

If It's Good For The Island
The Guardian Is For It

The Guardian

"Covers Prince Edward Island Like The Dew"

WEATHER

Intermittent snow, freezing rain or rain, snowflurries by evening. Low-high 9 and 33. Friday: sunny.

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CHARLOTTETOWN, CANADA, THURSDAY, FEBRUARY 11, 1965.

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16 PAGES

WATER COMMISSIONERS RETURNED

Two Newcomers Elected Members Of City Council

New blood entered City Council last night when two men making their initial start in civic politics won seats in Ward 5 and a former Councillor came back in Ward 4.

Louis Johnston and John Morris are the newcomers in Ward 5 with veteran William MacNeill returned to Council. In Ward 4 John Nicholson won re-election and representing the ward with him will be Arthur Wright making his third appearance in Council Chamber.

WATER COMMISSIONERS

All three Water Commissioners were returned to office with large pluralities. Voting for Commissioners saw chairman Sidney Green lead the poll with 1,999 followed by Joseph McKenna with 1,832, R. Earl Taylor with 1,741 and E.W. Coady with 1,111.

The incoming Council will be headed by Mayor Walter J. Cox who won election by acclamation last Wednesday on nomination day.

Mayor Cox formerly held one of the two Ward 4 seats and his place is being taken by Mr. Wright, who twice before was in Council as Ward 3 representative.

Only one member of the past Council who sought re-election was defeated as Allison Gillis lost in Ward 5.

WARD FIVE

Despite the fact there was no contest for the majority heavy

voting took place in Ward 5 with Johnston having the lead in four of the seven polls.

Result of the balloting in this ward showed the following totals: Johnston 1,079, MacNeill

965, Morris 728, Martin 672, Myers 648, Gillis 376.

WARD FOUR

In Ward 4 Councillor John Nicholson won in every poll as he sought re-election. The results here were: Nicholson 355; Wright 320; Walker 227.

The heavy voting in "a" West B with its split poll saw the ultimate winners pile up substantial leads. Here Johnston had 490; MacNeill 444; Morris 326; Martin 210; Myers 193; Gillis 104.

The new Council, which will be sworn in this afternoon at four o'clock in Council Chamber, will lineup this way: Mayor Walter J. Cox and Councillors Arthur Gormley, Mrs. Dorothy Corrigan, Frank Zakem, John Nicholson, Arthur Wright, William MacNeill, Louis Johnston and John Morris.

Raid Sparks New Flurry

WASHINGTON (AP)—A new terrorist attack on Americans in South Viet Nam, with a reported heavy loss of life, set off a flurry of high-level conferences here Wednesday to determine the U.S. response.

President Johnson called his top diplomatic and military advisers into emergency session at the White House as dispatches arrived on the Communist guerrilla destruction of a U.S. military billet at Qui Nhon.

George E. Reedy, White House press secretary, who reported earlier that Johnson had been in touch with top aides, declined to comment on whether the United States is considering another retaliatory blow.

Trend Shows Upset Vote

PITTSBURGH (AP)—W. Abel clung to a narrow unofficial lead Wednesday night in his bid to topple David J. McDonald as president of the United Steelworkers Union. Returns were incomplete.

The closeness of the voting pointed up two possibilities: 1. If a clear-cut winner does not emerge, the election may wind up in a time-consuming court fight, delaying the resumption of vital steel contract negotiations.

2. An Abel victory would constitute one of the most unusual upsets in the history of the North American labor movement.

Former CWL President Dies

HALIFAX (CP)—Marguerite Burns, a prominent Halifax businesswoman and a former national president of the Catholic Women's League, died in hospital here Wednesday following a lengthy illness.

She was 61. A native of Halifax, Miss Burns was a director of Burns Fisheries Ltd., a former commissioner of the Halifax school board, treasurer of the Nova Scotia union of school boards and a member of the boards of several organizations including the Family Service Bureau and St. Joseph's Orphanage.

Peace Talks Suggested

PARIS (CP)—President de Gaulle said Wednesday that fighting will settle nothing in Southeast Asia and again offered to help negotiate a neutralization of Viet Nam, Laos and Cambodia.

