

"Covers Prince Edward Island Like The Dew"

Winnipeg
Like in Orange
The Krole
Suggested

By FORBES REDDIE
Canadian Press Business Editor
Canada apparently will have
financial virtue forced upon her
by President Kennedy's tax propo-
sals—if they are adopted by
Congress—and it may not like
the idea of low cost or, at least,
essential, or non-essential, it
has been.

Slowing down the flow of
foreign funds into Canada,
about which Canada has talked
so much, will be done for Can-
ada's best part at American
capital is concerned—and
perhaps Canada will get a bet-
ter idea of how good or bad,
or essential, or non-essential, it
has been.

The process will hurt in
places—so much so that Canada
may think it is paying in more
places than it actually is the
case.
The ramifications of the
proposals are very hard to assess,
and most sources are slow to
comment on them, but at first
glance here are what look like
"hurt" spots.

A slow-down in Canadian
stock exchange business and
for those connected with it, pa-
rallel to those holding Cana-
dian stocks if their market
prices go to a lower level than
they otherwise would; higher
cost for any borrowing in the
United States; a 10 per cent
higher cost for money in Cana-
da; possible difficulty in fi-
nancing new large projects.

Yanks Excise Tax
Will Hit Canada

By HAROLD MORRISON
WASHINGTON (CP)—Presi-
dent Kennedy has proposed a
temporary, 25-month excise tax
on the purchase by residents of
the United States of Canadian
securities and those of 21 other
industrialized countries.

The mood of Congress indi-
cated the revolutionary propo-
sal will be accepted by a ma-
jority of legislators.
The surprise Kennedy move
Thursday resulted in sharp
drops in prices on Canadian
and Montreal Stock Exchanges.
Foreign stocks on the New
York Exchange also declined.

Under the proposal, the tax
for U.S. residents would be 15
per cent of the purchase price
of common stocks, both new
and outstanding issued by busi-
nesses in the 22 countries.
In the case of bonds and other
securities maturing in three
years or longer and issued by
governmental and private inter-
est in the 22 nations, the tax
would range from 2½ per cent
to 15 per cent. The rate would

WRONG SCHOOL
IS DEMOLISHED

WINNIPEG (CP)—It was
found to harm a school-
boy's heart.
A Winnipeg wrecking firm
began ripping apart a school
in suburban Brooklands; then
realized they were in the
wrong building.

The workers had been given
orders to demolish the two-
room Westworth school on
Rosser Road, which recently
became the property of Winnipeg
school division.
By mistake, they went to the
blackboards off the walls and
started to strip the walls be-
fore they were stopped.

Damages were estimated at
more than \$1,000 for which
the wrecking company would
be held responsible, police
said.
Kennedy predicted that his
excise tax plan that other
moves would trim nearly
\$200,000,000 from the U.S. bal-
ance-of-payments deficit dur-
ing the next 18 months.

Designed to reduce the heavy
export of long-term American
portfolio capital, particularly in
Canada, the proposal was drafted
by Congressman Henry Reuss as
the most important single
item in the U.S. tax bill.
It would cut off its bal-
ance of payments deficit under
control. The Wisconsin Demo-
crat is chairman of the joint
congressional subcommittee on
international payments.
Even Senator George Aiken,
Vermont Republican who is
often described as Canada's
best friend in Congress, said in
an interview there is a limit
to how far the U.S. can go in
allowing the export of capital to
go out of hand. He believed
Canadians should do more to
raise more capital at home.

Slowdown
Predicted

By ROBERT RICE
OTTAWA (CP)—Federal la-
bor experts are weighing the
recommendations of the Norris
report in the light of interna-
tional labor conventions of the
United Nations. It was learned
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Indications are the govern-
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trusteeship on the Seafarers' In-
ternational Union of Canada and
perhaps on other sailors' unions
as a last resort to bring them
into line.
It would argue that the decli-
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strife—an emergency, tempo-
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Eclipse Eye Damage
Warningounded

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(Continued on Page 5 Col. 4)

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Mr. Kieran called on the Cana-
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Canada Pensioners
Get New
Contributions
Goes As High As \$175

OTTAWA (CP)—The old age
pension will be boosted \$10 to
\$75 monthly at age 70 early
scheme under the proposed
Canada Pension Plan, Health
Minister Jui LaMarch told the
Commons Thursday.

