

CITY COUNCIL

(Continued from page 1)

Before You Insure Consult Confederation Life Association One of the World's Great Life Insurance Institutions. Renowned for Strength, Service and Security Since 1871.

While current expenditure to the end of June was less than it was one year ago current revenue was down to a greater extent. He attributed the falling off in receipts to the possibility citizens were slow to pay taxes until they saw what the outcome of the audit would be. Receipts for January 15 to June 30 were \$76,834.78, while expenditure for the same date amounted to \$89,471.93.

Old police patrol was sold to Harry Redmond for \$37,000, the tender committee reported. It was the only tender received, Coun. C. H. Dougan said.

The tender of J. A. Trainor for painting the interior of the City Hall, price \$130 was accepted.

A vote of \$100 was given the Free Gardens Committee on account of 1939 expenditure.

Coun. Chandler, commenting briefly on the report of the external auditors when he arose to read it to the meeting said the auditors were to be congratulated for the complete and exhaustive report. It revealed a condition of City finances which no Council ever had any idea existed. Coun. Chandler said. The report would, by implementing the recommendations, make such a state of affairs impossible to occur again. Suggested changes and a better system would result in improving the City finances by \$200,000 a year.

Coun. Chandler believed, and enable some day a Council to declare a balanced budget. Mayor Foster after the report had been read and the auditors commended for their work. It was not an easy task. He expressed appreciation, too, to Councilors for their interest and co-operation they had shown.

Mr. Holman explained "exact" copy of the report, both the 69-page detailed report and the 15-page summary had been furnished to the Mayor. He expressed the hope that the Mayor would publish "exact" copy of the report, both the 69-page detailed report and the 15-page summary had been furnished to the Mayor. He expressed the hope that the Mayor would publish "exact" copy of the report, both the 69-page detailed report and the 15-page summary had been furnished to the Mayor.

Text of Resolutions

That the resolutions passed in passing with the auditors' report be below.

Resolved—That the Council do advise the special auditors' report audit in investigation of City funds, together with financial statements for the year ending January 15, 1939, made and submitted by Messrs. D. F. Archibald and W. A. Morell, chartered accountants, dated June 29, 1939.

Resolved—That Mr. George P. Nicholson be now dismissed from

the office of Clerk of the City of Charlottetown.

Resolved—That a demand for indemnity to the full amount of the surety bond effected and maintained by the City of Charlottetown on Mr. George P. Nicholson in his recent office as its City Clerk, and issued by the London Guarantee and Accident Company, Limited, be made upon such company in respect of matters shown by the special auditors' report received on this date by the Council, and that a signed copy of such report be furnished to such company in proof of claim.

Resolved—That the special auditors' report received on this date by the Council be referred to the Attorney General of the Province for his information and action.

Each of the above resolutions was moved by Coun. Chandler, seconded by Coun. Holman, members of the finance committee.

CHAMBERLAIN

(Continued from page 1)

honorable members will realize that the issue could not be considered as a purely local matter involving the rights and liberties of the Danzigers, which incidentally are in no way threatened, but would at once raise graver issues affecting Polish national existence and independence.

WARNING TO HITLER

In the House of Commons lobby all parties seemed agreed that Mr. Chamberlain made a clear, unequivocal statement which could be interpreted only as a warning to the German Fuehrer.

It was, members said, an attempt to erase any basis for a repetition of the German charge that Britain did not state clearly when and who she would fight in 1914.

Confederation Week Swimming Meet Victoria Park

JULY 17TH, 1939 - 10.30 A.M.

COMPETITORS PLEASE NOTE:

The mile swimmers are to be run at the same time as the dashes and therefore it will be impossible to compete in both the mile and dash event.

The closing time for entries is Monday, July 17, at 12.00 noon. No entries after this hour can be accepted.

Mail or deliver this entry form and address inquiries to Confederation Week Swimming Committee.

ENTRY BLANK

(Mark X opposite events you wish to enter)

BOYS 15 YRS. AND UNDER

1. 25 yd. free style

2. Diving, 12' level.

NOTE—Diving events alone call for two compulsory dives and two of a choice. The compulsory dives are (plain header forward running) and (backward header standing).

WOMEN

1. 25 yd. free style

2. 25 yd. breast stroke

3. 25 yd. back stroke

4. 100 yds. free style

5. 1 mile

6. Diving 12' level.

NOTE—Diving events for men and women call for two compulsory dives and three of a choice. The compulsory dives are the same as for junior competitors.