A French government spokesman, reporting on a meeting of de Gaulle with his cabinet, said de Gaulle was not surprised by the flareup of fighting in Viet Nam in the last two days.

Mr. Dover's clothing caught fire as he ran to the front of the store to tell the owner, Ivo Cudmore of Bunbury. Mr. Dover extinguished the fire on his clothing by himself as Mr. Cudmore ran next door to Cantwell's Pharmacy to call the fire department.

Mr. Dover was taken to the P.E.I. Hospital suffering from burns to one arm and both his

LBJ Dollar Drain Move Seen Affecting Canada

Tourist Buying Will Be Curbed

By ARCH MACKENZIE
WASHINGTON (CP)—President Johnson, determined to end the United States' nagging dollar deficit, announced counter-measures Wednesday which included "firm assurance" from Canada that it will curb its borrowings.

He also announced other steps affecting Canada directly or indirectly, including higher costs for foreign loans, discouragement of private investment abroad by U.S. business, reduced duty-free exemptions for U.S. tourist purchases and incentives to lure more foreign investment to the U.S.

Favorable responses came quickly from top businessmen, and the reaction of congressional leaders was almost wholly favorable.

The package presented to Congress had world-wide ramifications in view of the position of the American dollar as the chief currency.

Johnson's main reference to Canada concerned Canada's partial exemption from the interest equalization tax, passed last September. The tax—a minimum of 15 per cent—is on foreign stocks and bonds acquired by American citizens. After special urging, new Canadian issues were exempted.

ARGUED SPECIAL NEED
Canada argued special need for American funds, both for development and for meeting her own dollar drain, or balance-of-payments problem.

Said the president Wednesday:

"To stop any excessive flow of funds to Canada under its special exemption from the equalization tax, I have sought and received firm assurance that the policies of the Canadian government are and will be directed toward limiting such

outflows to the maintenance of a stable level of Canada's foreign exchange reserves."

That amounted to a reiteration of the Canadian undertaking last year when it received partial exemption.

As expected, after the legislation became law Canadian borrowings in the U.S. leaped, contributing to a serious U.S. drain of dollars in the last three months of 1964.

President Johnson has sought reassurance that the continued volume of Canadian borrowings in American money markets will be restrained enough to prevent Canada's holdings of American dollars from swelling beyond her needs for stability.

MAY AFFECT CANADA

The president's package also included various other measures which may affect Canada, all designed to bolster his claim that "those who fear for the (U.S.) dollar are needlessly afraid."

1. He asked Congress to extend the interest equalization tax—and presumably Canada's partial exemption—two years beyond next Dec. 31.

2. The tax will be extended by executive order to foreign loans—but not from banks—of one to three years' duration.

3. It will be extended also to bank loans of more than one year. It was not known just what impact these two extensions, effective immediately, would have on Canada, although they affect Japan and a number of other countries which have been relying on this source of capital.

4. To reduce the U.S. tourist deficit of more than \$1,500,000,000 annually—the difference between what American travellers

would have on Canada, although they affect Japan and a number of other countries which have been relying on this source of capital.

Canada Not Untouched, Finance Minister Says

OTTAWA (CP)—Finance Minister Gordon said Wednesday no serious difficulty for Canada appears to flow from President Johnson's new balance-of-payments measures, but Canada won't be left entirely untouched.

He assured U.S. Treasury Secretary Dillon that Canada will not use an exemption granted earlier from the interest equalization tax to borrow funds in the U.S. to increase this country's foreign exchange reserves.

Mr. Gordon said in a statement that the special message to Congress by President Johnson is "reassuring" to Canada.

"They are taking extensive measures to deal with their own balance-of-payments situation, and it is clear that in doing so they have taken account of our situation here," he said.

"The trade and financial relations between Canada and the U.S. are so substantial that we could scarcely expect the U.S. to take measures to improve its balance of payments which would leave us entirely untouched.

"However, there does not appear to be anything amongst the president's proposals that will cause Canada serious difficulty."

Mr. Gordon said an exemption for all new issues of Canadian securities from the U.S. interest equalization tax "remains intact."

