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The Guardian

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WEATHER

Cloudy; snow beginning in late afternoon; milder; light winds increasing this evening to easterly 20. Low-high 15-30.

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De Gaulle Alerts French For Stern Recovery Road

PAPAL SOUVENIR

Pope John XXIII bestows a souvenir medal on a one-legged youngster in the Vatican during the pontiff's Christmas audience for crippled youngsters from Rome institutions. The busy pope also visited two hospitals and made an unprecedented visit to the Italian capital's big Regina Coeli jail to console inmates. (AP Wirephoto via radio from Rome).

Newspaper Strike In N.Y. Ends

NEW YORK (AP)—Newspaper deliverers Sunday voted to end the costliest newspaper strike in New York history. Morning papers were expected to be on the streets within a few hours.

The truck drivers voted 2,901 to 537 to accept a settlement approved Friday by their negotiators to end the 19-day strike.

An additional 15,000 non-striking newspaper workers who had been laid off during the $50,000,000 strike began returning to their jobs.

The 4,400-member Newspaper and Mail Deliverers Union accepted a package that increases their wages $5.30 weekly over a two-year period and provides important fringe benefits.

The union at first sought a $10-weekly package of wages and benefits, including a 35-hour work week instead of 40. The union failed to gain a reduction of its work week.

The union's membership twice had rejected offers from publishers before Sunday's vote.

Western Europe Plunges Into Monetary Changes

By ALVIN J. STEINKOPF

LONDON (AP) — Western Europe plunged during the weekend into gigantic monetary and economic readjustments. The outstanding features were large extension of convertibility of the pound and devaluation of the franc.

These two moves by Britain and France were followed swiftly by a liberalization of financial policies in other states. France, West Germany, Denmark, The Netherlands, Norway, Italy, Sweden, Belgium and Luxembourg joined Britain in the convertibility parade. Most of them announced that their currencies would be convertible as of Monday.

The British action, benefitting mostly non-residents, means that large sums in pounds held in Britain by any foreigners who are not residents of the sterling area may be converted into dollars or other currencies at a single official rate. This ranges between $2.72 and $2.82 to the pound, generally $2.80.

LESS FOR FRENCHMAN

The immediate effect of the France devaluation—from 420 to 493.7 to the United States dollar—will be less spending money for Frenchmen.

The de Gaulle government also decided to issue a new unit of currency, called the heavy Franc to end the long strings of zeroes needed to add up French budgets. The new heavy franc, to be introduced gradually in the new year, will be equal to 100 of the old francs.

The over-all readjustments in Britain, France and the rest of Europe are expected to cause widespread repercussions in trade and finance. The European Payments Union, a scheme enabling European countries to defer full payment of sums they owe each other, goes out of existence.

EMA TAKES OVER

EPU is replaced by the European Monetary Agreement (EMA) which will insist on full payments. EMA, however, will set up a $600,000,000 fund to give short-term credits to countries with unfavorable trade balances.

In some quarters it is believed the British move to make sterling a more attractive currency might touch off a trade war between Britain and the six western European countries—France, West Germany, Italy, Belgium, The Netherlands and Luxembourg — who will put their Common Market plan into operation Jan. 1.

This is a scheme aimed at an eventual common tariff area and the welding together of a solid trading bloc.

SPECIAL OBLIGATIONS

Britain, because of special commitments to its partners in the Commonwealth, has kept out of the Common Market plan. There were allegations on the continent that Britain was out to torpedo the whole scheme by making its money readily convertible.

The British treasury radiated optimism. A spokesman said the big step toward complete convertibility — a distant goal — is good news not only for Britain but for the continental countries which are making or planning similar moves.

Major International Role For Country, Is Said Aim

By BASIL CHAPMAN

PARIS (Reuters)—Premier de Gaulle Sunday announced the lifting of quota restrictions on 90 per cent of France's foreign trade and introduced stiff new austerity measures in a bid to curb inflation and make the country a major international economic power.

De Gaulle said the removal of the quota restrictions would "open the floodgates to the current" and give France back her international rank in the economic field.