SPECIAL EVENTS

WOMEN

1. 50 yd. dash

2. Diving.

NOTE—Diving events are the same as for men and women indicated above but at two levels, 12' and 20'.

In consideration of your accepting this entry, I hereby for myself, my heirs, and administrators waive and release all rights and claims for damages that I may have against the Charlottetown Confederation Week Swimming Events Committee for any injuries suffered by me at this meet.

Signature

Address

Parent's Signature

(In case of Junior Entry)

WM. REDDIN Chairman

TOM PARKER Secretary

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EXCAVATED ON THE SITE OF ANCIENT TROY

Dr. Cedric Boulter Gives Interesting Experience As Archaeologist.

Guest speaker at Rotary yesterday was youthful Cedric Boulter, Ph.D., instructor in the department of classics in the University of Cincinnati. Dr. Boulter is the son of Mr. and Mrs. J. W. Boulter, Charlottetown, and the degree recently conferred upon him was a signal tribute to his work both as a scholar and archaeologist.

Two years ago, Dr. Boulter took part in excavation work on the ruins of ancient Troy, and his address yesterday was an outline of his interesting and valuable experience on that occasion.

He described briefly the topography of the Dardanelles, Gallipoli and the adjoining northwestern promontory of Asia Minor, famed in Homer's Iliad as the site of Troy and scene of the ten years' war between the Greeks and Trojans. The earliest settlement at Troy, he explained, dated back some five thousand years, and consisted of an unfortified village on the plain. There was a gradual transition from the stone to the bronze age, accompanied by the development of Troy as a stronghold until its destruction by the Greeks about the year 1200 B.C.

The genius of Homer has given immortality to this ancient Asiatic city, whose walls and "topless towers" built of clay on stone foundations have long since disappeared under the accumulated debris of successive habitations. Even in Roman times, when an attempt was made to rebuild ancient Troy, the actual site could not be determined. There was no record except the Homeric poems, and these came to be regarded as legendary. It was not until 1870 that the site was rediscovered by Heinrich Schliemann, who began excavations which he continued for twenty years intermittently. Some of the material was destroyed by Schliemann in his indiscriminate digging, but his work gave an impetus to archaeological work now being carried on more scientifically.

Dr. Boulter described the expedition organized by the University of Cincinnati under Prof. Sempke, head of the classics department, who obtained permission to excavate at Troy from the Turkish Government in 1931. The work was carried on from 1932 until 1937. It was Dr. Boulter's good fortune to be associated with the excavations during the season of 1937, from the 1st of April until Aug. 6, an expedition which set a high standard for skill and efficiency.

While romance has its place in work of this kind, the speaker pointed out that the daily routine was one of hard and painstaking labor. The discovery of pottery and other evidences of domestic civilization, though of value to the archaeologist, were not of so great importance to the newspaper copy. The job was in no sense a "treasure hunt," the interpretation of the significance of the objects found depending upon a thorough study of the arrangement of the strata and other factors which were of scientific rather than popular interest.

Discussing the reason for the strength, wealth and permanence of Troy in ancient times, Dr. Boulter stressed its impregnable position. The alliance which is now being negotiated between Russia, Britain and France, he pointed out, will depend for success on Turkey's guarantee of the free use of the Dardanelles to these countries. In 1915, during the Great War, the strength of the Dardanelles was shown by the unsuccessful attempt of the Allies to force their way through. In ancient times Troy was the centre where land and sea routes met, and its position was ideal for fortification.

Dr. Boulter, who is only twenty-six years of age, was educated at Prince of Wales College and Acadia University. After completing his Arts course at the latter institution he won a scholarship from Johns Hopkins University and in a competitive examination was awarded the opportunity of a research study at the American School of Classical Studies at Athens, Greece. While at Athens he met Dr. Sempke, of the University of Cincinnati, who offered him a scholarship in that University which he accepted in preference to the Johns Hopkins scholarship. He is spending the summer holidays with his parents here, and returns to resume his duties as University professor in Cincinnati in the fall.

Rotarian H. H. Saw, Superintendent of Education, presided at yesterday's luncheon. The guests included Rotarians Robert Banks, North Bend, Oregon; Robert J. C. Stead, Ottawa; Dr. Barbara Corstiantine, of Everett, Mass.; also Dr. John C. V. Fisher, West Roxbury, Mass.; Colonel C.C. Thompson and Frank Walker, Charlottetown.

Central Guardian Report Reveals

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

(Continued from page 1)

CONFEDERATION LIFE INSURANCE

L-9789-7-21-31.

