If It's Good For The Island
The Guardian Is For It

The Guardian

"Covers Prince Edward Island Like The Dew"

WEATHER
Cloudy with showers and cooler; westerly winds 15. Low-high 50 and 55. Wednesday: cloudy and cool.

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Lesage Announces Plan For Huge Steel Complex

QUEBEC (CP)—Premier Lesage announced Monday the Societe Generale de Financement will establish a new company to set up a $225,000,000 steel mill in the St. Lawrence River Valley within the next four years.

Of the initial capital of $25,000,000, Premier Lesage said $20,000,000 will be furnished by the Quebec government and $5,000,000 by the Societe Generale, which was established by the government to encourage industrial development in Quebec.

Spokesmen for the Societe said the exact site of the mill has not yet been determined but engineers have recommended either Becancourt, 90 miles northeast of Montreal on the south shore of the St. Lawrence, or the Sorel - Contrecoeur area, 40 miles east of Montreal.

Premier Lesage said the government is "firmly convinced of the economic advantages" of the project.

"Both the government and the SGF consider it fundamental that a majority of the capital stock of the proposed company be owned by the public generally," the premier said in a statement.

"The government intends to give its full support and is confident the public will do so in full measure.

"The initial capital is to be provided by SGF subscribing for $25,000,000 of the capital stock of the new company.

"Of that amount, $20,000,000 will be furnished by the government subscribing for a corresponding amount of deferred dividend shares of SGF, and the other $5,000,000 by SGF using the amount of government has already invested in these deferred dividend shares."

Premier Lesage said the remaining $200,000,000 will be raised by the sale of shares, bonds and other securities during the construction period, estimated to be three or four years.

SGF Director Gerard Filion said initial production will be 600,000 tons of steel annually, rising eventually to 1,000,000. Other details — such as steel-making processes and the type of furnaces used—will be left up to the new board.

SGF will, Mr. Filion said, have a majority position of 40 to 50 per cent in the new company in effect giving it control.

Premier Lesage said Quebec has "a number of able engineers and administrators" but he indicated the new company won't confine itself to the province in seeking experts to get the plant going.

The government, he stressed, will not control the project.

"The government will have no control at all. The government is supplying the money to the SGF."

Mill Scheduled Within 4 Years

3 Escape From Jail In City

Three men escaped from the Queens County Jail at approximately 5:30 p.m. yesterday by sawing through bars on the second floor.

One of the three, Andrew Alphonse Arsenault of Abram's Village, was said to be armed with a foot length iron bar and considered dangerous.

The other two escapees are Thomas Henry Bristol, alias "Mike", Liverpool, N.S., and Francis Martell, New Waterford, N.S.

DESCRIPTIONS

The following descriptions were released last night by Charlottetown Detachment, RCMP:

Arsenault is 19 years old; five feet, 10 inches tall; weight, 160-165 pounds; medium build, dark complexion, blue eyes, brown hair; wearing a blue T-shirt, blue jeans, and red and white pullover sweater. He was in custody under a lieutenant-governor's warrant for murder.

Bristol is aged 29, five feet, seven inches tall; weight, 150 pounds; small build, brown eyes and hair; has a number of tatoos on both arms and multiple scars on face; wearing a red shirt, blue jeans and blue work jacket. He was serving time for impaired driving.

Martell is 17 years of age, five feet, five inches tall; weight, 125 pounds; has blue eyes, brown hair and fair complexion; wearing a cream-colored sport shirt and dark dress pants. He was in custody for theft.

ROAD BLOCKS SET UP

RCMP received a report of the break at about 9:30 last evening. Road blocks have been set up throughout the province as part of an effort by police to return the escapees to custody.

Police have issued an urgent request for anyone having information on the whereabouts of these persons to contact the nearest detachment of the RCMP.

U.S. AMBASSADOR VISITS BRITISH MINISTER

U.S. Ambassador to the Court of St. James, David K. Bruce, right, is greeted by Britain's new foreign secretary, Patrick Gordon Walker during a visit to the Foreign Office in London Monday. Walker will go to Washington for talks with U.S. Secretary of State Dean Rusk Oct. 26 and 27. (AP Wirephoto via cable from London)

Greene Cool To Nfld. P.E.I. Union Suggestion

ST. JOHN'S, NFLD. (CP) — James J. Greene, Newfoundland's Opposition leader, said Monday as he considered Newfoundland's insularity the only thing this province has in common with the province of Prince Edward Island.