By October, next year, it is
hoped to start collecting em-
ployer - employee contributions
up to a maximum \$3.22 monthly
from each—or a maximum \$40
annually—to finance the entire
scheme.

Under the new contributory
plan January, 1966, has been set
as the target to begin paying
the first additional amounts
over and above the flat \$75
monthly pension. These addi-
tional payments would start at
a maximum \$10 a month per in-

dividual in 1966 and rise to a
maximum \$100 at the end of the
10-year program to get the
scheme launched.
Thus, under maximum condi-
tions depending on earnings, an
individual by 1975 could be get-
ting a federal pension of \$175
monthly compared with the ex-
isting payment of \$65.

In addition, in 1966 individuals
can elect to take their pensions
at age 65 or any year thereafter
up to age 70—such pensions
would be smaller than those
taken at age 70.

NEEDS FAST PASSAGE
The whole timetable is contin-
gently subject to Parliament passing
the necessary legislation, plus
some hard work for nearly a
year in lining up the reactions
every, which will include identifica-
tion numbers for each individ-
ual in the country.
Coverage will be compulsory
for the most employees. Possi-
ble exceptions will be persons
such as farm help or the like—
where it will be difficult to ad-
minister a collection of contribu-
tions by employers.
Contributions will be based
initially on not more than two
per cent of earnings up to a
total of \$4,000 annually. The \$4,000
figure is the maximum average
annual earnings.
Contributions at that level are
possible exceptions will be persons
for lesser annual incomes. Per-
sons earning more than \$4,000
annually will simply contribute
at the \$4,000 rate.
Benefits are affected the same
way. Contributions will be based
proportionately to the amount
of their investment in the fund,
which will be the sum of their
entirety. Miss LaMarch said
Miss LaMarch appeared for
some particular study of the
pension plan.

Norris Report Studies
For UN Repercussions

OTTAWA (CP)—Federal la-
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recommendations of the Norris
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Arsonists Terrorize
Newfoundland Town

By JACK PICKETS
PLACENTIA, Nfld. (CP)—A
"hall of fire" caused by fire
blew the work of arsonists
along the small town of
Fredericton, just across the nar-
row from this Avalon Peninsula
community about 75 miles
southwest of St. John's.
Since July 9 eight fires have
raged through brick buildings in
Fredericton and neighboring Jer-
seyville. All are believed to have
been deliberately set.
Official sources disclose the
whole town has been placed on
the alert. Residents and RCMP
constables are reported patrol-
ling sections of the town.
The RCMP detachment here has
been doubled in size. The RCMP confirmed an
arsonist's fire destroyed a house
near many officers have been
added to the eight-man detach-
ment.
An official of the Fredericton
town council said the people
are being terrorized in fear.
The whole town is scared."
He said a number of buildings
were destroyed in the fire.
They're trying to put fear into
the hearts of the people,
... everyone is scared.

INSIDE TODAY

Announcements, notices
Births, deaths
Classified
Family
Finance, markets
Fur
Kings County
City, Queens
Summers
Sport
Women's



Two dozen Girl Guides from the Montreal area and their leaders, one a former Summer camp girl, are visiting this province at present. They arrived in the City by train Wednesday night and yesterday camped a bus to the Linkletter Chamber near Summer-
side. They're taking in the Summerside Lobster Carnival the rest of the week, and will then move to Brackley where they'll camp next week. They stayed on the floor at Red Cross House here last night, and will repeat that performance on Sunday night, July 20 be-

MONTREAL GIRL GUIDES VISIT HERE

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Special Counsel To Probe
Waterfront Lawlessness

