



## FIRST KOREAN TROOPS LAND IN VIET NAM

The first contingent of South Korean troops, which will help South Viet Nam in its war against the Viet Cong, landed at Saigon Thursday. Between 700 and 1,000 Korean soldiers in battle gear disembarked from landing ships. With the landing, Korea became the first country other than the United States to commit a substantial number of fighting men to the conflict against the Viet Cong. Meanwhile bombs rained by the ton on widely-separated Viet Cong positions from U.S. Air Force jets rounding out a week of active warfare. (AP Wirephoto via radio from Saigon)

## Premier Challenges Liberals To Outline Expenditure Cuts

By MARIAN BRUCE  
Premier Walter Shaw yesterday challenged Liberal members of the Legislature to tell the government where the provinces' expenditures could be reduced to decrease the yearly deficit. Speaking in the debate on the draft address, the premier asked if expenditures should be reduced in such areas as teachers' salaries, civil service salaries, cutting down on road activities, closing high schools, and vocational schools, or cutting back on relief pensions for the needy. "Yes, we can declare a surplus every year," he said, but

what would that do to the services we are trying to give our people?"  
He said the government could declare a "whopping surplus" next year if the Opposition agreed to cutting down on these services, "but you won't."  
"Let our friends come out and tell us where we should reduce, so that we may let the people know their stand."  
"We could have given even greater service if this great Liberal government at Ottawa had not retreated to the same

## Liberals And NDPs Reject Conservative Pension Plan

OTTAWA (CP)—Liberal and New Democratic Party spokesmen flatly rejected Thursday a Conservative plan to guarantee minimum pensions of \$25 a month for all under the Canada Pension Plan.  
Lloyd Francis (L—Carleton) said the Conservative proposal could not apply to Quebec since that province intends to operate its own pension plan similar to the federal one. Nothing would divide the country more, he added.  
The first step in the Conserva-

tive proposal — to establish a residence clause — was voted down 99 to 48. The government was joined by members of the NDP, Social Credit and Creditist parties in voting against it.  
Conservative spokesmen said that a person can come to Canada from any foreign country, live here for one year and then leave with a guaranteed pension of \$10 monthly.  
Under their proposal, a person would have to live in Canada for 10 years before becoming eligible to benefit under the Canada Pension Plan.  
He said "nothing can be hidden, financial statements and auditors' statements are available to the House and there are reports from departments of government. As far as we are concerned in no case is any- (Continued on page 7, col. 3)

## N.S. Surplus Forecast With Buoyant Revenue

By ED WALTERS  
HALIFAX (CP) — Finance Minister G. I. Smith presented his budget to the Nova Scotia legislature Thursday, reporting buoyant revenues with a surplus for the current fiscal year and forecasting record expenditures of \$130,700,000 without an increase in taxes for 1965-66.  
The Conservative government wound up 1964-65 with a forecast surplus of \$70,100 after paying for \$2,000,000 in capital expenditures out of current revenue and transferring \$1,000,000 to a special reserve account for assistance to universities and \$600,000 to a hospital reserve account.  
This happened when the government found its revenues ran about \$2,000,000 in excess of its estimated \$126,693,000 while expenditures were below expectations. The education department alone spent about \$1,500,000 less than expected.  
The estimated surplus for 1965-66 is \$94,430. Debt charges will increase by \$1,900,000 to \$16,900,000. Income to the province next year is forecast to reach \$139,972,000 of which \$101,849,000 will come to the finance and economics department.  
The federal government will continue to be the province's chief source of revenue, paying

position which my honorable friends criticized them for—the same treatment they received from the same group in the 1950's," the premier said.  
He appealed to members of both political affiliations to "join together and promote our best interests at the federal level."  
Premier Shaw said the province has reached "the stage of history where we cannot afford to carry out our policies on the basis of political expediency. We must first consider what we can do as citizens for the province."  
The premier said to all members that he was "approaching with sincerity" his discussions of financial affairs. He said "those of us associated with government realize the province has a great measure of difficulty in providing within the limits of finances the services people require. We have to watch money carefully. Expansion of some services is impossible because of the limitations of money."  
NOTHING DEFINITE  
Premier Shaw was critical of opposition attacks on government financial policies. "There is nothing definite in the criticisms," he said, "rather they are broad, sweeping statements. Cases are built up, additions made, and suspicions cast. Half truths are worse than a full lie."  
He said "nothing can be hidden, financial statements and auditors' statements are available to the House and there are reports from departments of government. As far as we are concerned in no case is any- (Continued on page 7, col. 3)