But he warned a radio and television audience that France is "for some time going to undergo a period of trial."

"The situation remains precarious, that is to say, dangerous."

The French premier listed a long list of new taxes, subsidy cuts and other austerity moves designed to cut an anticipated budget deficit of 1,20,000,000,000 francs (about $2,470,000,000 at the new rate) to half that figure.

DEVALUE FRANC

The announcement of the program came a day after the government disclosed it was devaluing the franc by 17.55 per cent to 493.7 francs to the United States dollar, compared with the old official rate of 420.

De Gaulle also confirmed Sunday that a new heavy franc, to be worth 100 present-day francs, will be introduced during 1959.

The premier said the new financial, economic and social measures, which come into force Monday, would establish the country "on a basis of truth and severity, the only one which can permit it to build its prosperity."

"I do not hide the fact that our country is for some time going to undergo a period of trial. But the recovery aimed at is such that it can repay us for everything."

De Gaulle said no public charges which would result in inflation could be accepted. But investments which governed the country's future, including housing, schools, hospitals, powers, development, industrial equipment and communications, must be continued.

OTHER COMMITMENTS

France also had undertaken to transform revolt-torn Algeria as pacification progressed, and it must take part in development of the other countries of the French community.

Finally, we cannot in the present state of the universe do without a strong military force."

All these measures, if events had been allowed to take their course, would have involved a budget deficit of 1,200,000,000,00 francs.

"Apart from undergoing ruinous inflation, or making France bankrupt, there was nothing else to do but to reduce this threatening deficit by half. That is what was decided."

HIGHER TAXES

The premier announced higher company taxes and higher taxes on large incomes, new taxes on wine, alcohol and tobacco, the abolition of numerous subsidies on consumer goods, and reductions of budgetary help for nationalized undertakings, in particular the railroads.

Social insurance would have to pay for itself and ex-servicemen who were not in need would be asked to give up their pensions.

De Gaulle envaged some rise in prices as a result of these "stern measures," and said the government would take suitable steps to protect purchasing power, in particular that of Frenchmen with modest incomes.

On Jan. 1 old people's pensions would go up by 5.20 francs a month (about $10.30) and on Feb. 1 minimum wages would also increase.

LARGE BACKING

Finance Minister Antoine Pinay told the radio-TV audience that "very large backing" has been placed at the disposal of the Bank of France to reinforce foreign exchange reserves and assure the franc against speculation.

The finance minister did not disclose where the "backing" came from but there have been reports in Paris that a West German loan to France is being considered.

Pinay also disclosed that France's gold and foreign exchange reserves "were exhausted" when de Gaulle took power last May.

Fatally Injured At Rail Crossing

NEWCASTLE, N. B. (CP)—Joseph Edward Allain, 50, of nearby Ferry Road, died of internal injuries in hospital here Sunday afternoon following a truck-train collision Saturday. Allain was a passenger in a truck driven by Joseph Cassie, also of Ferry Road, who escaped serious injury.

Rustico Home Is Destroyed By Saturday Night Blaze

RUSTICO — Fire of unknown origin completely destroyed the farm home of Granville S. Buntain, Rustico, about midnight Saturday night.

Included in the loss were furniture, clothing and other household effects, none of which could be saved because of the rapid progress of the fire.

Mr. Buntain who lives alone, had gone to the barn for a late hour check-up to see that everything was in order, and on his return 15 minutes later found the house full of smoke.

Through the efforts of a large number of people who gathered, the other buildings were saved. The New Glasgow fire equipment arrived yesterday to pour water on the still smouldering embers.

It is understood the loss is partly covered by insurance.

Three Killed In Collision

SHERBROOKE, Que. (CP)—Three persons lost their lives as a result of a collision between an automobile and a road-grader Saturday night in this Eastern Townships centre.

Leopold Provost, 52, of Montreal, and his 16-year-old son, Paul, were killed instantly. Nicole Beaudoin, 20, of the Montreal suburb of Carterville, died in hospital Sunday of injuries suffered in the mishap.

