

"Covers Prince Edward Island Like The Dew"

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## Highlights Of Tax Cut

By THE CANADIAN PRESS  
Highlights of Finance Minister Gordon's Commons statement Monday night amending his June 13 budget: Three-stage application of sales tax on building materials; Four per cent from June 14, 1963, to March 31, 1964; then eight per cent to Dec. 31, 1964, and 11 per cent thereafter.

Schools and universities exempted from sales tax on building materials.

Changes cut \$115,000,000 from anticipated 1963-64 budgetary revenues, \$125,000,000 in full.

Returns were full 11 per cent rate paid since June 13 budget.

Materials consumed or expended in a manufacturing process — including printing and graphic arts industries — exempted from sales tax.

Exemption from sales tax until Dec. 31, 1964, for building materials and production machinery delivered under fixed-price contracts signed before June 13 budget.

Binding tenders submitted before budget, if accepted, to receive same exemption as fixed-price contracts.

Date from which pipeline companies can deduct exploration expenses, changed to June 14, 1963, from April 10, 1962.

Appeals to Exchequer Court prorated where income tax levied on "dividend stripping" operations and to contract tax evasions through splitting up companies.

Major alterations in budget proposal aimed at encouraging minimum 25-per-cent minority Canadian ownership in foreign-controlled corporations.

# Controversial Sales Tax Cut Tied To 4 per Cent Cuban Assets Frozen By U.S.

## Increase Set In Two Stages

WASHINGTON (AP) — The United States government has frozen Cuban assets, whether owned by the Fidel Castro government or Cuban individuals, and banned Americans from all 11 new U.S. transactions with Cuba.

The state department said "Hus Cuba will be denied the use of American facilities for transfers of funds to Latin America for subversive purposes."

The order generally puts Cuba in the same class as Communist China and North Korea, as far as the U.S. is concerned. The rules applying to the Soviet bloc are less stringent.

The controls instituted Monday will:

1. Block all assets in the United States of Cuba or persons in Cuba.

2. Prohibit persons subject to the jurisdiction of the United States from engaging in unlicensed transfers of U.S. dollars to or from Cuba.

3. Prohibit all other unlicensed transactions with Cuba or Cuban nationals involving property in which there is a Cuban interest.

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He estimated the changes will cut \$115,000,000 from total federal revenues in the current 1963-64 fiscal year.

Officials said later this would mean an increase to \$653,000,000 in the budgetary deficit—forecast June 13 at \$655,000,000—and produce a \$25,000,000 deficit instead of an expected \$20,000,000 surplus in the old age security fund. This fund, operating out of regular budget accounts, finances the universal \$65 aid age pension.

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His appointment leaves only one vacancy in the Senate, Newfoundland. There are 62 Liberals, 25 Progressive Conservatives, two Independents, one Independent Liberal in the 102-seat chamber.

OTTAWA (CP) — Mayor Romald Bourque of Outremont, Que., Liberal Member of Parliament from 1952 to 1962, has been appointed to the Senate, Prime Minister Pearson's office announced Monday.

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FINANCE MINISTER Walter Gordon, (left) chats with Dick O'Hagan, special assistant to Prime Minister Pearson, on his way to the House of Commons Monday night.

In the Commons, Mr. Gordon announced a reduction in the 11 per cent sales tax on building materials to a temporary 4

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## Kings' MP Leads Trend

B.R.M.P. TONVILLE, Que. (CP)—Patrick Asselin, member of Parliament for Richmond-Wolfe, said Monday he plans to invite English-speaking members regularly to his home in the riding to make them better acquainted with Quebec.

Weekend visits by John Mulhally, member for King in Prince Edward Island, and Ron S. Bassford, member for Vancouver-Burrard, were just a start, he said.

"Above all it's a matter of creating a climate of bonhomie between members representing the two cultures," he said.

Mr. Asselin's home is in Brossard, a suburb of Montreal, in the Eastern Townships.

OTTAWA — Prince Edward Island plans to spend \$4,000 on forestry roads in 1963-64 and the federal contribution will total \$2,000.

This information was tabled in the Commons Monday in response to questions placed on the Commons' order paper by Conservative MP George Doucett. Mr. Doucett asked for a breakdown of forest access road programs in each province for 1962-63 and for 1963-64.

The reply revealed that one mile of such road was constructed in P.E.I. in 1962-63 and the total amount spent on it was \$978. For 1963-64 estimated cost of such roads is \$4,000 of which the federal government contribution will be half.

In all, 172 such roads were constructed in 1962-63, the largest mileage of 200 in Quebec. There were 83 miles in Nova Scotia and 57 in New Brunswick. Estimated cost of the 1963-64 program in Nova Scotia is \$155,000 of which the government will contribute \$95,257 and in New Brunswick is \$194,000 of which the government will contribute \$97,000.

Northern Affairs Minister Laing introduced legislation proposing a division of the Northwest Territories into two.

TUESDAY, July 9  
The Commons meets at 2:30 p.m. to discuss amendments to the Atlantic Development Board Act.

The Senate sits at 8 p.m.

OTTAWA (CP) — RCMP said here Monday they believe Eddie Gray, 39, of Big River, N.B., who escaped last week from the Maritime Penitentiary at nearby Dorchester, is armed.

A police spokesman said a 22-calibre rifle and about 150 rounds of ammunition were stolen Sunday from the home of Rev. Leonard Legor by Memramook, several miles from Dorchester.

Several articles of clothing were also stolen from the priest's house and prison garments were left in their place.

A member of the Dorchester Penitentiary, Bernard Shea, said he saw a youth Sunday, who he recognized him as Gray. Mr. Shea said he was changing a tire on a road near Dorchester when he spotted the youth in the woods at the side of the road.

"I told him who I was," Shea said, "and told him to come out on the highway." Shea said the youth refused saying "No, I'm not going to let you take me."

The prisoner said he then heard a "report" coming from the direction where the youth was a rifle being fired. A report was the area later by police failed to reveal a trace of the escape.

Gray escaped from the penitentiary Friday the day before three other men who has escaped earlier in the week were rounded up. An RCMP plane from Ottawa and a police dog were aiding in the search.

## Forestry Roads In P.E.I. Cost \$4,000 This Year

By FARMER TISSINGTON  
Capital Bureau, The Guardian

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