If it's Good For the Island
The Guardian is For it

The Guardian

"Covers Prince Edward Island Like The Dew"

WEATHER
Clear with a few cloudy periods and a few snow flurries; Extremely cold; light winds. Low-high, 5 below and 15.

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Tax Slash, Warheads Go Before PC Meeting

ISLANDERS AID AT OTTAWA

Premier Walter Shaw (right) and Agriculture Minister Andrew B. MacRae of Prince Edward Island help girls raise a portrait of Prime Minister Diefenbaker into position in readiness for the annual meetng of the Progressive Conservative Association which begins in Ottawa today. Girls are Steffi Coehlich (left) of Ottawa and Mariette Desjardins of Hull.
(CP Wirephoto)

Nikita Blasts China In Peaceful Speech

EAST BERLIN (Reuters) — Soviet Premier Khrushchev Wednesday dismissed Peking's idea of a Communist summit meeting and called on Communists to stop airing their disputes in the press.

His latest pronouncements in the Moscow-Peking ideological dispute came in a generally mild and conciliatory "peaceful coexistence" speech before the sixth congress of the East German Communist party. Khrushchev did not mention Communist China by name.

He offered the chance of better relations to both his Chinese critics and the West. He advised time and patience in the "holy cause" of Communist unity.

Khrushchev's 2½ – hour address before 4,500 East German and foreign delegates produced only one immediately apparent sizeable development—his dismissal of the Chinese Communist idea of holding an early meeting of Communist parties to discuss differences centring around the Moscow-Peking dispute.

NEED TIME TO COOL OFF

The Soviet leader said there was small chance of such a meeting producing immediate agreement. Time was needed for "things to calm down again," he added, saying "political passions run high."

Apparently referring directly to the Chinese, he said:

"Let us now stop these polemics in the press on disputed questions. Let us give time the chance to work for us. It will help us show who is right and who is wrong."

The leader of Communist China's delegation apparently

(Continued on Page 17 Col. 8)

KATANGA JOB

Joseph Ileo, right, Wednesday was named resident minister in Katanga Province for the Congo government. Meanwhile Katangan leader Moise Tshombe is reported to have suggested peace talks in Elisabethville to consider United Nations takeover of various Katanga cities.
(CP Wirephoto)

Halifax Man Dies In Car

TORONTO (CP) — A Halifax man died in Toronto's Civic Square underground parking lot Monday night as a result of carbon monoxide poisoning, an autopsy revealed Tuesday.

Police said the man, Joseph K. Harper, 26, apparently fell asleep and left the motor of his car running. He had bought the car that day upon his arrival in Toronto.

Harper came to Toronto with a friend, Charles Hiltz, who found the body in the car.

Plane Search Unsuccessful

HALIFAX (CP) — RCAF Search and Rescue here said Wednesday night a day-long aerial search for a missing single-engine aircraft in northern Quebec failed to turn up any trace of the plane.

The Norseman aircraft, which search and rescue officials said carried seven persons, was last seen Sunday when it took off from Payne Bay on a 100 mile flight to Fort Chimo, Wheeler Airlines at St. Jovite, Quebec, owners of the plane, said, however, they did not know the exact number of persons aboard.

The pilot was identified as Paul-Joseph Garon, 25, of Quebec City.

The airline spokesman said he understood there were five passengers, all Eskimos, in Garon's ski-equipped plane.

The plane was equipped with a tent, stove, sleeping bag and rations.

1,500 Delegates Open Annual Meeting Today

By KEN KELLY

OTTAWA (CP)—Calls for federal tax cuts and special business and trade incentives go before the annual convention of the Progressive Conservative Association of Canada which opens here today.

And the 1,500 voting delegates will be asked to recommend acceptance of defensive nuclear warheads for Canadian forces at home and overseas under joint Canada-United States control if nuclear disarmament with proper inspection is not reached by next December.

These proposals were included in a 24-page report of the resolutions committee, scheduled for discussion Friday and Saturday, which covered a wide variety of subjects including federal grants for provincially - initiated medical care programs, greater federal participation in housing, studies to further bilingualism and bicculturalism, and new aid to agriculture and fisheries.