In critical condition in hospital were Mrs. Leopold Beaudoin, 53, and another son, Jean, 21.

All occupied the car. Driver of the road-grader escaped serious injury.

Breweries Strike Is Continuing

HALIFAX (CP)—Union President Harold Martell said after a Sunday meeting that a decision by 135 employees rejecting an offer to settle a four-months strike against two breweries remained unchanged.

"It was just a regular meeting," he said.

Victor DeB. Oland, vice-president of the commonly-owned Oland and Son Ltd. and A. Keith and Son Ltd., said the executive of the United Brewery and Distillery Workers' (CLC) union refused the men a secret ballot on the latest offer to end the strike.

"At no time has there been a secret ballot," Mr. Oland said. "At no time have the men been given a chance to vote ont he offer."

Balloon Story Is Said Hoax

CARACAS, Venezuela (AP)—Angry government officials Sunday branded as a hoax a report that the missing British balloon Small World had come down in jungle swamplands of eastern Venezuela.

There still was no official word of the tiny plastic gasbag which took off 16 days ago from the Canary Islands off Morocco to ride the winds across the Atlantic.

CALL OFF SEARCH

The Venezuelan government on Saturday night called off a two-day search of the bayous at the mouth of the Orinoco River that began with another report—attributed to an amateur radio operator. This said the balloon plopped down in the mainland jungles opposite the tip of Trinidad.

"It was a hoax in bad taste," declared Venezuela's Communications Minister Zuloaga. He ordered an investigation.

The British military attache, Col. Richard Brown, flew to Trinidad to confer with officials at Piarco Airport, who relayed the false message to Caracas.

A. B. Eiloart, 51, leader of the balloon party, had estimated on leaving the Canary Islands that it would take from two to three weeks to drift across the Atlantic.

The Small World, shooting for Barbados, 3,000 miles from the Canaries, was not necessarily overdue, but its radio silence has raised apprehensions.

Russia And UAR Sign Pact For Aswan Dam's First Stage

CAIRO (AP)—The Soviet Union and the United Arab Republic on Saturday signed the agreement for implementing the first stage of the Aswan high dam.

The agreement calls for the Soviet Union to lend the U.A.R. 400,000,000 rubles (officially equal to $100,000,000) for material and technical assistance in the first four-year phase of the project.

Withdrawal of United States support for the dam project in 1956 was followed by nationalization of the Suez Canal by President Nasser who said then he intended to use canal receipts to finance building the dam.

Field Marshal Abdel Hakim Amer, U.A.R. vice-president negotiated the loan during a trip to Moscow in October. It is to be repaid in U.A.R. commodities, a joint communique said.

12 INSTALMENTS

The text of the agreement said the terms of payment call for interest of 2½ per cent and the loan repayable in 12 annual instalments beginning in 1964. The pact stipulates that rubles shall be calculated on the basis of gold value "on the day of repayment."

Payments made by Egypt will be used by the Soviet Union for the purchase of goods in the Egyptian region of the U.A.R. "in accordance with the trade and payment agreement between the two countries." Prices of Soviet equipment and machinery will be fixed on the basis of world market prices.

Work on the project is expected to begin in the autumn of 1959.

Reuters news agency reported from Cairo that Russia apparently is prepared to forego support of Middle East communism in a bid to woo Arab nationalists.

Observers noted that Saturday night's signing was not delayed or affected by Nasser's attack in a speech last Tuesday on Syrian Communists.

This move of positive support by the Soviet Union again underlined the emergence of the Middle East as an East-West political and economic "battlefield," Reuters said.

Cuban Gov't. Forces Battle Rebels In Fierce Encounters

By WILLIAM L. RYAN

HAVANA (AP)—Cuban government forces and insurgents were engaged in violent offensives in central and eastern Cuba Sunday, as a crisis in the civil war appeared close at hand.

Four of Fidel Castro's rebel columns were reported marching on Santiago de Cuba in the east after smashing blows at the army in Oriente province. The rebel radio triumphantly broadcast this report and said the purpose was to set up a separate government in the eastern province soon.

