears of taxes shall bear interest at six percent from the first day of July in the year in which they are due. Interest has not been added to Tax Arrears for reasons noted in the section of the report on Taxes.

(e) Section 38 prescribes the action to be taken in non payment of taxes, and makes such action mandatory, allowing no discretionary powers to the City Collector with regard to whether or not

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(e) Section 38 prescribes the action to be taken in non payment of taxes, and makes such action mandatory, allowing no discretionary powers to the City Collector with regard to whether or not

such action may be taken in any given case. Section 42 makes mandatory the publication in a newspaper in the City of Charlottetown of the names of all persons falling to pay taxes on real estate within the time prescribed for such payment.

(f) Section 131 requires the Clerk of the Police Court to account for and pay to the City Clerk on the last Tuesday of every month all fines or fees collected or received by him, and, at the same time, deliver to the City Clerk a full and particular statement of such fines and fees certified by the Stipendiary Magistrate. Such monthly statements were, in fact, prepared for the year 1938, but they were not certified by the Stipendiary Magistrate. We comment on the desirability of such certification by the Magistrate in the section of the report covering revenue from this source.

(g) Sections 160 and 175 provide for interest at seven percent on arrears of Concrete Sidewalk and Permanent Street Assessments. Whether these sections are overridden by Section 83, mentioned above, which provides for interest at six percent on all arrears of taxes including permanent street and sidewalks, we are not in a position to say. Interest has not been added to Street and Sidewalk Assessment arrears as well as assessed in the section of the report covering these items.

While it is a little difficult just at present to ascertain the exact provisions of the Act, due to the many amendments since the last consolidation, we do not feel that a new consolidation should be made at present as there may be a number of points which will require to be changed shortly, and it would be better to wait until such changes have been completed before consolidating the Act.

**Consolidated Balance Sheet As At January 15th, 1938 (A)**

This has been revised from the City's Printed Balance Sheet as at January 15th, 1938 as set out in detail in Surplus Account Reconciliation.

(To be continued)

**JOHN SLOCUMBE**

The funeral of John Stanley Slocumbe, a former Hamilton resident who passed away in Cleveland, Ohio, on July 3, will be held on Saturday afternoon at 2 o'clock from Truscott Brothers' funeral home to Woodland cemetery, Bon in Toronto, N. S., 43 years ago. Mr. Slocumbe lived in Hamilton for a period of ten years prior to moving to Cleveland in 1925. He served his country during the Great War as a member of the 120th Battalion and saw service in Belgium and France. An Anglican in religion, Mr. Slocumbe belonged, while in Hamilton, to St. George's church. Left to mourn are his wife, the former Jane Wilke; a son, William in Cleveland; four brothers, Henry Ernest and James in Hamilton, and Forest in Charlottetown, P. E. I. and five sisters, Mrs. Stanley Puse, Mrs. George Woolley, Mrs. Charles Maudsley, Mrs. Arthur Webb, all of Hamilton and Mrs. C. McLeod, of Elvira, Que. A brother, Deak, predeceased Mr. Slocumbe.

**Foot Troubles Corrected**

BY A FOOT SPECIALIST

Phone 146 for an appointment

**H. J. A. BROWN**

Chiropodist—Podiatrist  
at 61, Geo. St., Charlottetown

All foot troubles painlessly and scientifically treated

Special Foot Plates to Casts

**Blood Test For Cows**

The regulations of the Provincial Exhibition Association state that no entries will be received in the cattle classes unless registered, or showing without a certificate showing a negative blood test for Bang's Disease.

L-260-7-10-39.

**By Edwina**

**TIPPIE AND "CAP" STUBBS**

MY LAND! YOU DON'T NEED THAT BIG SUITCASE—

YOU'RE NOT GOING TO TAKE ANY MORE BAGGAGE THAN IS ABSOLUTELY NECESSARY! DON'T FORGET YOU HAVE THAT BIG THING FOR THAT DOG, TOO! HERE, YOU USE THIS SMALLER ONE—

SAY—YOU'RE USIN' TH' BIG SUITCASE FOR YOURSELF!

WELL, MY LAND! MY CLOES TAKE UP MORE SPACE IN YOURS!

