



Premier Walter Shaw (right) confers with Works Minister Beschelets during meeting in Ottawa Friday. (CP Wirephoto)

Premier Reports Pleasure With Ottawa Discussions

By FARMER TISSINGTON
Capital Bureau, The Guardian
OTTAWA — Premier Walter Shaw said here Friday that he and Highways Minister Philip Matheson were very pleased as a result of their discussions here Friday with Public Works Minister J. P. Deschatelets and officials of his department.
The P.E.I. representatives discussed transportation problems, particularly with reference to the Trans-Canada Highway agreement.
"We are not able to announce anything at this time and no definite decisions were reached by the federal government," Mr. Shaw said. "But there is every evidence that our talks have met with success and we found the minister most co-operative."
Sitting in on the discussions was Solicitor General J. Watson MacNaught, MP for Prince Edward Island.
Mr. Shaw noted that the federal government is paying 50 per cent of the cost of the Trans-Canada in those provinces which did not finance their portion and he said he was hopeful that P.E.I. would receive some consideration in line with the other provinces, even though the island's portion of the highway is completed.
The premier said that he and Mr. Matheson would be making a complete statement of the transportation situation of the province and would send this in the form of a brief to Mr. Deschatelets for more detailed consideration.
He also revealed that he will be returning to the capital in about a week's time to present some proposals to the government on the Atlantic Provinces Development Act, with particular reference to fisheries, but that the island's full brief in this matter is not yet ready.

Sino-Russian Split Is Termed 'Serious'

(PEKING) (Reuters) — Communist China says the current Russian-Chinese ideological talks in Moscow have turned not badly and warns that "the present situation is very serious."
An editorial in the Peking newspaper The People's Daily says events in the ideological split with Russia have gone contrary to our hopes.
It says China blames the Soviet Communist party for failing to resolve differences between the two countries and says Russia "has not ceased its public attacks on the Chinese Communist party."
The editorial says that, "with a heavy heart, it must be frankly pointed out that the present situation is very serious."
It is the first public mention by either side of the Moscow talks which started July 5. The talks sought to resolve the widening breach in the Communist world over Soviet Premier Khrushchev's policy of peaceful coexistence with the West as against Peking's line of a tough, high-risk line.

Moscow Talks Nearing End

MOSCOW (AP)—Chinese and Soviet negotiators marked the end of their first week of talks on Friday afternoon no nearer settling their ideological dispute than when they first met.
Communist sources said the meetings are expected to end in the next two or three days.
Nuclear test-ban talks among American, British and Soviet negotiators are due to begin here Monday.
Russia with their talks with the West over the objections of the Chinese, who accuse the negotiations and demand militant action to bring down the house of capitalism.

Mac Declares Two Parties Won't Bring Down Gov't

LONDON (AP) — Prime Minister Macmillan sought to strengthen his tattered political position Friday with an act of defiance. He said he was determined that "two larks" would not bring down a British government.
This remark, made in an interview with The Daily Express and referred to in other London newspapers, heartened Macmillan's followers in the ranks of the Conservative party.
It seemed to push further into the background the prospect that Macmillan will resign soon.
His 63-year-old prime minister appeared to be trying to shrug off the aftermath of the government scandal that

Pearson Calls Premiers After Biting Lesage Letter

Church Conference Hailed As Significant

By KEM SMITH
MONTREAL (CP) — Examination by the world's Protestant and Orthodox churches of the problems of Christian unity gets under way today with some 300 theologians from 138 churches meeting for the first time in 11 years.
The two-week meeting, hailed by theologians and church leaders as one of the most significant of the mid-20th century, comes less than a year after the first part of the Roman Catholic ecumenical council organized by the late Pope John.
The Vatican has sent five official observers to the meeting, and the four world confessions on faith and order of the World Council of Churches.
Fifteen Roman Catholic priests from Canada and the United States also have been invited to attend.
The conference, arranged after years of preliminary work by various council groups, is the first since the faith and order meeting in Lund, Sweden, in 1925.
Four major theological commissions and 80 regional study groups around the world have conducted the background work.
"In one sense much progress has been made in Christian unity," in another, little," said Dr. Robert S. Bilheimer, associate general secretary of the World Council of Churches.
"Although there is a great deal of co-operation, the churches are still abjectly divided on such matters as baptism, recognition of each other's ministry and doctrine."
The delegates, from Protestant, Anglican and Orthodox churches in 30 countries including Russia, will examine their basic questions: Why are the Christian churches divided, what are the doctrinal and historical pressures that keep them apart and in what direction should they move to end the divisions.
SEND OBSERVERS
In addition to the Roman Catholic Church, nine other churches outside the World Council have sent observers.
They are the Lutheran Church - Missouri Synod, the General Conference of Seventh Day Adventists, the General Conference Mennonite Church, the Christian Reformed Church, the North American General Baptist Conference, the Pentecostal Assemblies of Canada, the Serbian Orthodox Church and the Church of God.