The report, issued Wednesday by committee chairman E. A. Goodman of Toronto, also includes a lengthy resolution praising Prime Minister Diefenbaker and affirming "unbounded confidence in his leadership."

Specific tax reform measures proposed a general personal and corporation income tax reduction of five per cent on existing tax rates.

URGE TAX ASSISTANCE

The committee urged adoption of such tax assistance to business as a tax credit on capital investments, except land, of eight per cent in the year of purchase and eight per cent in the following year, in addition to present capital cost allowances.

The resolution would abolish manufacturers' sales tax exemptions—except those relating to agriculture, food and food processing including fisheries—apparently with the aim of limiting the revenue loss from tax cuts. It urged "broad and liberal use" of customs and excise tax rebates on imported parts and components to encourage manufacture in Canada of goods with high Canadian content.

Three pages were devoted to trade expansion proposals which commended federal government efforts to boost exports, the pegging of the Canadian dollar at 92½ U.S. cents and Mr. Diefenbaker's suggestion of an international trade conference.

Trade with all countries was endorsed with the provision that no strategic materials be traded with Communist nations.

EXPRESS REGRET

But the resolution expressed regret that the government's position on the European Common Market and steps to maintain a market for Canadian goods in Europe have not been placed before the people of Canada in a manner that would make it clearly understood.

Several agricultural proposals were aimed at the provision of feed grains at reasonable prices in Eastern Canada, including a suggestion for legislation to allow Eastern provinces to create a single authority to buy Western feed grain.

Statutory freight assistance for low-cost movement of Western feeds to Eastern Canada was urged as well as erection of public storage facilities at strategic points in Eastern Ontario, Quebec and the Maritimes.

The federal government also was urged to permit the establishment of credit to buy feed grains.

Federal - provincial agreements to share in the cost of free distribution of milk in schools and extension of the Maritime Marshlands Rehabilitation Act to assist in marsh drainage in the Eastern provinces were two other points under the agricultural section.

MORE AID TO FISHERMEN

Without mentioning specific steps, the committee proposed an expansion of current assistance to fishermen. Mr. Goodman said this was directed toward such present aid as subsidies on vessel construction.

The committee proposed a "straight base-line system" off the coast to measure territorial limits and extend fishing zones. It urged expansion of activities to reserve Canadian waters for Canadian fishermen.

On medicare, Mr. Goodman summed up the voluminous resolution as a proposal for federal grants to provinces which initiate medical care programs meeting certain basic standards. The standards weren't spelled out in detail.

As specific additions to the current housing program, the committee proposed:

1. A five-per-cent interest rate on homes of less than 1,100 square feet for low - income families.

2. Government - insured mortgages on older homes.

3. Higher home improvement loans, an information program on the availability of such loans and direct home improvement loans by the government's central mortgage and housing corporation.

(Continued on page 3, col. 6)

One-Day Potato Meeting Is Planned At Summerside

A one-day conference that will deal with all aspects of the province's potato industry will be held at the Canadian Legion Home in Summerside on Monday, Jan. 28.

Sponsor of the conference is Seeman Brothers (Canada) Limited, New Annan, in co-operation with the P.E.I. Department of Agriculture.

Taking part will be representatives of federal and provincial departments of agriculture, potato dealers, growers and processors.

The conference opens at 9.30 a.m. with remarks by Agriculture Minister Andrew MacRae and concludes at 8 p.m. with a tour of the Seeman Brothers processing plant.

DINNER PLANNED

Winding up the business portion of the day will be a banquet in the Legion Home at 6 p.m. Guest speaker will be Jack Johnson of CBC — Halifax.

During the morning portion of the conference, which has been billed as "Potato Growers' Day," five speakers will be heard.

R.E. Goodin of the Ontario Department of Agriculture will

(Continued on page 17, col. 9)

Secret Meeting Call Sparks ECM Tension

BRUSSELS (Reuters) — France in a surprise move here has called for a special secret meeting of ministers of the six Common Market members to discuss the future of negotiations on Britain's application for entry, authoritative sources said Wednesday.

Within a few hours of flying here from Paris Tuesday, French Foreign Minister Maurice Couve de Murville asked that the meeting be held within 48 hours.