OTTAWA (CP)—The government is appointing a legal private eye to act as witness and lawlessness on the waterfront warrants criminal action in the courts.
Justice Minister Chevrier told the Commons Thursday that special counsel—probably one named immediately to review all the facts and advise whether charges should be laid.
First job of the lawyer would be to delve into the 4,000-word transcript of testimony recorded by Mr. Justice T. G. Norris during his seven-month investigation of Great Lakes labor strife and shipping disruption.
Then, the lawyer could follow up by searching out witnesses, collecting affidavits and compiling evidence on which criminal charges could be taken.
The Vancouver jurist said the special lawyers should review all facts to determine whether charges should be laid in Ontario and Quebec against SIU executive Hal C. Banks, and SIU executive vice-president Leonard J. McLaughlin for conspiracy, intimidation and coercion.
Mr. Chevrier did not say who the special lawyers acting for the federal government would be.
At an appropriate stage the investigation there would be a consultation with the provinces under the Criminal Code.
Mr. Justice Norris, reporting after a year-long public inquiry into the waterfront situation, cited several fields where a special lawyer should seek facts and evidence:
1. Conspiracy to prevent, by unlawful means persons seeking work in the shipping business and by such means, unlawfully interfering with interprovincial and international trade.
2. Conspiracy to commit violence, particularly in connection with acts of violence.
3. Violation of the industrial relations and disputes investigation act through intimidation and coercion.
In making this proposal, Mr. Justice Norris also pointed out delay action on establishing a clear investigation of marine unions. He said this recommendation—his main one in his 216-page report—is "urgent."
After Mr. Chevrier's announcement, Labor Minister MacEachern confirmed that a special committee composed of the deputy minister of the Labor, transport, justice and ex-
posed to the department has been set up to consider the Norris report.
Other officials may participate in the committee, he said. The minister also announced that he is getting in touch with the United States government about a further meeting with U.S. Labor Secretary William Wirtz. Mr. Wirtz and Mr. MacEachern met twice so far on the Great Lakes situation.

Near Drowning
In Souris River

SOURIS — Quick action by two persons averted a near drowning in the Souris River, Wednesday evening, when Elizabeth Carter, 16, of Souris, a teenage swimmer, got into difficulties when she slipped on moss covered rocks into deep water.
A short distance from the Souris West Bridge, where a current was reported to be continually running.
Miss Carter, the daughter of Mr. Kenneth Carter, was standing up when she felt slipped.
Her brother James, aged 14, who was swimming nearby and saw her in difficulty in water over her head, went to her assistance. He managed to get her head above water, but was unable to bring the dazed girl to shore alone.
Betty Enquet, 20, of Hamilton, Ontario, who is visiting her parents, Mr. and Mrs. James A. Pasnet, Souris, and was walking on the river bank at the time, jumped in and assisted in the rescue.
Artificial respiration was required and the girl quickly recovered and proceeded to her home.

2,000-Year Run Seen
For Canadian Satellite

OTTAWA (CP)—Dr. A. H. Zimmerman, chairman of the Defense Research Board, estimated Thursday that the Canadian earth satellite may remain in orbit for 2,000 years. Highest previous estimate was 500 years.
As Dr. Zimmerman presented a brief to the Commons defense committee, the Avonport launched Sept. 28, 1962, was completing its 3,999th orbit 600 miles above the earth.
He said the satellite has travelled 115,000,000 miles, has responded to 10,400 commands from ground stations, and has sent back over 335,000 ionograms or magnetic tape recordings.
He said 60 per cent of the satellite's power remains so that it may continue to send back information on the ionosphere for two years instead of the one year originally planned.
Four more Canadian satellites will be launched aboard American rockets in the next five years.
The committee met Thursday after returning from North American Air Defence head-

Official Ottawa Reacts
To Explosive Proposal

By ALAN DONNELLY
OTTAWA (CP)—Official Ottawa reacted with deep concern Thursday to the potentially explosive proposal by President Kennedy for a U.S. tax deterrent to American foreign investment.
In a Commons statement that was sent to the Commons by the Prime Minister Gordon St. Laurent, the proposal, if adopted by the U.S. Congress, would have a "serious and important effect" on the Canadian economy and balance-of-payments position.
He added it would be "unwise" for him to say more pending a study of the proposal and its implications of the president's proposal.
The statement also stated that the implications would be widespread, affecting many factors of Canada's economic life.
Among the possible effects: Slower economic growth, higher interest rates, new foreign exchange problems, and a rise in American investment in U.S. controlled firms in Canada.
One official said the repercussions could be immense.

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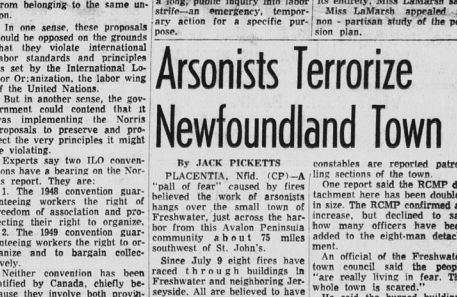
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Grand Champion At Summerside

Haslam, Springfield, he was a bred by Keith Boswell and a
Some, Victoria's Story and other pictures on page 2.



Lealand's Rose was chosen as Grand Champion Ayrshire cow yesterday at Summerside

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