He was commenting on reports that Premier Smallwood had said he might favor some sort of union between the two provinces. Mr. Greene said "it might mean something to Premier Smallwood on account of his ancestral connection with Prince Edward Island.

Premier Smallwood's grandfather was a native of Prince Edward Island.

Mr. Greene said the proposal came so suddenly that he did not have time to consider the feasibility of uniting the two but he did think it would be necessary to give the matter careful study. He said the people would have to be fully sold on the idea which "is certainly not the case at the moment."

VAUNDA MacDONALD

ORA MacNEILL

FLORA WOOLNER

S'side Nurse Leads In RN Examinations

Vaunda Jean Juanita MacDonald of Summerside achieved the highest mark in the examinations for nurses registration, it was announced yesterday by the P.E.I. Association of Nurses.

Second place was attained by Ora Helen MacNeill of Cavendish while third went to Flora Elaine Woolner of South Rustico.

Miss MacDonald is the daugater of Mr. Peter MacDonald and the late Mrs. MacDonald of Tyne Valley. She is a graduate of the Prince County Hospital School of Nursing to which staff she is currently attached.

Miss MacNeill, a graduate of the Prince Edward Island Hospital School of Nursing is currently an operating room nurse at the PEIH. She is the daugnter of Mr. and Mrs. Ralph MacNeill of Cavendish.

Miss Woolner also a graduate from the Prince Edward Island Hospital School of Nursing, where she is now a staff nurse, is the daughter of Mrs. Roy Woolner and the late Mr. Woolner of South Rustico.

One of the successful candidates was Dorothy Patricia Dahl Williams of Charlottetown. As a bride of one day she suffered fatal injuries in a highway accident at LaPrairie, near Montreal, on Sept. 20.

The names of all successful

(Continued on page 5 col. 2)

TALLULAH EXPLAINS

LONDON (AP)—Actress Tallulah Bankhead gave this explanation Monday as why she calls everybody "dahling:"

"Because all my life I've been terrible at remembering people's names. I once introduced a friend of mine as Martini. Her name was actually Olive."

Moncton First In Chest Drive

OTTAWA (CP) — The Moncton, N.B., Community Chest is the first large Canadian United Campaign to pass its goal, Laton Smith, executive secretary of the community funds division of the Canadian Welfare Council, announced Monday.

Large campaigns are those which employ a full - time executive director and set targets of at least $100,000.

This year, the Moncton campaign reached its $162,218 goal in 14 days. The Moncton Community Chest has reached its goal every year since it was set up in 1954, and was the first to go over the top in two other years, 1961 and 1962.

Hoover Rallies From Illness

NEW YORK (AP) — Former President Herbert Hoover rallied from a coma Monday, and was reported resting comfortably. His condition remained grave.

The latest breakdown in Hoover's health during the weekend was his fourth serious illness in 26 months He served as Republican president from 1929-1933.

Flag Design By Artist 9-5 Choice

OTTAWA (CP)—Famed artist A. Y. Jackson is on the road to becoming Canada's Betsy Ross. His flag design is reliably reported to be the choice of a majority of members of the Commons flag committee.

Informants say the committee probably will split 9-5 in recommending to the Commons the 82-year-old Canadian painter's maple leaf flag design become Canada's flag and the Canadian Red Ensign be used to mark Canada's Commonwealth connection.

Where Betsy Ross is said by legend to have stitched the first stars and stripes flag for Washington after the American revolution, Jackson's design was produced in 1959 on a piece of paperboard with watercolors.

Mr. Jackson, one of the famous Group of Seven artists, has appeared before the flag committee, scheduled to report its choice to the Commons by Oct. 29, and explained the origins of the design. It has three red maple leaves joined on a single stem against a white background with a wavy horizontal blue bar at top and bottom.

Its chief difference from the flag design proposed by the government last May is that the government's design had a vertical blue bar at each edge.

Jackson is reported to have advised the committee he got the design idea from one of his famous works, red maple. It shows a small maple tree with bright autumn foliage against a background of a river.

ARTIST A.Y. JACKSON'S FLAG DESIGN

Atlantic Area Problems Called Tough, Persistent

The annual meeting of the Atlantic Provinces Economic Council was told Monday the economic problems of the Atlantic provinces are difficult and persistent.