Missing Boys Sought In Mine

PITTSBURGH (AP)—Searchers resumed investigating an abandoned coal mine Friday for three teenage boys missing since Thursday although only the families of the boys believe the youngsters are in the mine.
A team of men entered the mine in suburban Castle Shannon, they said they intended to search for an indefinite period, Sam Corbis, state mine inspector, said.
"I don't believe there is any one in there. We went through every place accessible yesterday and today's find anything but we have to satisfy the families."
The new military rules ordered into effect Friday:
1. No demonstrations of any kind.
2. Carrying of firearms prohibited.
3. A ban on sales of liquor, beer, wine.
4. All business must close shop by 7 p.m.
5. A 9 p.m. curfew.
6. All automobiles subject to search.
During the previous military order, the general curfew was 10 p.m., the store-closing hour was 9 p.m. There was no specific prohibition against firearms, and no action making cars liable to search.

RCMP Probe 3 Prison Officials Killed By Secret Society Mugs

QUEBEC (CP)—RCMP tests exploded Friday night that an explosion which toppled a monument of Queen Victoria in a lower-town park was set with nitro-glycerine.
At the request of city police, the RCMP conducted tests on the remains of the statue blown up early Thursday. Police described it as "the kind of work we could expect from the Front de Liberation Quebecois."
The 3 a.m. explosion was heard throughout most of Quebec City but no one was injured in the blast.
"We are not coming to Ottawa begging for anything, but we are going to present the island's interests in a spirit of sincere cooperation with the federal government," Mr. Shaw explained.
"He is flying back home Saturday morning, but Highways Minister Matheson is staying in Ottawa in the capital over the weekend."

Margarine Has Output Drop

OTTAWA (CP)—Output of margarine decreased 10 per cent in June to 12,853,000 pounds from 14,371,000 in the same month of 1962, the Dominion Bureau of Statistics reports.
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2 Men Fee Brandon Jail; Hostages Freed Unharmed

WINNIPEG (CP) — Police immediately arrested two men Friday who broke out of Brandon jail and used three hostages as hostages during their flight east.
All three—a mother and her small son and a teen-ager boy—were released unharmed.
The men, identified as Bruce Allan Kaiser, 17, and Robert James McKenny, 23, both of Winnipeg, escaped from jail Thursday night by scaling a 12-foot fence around a bare-bell disrepair.
Later they burst into the Brandon home of construction superintendent Allan Solomon, who was visiting neighbors two blocks away.
Armed with two stolen hunting rifles, the men threatened Mrs. Lena Solomon, 35, her six-year-old niece Etta, and Mrs. Solomon's eighteen-year-old son, Darrel.
The hunting rifles and ammunition were stolen from the site of vacationing jail Superintendent John MacPherson at the jail night by scaling a 12-foot fence around a bare-bell disrepair.
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Peers Call Pensioners Included On Agenda