The French request, coming on the heels of President de Gaulle's press conference rebuffs to Britain Monday created an atmosphere of tension among delegates and officials.

It set off immediate speculation by conference observers on the possibility that the French president had decided to slow down the Brussels negotiations.

Britain's chief market negotiator, Edward Heath, summoned his top advisers as soon as he heard the news and also arranged a breakfast meeting Wednesday with Italian Industry and Commerce Minister Emilio Colombo.

The current five-day session of the conference is due to conclude Friday. Britain and the Six are already scheduled to begin another five - day session Jan. 28.

CITE POSSIBLE REASON

Diplomatic observers suggested one reason behind the French move could be a sharp reaction to de Gaulle in favor of British entry from France's five Common Market partners —West Germany, Italy, Belgium, The Netherlands and Luxembourg.

France has demanded strict British compliance with the principles of the Treaty of Rome and the agricultural policy of the community as the entry fee to the Common Market.

But at his press conference Monday de Gaulle came into the open and voiced strong political objections to British entry.

In view of the reaction from the other five Common Market nations and recent British concessions at the talks, this position may have been found untenable, observers said.

Britain Tuesday offered a "package deal" to obtain lower European tariffs against key British Commonwealth exports, informed sources said.

JFK Plans Italian Visit

WASHINGTON (AP)—President Kennedy will visit Italy later this year, the White House and the Italian government announced Wednesday.

There was no immediate indication whether Mrs. Kennedy would accompany the president.

White House press secretary Pierre Salinger and Hombert Bianchi, press aide for visiting Italian Premier Fanfani, issued a joint statement announcing that Fanfani had extended the invitation in the name of Italian President Segni and that Kennedy had accepted.

The joint announcement was made after Kennedy entertained Fanfani at a stag luncheon at the White House. Prior to that he conferred with Fanfani for two hours after welcoming him to Washington.

British Charges Are Discounted

SYDNEY (CP)—A spokesman for Dominion Steel and Coal Corporation Wednesday discounted British charges that Dosco is dumping steel on the UK market.

A subcommittee of the British Board of Trade was told Tuesday that Dosco was shipping steel in South Wales at prices apparently below those in Canada.

The Dosco spokesman said the price of Dosco steel on the British market was not below that offered regular customers in Canada. He declined further comment.

Cornwall, Ont. Fire Causes $300,000 Loss

CORNWALL (CP)—Fire Wednesday destroyed three three-storey buildings in Cornwall's main business section, causing damage estimated by firemen at $300,000.

There were no injuries.

Firemen who fought the blaze for eight hours in five - degree weather Wednesday night directed demolition of the still smouldering shell.

A 50 - foot crane swinging a huge steel ball battered down the walls, forestalling an unscheduled collapse.

Fire Chief Lucien Carriere said it was impossible to determine immediately the cause of the fire.

The fire started in a building on the corner of Pitt and First Streets and quickly spread southwards to two other buildings standing wall to wall.

It destroyed six stores, a pool room and four apartments.

MP'S. FLORENCE (Big Fanny) Storgoff and five-month -old friend Nicki Cherkoff smile despite the confusion Wednesday of the move into Vancouver by migrating Sons of Freedom Doukhobors.
(CP Wirephoto)

Freedomites Begin Move From Hope To Vancouver

VANCOUVER (CP) — An advance party of Sons of Freedom Doukhobors arrived in downtown Vancouver Wednesday, plunked nickels in a row of parking meters and said "we're not going now?re."

They were the first of an estimated 600 members of the sect who left in a bus and car caravan from Hope, B.C., earlier in the day.

"Maybe we stay here," said Mrs. Florence (Big Fanny) Storgoff, looking out over the lawns of Victory Square. "A long time, maybe."

HOPE, B.C. (CP)—A caravan with an estimated 600 Sons of Freedom Doukhobors started moving Wednesday toward Vancouver from this Fraser Valley centre where the trekking Freedomites have been encamped since October.

In the caravan were two buses and some 90 cars and trucks. RCMP said the Doukhobors refused to disclose their destination.