John R. Deutsch of Ottawa, chairman of the Economic Council of Canada, said the problems involve such factors as a limited market, a scattered population, changing trade and technological patterns, serious difficulties in transportation and a limited financial base for the operations of provincial and municipal governments.

As the council's work proceeds, "we hope to give increasing study, in co-operation with the Atlantic Development Board, to the special regional problems which confront the Atlantic provinces and the other regions of the country."

"I think APEC has an imporr

(Continued on page 3 col. 4)

Islander Re-elected As APEC President

A Prince Edward Island man, John Stewart Wright of Summerside, was re-elected to his second term as president of the Atlantic Provinces Economic Council at the annual meeting in Charlottetown Monday.

Mr. Wright is a lifelong resident and was born in Summerside. His re-election as APEC president is not unprecedented, as several other presidents have been elected to second terms in the past.

Mr. Wright is a charter member of APEC and was its vice-president for P.E.I. in 1958-60. He was elected president a year ago.

Elected vice - president of APEC, was another Island man, Eric Kipping, of Charlottetown.

Other vice-presidents: Harry Hallworth, Saint John, W.P. Doull, Halifax, and Hugh K. Joyce, Corner Brook.

Governors: Robert Smith, Charlottetown, K.V. Cox, Saint John, Gilbert Finn, Moncton, Daniel Scouler, Jr., Halifax, A. E Balloch, Liverpool, Kinsdale, Forde, Gander, and Claude Howse, St. John's.

Chairman of standing committees: food products, J.R. Pineo, Halifax.; research, Prof. W.Y. Smith, Fredericton,; industrial, Daniel Scouler, Jr., Halifax.; power, Dr. G.W. Hoobrook, Halifax; membership and public relations, R.M. Buchan, Halifax; finance, C.R. MacFadden, Halifax.

ESTATE TAX IS UNLIKELY ON WIDOW'S $60,000 WIN

OTTAWA (CP)—A revenue department official says he doubts the government can claim any of the $60,000 sweepstake win of an Edmonton gardener who died two weeks before his horse came in.

R. B. Rombough, 66, had purchased a sweepstakes ticket on the second - place finisher in Saturday's Cambridgeshire. He died two weeks before the race, leaving a widow.

An estate tax expert in the revenue department said Monday: "We've never had one like this before . . . but these winnings don't appear to be taxable."

He said estate tax is calculated on the value of a person's estate at the time of death, minus a basic $60,000 exemption.

"His ticket at time of death would appear to have been worth only its face value—just over $3."

From an income Tax Act point of view "gambling winnings as a rule are not income and are not taxable unless it can be proved the individual is a professional gambler," said another tax authority.

Doris Rombough, his 60-year-old widow who is working as a ranch cook at Tomahawk, 60 miles west of Edmonton, said she has the winning ticket and receipt.

"His will was very simple," she said Monday. "He left everything to me."

Casualties Mount In Viet Nam War

SAIGON (AP)—The stepped-up tempo of the Viet Nam war left 749 dead last week with Viet Cong casualties running nearly double those of the South Vietnamese government forces, the defence ministry reported Monday.

The ministry said 524 Viet Cong were killed and 149 captured compared with 255 dead and 239 missing on the government side.

Dock Strike, Stock Slump Facing New Wilson Gov't

LONDON (CP)—Prime Minister Harold Wilson called his first cabinet together Monday under the threat of a dock strike and falling prices on the stock market.

At the same time, Wilson moved to cement ties with the United States by agreeing to dispatch Foreign Minister Patrick Gordon Walker to Washington for talks with Secretary of State Dean Rusk Oct. 26 and 27.

With fears growing among businessmen that Wilson intended to re-nationalize the steel industry, steel stocks led a downward slide on the London Stock Exchange.

On the labor front, the dock workers voted to tie up the London port with a one - day wildcat strike Thursday. There was a possibility of the stoppage spreading throughout Britain. The docks demand another 25s a week—twice what employers are ready to pay.

The new Labor government's three - man committee of economic experts — Wilson, economic boss George Brown and Chancellor of the Exchequer James Callaghan — worked at high pressure through the weekend. Their first emergency proposals to counter the worsening foreign trade balance due to falling exports and too many imports were expected to get cabinet approval later.