VISITING HERE—K. B. Irving of Irving Oil Company, Saint John, N. B., accompanied by his son Arthur and B. Rogers of Charlottetown, P. E. I., arrived in the city yesterday in his private plane from Charlottetown on a business trip. The plane was piloted by Jimmie Wade of Saint John. Halifax Chronicle.

ON VACATION—Miss Marjorie Briand, a member of the staff of the Nova Print, left yesterday for Cape Breton, where she will visit her friends and relatives. She also plans to visit Prince Edward Island before returning to Halifax. Halifax Chronicle.

TO SEND DELEGATION—The Monoton Salvage Corps will send a number of men to the annual Maritime Firemen's Tournament at Charlottetown, P. E. I., it was stated last night after a routine meeting of the Corps members. Captain F. E. Keating presided. Moncton Times.

AUGUST WEDDING—Mr. Joseph A. Clark, Waverley House, Halifax, has announced the engagement of his only daughter, Ruth Iris, to Cedric Arnold Yebo, Ph. D., son of Mr. and Mrs. Herbert Yebo, of Northam, P. E. I. The wedding to take place August 2. Dr. Yebo will be Minister of the King's Collegiate School, Windsor, this Fall.

SPECIAL PRIZE WINNER—A special prize donated to the lucky ticket holder at the refreshment booth at the Pinette Races last week went to Miss Christine Brundage of Boston, Mass. It was announced yesterday. The owner of the lucky ticket could not be located the night of the carnival.

GOLDEN WEDDING OBSERV.—Mr. and Mrs. Charles Fisher, Scotchfort, Sunday observed their golden wedding anniversary with a luncheon at the "Charlottetown" Hotel at one o'clock yesterday. Twenty-one guests were present. A handsome anniversary cake, made especially for the occasion by the hotel chef, occupied a place in the centre of the table.

UNEXPECTED DEATH—Mrs. J. A. MacDonald, 49, of Mt. Stewart, died unexpectedly yesterday morning after a short illness. The deceased complained of not feeling well Sunday and her condition grew suddenly worse early Monday morning when a doctor was called. She passed away about 10 a.m. She leaves to mourn besides her husband a family of ten children.

MR. SCHEINFELD SPEAKS TO GYROS—Guest speaker at the weekly dinner meeting of the Charlottetown Gyros Club last night was Mr. Armand Scheinfeld of New York who spoke on "heredity." A noted feature writer, journalist and cartoonist, Mr. Scheinfeld has recently written a book "Hereditas and You," which will be published in England and America in September. Last night he gave the highlights of what heredity means and how it determines personal characteristics in both humans and animals, for the process was essentially the same in both, the speaker declared. Practically nothing was known concerning heredity until the present century. The address was intensely interesting and the speaker was tendered a hearty vote of thanks by the Gyros. Mr. Ralph Jenkins was chairman. Guests included Mr. Clifford Wallace of Charlottetown. Mr. Scheinfeld is visiting in the Province the rest of his stay. Mrs. Leo Frank and Dr. Frank of Rosebank. Last night's meeting was held at Beach Grove Inn.

Persons Mr. Wesley T. Wadman formerly of Cranston, Rhode Island, is visiting in the city with his wife and children on the island.

The many friends will regret to learn that Mrs. Rose Daley of Boston, formerly of Bellevue, is a patient in the P. E. I. Hospital, and wish her a speedy recovery to health.

Mr. and Mrs. Philip Lewis, and Miss Dorothy Arsenault, Belmont, Mass., arrived on the Island Saturday on a visit to Mrs. Lewis' mother, Mrs. Robert Arsenault, Egmont Bay.

Mr. and Mrs. George Pingree and daughter Eleanor, of Boston, are visiting on the island this week and are guests of Mr. John MacQuarrie of Bonshaw. Mrs. Pingree, who is a niece of Mr. MacQuarrie, is a cousin of Haven MacQuarrie, the noted radio and screen executive of Hollywood, California. Mr. and Mrs. Pingree will return next week to their summer home at Chamberlain, Maine.

Too Late To Classify FOR SALE—C. C. M. CRESCENT bicycle. Apply Guardian, L-24.

Report Reveals

Book required to be on hand, and you should recover \$5,000.00 from the City Clerk's bond, a total of \$12,185.10. On March 20th, 1939, we reported in writing to the Mayor setting out a shortage of \$6,810.00 which had come to light at that time.

MAIN POINTS

To understand properly the state of affairs which existed in your City Clerk's Office it is necessary to study our detailed report closely but we will endeavor to set down here without explanation or elaboration the main points.