## Liquor Sales Were Record, Report Shows

Record gross sales of \$5,381,463 were made by the P.E.I. Liquor Control Commission in the fiscal year ending March 31, 1964.  
The commission's annual report was tabled in the Legislature last night by Attorney General Alban Farmer.  
Previous record for gross sales of liquor was in the year ending March 31, 1963, when government-owned stores had sales of \$4,998,654.  
In the year covered by the report, the Charlottetown beer and spirits store had combined net sales of \$1,936,902, an increase of \$72,319.  
Next to the finance and economics department will be the province's biggest earner at \$31,961,000 of which \$23,100,000 is estimated to come from gasoline taxes. Highway taxes this year are expected to total \$29,653,000.  
Education, at \$35,114,000 will again be the biggest spender in 1965-66. The department spent \$32,517,000 in the current year. Mr. Smith said education accounts for more than 28 per cent of total expenditures before provision for sinking funds.

## INSIDE TODAY

Births, deaths	5, 13
Classified	12, 13
Comics	11
Finance, markets	10
Sport	9, 14
Women's	6
Editorials	6
Summerside	5
Kings, Queens, City	7
Prince County	4

# Serious Danger Found To Canada's Existence

## New Budget For City Sees Modest Surplus

By RALPH CAMERON  
A belt-tightening budget reflecting rigid economy in spending and a "get tough" approach to tax collecting was introduced to City Council yesterday afternoon by finance chairman William R. MacNeill in his first appearance in that role.  
Dealing with income and expenditures over the \$2,000,000 mark, Mr. MacNeill's "no nonsense" budget calls for what he termed a "modest surplus" of \$348.95 in the coming year.  
No changes have been made in the tax rate of 2 per cent to provide revenue of \$2,122,518.17 to take care of expenditures of \$2,122,367.22.  
TAX BOOST FEARED  
The finance chairman stated flatly if further financial assistance is not made available by senior governments — especially in the field of education — "the only answer will be higher and higher civil taxes in future years."  
He noted this year the city is called on to pay \$396,000 for school upkeep and maintenance "and this has nothing to do with our expenditures for the payment of our school properties."  
Mr. MacNeill also referred to the situation with regard to water and sewerage when he said the Commissioners this year would pay \$5,000 into the city funds "but the cost to us will be over \$30,000." He said he realized the water department had its problems "for too long a time nothing constructive was done to keep the system up to date and now we have to pay the cost as we do in regard to education."  
SERVICING DEBT  
Highest cost item to the city in the budget is that of servicing the debt which calls for expenditures of \$700,000, with the second highest being in the field of education with \$396,753 having to be turned over to the Board of School Trustees.  
The ever increasing costs arising from an expanding city with its miles of streets are reflected in spending of the public works department where street maintenance costs \$251,700. This includes winter time snow removal and the costs of which are steadily rising.  
Protection provided citizens costs \$306,000 with the police de-

## Gas Tax Act To Be Amended

First reading was given in the Legislature yesterday to a bill entitled an act to amend the Gasoline Tax Act.  
Promoter of the bill is Provincial Treasurer Alban Farmer.

## Monarchy Backed By Leon Balcer

OTTAWA (CP)—Leon Balcer, Quebec leader of the Progressive Conservative party, says the monarchy has helped protect minority interests in Canada and should remain a part of this country's system of government.  
Mr. Balcer said in an interview Thursday that although French Canadians lack the same sentimental attachment to the monarchy held by English Canadians, the Crown has "always rendered a great service" in protecting minorities against the "colonial office."  
"It is not only a symbol, but a part of our system of government," he said. "I feel it should stay as is."

## Royal Commission Urges Wide-Ranging Changes

By RONALD LEBEL  
OTTAWA (CP)—Quebec could secede from Confederation if the current French-English crisis is allowed to worsen, the Royal Commission on Bilingualism and Biculturalism reported Thursday.  
The commission called for "wide-ranging negotiations" at the government and grass-roots levels to bring about "major changes" in the present situation.  
In a 140-page preliminary report tabled in the Commons by Prime Minister Pearson, the commission stopped short of saying what the major changes should be. Concrete recommendations were left for the final report, not expected for another two years.  
However, the 10-member inquiry took a searching look at the "quiet revolution" in Quebec and drew some blunt, highly controversial conclusions:  
—Separatists represent a small minority, but the 4,500,000 French-Canadians of Quebec seem unanimous in rejecting the present constitution.  
—A very significant part of the Canadian population — about 30 per cent — is strongly dissatisfied with its influence in government, business, education, transportation systems and mass media.  
—Nearly all French-speaking Canadians see themselves as part of a distinct society and want to be recognized officially as such.  
—French-English relations have ceased to be a conflict between a majority and a minority; now the conflict is between the English-speaking majority in Canada and the French-speaking majority in Quebec.  
The commission found the majority of English-speaking Canadians are satisfied with the existing constitution and are indifferent to or unaware of the Quebec revolution.  
At the same time, Quebec residents tended to think only in terms of their own province and gave their first loyalty to the "French-Canadian nation" instead of Canada.  
A deep gulf separated the two main language groups. "We have found overwhelming evidence of serious danger to the continued existence of Canada," the report added.  
The commission appealed to English-speaking Canadians to try to understand "the underlying trend toward the increasing autonomy of Quebec."  
Most French-Canadians in Quebec wanted to break out of their "shackles" and build for themselves "a distinct form of nationhood with full control of all their social and economic institutions."  
Canada was going through its most critical period since Confederation, but there was hope in the fact most Canadians were moderates and loved their country.  
But great changes were needed in public attitudes on both sides.  
The 10-member commission (Continued on page 13, col. 3)