It was learned the bus drivers had been instructed to drive the Freedomites to Vancouver's CPR pier area from where ferries leave for Nanaimo, 80 miles north of Victoria on Vancouver Island. There have been reports the Freedomites might go there.

The radical sect, 1,000 strong, left their burned-out Kootenay homes in the Kootenays last September vowing to march to Agassiz where more than 80 of their fellows are serving sentence for terrorism in a new federal prison.

It was expected that those remaining at the Seventh-Day Adventists' camp would be picked up by trucks and buses returning later.

Paul Scherle, Hope village commissioner, said he watched the caravan leaving Wednesday morning. Elderly people were put aboard buses while children were left in cars and trucks with their parents.

He said he learned the sect plans to leave a six-man work party behind at the camp to clean up the property where sanitation has been a problem with toilets boarded up. The Doukhobors have been using other facilities in hotels and motels and open-air privies.

Power Slowdown Ends In Britain

LONDON (Reuters)—A power dispute that brought blackouts to blizzard - swept Britain was settled Wednesday night.

Union leaders of nearly 130,000 electricity power station workers and management chiefs agreed on a peace pact after angry, marathon talks in London.

The settlement came as snow and bleak winds continued over most of Britain, gripped in a three-week cold spell.

Blackouts had been blamed by power chiefs on slow-down tactics by a group of station employees wanting more pay and on unprecedented demand for light and heat during the coldest weather of this century.

Homes, hospitals, theatres, shopping districts and factories were affected by sudden blackouts and voltage reductions ordered throughout the country in the last two weeks.

Union leader William Tudor marched out of the talks declaring the unions had been forced to make an agreement "under duress."

Meanwhile a two-day respite from the bitter weather ended for Britain with fresh snowfalls after much of the country.

The cold weather also continued on the European continent, with snow and ice reported over large areas of Italy.

Condition Of Gaitskell 'Very Grave'

LONDON (Reuters) — The condition of ailing Labor Party Leader Hugh Gaitskell, 56, remains grave but he is holding his own, a party spokesman said Wednesday night.

The spokesman said Dr. Walter Somerville, chief of the medical team, had just seen Gaitskell and told him:

"The position is still grave but in the hour since we last saw him he has been holding his own."

The spokesman said a team of doctors would examine Gaitskell in the morning and a bulletin would be issued.

The Labor leader's condition earlier Wednesday evening was described in the nightly bulletin as "very grave."

Strong Criticism Expressed In Notice To Nfld. Lt.-Gov.

ST. JOHN'S, Nfld. (CP) — There was strong criticism in Newfoundland Wednesday against Prime Minister Diefenbaker following the announcement that Lieutenant-Governor Campbell L. Macpherson's term of office would end Jan. 15.

A statement from the governor's office Tuesday night said Mr. Macpherson had received word Monday from Mr. Diefenbaker informing him of the expiration date.

The criticism, led by the St. John's News, was strongest against what was considered the short notice — 12 days — given Mr. Macpherson.

In a front page editorial, The News said the Queen's representative has been given "less than two weeks in which to make his official farewells and vacate Government House."

WITHOUT PRECEDENT

It was "an action without precedent," The News said. "Its discourtesy is beyond belief."

The News is usually considered to be Independent Conservative in its outlook.

The 55-year-old Mr. Macpherson, who has held the office since Dec. 16, 1957, could not be reached for comment, but another source close to the governor said Mr. Diefenbaker's letter did not contain an actual request for his resignation.

According to the lettter, federal officials had discovered the British North America Act made no provision for extending the five-year term of a lieutenant-governor, the source said.

EXPIRED DEC. 31

Mr. Macpherson's term was due to expire Dec. 31, 1962. However, both government officials and Mr. Macpherson indicated at the time that he would be willing to continue in the post and it was largely taken for granted that this would be the case.

The News said Mr. Macpherson was placed in the position of having to tender his resignation under "circumstances that are abominably discourteous to himself and flagrantly disgraceful to the normal consideration that is due his office."

Premier Joseph R. Smallwood said he had never heard of "such shabby treatment." To give the Queen's representative 12 days notice is "disgraceful and shameful," he said.

There has been no mention of a possible successor to Mr. Macpherson.

LIEUTENANT- GOVERNOR MACPHERSON

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