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NATIONALISTS MAKE NEW PLEA FOR U. S. AID IN FORMOSA

Report Britain Over The Hump In Dollar Crisis

Clamor For Less Spending As U. S. Congress Meets; Truman To Speak Today

To Place Boston On Pay As Go Basis

BOSTON, Jan. 3 (AP) — Mayor John B. Hynes promises to place Boston on a "pay-as-you-go" basis to prevent "disaster."
With his predecessor, James M. Curley, listening intently, Hynes told an inaugural gathering yesterday that the city "has been living beyond its means for the last two years."

(By George Kitchen)
WASHINGTON, Jan. 3 (CP) — The United States Congress returned to its old stand today, after a two-month breather, and promptly heard a clamor for less governmental spending.
Setting the pattern for this second session of the 81st Congress, economy-minded Republicans and Democrats joined in a cry for a tighter rein on Federal expenditure.

The opening was brief, quiet and informal. The session proper and the verbal fireworks, that accompany it—will get under way tomorrow when President Truman faces a joint Senate-House meeting at 1 p.m. EST.
Truman is expected to touch on the very things uppermost in congressional minds—Governmental financing—and to call for enactment of Administration bills left untouched when Congress rose in October.

Drain On Dollar Reserves Ended Since Devaluation

(By Arthur Gavshen)
LONDON, Jan. 3 (AP) — Britain has reversed the ruinous drain on her gold and dollar reserves since devaluation of the pound, an informed source said today.
The reserve fund which had fallen to \$1,404,000,000 on Sept. 30, 12 days after devaluation, has jumped nearly \$100,000,000 to \$1,500,000,000, the informant said.

Details Of New Bacon Contract Given; Termed Disappointing By Farmers



Indonesia Head
Leader of the new United States of Indonesia is Premier Mohammad Hatta, above. Some 77,000,000 Indonesians belong to the world's new republic, recently proclaimed independent by the Netherlands. The proclamation, by Queen Juliana, ended 300 years of Dutch rule in the East Indies.

OTTAWA, Jan. 3 (CP) — A new Anglo-Canadian bacon contract calling for shipment overseas this year of 50,000,000 pounds at 29 cents a pound seven cents lower than the previous price has been completed. Details of the contract were announced simultaneously in Ottawa and London today.
A spokesman for organized farmers said the deal was "extremely disappointing." Other spokesmen urged immediate lifting of the embargo on hogs to the United States.

Controversy Grows Over Proper Course

WASHINGTON, Jan. 3 (AP) — The United States State Department disclosed belatedly today that the Chinese Nationalists have put the issue of saving Formosa directly up to the administration with an urgent new plea for American aid.
Ambassador Wellington Koo submitted the plea Dec. 23. It came to light amid an increasing flurry of controversy in the new Congress over what course the United States should follow towards China.
Koo asked in a formal memorandum for military support, the freeing of nearly \$100,000,000 once earmarked for China and the dispatch of military, political, and economic advisers to help save Formosa from conquest by the Chinese Communists.

Until Next July
Also involved in the 1950 contract is a subsidy from the Federal Treasury of \$2,100,000 to maintain the floor price at 32.5 cents a pound. Both the subsidy and the floor price will end next July, when Canada likely will lift the embargo against shipment of hogs and pork products to the U.S.

Extremely Disappointing
H. H. Hannam, president of the Canadian Federation of Agriculture and spokesman for some 400,000 organized farmers, said the standpoint of quantity and price, is extremely disappointing.
He indicated that the contract will not absorb all of Canada's bacon surplus. This, in 1949, had amounted to about 100,000,000 lbs. which was shipped to the U. K.

Defeat Of Gov't Seen As Egyptians Count Votes

By STANLEY SWINTON
CAIRO, Jan. 3 (AP) — Early official returns tonight showed the Wafdists — the "outs" in Egypt's turbulent politics since the war — sweeping far ahead of all opposition in the general elections.
The first four results announced by the Ministry of the Interior were all victories for the Wafdist Party, accused by its Saadist opponents of being pro-British. Three of the victories were in Cairo and one in Ismailia.
Saadists were the majority of Government party in the last Chamber of Deputies.