## Last Year Is Described Big One In Farming

Exceptionally good crops made 1964 one of the best years ever in agriculture in the province, Andrew MacRae, minister of agriculture, said last evening.  
Mr. MacRae began his participation in the debate on the draft address at last evening's sitting of the Legislature, and was speaking when the sitting adjourned at 10 p.m.  
Reviewing crop production statistics for last year, he said potato acreage was down slightly, but a combination of good yields and high market prices should bring in several million dollars to the province through the potato growing industry.  
Dairy production was also up considerably because of pasture improvement, with butter production increased by 4.1 per cent and cheese production by 41.5 per cent.  
Mr. MacRae said the government would "use every effort to use an equitable and fair freight assistance policy on imported grains continued."  
"Island farmers should not be asked to pay more for grains than farmers in the other Maritime Provinces," he said.

## Election Rumor Said 'Untrue'

OTTAWA (CP)—Keith Davy, national director of the Liberal party of Canada, said Thursday night "it's just completely untrue" that Prime Minister Pearson has issued the party a directive to prepare for a federal election in June.  
Mr. Davy, asked about a report from Amherst, N.S., that a Liberal party official had said Mr. Pearson had issued the instruction to the party, said: "It's not true. It's just completely untrue. I can say in all honesty the prime minister has not issued any such directive."  
Mr. Davy, as national director of the party, responsible for campaign plans, would be one of the first to know the prime minister's election plans.

## Dr. Bonnell Made Acting Liberal Leader

Dr. M. L. Bonnell (L—4th Kings) has been named acting opposition leader in the Legislature during the absence of A.W. Matheson who is out of the province.  
Mr. Matheson named George MacKay (L—4th Prince) as acting leader but due to health reasons Mr. MacKay found that he could not accept the position.  
Mr. MacKay explained in the House yesterday that a Liberal caucus had unanimously approved the choice of Dr. Bonnell as acting leader.  
Dr. Bonnell said he would give names to the premier outside the House.  
Mr. Ferguson dropped the subject after House Speaker Frank Myers warned him to keep his remarks "within the bounds of the Legislature."  
ASKS REINSTATEMENT  
Speaking in the debate on the draft address, Mr. Ferguson said the government must reinstate the Fifth District of Kings which was dissolved under new election legislation that was passed (Continued on page 7, col. 8)

## House Meets This Morning

The Legislature sits this morning at 10.  
When it adjourns, about noon, it will stand adjourned until Tuesday afternoon at 2:30.  
Most of yesterday's business was taken up with the debate on the draft address.  
Speakers were Premier Walter R. Shaw, George Ferguson (L—5th Kings), Provincial Secretary J. David Stewart and Agriculture Minister Andrew MacRae.  
Mr. MacRae adjourned the debate last night and will have the floor when it resumes.

## Speaker Warns Members

House Speaker Frank Myers warned members of the Legislature last night that he will not tolerate rude or noisy behaviour by members during sittings of the House.  
He said "I have tried to be fair, but if there are any more occurrences like those of this afternoon the member involved will be named without delay — that goes for both sides of the House."  
The Speaker was referring to remarks made by a member at the afternoon sitting while Premier Walter R. Shaw was taking part in the draft address debate.

