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Sunny, becoming cloudy in the afternoon with showers by evening. Southwesterly winds 15. Low-high at Ch'town 45 and 75.

"Covered Edward Island Like The Dew"

OTTAWA, CANADA, THURSDAY, MAY 28, 1959

24 PAGES

FIVE CENTS

Income Tax Act Change Faces Threat In Senate

Liberal Majority Use Threatened

OTTAWA (CP) — Liberal Senator A. K. Hugeson Wednesday threatened to mobilize the Senate's opposition majority against a government amendment to the Income Tax Act.

The Quebec senator said unless the government can give a better reason for the amendment "we should seriously consider whether we should pass it."

The amendment would eliminate from the Income Tax Act special provisions applying to foreign business corporations incorporated in Canada. It is one of a number of proposed changes to the act which received second reading approval in principle and was referred to the banking committee for detailed study.

Under the present act a foreign business incorporated in Canada but not doing business in this country is required to pay no income taxes but an annual fee of \$100. The proposal is to eliminate this provision until the tax position of such companies can be studied.

NOT SATISFIED
Senator Hugeson said the government has not yet given a satisfactory explanation for the move.

He said that when the bill is before the committee the opposition will demand a full explanation.

Senator Gunnar Thorvaldson (PC—Manitoba) said Tuesday the action was being proposed to eliminate any possibility of such companies enjoying tax avoidance or of Canada becoming a tax haven. He said existing companies would not be affected.

Senator Hugeson said Wednesday it is true that the \$100 annual fee is not a large contribution of Canada's revenues. But most of these companies had foreign shareholders and when they declared a dividend 15 per cent of it was paid to Canada in tax.

The government has hinted it fears some new companies would avoid paying tax on dividends by moving out of Canada just before distributing them and establishing in a country where they would not be liable to tax.

400 Cars Spuds Left

Since the beginning of the 1958-59 shipping season up to and including May 25, 12,400 carlots of Prince Edward Island potatoes have been shipped out of the Province, a spokesman for the Prince Edward Island Potato Marketing Board said last night following a meeting held in Charlottetown.

In addition reliable estimates indicate that there are only approximately 400 carlots remaining to be shipped at the present time, the Board release asserted. It was noted that a total of 955 carlots had been moved in the May 1-25 period.

Dynamite Detonated

OUTLOOK, Sask. (CP)—Prime Minister Dieffenbaker detonated a half-ton of dynamite Wednesday in a symbolic ceremony to mark the official start of construction of the South Saskatchewan River Dam near this town 80 miles southwest of Saskatoon.

Red Tributes Surprising

MOSCOW (Reuters) — Soviet tributes to the late John Foster Dulles Wednesday reflected a marked change in Moscow's political climate.

Western diplomats frankly are astonished at the warm tributes paid by Kremlin leaders to one of their greatest post-war political adversaries.

The change is attributed partly to the results of First Deputy Premier Anastas Mikoyan's talks with the late secretary of state in Washington last January.

Soviet leaders apparently have altered their basic views on American intentions toward Russia.

It now is taken for granted that the old Western war cry of "liberation" for Eastern Europe has been finally buried with Dulles' funeral Wednesday. This cry was seen here as a major obstacle to a successful East-West summit conference.

Western diplomats in Moscow said the new line of treating political opponents as human, if "misguided," could improve the political climate for a summit meeting.

Montgomery Is Seen As Governor General

'NO COMMENT'

LONDON (Reuters)—A British newspaper reports today that Field Marshal Viscount Montgomery is one of the likely candidates for the post of Governor-General of Canada.

The Daily Herald names him in a front-page story as the only Briton among the "possibles" to succeed present Governor-General Vincent Massey who retires in September.

It says the Queen will discuss the question of a successor to Massey with Prime Minister Dieffenbaker when she visits Canada next month.

The Daily Herald says Lord Montgomery, whose outspoken Second World War memoirs created an international stir, replied "no comment" when asked about the possibility last night.

Ottawa Interest Seen In Ferry Vacationland

Alex Scott, P.Eng., who recently returned from Michigan where he inspected the MV Vacationland has been invited to meet today with a marine survey engineer from the department of transport and with a bridge engineer of the Atlantic Region, CNR to further discuss the feasibility of using the Borden and Tormentine docks in berthing the Michigan ship, should she be procured for this service.

It is understood that the three engineers will inspect the facilities at both terminals. Mr. Scott who for a number of years was division engineer for the CNR in Prince Edward Island has first hand knowledge of the construction and maintenance of both piers.