He told Mr. Dillon that Canadian officials "will continue to be directed towards general stability in our foreign exchange reserves."

"It is not our desire or intention to increase our reserves through the proceeds of borrowing in the U.S. under the exemption."

Government authorities said President Johnson's measures generally recognize Canada's special position and problems.

As the new moves might affect U.S. bank and business investment and U.S. tourist expenditures in Canada, however, their effects may have been softened by recent developments.

The Canadian position is that Canada has not been a drain on the U.S. balance of payments.

In the 15 years from 1949 to 1963 Canada had a current account deficit with the U.S. of \$15,000,000,000 American capital investment in Canada was about \$7,500,000,000 in the same period, leaving a net Canadian deficit—or a U.S. surplus—of almost \$8,000,000,000.

This was the argument that prompted the U.S. to make an exemption for new Canadian issues from the interest equalization tax.

One source indicated that to some extent Canada has been preparing for the Washington move, particularly as it is designed to put a damper on U.S. bank loans and U.S. financing of business abroad.



\$75,000 Loss Estimated In Grafton Street Blaze

FIREMEN were directing their hoses into the dense smoke during the \$75,000 fire that destroyed the building housing Cudmore's Business Equipment, Adella's Millinery and five apartments yesterday. The building, located on Grafton Street across from St. Paul's church was completely destroyed and Donald Dover, an employee of Cud-

more was slightly burned when his clothing caught fire. Maritime Electric Co. employees are removing power lines that lead into the building.

A flash fire which began in the workshop of Cudmore Business Equipment Ltd., 179 Grafton Street yesterday afternoon, resulted in over \$75,000 damage as the building which also contained five apartments, and a millinery business, was completely destroyed. One man was injured, suffering burns to both legs and an arm.

Donald Dover, 177 King Street, was working on a machine with cleaning fluid, when it ignited from an unknown cause.

Mr. Dover's clothing caught fire as he ran to the front of the store to tell the owner, Ivo Cudmore of Bunbury. Mr. Dover extinguished the fire on his clothing by himself as Mr. Cudmore ran next door to Cantwell's Pharmacy to call the fire department.

Mr. Dover was taken to the P.E.I. Hospital suffering from burns to one arm and both his

legs. A companion worker, David Burgoyne, escaped through a back window.

Mr. Cudmore raced from the pharmacy to the upper floors of the burning building warning the tenants of the dangers. By the time he got back to his office, a matter of minutes, it was a mass of flames. He wasn't even able to get his hat and coat.

Mr. Cudmore said last evening that Mr. Dover's burns were not serious and that he was resting comfortably in the hospital.

BOUGHT LAST SPRING
Mr. Cudmore, who bought the wood constructed building last spring, estimated his personal loss, including the building and his stock on hand, at approximately \$60,000. He said the building was insured for about 75 per cent of its value and he had partial coverage on his stock.

Adella's Millinery occupied the other ground floor location in the building and it too was completely destroyed. It is owned by Mrs. Adella MacLellan of 46 Prince Street. Mrs. MacLellan was unavailable last evening for comment on the estimate of her loss or intention regarding re-opening.

Mr. Cudmore said last evening he intends to re-open his business and would be making an announcement in the next day or so as to where the location would be.

The occupants of the five

Ont. Budget Is Record

TORONTO (CP)—Provincial Treasurer James Allan produced a record-size Ontario budget for 1965-66 Wednesday containing no new taxes, and frankly aimed at not rocking the boat of the province's prosperity.

The government will spend \$1,400,000,000 on net ordinary and capital accounts, \$141,000,000 more than it collects. On current account, the minister budgeted for a nominal surplus.

Opposition spokesmen slammed the Liberal Leader Andrew Thompson called it grey, lifeless, dull, do-nothing and standard.

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Probation Supervisor Named For Province

Welfare and Labor Minister Henry Wedge announced yesterday the appointment of Vincent E. McIntyre, Corran Ban, as probation supervisor for Prince Edward Island.