Prodded by Knowland
The Nationalist appeal for help was revealed after Senator William Knowland (Rep. Calif.) prodded the State Department.
Michael J. McDermott, department press officer, in disclosing the Chinese plea today, said he had not been informed of it until last Friday and is trying to find out why.

Gordon Says Railways Still Short Of Coal
MONTREAL, Jan. 3 (CP) — Donald Gordon, new president of Canadian National Railways, said today the company is still short of its coal requirements and the situation which prompted a warning of cuts in passenger-train service is unchanged.
He added, however, there is hope of getting new supplies although the prospect will be governed by the coal situation in the United States.

Deny Pro-British Charge

Wafdists denied being pro-British, and in the campaign stood on about the same foreign policy platform as the other parties — immediate withdrawal of all British soldiers from the Suez Canal zone and unification of the Nile valley.
By unification they mean to bring the Anglo-Sudan under Farrow's crown. Since 1899 Egypt has had a theoretical half share in administration of the Sudan. But actually Britain dominates the administration.
Egypt's demands were raised at the United Nations in 1947 without decision after direct negotiations with Britain broke down in 1946.

Former Mayor Of New Glasgow Dies
NEW GLASGOW, N. S., Jan. 3 (CP) — John Underwood, one of the pioneers of the insulation business and former mayor of this Pictou County town, died at his home today after a short illness. He was 83.
A leading industrialist, he owned steel fabricating plants at nearby Trenton for many years and with his son developed cel-grass for use as insulation.

SENT UP FOR TRIAL
CARAQUET, N. B., Jan. 3 (CP) — The preliminary hearing of Philias Doucet, 35, Lower Caraquet, charged with manslaughter, ended today in his committal for trial at the May sitting of the Circuit Court in Bathurst.

Claim Ample Coal
HALIFAX, Jan. 3 (CP) — Nova Scotia mine operators can supply additional coal to Canadian National Railways if the orders are placed, J. P. Messervy, Deputy Mines Minister of Nova Scotia, said tonight in a statement.
The Mines Department surveyed the coal situation in the Province following the C. N. R.'s announcement of a 25 per cent cut in passenger train services, effective Jan. 9, because of a coal shortage.

McGregor Will Assist King Prepare Memoirs
OTTAWA, Jan. 3 (CP) — F. A. McGregor is stepping out of the combines storm into the quiet life of his old boss, Rt. Hon. William Lyon Mackenzie King.
Two days after his resignation as Canada's combines investigation commissioner, Mr. McGregor, 61, announced today he is starting at once to help the former Prime Minister prepare his memoirs.
In a statement, he called it the revival of a "very personal relationship," one that made him King's secretary from 1914 to 1925, a period which embraced the start of Mr. King's record period as Prime Minister.

5,500 Jobless In Halifax, Dartmouth

HALIFAX, Jan. 3 (CP) — Public works, housing projects and preparation of enabling legislation by the City of Halifax to get a slum clearance program started were urged today by labor leaders here to ease a growing unemployment situation.
There are about 5,500 jobless in Halifax and neighboring Dartmouth. The two harbor centres have a combined population of some 120,000.

One Killed In Bus, Truck Collision

BRAMPTON, Ont., Jan. 3 (CP) — One person was killed and five others injured today when the side was ripped off a Gray Coach Line bus which collided with a transport truck two miles south of here. The bus was en route to Kitchener from Toronto. Mrs. Helen Azar of Brooklyn, Ont., died in hospital two hours after the accident. About 18 passengers escaped injury.

Coming Events

- *Mail your Films to Garnham Photo Studio, Charlottetown.
**Dance in Long River Hall, Thursday, January 5th.
**Auction and dance Millview Hall, January 5th.
**Hunter's River tonight at 8.00. "Gary Cooper" in "Good Sam." See this side splitting comedy!
**Dance, Morell Hall, Wednesday night, January 4th. Good music. Sponsored by C. Y. O.
**Come to the dance in Kinkora Hall, Monday, January 9. Good music, drawing of lottery.
**Auction and Dance, Vernon Hall, January 4th. Millview Orchestra.
**Morell Annual Legion Meeting January 4th, 1950, at 8 P. M. in Rink. A full attendance requested.
**This store will be closed Wednesday, Jan. 4, and Thursday, Jan. 5, for stock taking, J. F. Morris, Kinkora.
**A meeting will be held, Thursday night, January 5th, at Long Creek Rink, to organize a Hockey League. All interested please attend.
**Annual meeting of the Kings-ton Farmers Institute will be held in the Hall, Saturday, January 7th at 8 P. M. Willbur Younker, Secretary.
**Will be loading hogs at the following points each Thursday: Elmer Wigmore, Bradabane, until 11.30 A. M. Borden Bagnall, Hunter River, until noon. Summerside until 1.30 P. M. and Kensington until 3 P. M. MacEwen and Caseley.