Opposition Defeats Gov't On Division In Committee

OTTAWA (CP)—A combined Commons opposition Monday voted to raise to eight from seven the number of statutory holidays provided in the government's labor code legislation. The government opposed the move.

By a 49-44 vote the Commons passed an amendment moved by Stanley Knowles (NDP — Winnipeg North Centre) to add Rembrance Day to the list.

Labor Minister MacEachen opposed the addition on the grounds Parliament would then be legislating an extra day for nearly half of the more than 500,000 workers under federal jurisdiction covered by the bill. He felt this was beyond the intent of the legislation to establish "minimum" work standards.

The government avoided parliamentary defeat on a question of confidence because the vote was taken in committee of the whole House.

SEEK PEKING FRIENDSHIP

B-K Aim At Co-Existence

By JACK BEST

MOSCOW (CP) — Russia's new B and K leadership team pledged Monday to maintain the policy of peaceful co-existence between East and West while working at the same time for world Communist unity.

They also promised to keep up the drive for improved living standards among the Russian people.

Leonid Brezhnev, first secretary of the Communist party, and Premier Alexei Kosygin were keynote speakers at celebrations marking the triumphant entry to Moscow of the Soviet Union's three new cosmonauts.

Brezhnev, regarded as the wielder of power in the new regime, addressed a great throng in flag - bedecked Red Square where the three cosmonauts — Col. Vladimir Komarov, scientist Konstantin Feoktistov and Dr. Boris Yegorov—were driven after flying from a space station in Kazakhstan.

Wearing an overcoat and a Western style fedora against a chill October wind, Brezhnev declared the new regime will strengthen the defence of "our socialist power" but at the same time called peaceful coexistence "the only sensible policy under present conditions."

WANTS CO-EXISTENCE

Monday night, at a gala Kremlin reception for the cosmonauts who last week became the first to take part in a multi - manned space flight, Kosygin reiterated the peaceful co-existence line.

"The Soviet Union will step up its efforts aimed at the settlement of disputed international questions through negotiations," he said

Both Brezhnev and Kosygin used the phrase "social democracy" in reference to the need for improving the lot of the people.

Kosygin said the application of Leninist "injunctions" concerning democracy will undoubtedly speed up economic and cultural progress.

Brezhnev said the Soviet party wants the people, "in a more cultured way, so the people's initiative will come into play."

Brezhnev promised to work to overcome the difficulties in the international Communist movement—a clear reference to the centrifugal tendencies fostered by the bitter dispute between Moscow and Peking.

It was necessary to harmonize the interests of the world socialist movement with the interests of its individual members.

WILL SPONSOR MEETING

Brezhnev said the Soviet will push ahead with its plan to sponsor a world conference of Communist parties as the proper way to restore unity.

The Chinese Communists have strongly opposed such a conference though since the removal of Nikita Khrushchev as Soviet leader there has been speculation that they might be persuaded to abandon their opposition.

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Coates Implies Oath Violated

OTTAWA (CP) — Robert C. Coates PC—Cumberland) suggested in the Commons today that an MP who failed to rise last Friday when the Commons sang God Save the Queen should be denied access to his seat in the House.

No action was taken on the suggestion in which M. Coates implied that Lucien Plourde (Crediitste—Quebec West) violated his oath of allegiance as an MP.

The incident involving Mr. Plourde occurred after the Commons approved a special message of loyalty and devotion to the Queen as a result of her visit to Canada.

He later told repuorters "it would have taken O Canada to make me rise in the House." He said his action was not meant to be against the Queen.

"I am a citizen of the province of Quebec and a Canadian subject, not a British subject."

Mr. Coates said MPs take an oath to be faithful and bear true allegiance. In standing to sing last Friday, MPs were displaying by their actions their adherence to this oath.

Mr. Plourde had showed unwillingness to do so and speaker Alan Macnaughton or the Commons privileges committee should consider whether Mr. Plourde should continue to occupy his Commons seat.

Mr. Coates said all MP's should be made aware of the meaning of true allegiance and the consequences of not living up to it.

Gilles Gregoire (Crediitste — Lapointe) said in the absence from the House of Mr. Plourde today he was authorized to state that the singing of God Save the Queen was decided on by the House on the spur of the moment last Friday. Mr. Plourde did not know the English words and had decided to remain seated.

Speaker Macnaughton said that in the absence of any motion by Mr. Coates to refer the matter to the committee he proposed none himself.