In his recent report, Mr. Scott

not only recommended the use of the Borden and Tormentine piers for the Vacationland but strongly emphasized the need for additional transportation facilities.

In showing traffic trends over the past 10 years, Mr. Scott predicted that with the facilities to handle it, traffic could easily reach the 300,000 vehicle mark annually by 1968.

The former division engineer also recommends that the Borden and Tormentine piers be widened so as to accommodate several lanes of traffic.

At present the two piers can handle only two-way traffic on narrow piers that were constructed to accommodate the automobile traffic of the late twenties.

Nootka Checking Submarine Story

OTTAWA (CP)—The Canadian destroyer Nootka is understood to be checking a reported submarine sighting off the east coast.

This is not an unusual mission for the Canadian Navy but happened to come to public attention this time when the Nootka left hurriedly for sea from Saint John, N.B., where she was a special attraction at the Atlantic Provinces Industrial Exposition.

It is possible that RCN patrol submarines from Greenwood, N.S., are also checking the reported sighting.

DECLINE COMMENT
Naval officials here and at Atlantic Command headquarters, Halifax, declined comment on the Nootka's mission, saying only that the destroyer was required for an operational commitment.

However, it was understood on good authority the mission is to check a reported sub sighting.

The navy said the Nootka is scheduled to dock at Halifax early today indicating that the warship will conduct a routine search across the Bay of Fundy and around Nova Scotia's west and south shores.

It was considered likely that if the Nootka's mission has been any other than to check a submarine sighting the navy would have announced it.

HOUSEWIVES ARE TAUNTED

COVEN, England (Reuters) — A contracting company Wednesday issued a four-point program for peace with housewives.

From now on, the firm pledged, its plumbers, electricians, painters and other workmen will:

1. Wear collars and ties at all times.
2. Bring their own door-mats to wipe their feet on before entering the house.
3. Carry portable stoves for brewing their own tea.
4. Wear slippers in houses while on jobs.



BEAR CUB IS SAD ORPHAN

This cute little fellow was made an orphan when hunters shot his 200-pound mother to make bearskin hats for the Brigade of Guards in England. The little fellow couldn't see the sense of such goings on and he bit the finger of Bob Jones who is shown holding him near Timmins, Ontario. (CP Wirephoto)

Murder Arraignment Of Laing Is Postponed

ST. JOHN'S, Nfld. (CP) — The formal arraignment of Ronald Laing, charged with murder in connection with the death of a Newfoundland policeman, was postponed Wednesday until June 2.

Laing, 30, has been in hospital since last week and could not appear to enter his plea. The postponement was requested by Crown Counsel James Power. No date has been set for Laing's trial.

A grand jury returned a true bill against Laing Tuesday after hearing 11 witnesses. James Greene, counsel for the International Woodworkers of America (IWA), announced that James Higgins, Newfoundland's top criminal lawyer, would defend Laing.

No details were immediately available on Laing's illness. The St. John's Evening Telegram, however, said Laing was examined last year for a suspected kidney ailment.

He has been in prison here and at Grand Falls since March 10 when Const. William Moss of the Newfoundland constabulary was fatally injured in a clash between IWA strikers and police.

The incident occurred at the height of a strike called against the Anglo-Newfoundland Development Company by IWA loggers who wanted higher wages and a shorter work week.

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Ike Takes Action To Break Crisis

By FRED S. HOFFMAN
WASHINGTON (AP) — President Eisenhower will take a direct hand today in trying to break the deadlock at the East-West foreign ministers conference.

Only a few hours after the U.S., British, French and Russian diplomatic chiefs landed here Wednesday from Geneva, a White House conference was set up for this morning.

The foreign ministers suspended their so-far fruitless talks at Geneva to attend the funeral Wednesday of John Foster Dulles, who not many months ago was in the thick of the Communist-Western dispute over Berlin.

RESUME IN SECRECY
The Geneva negotiations are scheduled to resume officially Friday on a secret basis. But the Soviet and Western foreign policy chiefs are likely to get to work again before that—when they fly back to Europe together aboard an air force plane.

The Dulles funeral brought one

of the biggest concentrations of foreign dignitaries here in many years. Eisenhower arranged a luncheon for them today following his talk with the Big Four negotiators.

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Lobster Raids Strike East

HALIFAX (CP) — The fisheries department's special protection force has cracked down again on Prince Edward Island's Lobster Bootleggers.