Predict Optimistic Speech

Administration lieutenants indicated today that the President will speak with high optimism of prospects for expanding prosperity.
In this vein, House Speaker Sam Rayburn (Dem. Tex.) said he and other Democratic leaders discussed taxes with Truman in a 65-minute session and suggested a "single package" tax bill, cutting levies "where they pinch" and finding revenue in other places to make up any loss.
Many officials expect Truman's message tomorrow to recommend some tax increases—possibly on corporations—as a move toward balancing the Federal budget. The Government's spending deficit now is headed toward a total of about \$5,500,000,000 for the current fiscal year ending next June 30.

PRIME MINISTER BACK

OTTAWA, Jan. 3 (CP) — Prime Minister St. Laurent was back at his desk today after a Yuletide holiday at his home in Quebec City. He was expected to meet the Cabinet shortly, possibly tomorrow, to prepare for the Dominion-Provincial conference that starts next Tuesday and for the new session of Parliament.

Water Pipes Freeze

Water pipes froze, fuel dealers warned of shortages, elderly Vancouverites fell on iced streets and the weatherman announced: "No relief for at least 24 hours."

Cold In Winnipeg

Winnipeg, Jan. 3 (CP) — Coat collars were pulled up higher and mufflers a little tighter tonight by residents of the Prairie Provinces and the weatherman predicted the current cold spell will continue "for several days."

Yugoslavia Hails Trade Pact With U.K.

BEGRAD, Jan. 3 (AP) — Yugoslavia today hailed her trade agreement with Britain as a sign of Western confidence in this country's future and as evidence the Russian-led economic blockade had failed. The agreement, signed Dec. 28, provides for an exchange of about \$200,000 worth of goods during a five-year period. It calls for a swap of Yugoslavia's raw material for Britain's finished goods.

Cold Weather Worst In Lower B. C. For Years

VANCOUVER, Jan. 3 (CP) — A thousand men were made idle late today when British Columbia's wintry weather caused closing of at least 11 sawmills on the lower mainland.
Late today a blizzardy blow from the north packed three inches of snow all over Vancouver and the weather man said it would continue.
The wintry blasts are the worst the lower mainland and Vancouver Island have had in years. A similar snowstorm hit Victoria today and, farther up the island, it dumped four feet of snow on the Campbell River area.
Throughout the entire Province temperatures plummeted and blizzards persisted. It was 40 below zero at Lone Butte in the Northern Cariboo cattle country; 35 below at Prince George; 24 below at Revelstoke, coldest since 1909, and 10 above in Vancouver.

U. K. Business Going After Trade In Canada

By Alan Harvey
LONDON, Jan. 3 (CP) — British business made plain today that it really means business in Canada.
The Federation of British Industries, with 600 individual members and 400 affiliated trade associations, announced that it has decided to devote 10 per cent of its income to furthering trade in dollar markets, "particularly Canada."
The Federation's published income this year was \$200,000 (\$620,000).
Muir Mackenzie, deputy director-general of the F.B.I., told a press conference the strongest emphasis will be on the Canadian market "because we believe it is slightly easier than the United States market."
Mackenzie returned to Britain just before Christmas after a two-month visit to Canada. The press conference was held to mark the official opening in Toronto today of a Federation branch office "guided and governed entirely by Canadians."
In charge of the office as the Federation's Canadian adviser will be Hugh D. Scully, former Canadian consul-general in New York. J. H. C. Mahaffey, formerly with the Commodity Prices Corporation in Ottawa, will be the general manager.
The Federation's Toronto facilities will be open to any British business man who wants to sell goods in Canada, whether he is a member of the Federation or not. Mackenzie said the Federation had managed to obtain quarters in Toronto's Royal Bank building.
He said further space may become available in the same building later this year "and it is hoped that British groups deciding to open offices in Toronto will locate there in this building."
"One thing we've learned is that if you are going to do business in Canada, you've got to be established there. If we can get British business men housed under one roof, so much the better."
Summing up, Mackenzie said British industry wants to get away from the old ways when socks and shirts and scarves were among the main British exports to Canada.
Sir Norman Kipping, director-general of F.B.I., said British industry really is gunning for a share of the 72 per cent of Canadian imports now coming from the United States.