But in central Cuba, President Fulgencio Batista's government forces apparently have opened a ferocious offensive to stem a tide of rebel successes which seriously threatened Santa Clara, the capital of Las Villas province.

11 Injured On Aircraft

NEW YORK (AP) — Eleven persons were injured Saturday when an airliner bound from Jamaica to New York with several Canadian passengers aboard suddenly dropped 1,000 feet and then soared 1,700 in a period of 10 seconds.

The plane, a four-engined British Overseas Airways DC-7C, took the drop in a downdraft as it was passing near Nassau in the Bahamas.

It had taken off from Montego Bay, Jamaica, and continued on to land safely at Idelwild Airport here. Only one of the injured was hurt severely—Denis Clacy, a steward of London, who suffered a mild concussion.

The 10 others were treated at the airport on arrival and released.

John Thomas, 24, of Toronto, told reporters:

"My head struck the ceiling. The next thing I knew, I was on the floor of the aisle between the seats and many others were also thrown out of their seats."

Blaze Guts Restaurant

SAINT JOHN (CP)—Fire swept through a south end restaurant Saturday causing extensive damage to the lower floor of a three storey wooden building.

Gutted were the premises of Ted's Grill operated by Francis C. Ritchie. The fire originated in the kitchen of the restaurant near a deep frying machine and crept up the outside of the building through an air vent.

Jap Premier Faces Crisis

TOKYO (AP)—Premier Nobusuke Kishi has failed to dissuade three dissident cabinet ministers from tendering their resignations. The failure has pitched him into the gravest crisis he has faced in 19 months of office.

At best he can meet the demands of dissident factions in his Liberal-Democratic (conservative) party by holding elections for the party presidency next March instead of January, and by immediately reshuffling party and cabinet posts.

Eaton Voices New Plea For Tolerance Of USSR

SEIGNIORY CLUB, Que. (CP) Cyrus Eaton, Canadian-born head of a $2,000,000,000 industrial empire, observed his 75th birthday Saturday by making a new plea for Western tolerance and understanding of Russia in the interests of peace.

And he blamed his adopted United States—more specifically its politicians—for most of the animosity existing between East and West.

The veteran crusader for world peace, in a birthday talk with reporters, had blame for Canada, too, for not doing its "duty" by giving diplomatic recognition to Red China.

He said Canada should recognize Red China "instantly," a move which he suggested could force the United States to follow suit or compel the resignation of U.S. Secretary of State Dulles, whom he has frequently accused of bungling U.S. foreign policy and endangering peace.

Firing the secretary would be "the greatest New Year present that could happen to the world." said the outspoken Mr. Eaton, who left his native Pugwash, N.S., as a youngster to go to the U.S. and win and lose personal fortunes estimated up to $200,000,000.

RISKS CIVILIZATION

"Dulles is so opposed to communism that he is willing to risk the whole fate of civilization in all-out war," said Mr. Eaton, who has been described as the only literate American defender of Russia not on the suspect list of the FBI.

Mr. Eaton, who visited Russia in September and met its powerful Nikita Khrushchev, said the Russian government can be trusted and he believes Khrushchev when the Russian says he does not want war.

He said he explored the idea of Khrushchev visiting the United States and Canada and the chairman of Russia's council of ministers told him he would like to do so but would need invitations from President Eisenhower and Prime Minister Diefenbaker.

Among Mr. Eaton's birthday greetings was a cable from Khrushchev wishing "success in your noble activities for the benefit of peace and friendship between our countries."

Mr. Eaton talked with Canadian and U.S. reporters after a morning ski run over the rolling hills of this Quebec province resort 44 miles from Ottawa. He had taken off about a fortnight from such jobs as the chairmanship of the $1,000,000,000 Chesapeake and Ohio Railway and of Canada's Steep Rock Iron Mines to celebrate Christmas and his birthday with members of his family here.

SEEKS RECONCILIATION

In discussing world affairs, his main concern was the question of a reconciliation with Russia.