Many vouchers and paid cheques were missing. On certain vouchers the signatures of the Finance Committee had been forged. Irregular endorsements were found on paid cheques which, in two cases, from the written statements of the payees, would appear to be forgeries.

Many Paid Debentures were missing and there was a complete lack of properly kept Debenture records. The Debenture interest coupons valid in 1929 and 1930 were in the hands of and were withheld from your external auditor in 1932, as shown by his report. Had these been available to him the unrecorded debentures issued prior to 1929 would have been discovered at that time.

The Council did not act on the external auditor's report in 1932 for the year 1931. When it was taken, would have saved the City thousands of dollars.

There had been suppression of tax and license receipts in 1932. There was a state of chaos in your accounting and filing which would seem to have been deliberately created to prevent a complete investigation.

There was deliberate falsification of Printed Reports, which apparently was certified as correct by your auditors. Your Act of Incorporation and various amendments do not appear to be entirely clear, making it almost impossible to arrive at an interpretation of some matters affecting accounts.

The statements attached to the detailed report set out the position of the City as at January 15th, 1938. The Hotel at Charlottetown, P. E. I., was the City's Principal Debenture Sheet as at January 15th, 1938, with the one which we have prepared to issue and expenditure Receipts and Disbursements for the year ended January 15th, 1939, together with details of Capital Expenditure, Trust Accounts, Sinking Fund, Payable, Shortages, Irregularities, etc. In discussing these statements the year ended January 15th, 1939, will be treated as the Current Year.

Current Expenditures

Expenditure for the Current Year was closely examined, and in many conferences with the Finance Committee and various City officials before we could complete our report. The Finance Committee members of the Finance Committee were found as a whole, on vouchers which were otherwise correct, to have failed to indicate the City Clerk's distribution of expenditure to departments.

The amount of the amount of \$668.15 could not be properly cleared up and have been left in suspense.

In addition to these items left in suspense, a number of objects and gravel present a curious picture. According to the City records the majority of purchases of gravel were made in 1938, but we found, after questioning the three, all purchases in question were made from one dealer. The other purchases stated they did not supply any sand or gravel to the City in 1938, and one further stated that the endorsement on two cheques payable to him, was not his signature. These cheques were cashed in the City Cash. Other cheques supposed to be payable to these two dealers are missing. The third dealer, taking the greatest interest, said and gravel which he supplied the City in 1938, which is very close to the amount shown by the City records to have been paid for sand and gravel during the year is \$185.22 in excess of the value of sand and gravel estimated by the City Engineer to have been used.

Many payments were made by "bearer" cheque and instructions were given to the bank not to pay "bearer" cheques in future. We have set out in the detailed report our recommendations to verify purchases, approval and payment of accounts.

Rate Books

Probably the worst confusion existed in your rate books. The present method of preparing the Assessment Roll makes it very hard to check properly the individual assessments to the Rate Book, taking weeks on what should have been only a few days' work.

We found that many assessments had been reduced without the consent of the Appeal Court, and also discounts in excess of the legal rate. These bills will shortly be sent to all tax payers who are in arrears, and from them we are opening an arrears ledger, which will bring all arrears into one ledger.

In many cases where the taxes were paid in full, the balance owing was not noted on the subsequent assessments to the tax payer apparently received no further notice of these arrears. Due to these circumstances our report on outstanding taxes can only be considered as tentative. Your whole assessment and taxation system needs careful revision, and the assessment requires examination by experts.

Licenses and Market rents are collected in a most haphazard manner, resulting in loss of revenue to the City, and unfairness to those who make full and prompt payments. We have set out recommendations on these matters in the detailed report.

Cash received by Police Court, City Court, Weigh Scales, and Market Clerk, to be well looked after, and very little change is required, with the exception of the apparent advisable

Street Assessments

The books for keeping records of assessments for permanent streets and concrete sidewalks, if properly kept, would have given the necessary information. Such was not the case; we found leaves from these ledgers, showing balances owing, in both the vault and store room. These have been replaced in the ledgers, and bills are being sent out according to the amount. Due to various reasons set out in the detailed report, here also our report can only be considered as tentative.

As noted previously, we found that there were outstanding debentures to the amount of \$31,500.00, proceeds of which were not received by the City. These apparently were issued:—

Table with 2 columns: Year, Amount. 1924 - \$1,500.00, 1926 - 4,500.00, 1927 - 4,500.00, 1928 - 1,000.00, 1929 - 4,500.00, 1935 - 8,500.00. Total \$31,500.00

There may be others as we have only examined debenture coupons paid between November 27th, 1938, and May 31st, 1939. June paid coupons could not be checked off as it was necessary to complete other work, and those paid in 1929 and 1930. Coupons paid from January 1st, 1939, to November 27th, 1938, cannot be found.