Appeals Term

By RONALD LEBEL
OTTAWA (CP) — Prime Minister Pearson invited the 10 provincial premiers Friday to a "preliminary federal-provincial meeting" in Ottawa July 26-27 to discuss federal proposals for a new contributory pension plan and a municipal loan fund which would be created with the cooperation of the provinces.
He said in a press statement he had sent letters Friday to the premiers regarding discussion of "policies regarding pensions and municipal loans" on those two days.
If the premiers agree on the dates, the conference would precede the annual interprovincial conference in Ottawa in Halifax early next month.
Mr. Pearson earlier in the day informed the Commons he would submit the contentious federal proposal for a municipal loan fund to a special conference of provincial premiers.
Opposition members who preferred him with questions about criticism of the municipal fund legislation by Premier Lesage of Quebec.
SAYS PROMISE BROKEN
Mr. Lesage said Thursday that Mr. Pearson had breached a promise to respect the rights of the provinces in introducing the municipal bill by consulting the provinces.
A federal-provincial conference had been called for the fall to discuss the pension plan and fiscal relations. But no date had been set.
Surprise element in Mr. Pearson's statement issued outside the House was indication that pension would be discussed at the fall conference.
"The federal government has proposed a contributory pension plan on top of the present universal old age pensions. Earlier in the parliamentary session after similar Quebec criticism and under pressure from the Conservative opposition to consult the provinces before proceeding with the legislation, Mr. Pearson had maintained the federal government was within its rights in going ahead with the measure."
REITERATES VIEW
Mr. Pearson reiterated Friday his view that the proposed \$200,000,000 Municipal Pension and Loan Fund would be within federal jurisdiction. He said it could be "proceeded with at the earliest possible date."
He indicated that he will make a full statement Monday on the charges made by Mr. Lesage in a letter to the prime minister dated July 11 and tabulated in the Quebec government legislature.
The federal government has described its municipal loan measure as a top-priority, short-term plan to create jobs and stimulate economic growth. It also would be covered by the respective provincial governments and would be in his July 11 letter, Premier Lesage made this statement:
"I am certain I express the unanimous feeling of the members of the Legislative Assembly of Quebec when I tell you that they consider as a breach of your promise to govern with absolute respect for the rights of the provinces, the fact of proceeding in constituting unilaterally a municipal loan fund which your platform would be created with the cooperation of the provinces."
SAW IT FIRST IN PRESS
Mr. Pearson noted in a letter published in the press before he received it Friday morning, adding with emphasis that it would be tabled as soon as it is translated into English—"the other confessions of the country."
He said he also has received letters on the municipal fund from Premier Robln of Manitoba and Premier Lloyd of Saskatchewan.
Premier Robln had suggested that the provinces would be desirable. Premier Lloyd had expressed interest and support for the (Continued on page 2 col. 8)

Potato Queen Named For N.B.

ANDOVER, N.B. (CP)—Sharon Daigle, 21, of Edmundston, was crowned 1963 New Brunswick potato queen at the pageant held here Friday night.
Miss Daigle, a bilingual stenographer, won the not only for her beauty, poise and talent in ballet dancing, rhythmic gymnastics and swimming, but also for her intelligence and social graces.
The new queen was crowned by Marlene Hughes of Grand Falls, 1962 potato queen.

Parliament At A Glance

By THE CANADIAN PRESS
FRIDAY, July 12, 1963
Prime Minister Pearson said in a statement that he would discuss provincial premiers to discuss the proposed federal municipal pension plan.
Transport Minister McArthur said that major policy changes will be made in rail and air services.
House began consideration of a \$200,000,000 spending estimates of the transport department and related agencies.
MONDAY, July 15
The Commons will sit at 2:30 p.m. to discuss a 1962-63 appropriation bill and the Economic Council of Canada.

Tax Session Here In Aug.

OTTAWA (CP) — A scheduled one-day sitting of the royal commission on taxation in Charlottetown Aug. 29 has been cancelled and the commission will hear a brief from the Prince Edward Island government early next year in Ottawa.
The government brief was the only one of Charlottetown heard. The commission decided to hear it when other provincial briefs are presented in Ottawa.
The member commission, Kenneth Carter, resumes hearing John's brief, after moving to Halifax following day. It goes to Vancouver, to begin western regional hearings, Aug. 12.

Greek Royalty Return Home

ATHENS (Reuters) — King Paul and Queen Frederika returned home by air Friday from a four-day state visit to Britain and dismissed public demonstrations in London for the release of Greek political prisoners as minority interests.
The royal couple left almost immediately by air for the island of Crete.
Queen Frederika looked tired but smiled and carried out official before waving the officials.
Three hours later Balamias was released on a midweek Winnipeg intercession.
Later police found the Balamias car abandoned behind a building in downtown Winnipeg. They said that firearms in the car were seized.
WARNED FATHER
King Paul of Greece, the escaped warned the father of the abducted, boy not to call McKenny began a one-month term last month for breaking and entering.
Mrs. Solomon and Darrel were released on their Balamias home near the jail after their release. She was put under heavy security and did not talk to reporters.

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HI DADDY!

President Kennedy was greeted by his son, John, Jr., as he arrived at Otis Air Force Base Friday afternoon to spend another weekend at his nearby summer home in Hyannis Port, Mass. Major General Chester Clifton, the president's military aide, stands in the background. (AP Wirephoto)