"I think we have the wrong impression of what goes on in Russia," he said. "I believe we can make an agreement with Russia. It would be greatly to the advantage of both Russia and the West. And the alternative is so terrifying."

"I rely," Mr. Eaton added, "on Khrushchev's statement when he told me 'I don't want war.'

"He said he doesn't want to bring on a war and the destruction of the human race."

Mr. Eaton said the Russian leader told him:

"I want to participate in the development of the great resources of Russia."

He said Khrushchev recognizes that the industrial development of the U.S. has made it great and he wants to do the same thing.

"Did he speak with envy?" Mr. Eaton was asked.

"No, with admiration," he replied.

TRIGGER-HAPPY?

Asked what he thought of the possibility of the Russians getting trigger-happy and loosing the H-bomb, Mr. Eaton answered:

"That causes me more anxiety than anything . . . . I think that if the Russians thought we would turn things loose, they might take the risk. But they have a terror of war."

"I believe," he added, "that we can make a trade, can agree on a treaty of peace under which these two nations can live together."

"I think the U.S. has been the chief stirrer-up of animosity. We are not a popular nation. We are so rich and powerful that it has gone to our heads and we are not as tactful as we should be. The politicians are the main offenders."

He said President Eisenhower "has to realize that we must deal with Russia on the basis that it is a powerful nation and not one that can be pushed around."

He described President Eisenhower as "an honorable man who made a mistake in turning over foreign relations to Dulles."

"I don't think he could have got a man more misplaced," Mr. Eaton added.

Mr. Eaton, who has stated that communism and democracy can live side by side, said the U.S. state secretary, is "fanatic" in his hatred of communism.

SHOOTING SCENE

Five persons died early Christmas Day in a shooting in and around this backwoods cabin at Ear Falls, Ont., where Albert Young, 47-year-old blind man, lived with his three sons. The victims included Young; Mr. and Mrs. James Gordon; George Williams, and Const. Calvin Fulford of the Ontario Provincial Police. Tom Young, 27, was charged with murder.

Blame Murder And Suicide For Four Deaths In Ontario

GUELPH (CP)—Police Sunday were trying to unravel the mystery surrounding what they call a triple slaying and suicide which occurred 40 miles apart Saturday night.

Dead are: Ambrose McQuinn, 51, and his wife, Mary, 53, of Guelph; Maude Grisch, 66, and Harold Reynolds, 57, both of Greensville, 40 miles south of here.

Police said the shootings may have been precipitated by an argument between Reynolds and Mrs. Grisch, his step-sister and Mrs. McQuinn's aunt, over the sale of a home in Dundas, near Hamilton.

Reynolds also apparently had financial dealings with the McQuinns but so far the police have been unable to determine what they were.

SHOT AT HOME

According to police Mrs. Grisch was killed at 11:20 p.m. in a Greensville home where she and Reynolds boarded. Around midnight the McQuinns were shot in their home here as they entertained some friends. Police stopped Reynolds as he drove from Guelph to Greensville, but they said he shot himself before they could get to his car. He died later in a Hamilton hospital.

Police said all of the slayings were done with a .38-calibre automatic.

The McQuinns had beene ntertaining Joseph Carr of nearby Alverton and Caroline Addison of Hamilton. The latter were in the living room when someone entered the house around midnight.

FOUR SHOTS FIRED

They said four shots were fired. Mr. McQuinn was found dead in the hallway, Mrs. McQuinn in the kitchen.

Neither Mr. Carr nor Miss Addison saw the shootings. They said they doubted whether the slayer even knew they were there.

Guelph police started a hunt for the slayer with an all-points bulletin. Ancaster and Waterdown police spotted Mrs. Grisch's car being driven by Reynolds. They gave chase and forced Reynolds to stop near Greensville.

SHOT HIMSELF

They said before they could get to Reynolds in the car, he shot himself. He was taken to a Hamilton hospital where he died at 2:30 a.m.

Reynolds and Mrs. Grisch had lived in a home owned by Mrs. Ada Wintemute in Greensville.

Mr. McQuinn, a painter at the Ontario Agricultural College here, came from Hamilton a few years ago.