O'Connell Fund

The O'Connell Picnic Fund established in 1923 by J. D. O'Connell, has a deficit of \$338.46 due to overpayment of income to the O'Connell. This will have to be repaid by the City.

Housing accounts have been properly divided as to principal and interest and checked from the commencement of the plan. This showed that as at January 15th, 1939, there should have been cash on hand of \$6,379.39 which was not deposited in the Bank. A subsequent deposit was made of \$6,367.11, and we understood from the City Clerk that he was short on January 15th, 1939, and the deposit was made to cover the shortage. We also found that for some considerable time there had been irregularities in Housing Cash and that the Bank balances in the published statements were much in excess of the actual Bank balances, notwithstanding the fact that the printed Auditors' report stated each year that they had verified cash and Bank balances and found them in order.

As housing funds have been in arrears, some borrowers owing more than the original loan. This situation requires careful attention. Sinking Funds have been checked as carefully as possible back to 1931 but, due to missing paid debentures, we cannot say that the shortage is in excess of the amount set out below. Large amounts of income from sinking fund investments were not deposited in the sinking fund bank account, but appeared in the City Bank account to replace cash shortages. Payments were made from sinking fund bank account in Housing Cash and the debentures maturing as shown by the City records and which our investigation shows to have been correct. Hence also the City Printed Statements showed large amounts in the Bank account than the actual balances, although the auditors' printed reports stated that they had verified these balances. The shortage in sinking funds is \$14,065.00 as follows:

Table with 2 columns: Description, Amount. 1933 overpayment - \$1,500.00, 1934 overpayment - 5,000.00, 1935 income not deposited - 202.50, S.F. Bank Account - 202.50, 1936 income not deposited - 585.00, S.F. Bank Account - 500.00, 1937 income not deposited - 2,970.00, S.F. Bank Account - 3,307.50, 1938 income not deposited - 14,065.00

The legislation regarding your sinking fund is somewhat confusing but taking the broadest interpretation, (which we think requires special legislation to confirm), the fund is \$125,574.89 short of the required amount. On the same basis your deposit in 1939 should be \$37,425.16. It is essential that the present legislation should be clarified.

The fund brought up to the required amount by a special debenture issue at once. The required annual deposit be \$26 each year. We do not consider it advisable to investigate back years in detail unless there is some chance of recovery in excess of the shortage shown after deducting the \$12,185.10 recovered and to be collected from the City Clerk's Bond. And even if it is possible to recover, we doubt if the back can be properly audited due to lack of records and vouchers.

The accounting system has already been partially revised and the underlying principles for complete revision settled. Details of

DALVAY HOUSE At GRAND TRACADIE Owned by the National Parks of Canada and operated by The North Shore Hotels Company Limited Owners and Operators of Stanhope Beach Inn Open for Tourist Season Catering to Luncheon and Dinner Parties and Afternoon Teas Dinner Parties Formerly accommodated at Stanhope Beach Inn will be served at Dalvay House without delay. Luncheon: 1.00 p.m. Dinner 6.00 p.m. Three hours notice is requested for Afternoon Tea served from 3:00—4:30 p.m. L279-7-11-13-15

Orange Celebration July 12 At Pinette Under Auspices of McEwen Lodge. New Orange Pipe Band in Attendance. If weather unfavorable will be held following day. L-25

BOARD OF TRADE The regular quarterly meeting of the above Board will be held in the Board of Trade Rooms, Market Building, Wednesday, July 12th at 8 p. m. Railway Pickup and Delivery, and Proposed Paved Highways will be discussed. Important, all members attend. Visitors welcome. WALLACE L. HIGGINS, Secretary. L-25-7-11-21

complete revision cannot be completed until a new City Clerk is appointed. We wish to express our sincere appreciation of the complete cooperation given us by: His Worship the Mayor, The Chairman and members of the Finance Committee, All officials of the City (with the exception of the City Clerk who has been ill), The Provincial Auditor, The Chartered Banks, Security Firms, And several private citizens. It has been stated to us by many citizens that Councillors would endeavour to obstruct the audit, and conceal the facts. Just the opposite is true. His Worship, and Councillors Chandler, Holman and Dougan have supported us in every way, by giving us information in

Rollings Hotel AT RUSTICO Opening July 12 Under capable management of Mrs. Hazel MacLean Russ Hotel For Rates Phone 479 Or R 10-31 L-25-7-11-31

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