## Scout Council To Study Headquarters Plans

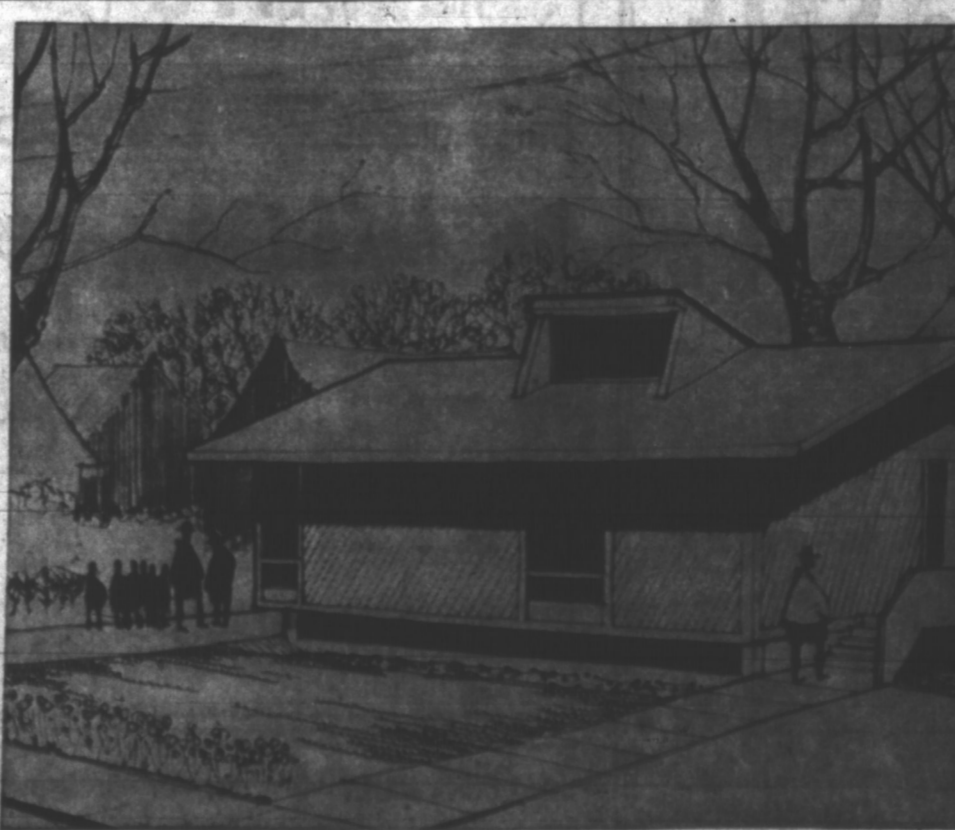
The Provincial Council, Boy Scouts of Canada is scheduled to meet this afternoon to study plans for a new Boy Scout headquarters to be erected on Prince Street in Charlottetown. Office space will be provided for Guiding as well. Since the early 1950s, Scout service has been made available to boys and leaders from a variety of temporary locations. At times in the homes of volunteers, then in business offices of Scouting supporters and in recent years from a one-room rented office.  
Now it is planned to have a small headquarters building which will provide office space not only for Scouting but for Guiding as well.  
The building, 35 feet by 34 feet, will be concrete — steel construction. The 9-foot basement measuring 20 feet by 28 feet will comprise a meeting hall, kitchen, mechanical room and washrooms. The upper level consists of a Scout executive's office, scouting equipment storeroom, Girl Guide executive office and camping equipment storeroom. The structure will be heated by hot water.  
Alfred J. Hennessey is the architect.

## Vehicles And Drivers Scheduled For Checks

The need for stricter controls in the issuing of drivers' licenses in the province was emphasized in the Legislature last evening by Provincial Secretary J. David Stewart. He was speaking in debate on the draft address.  
He said he will ask for an amendment to the Highway Traffic Act calling for frequent examinations of both drivers and vehicles.  
Mr. Stewart suggested all drivers should be called back in for re-examination of driving ability every five years, and older persons should also be called in for re-examination.  
The new amendment would include a provision permitting licenses to be issued on the birthday date of each driver, rather than at the beginning of each year.  
Another project which he said should be decreased the number of traffic accidents in the province, which last year caused 34 deaths and injuries to 524 persons, was the establishment of at least two vehicle testing stations.  
He said of vehicles checked by the RCMP last year, 9,700 were faulty.  
Statistics quoted by Mr. Stewart showed there were 30 fatal accidents in the province in 1964, 237 non-fatal and 1,101 property damage accidents. Estimated property damage was \$646,992.  
He said the initiation of the P.E.I. Highway Safety Council should be of great assistance in efforts to reduce highway mishaps.

## Civil Service Patronage Charged By Liberal MLA

By DON MACLEOD  
Charges of political patronage in the civil service were made last night by a Liberal member of the Legislature who said many positions were being filled by political friends of the government without being advertised in accordance with regulations of the Civil Service Commission.  
George Ferguson (L—5th Kings) said he did not agree with Premier Walter R. Shaw's statement that the "civil service commission is doing a terrific job." Mr. Ferguson said "I have heard considerable criticism. Many civil servants are dissatisfied, except those on the inside track."  
Premier Shaw asked Mr. Ferguson to "produce the cases" where jobs were filled by friends of the government.  
Mr. Ferguson said he would not mention names on the floor of the House as "some people might get into trouble." He



ARCHITECT'S SKETCH OF PROPOSED BOY SCOUT BUILDING