Predict Cheaper Pork

MONTREAL, Jan. 3 (CP) — Merchants predicted today that retail pork prices will drop five cents a pound by the end of the week in Montreal as a result of the Canada-United Kingdom bacon agreement. Last week's bacon was retreating here for 50 cents a pound at chain stores while roasting pork ranged from 49 to 53.

Extremely Disappointing

H. H. Hannam, president of the Canadian Federation of Agriculture and spokesman for some 400,000 organized farmers, said the standpoint of quantity and price, is extremely disappointing.
He indicated that the contract will not absorb all of Canada's bacon surplus. This, in 1949, had amounted to about 100,000,000 lbs. which was shipped to the U. K.
The surplus this year is expected to be about the same.
"Too often," Mr. Hannam added, "the U. S. has surpluses of the same product at the same time we have them in Canada, which means an unsatisfactory market."
The new Anglo-Canadian contract, however, was received enthusiastically by U. K. officials. It was no secret that the best the U. K. negotiators had hoped to get was 30 cents a pound. The 29-cent level was "a better price than we had hoped for," one U. K. source said.
To pay for the bacon, the U. K. has obtained Canadian Government approval to divert about \$25,000,000 from Canadian wheat purchases.
Part of that money has been used to order \$250,000 worth of east-coast spruce for U. K. factories. Another part will be used to negotiate a canned salmon deal with West-Coast canneries.



TORONTO, Jan. 3 (CP) — Minimum and maximum temperatures: Vancouver 8, 10; Victoria 14, 25; Calgary 45b, 6; Regina 26b, 22b; Winnipeg 21b, 17b; Toronto 41, 52; Ottawa 31, 46; Montreal 34, 45; Quebec 31, 33; Saint John 37, 47; Moncton 32, 44; Halifax 35, 45; Charlottetown 29, 37; Sydney 26, 39; Yarmouth 35, 48; St. John's 21, 33; b—below.

McGregor Will Assist King Prepare Memoirs

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Two days after his resignation as Canada's combines investigation commissioner, Mr. McGregor, 61, announced today he is starting at once to help the former Prime Minister prepare his memoirs.
In a statement, he called it the revival of a "very personal relationship," one that made him King's secretary from 1914 to 1925, a period which embraced the start of Mr. King's record period as Prime Minister.
It was Mr. McGregor's announced intention to resign which touched off the combines controversy that became the foremost issue of the recent session of parliament. He quit because the Government withheld for 10 months a report which charged that price fixing activities existed in the flour-milling industry.
His statement today ended with a tribute to Justice Minister Garson who finally tabled the flour report and then bore the brunt of the Commons turmoil that swirled around it.
He expressed a "feeling of personal confidence" in Mr. Garson and said their relations had been "most cordial even throughout the recent period of controversy in Parliament... I am confident of his wholehearted support of the Combines Act."
The McGregor announcement tied in with the April, 1949, statement that the Rockefeller Foundation of New York has made a grant of \$100,000 to McGill University to enable Mr. King to obtain through the next three years "competent assistance in the editing of his personal papers and the preparation of his memoirs for publication."
He is the first aide to be named. It means that they once again will be working together on a project backed by the Rockefeller Foundation.

High tide today at 11:40 A. M. and 10:17 P. M.
Summerside tide eighteen minutes later than Charlottetown.
BORDEN—TORMENTINE FERRY SERVICE WEEK DAYS
Lv. Borden—Lv. Cape Tormentine 9:10 A.M. 2:40 P.M.