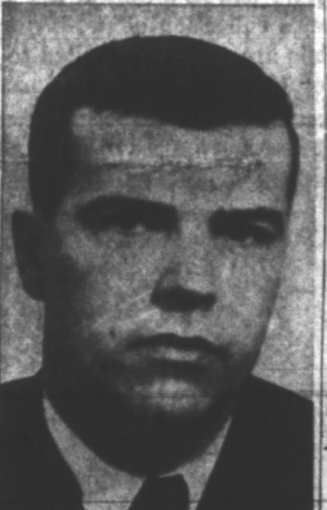
Mr. Wedge said "the appointment is the first stage in filling a need which has existed in this province for some time."

"The inauguration of a formal probation service will add a new facet to the corrections field locally. Probation is a legal alternative to imprisonment and is a means whereby a convicted person serves a period outside prison and under supervision."

"This will add to the conditions of suspended sentences now in use a necessary factor of rehabilitation as well as control. At present, seven other provinces are making extensive use of probation services in their corrections processes and have found the results gratifying, both financially and in terms of rehabilitation of offenders."

Mr. Wedge said Mr. McIntyre will be responsible for the juvenile delinquency program in the province and a limited section of the adult correctional program which is expected to be expanded as time goes on.

Mr. McIntyre graduated from St. Dunstan's University in 1960 with a bachelor's degree in science and received his mas-



V. E. MCINTYRE

ter's degree in social work from St. Mary's University in 1962.

He was employed by the division of mental health of the provincial health department from May of 1962 until his recent appointment.

Mr. McIntyre holds a commission as lieutenant in the Royal Canadian Navy Reserve. He is married to the former Sheila McClafferty of Annapolis Royal, N.S. and they have two children.

Federal Aid Is Planned For Atlantic Area Roads

OTTAWA (CP)—The government will propose at the next session of Parliament an assistance program for highways in the Atlantic provinces entailing federal spending of \$30,000,000 over the next three years.

It was announced that the program is to involve both new construction and improvement for trunk highways in the provinces, the prime minister's office said. Financing would be through appropriations to the Atlantic Development board.

The program would allow the board to continue and expand an earlier program of highway assistance announced last July, when \$10,000,000 was allocated from the \$100,000,000 Atlantic development fund to meet pressing trunk highway needs in the region.

The announcement said \$9,000,000 each will be available to New Brunswick, Nova Scotia and Newfoundland, and \$3,000,000 to Prince Edward Island under the proposed program.

SPECIAL ASSISTANCE
Special assistance would be included "to enable an early commencement of construction" of a new toll bridge at Saint John, N.B., crossing the St. John River, the statement added.

Assistance for each province would be worked out between the provincial government and the Atlantic Development board. Federal contribution for any trunk highway project

would be limited to 50 per cent of the project's cost.

The statement said the river crossing at Saint John is "an essential link" in the Atlantic highway system. The government regards establishment of a good main highway system as a vital contribution to the economic development of the region.

"The bridge is to be administered by the Saint John Harbor Bridge Authority. Tolls would

be charged and the bridge eventually would become self-supporting.

Interim assistance was considered necessary because of the heavy capital expenditure involved, the statement said. The federal government agreed after discussion with officials of the provincial government and the bridge authority "to cover the difference between agreed annual expenditures and the toll revenues."

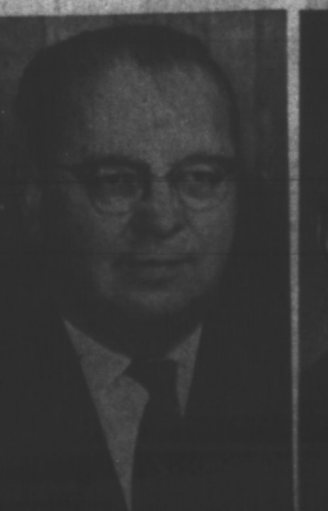
Councillors And Water Commissioners Elected Yesterday



ARTHUR WRIGHT
Councillor Ward Four



J. P. NICHOLSON
Councillor Ward Four



W.R. MACNEILL
Councillor Ward Five



LOUIS JOHNSTON
Councillor Ward Five



JOHN MORRIS
Councillor Ward Five



JOSEPH MCKENNA
Water Commissioner



SYDNEY GREEN
Water Commissioner



R. EARL TAYLOR
Water Commissioner