

PM Makes Bid For Unity To Solve Financial Crisis

Development Plans Will Not Be Slowed

OTTAWA (CP)—Prime Minister Diefenbaker appealed to the nation Monday night to set aside partisan political divisions and to support emergency financial measures in a spirit of dedication to the greater future of Canada.

He spoke of the discouragement of imports through customs surcharges, and the surcharges themselves, as having a two-fold purpose.

"What is saved on imports will help to balance the foreign exchange situation," he said.

"What is paid in surcharge will help to balance the budget."

TRY TO BALANCE BUDGET

He declared that in the election campaign he had said the government intended to balance the budget, and said the cabinet had been working to this end.

The surcharges on customs rates of five, 10 and 15 per cent—which the prime minister called "surcharges on import taxes"—were carefully planned to affect non-essential and luxury goods and goods already obtainable from Canada as a source, he said.



Prime Minister John Diefenbaker.

Terrorists Start Huge Oran Fire

ORAN, Algeria (Reuters)—Firemen said early today a huge fuel storage dump blew touched off by European terrorists had been brought under control.

The terrorists blew up the dump Monday, touching off an immense fire that engulfed an acre of the waterfront area and threatened a residential district.

All least 10 oil storage tanks are believed to have been destroyed.

Oil blowing on the ground and flames from a number of buildings and warehouses set afire by the running oil threw a red glow over the western port city this morning.

Police said a plastic bomb, favorite weapon of the European Secret Army Organization, was placed near the storage area. When it went off, police said, it touched off a spreading fire that fed on the fuel.

Evewitnesses said the tanks began to explode one after another at 4:30 p.m. Oil flowed out of the shattered tanks into the streets, covering cars which burst into flames as the liquid ignited.

Salan Faces New Charges

PARIS (Reuters)—New capital charges have been formally laid against ex-Gen. Raoul Salan, serving a life sentence as convicted leader of the terrorist European Secret Army Organization, it was disclosed Monday.

No date has been set for a new trial for the man who escaped the death penalty when he was placed near a gasoline tank in the storage area. When it went off, police said, it touched off a spreading fire that fed on the fuel.

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5 Doctors Urge Tobacco Ad Ban

CHICAGO (AP)—Five doctors Monday urged laws to forbid any advertising for sale of tobacco products.

They said every pack of cigarettes should be labelled "This is harmful to health."

Dr. E. E. Rockey and associates of New York City reported a new study, in docs, which they said provided another link in the evidence that cigarette smoking is a cause of lung cancer.

Speaking at the American Medical Association's annual meeting, Dr. Rockey said the total evidence "is overwhelming" and urged preventives measures, including an intensive educational campaign on smoking.

"At the present time, similar measures are in preparation in Scotland, in Italy, there is already and effective law forbidding advertising of any tobacco products," he said in a report.

Browne Planning To Ask Recall

ST. JOHN'S, Nfld. (CP)—Soleitor General W. J. Browne said Monday he plans to request a recall of his St. John's West district if the official count of votes July 3 "shows no appreciable difference" from the present tally.

Mr. Browne carried the seat over his Liberal opponent Richard Cashin by 170 votes when the general election counting ended June 18, but the armed services vote released Sunday wiped out his lead and gave the seat to Mr. Cashin with a 20-vote majority.

PICKED FOR CEREMONY

Petty Officer Len White, of Charlottetown, will serve as a member of an RCN guard which will perform the Navy's famed Sun Ceremony on Parliament Hill on July 2. The guard is made up of new entry seamen under training and officers and instructors from HMCS Cornwallis, RCN Training Establishment near Digby, N.S.

Murder Trial To Open In N.B. Stabbing Case

DORCHESTER, N.B. (CP)—Herbert George Harris, 38, charged with capital murder in the Jan. 26 slaying death of Arthur James Casey, 23, goes on trial here today at a Supreme Court sitting before Mr. Justice C. J. Jones.

The accused Camp Gage town soldier, formerly of Halifax, had been a supply storeman with the Royal Canadian Army Service Corps and had been returning to Saint John from Port Felix, N.S. where he was found in Saint John two days later.

Business Meets Austerity With Signs Of Resignation

By ALAN DONNELLY
OTTAWA (CP)—Most Canadian business leaders — some with a sigh of resignation — appear to be accepting the government's new austerity program to peg the dollar and get the economy back in shape.

The most direct reaction Monday came from the foreign exchange market, where the Canadian dollar strengthened — its discount was reduced by just over half a cent — after Sunday's announcement that \$1,650,000,000 in international loans and credits were on tap to reinforce Canada's sagging foreign exchange reserves.

The dollar signs came from importers affected by the temporary tariff surcharges of five, 10 and 15 per cent on slightly more than half of Canada's import trade — goods ranging from clothing to machinery.

Mr. Robert's said negotiations are almost complete for the land firm "He did not specify whether the firm was in Canada or the U.S."

Prince Andrew Is Reported Enjoying Summer As Toddler

LONDON (AP)—On the inauguration of national baby week Monday Prince Andrew was described as a toddler who likes to dig up the royal flowers.

"He's a sweet and extremely active baby," said a friend of the royal family, "and he likes gardening — much to the alarm of the palace gardeners."

Prince Andrew, at 28 months, is enjoying his first summer in the open.