A brief department statement issued here Wednesday said officers seized a small quantity of undersize lobsters discovered in searches of cars at road blocks in the North Lake area. RCMP from Souris, P.E.I., assisted in the searches.

The statement said prosecutions will follow.

At the same time, several hundred undersize lobsters were seized from moored crafts in the same area by patrol boats. Ownership of the lobsters couldn't be established.

The action follows a large-scale raid at Alberton, P.E.I., two weeks ago when several thousand illegal lobsters were seized in household canneries. Eight persons were charged, four convicted and four now face trial. Three of the canneries were put of operation.

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Gordon Howe, 17, of Dartmouth, N.S., centre, became the third generation of his family to join the Canadian Navy. Left to

right above after the swearing-in ceremony are retired CPO William Howe, his grandfather; CPO Gordon R.A. Howe, his father; Gordon, his mother, and CPO Laurie Howe, an uncle who has amassed 11 years of navy service. (CP from National Defence)

THIRD GENERATION IN NAVY



BABY MOOSE GETS BOTTLE SNACK

Joseph Berrieau of Lincoln, N.B., feeds a baby moose from a pop bottle near Fredericton. The baby moose, abandoned by its mother, was found by Mr. Berrieau as it wandered on a road. After this feeding, the animal was turned over to the wildlife division of the department of lands and mines for the wild animal farm. (CP Photo)

World Pays Final Respects To Late John Foster Dulles

By DOUGLAS E. CORNELL
WASHINGTON (AP) — John Foster Dulles was buried on a sun-drenched hillside Wednesday with military honors and a formal farewell from statesmen of many lands.

The man who had dedicated much of his life to a quest for world peace found it for himself at last in Arlington National Cemetery.

President Eisenhower looked on at the military services. Com-

pressing his lips in a thin line, he appeared near tears.

Another chief-of-governments, 83-year-old Konrad Adenauer, chancellor of West Germany, was among the mourners. Foreign ministers representing much of the Western world were on hand, too, along with Andrei A. Gromyko of Russia.

FROM THE WORLD OVER
Many of the statesmen had flown the Atlantic and Pacific to attend the funeral of the former secretary of state, who died Sunday at the age of 71, a victim of cancer.

Finance Minister Donald Fleming represented the Canadian government.

Gromyko offered up an exceptional measure of praise for his old diplomatic opponent. Acknowledging they had many differences, he termed Dulles "an outstanding statesman, outstanding diplomat."

Dulles in death had achieved something he could never bring about during his lifetime: A truce in the cold war, a suspension of bitter propaganda exchanges and a measure of hope that somehow the event of his passing and the rituals accompanying it may open the way to better understanding

Visit Change Now Official

OTTAWA (Special)—The Queen and Prince Philip will arrive in Charlottetown at 10.00 a.m. Thursday, July 30 and leave again at 9.30 a.m. the following day.

The Royal Tour committee have issued a revised schedule for the Queen's tour of Canada coast-to-coast.

She is due to leave Shediac, N.B. at 6.30 p.m. Wednesday aboard the Royal Yacht Britannia and arrive in Charlottetown at 10.00 a.m. the following morning. She leaves the Island early Friday by air for New Glasgow, N.S.

Military Significance Seen In Albanian Tour

By SIDNEY WEILAND
BELGRADE, Yugoslavia (Reuters) — Soviet Premier Nikita Khrushchev's current tour of Albania took on increased military overtones Wednesday with the announcement that Communist China's defence minister will arrive in the tiny Russian satellite today.

The Albanian news agency ATA said Marshal Pen Teh-tzu will spend six days in the country. Peiping's defence chief has been leading a Chinese Communist goodwill mission on a tour of Soviet bloc countries since mid-April.

The Soviet premier began his 12-day stay in Albania on Monday. Pen's impending arrival during Khrushchev's visit touched off speculation here that the defence minister's trip probably was intended to underline Soviet proposals for a new role for Albania in Communist military planning.

MINISTER GOES ALONG
Soviet Defence Minister Rodion Malinovsky accompanied Khrushchev to Albania.

Khrushchev made veiled threats in Tirana, the Albanian capital, Tuesday that Soviet missile bases would be set up in Albania if the West provided Italy and Greece with similar bases.

He called for creation of a Balkan "peninsula of peace" free of rockets and atomic weapons.

Another Communist chief now in Albania is Premier Otto Grotewohl of East Germany.

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