

Bank Leads For Canada's Economic Prospects

By KEN SMITH
Canadian Press Staff Writer

Those optimistic forecasts on Canada's economic prospects continue to turn up, with one of the most forward-looking in some time coming from G. Arnold Hart, president of the Bank of Montreal.

Speaking to a service club in Toronto to predict an increase of at least one-third in Canada's real output by 1970.

"Various factors give substantial support to predictions of an economic upsurge now in the making."

Mr. Hart listed these examples of anticipated heavy capital outlays which could lead to a "very sizable increase in Canadian output" during the rest of this decade:

1. Various projects such as power developments in British Columbia, Quebec and Newfoundland.
2. Pipeline construction and the twinning of the Welland Canal.
3. Continued rapid expansion of Canada's roads systems.

WILL NEED ADDITIONS

A number of Canadian industries which for several years have been burdened with over-capacity now are, as a result of recent increases in output, approaching the day when additions to existing facilities will be warranted," Mr. Hart said.

P. B. Reid, chairman of the Montreal Stock Exchange, agrees that 1964 should be at least as good as 1963 was but he told the exchange's annual meeting, maybe things are looking too good to be true.

"There is perhaps too much unanimity among experts for comfort and the duration of the present recovery, which is considered by some to be the longest of record, warrants caution in optimism."

Two of those giant projects that Mr. Hart sees as injecting

new life into Canada's economy were in the news last week. In Ottawa External Affairs Minister Martin announced Canada and the United States are on the verge—again—of agreeing on how to harness the mighty Columbia River. A draft agreement was accepted by negotiators from both countries and is expected to be signed this week when Prime Minister Pearson is in Washington.

RELY ON CANADA

Across the country there was renewed interest in the development of Labrador's Hamilton Falls with the announcement that Consolidated Edison Company of New York is turning from a projected nuclear power plant to an anticipated flow of Canadian power to help meet New York City's growing electrical needs.

The expected supplier of the power is Hamilton Falls, 790 miles northeast of Montreal. The falls' potential is in the hands of British Newfoundland Corporation.

The superlatives attached to the development are many, but one of the most outstanding is the capital expenditure needed—anywhere from \$700,000,000 up to more than \$1,000,000,000.

On the health field, the report of the U.S. surgeon-general linking cigarettes with lung cancer may have caused some businessmen to stop smoking, but it had little effect on stock or tobacco prices. The two tobacco companies on the Toronto Stock Exchange closed the week higher. Rothmans of Padl Mill Canada Ltd. up \$1.30 from the previous week at \$11.12½, and Imperial Tobacco up 12½¢ to \$13.12½.

Sales of Ontario's tobacco crop at Friday totalled 66,000,000 pounds, well above last year's figure at this time, at an average price of \$1.57 cents a pound, compared with about 50 cents a year ago.

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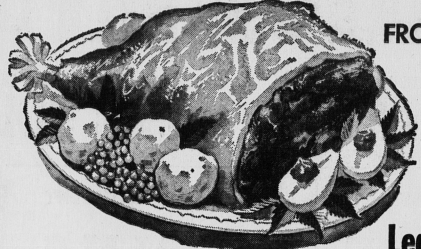
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Unitarian Churches Prepare Arts Festival

TORONTO (CP)—The First Unitarian Church congregation here is busy preparing its third annual arts festival, but this time there won't be any paintings of modernism.

The festival starting the week of May 3 will feature a different segment of the arts each evening. Art exhibits—showings of paintings, films and poetry readings—will be followed by experts' comment and a discussion period.

"The basic idea of the Unitarian Church is that it is contemporary," said Rev. John Moran.

The Unitarianism belief based on the conception of God in one person, contrasted to that of God in three persons—Trinitarianism—began in the Reformation period and from England spread to America, the American Unitarian Association having been formed in 1825. But it had its birth on this side of the Atlantic as early as 1780 when separate congregations were formed by those drawing from Congregational churches of New England.

Rev. Mr. Moran was born into what he calls a "liberal

Baptist" family in Indiana, and was ordained in 1946. Now 45 years old, he became pastor of the Toronto congregation in 1959.

Underlining his statement is the fact that the Unitarian church in midtown Toronto regularly hangs paintings by local artists on its walls.

Last year, some of these paintings were nude. "Complaints against the nude paintings," he says, "were quite minimal."

"I believe that to censor or restrict the paintings is to destroy the basic premise of art—that of freedom of the individual to express himself."

Last year, the festival drew 1,200 persons, and Moran expects this will be increased this year.

His church formed the Abelard Players last year to perform three dramas between September and June each year. Formation of this group has brought added benefits. It is open to "outsiders" to fill out its ranks, and several of these non-Unitarians have since joined the church.

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Facing Showdown Financial Crisis

By MAX HARBELSON
UNITED NATIONS (AP)—Despite talk about East-West harmony, the United Nations appears to be heading toward a showdown in 1964 on the Soviet Union's role in the UN financial crisis.

This likely would involve a U.S.-supported move to suspend voting rights in the general Assembly because of unpaid UN assessments. Diplomats wonder whether the odd war can survive if the U.S. takes the lead—or even joins—in such an effort.

The situation in brief is this: The UN charter provides that member nations lose their vote in the assembly if they owe the equivalent of two years' total assessments.

On Jan. 1 Russia and other members of the Soviet bloc reached the figure that makes them subject to the penalty laid down in article 19 of the UN charter.

U.S. Ambassador Adlai E. Stevenson said that the United States is determined to see that the charter is adhered to. Rigid adherence to the charter, Stevenson says, is essential to preservation.

pressed hope it will happen. He pointed out that in the past the Russians had unexpectedly changed their positions on other issues.

There is another possibility—the U.S. might decide it was not an appropriate time for a showdown.

While there is no evidence that this will take place, diplomats note that 1964 is a presidential election year and that major policy decisions sometimes are deferred during the final months before an election.

The U.S. position could be affected also by international developments such as an important breakthrough on a major East-West problem.

No one is willing to predict that the United States will be able to muster a majority of the assembly to suspend Soviet voting rights.

NEVER INVOKED

The penalty has never been invoked against a member nation. Only Haiti has faced this possibility last summer. Haiti made a partial payment at the last minute.

Only the Soviet-bloc countries are far enough in arrears now to be subject to the charter provision, but a majority of the member nations are behind in payments to varying amounts.

Most of them, including France, will not become liable to sanctions before 1965. Many would hesitate to back the two-year delinquency rule against the Soviet bloc because of their own potential vulnerability.

Others would hesitate if they believed such a move might aggravate the cold war or precipitate the withdrawal of the Soviet bloc from the United Nations.

SETS STAGE

This seems to set the stage for action when the 11-nation assembly next meets. This will be in September unless world developments require a special session before then.

One way the test could be averted, of course, would be for the Kremlin to reverse itself and pay up some or all of the \$20,000 assessed against it for UN peace-keeping operations in the Congo and the Middle East.

Many diplomats consider this unlikely, but Stevenson has ex-

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