Queen Elizabeth's third child and second in line of succession to the throne was too small last summer to enjoy the pleasures of the huge grounds of Buckingham Palace.

Coincided with the good weather that Britain is enjoying, the Queen presented her son with a small spade, fork and rake.

He went for the spade. Then went for the royal flowers. Gardeners and a nanny had to intervene.

His Royal Highness is mischievous and light-haired and resembles his father, Prince Philip.

Two of his constant companions are the Queen's corgis dogs, named Whisky and Sherry.

Princess Andrew, 18 months, is reported to like a pink elephant made for him by his older brother, Prince Charles.

His favorite toy, however, is a book-up teddy bear, handed down from Prince Charles to Princess Anne and then to Prince Andrew.

The Queen Mother recently told a friend:

"He's very little. Especially when he's being a naughty boy, I'm sure he'll be a football player."

CENTENNIAL PLANS ARE DISCUSSED

Discussing the many aspects of the 1964 centennial celebrations are four members of the P.E.I. Centennial Committee, which met in general meeting at Montgomery Hall last night.

Some 22 members attended the meeting, which was chaired by Dr. Frank MacKinnon.

One of the main items on the agenda was the presentation of a centennial symbol, which was designed by Eric Abovsky of Toronto.

Many projects and proposed plans were discussed and it was decided that all preliminary plans would be completed by 1962.

From left to right are: William Hayward, general manager, Frank Storey, vice chairman, Dr. Frank MacKinnon, chairman and Alan Holman, finance chairman (See story on page 4.)

TIGHTER MONEY OPPOSED

CLC Gives Partial Okay To Emergency Measures

OTTAWA (CP)—The Canadian Labor Congress Monday gave reluctant support to three of the government's emergency financial measures, but criticized others as unsuitable to the present period of unemployment.

The central body of trade unions with a membership of over 1,000,000 issued a statement by Secretary-Treasurer Donald MacDonald on the measures announced Sunday by Prime Minister Diefenbaker.

It said the CLC supported the five, 10 and 15 per cent surcharges levied on a majority of imports and the reduction of free entry provisions for tourist purchases abroad "as temporary measures." It also supported as "inevitable" the borrowing of foreign funds to bolster the exchange reserves.

But, it said, "the return to a tighter monetary policy and higher interest rates" was a view with "grave apprehension."

"We have ... no objection to a fixed bank rate. On the contrary we have long believed that a fixed bank rate was essential as a means by which the Bank of Canada could signal its intention as to the direction of monetary policy, but we are disturbed at the high rate set."

"We are also disturbed at the announced cut in government expenditures."

AGGRAVATED PROBLEM

Mr. MacDonald said it is

Austerity Brings Gloom To Japanese

TOKYO (AP)—Japanese officials and businessmen Monday expressed gloom over Japan's prospects for exports to Canada as a result of Canada's new austerity program.

Canada's new import tariff increases of five to 15 per cent were called a "double blow" to Japan, which had already imported voluntary controls on its exports to Canada.

A foreign ministry official said Japanese exports to Canada will become "more difficult than ever."

Many Japanese experts such as transistor radios, television sets, toys and sporting goods will be "seriously affected" by the new 10-per-cent tariff increase for this type of goods, the foreign ministry said.

As a result, the foreign official source said, Japan probably will ask Canada to agree to cancellation of Japan's voluntary export controls.

Liberals Plan Ottawa Parley

OTTAWA (CP)—Liberal candidates successful in last Monday's federal general election will meet here Wednesday, a party spokesman said Monday.

Liberals were elected in 50 constituencies.

Order To Retrench Urged Armed Forces

By DAVE McINTOSH
OTTAWA (CP)—The armed forces are being ordered to retrench to the government: A service vote 85.5 per cent in favour of the opposition Liberals.

Monday the government gave the armed forces the bad news: retrench.

Prime Minister Diefenbaker announced Sunday that government expenditures will be cut by \$200,000,000 in a full year.

Through three months of the current 1962-63 fiscal year have already elapsed, officials said the government hopes to cut spending by \$200,000,000 by March 31, 1963, the end of the fiscal year.

These cuts will fall mainly on the operations and maintenance sector of the defence budget.

A defence department spokesman said no decision has yet been taken on where cuts will be made.

The army and RCAF immediately began cutting expenses in their budgets to see where reductions could be made.

The scrutiny follows the very tight government service cuts announced last week by Conservative MPs — Sple-

Orders went out Monday to cut department to put its financial expenditures on the shopping block. The defence department accounts for 25 per cent of all federal spending.

The navy, army and RCAF immediately began cutting expenses in their budgets to see where reductions could be made.

The scrutiny follows the very tight government service cuts announced last week by Conservative MPs — Sple-



Group of people at a political event.

FISHERMEN GET UNUSUAL CATCH

Lobster fishermen in the province are beginning to report anything to be caught in their lobster nets these days.

The latest item was caught in a net hauled in by John Hackett of Tynish, who, on bringing in his net found that among his catch was a squab, a boy dropped by planes in an effort to detect submarines. Mr. Hackett turned the item over to the Department of National Defence at Summerside Air Station.

Looking at the squab, which is a fisher's offspring, A. Eldorvick, left, and Thane H. Douglas, right, who turned the object over to the Department of National Defence at Summerside Air Station.