

"Covers Prince Edward Island Like The Dew"

CHARLOTTETOWN, CANADA, WEDNESDAY, APRIL 28, 1965.

SEVEN CENTS

14 PAGES

VOL. LXXVIII NO. 99



PEARSON IS INTERESTED FAN

Prime Minister Pearson (right) looks on as Montreal Canadiens and Chicago Black Hawks tangle in the fifth game of the Stanley Cup finals in Montreal Tuesday night. With Mr. Pearson is Senator Hartland de M. Molson, chairman of the board of the Montreal club. The Canadiens won 4-0 to take a 3-2 lead in the series. Next game is in Chicago. (CP Wirephoto)

Opinions On New Budget Appear Split Three Ways

By KEN SMITH
Canadian Press Business Editor
OTTAWA (CP) — Finance Minister Gordon didn't balance his new budget, but he achieved a balance of sorts in the early reaction to it — one plus, one minus and one maybe.
The plus came in the general approval of his 10-per-cent cut in personal income taxes, effective July 1 and worth a total of \$170,000,000 this year.
The minus was the strong objection to his decision to leave unchanged corporation taxes and the controversial 11-per-cent sales tax on production machinery.
The maybe was the let's-wait-and-see attitude toward his announcement of the proposed \$1,000,000,000 Canada Development Corp. to be set up to provide financing for private Canadian businesses that might otherwise pass into foreign control.
Mr. Gordon, forecasting an

Army Revolt Collapses In Dominican Republic

SANTO DOMINGO (AP) — A drive by a group of young army officers to restore exiled president Juan Bosch to power in the Dominican Republic collapsed Tuesday night after three days of fighting in this Caribbean country.
The end came after air and navy forces opposed to Bosch bombarded Santo Domingo and then swept into the city with tanks and men.
There were reports that hundreds were killed in the fighting that first erupted Sunday when the army rebels overthrew the U.S.-supported civilian junta.
Military factions then split up into pro- and anti-Bosch forces, with the anti-Bosch forces backed by Communist Cuba, the Soviet Union and China. Similar charges played a part in the overthrow of Bosch in 1963 and his flight to San Juan, Puerto Rico.

French Islands Annoyed Over Paris Police Arrival

By DAVE BUTLER
ST. PIERRE, St. Pierre-Miquelon (CP) — Residents of these French islands put full blame for a general strike and arrival of army police from Paris on Governor Jacques Herry Tuesday, and demanded his recall to France.
The strike continued in its second day with everything in the town except a few government offices idle. Shops opened briefly in the morning to allow residents to make necessary purchases.
Although there were no demonstrations, such as took place Monday, the army and police and inhabitants eyed each other coldly on the streets.
The 65 police appeared ready for a lengthy stay. They had taken over the entire Hotel Robert and were using their own cots.
Meanwhile, in Halifax Canadian immigration officials said they had been alerted for the landing here tomorrow of another 67 police from Paris en route to St. Pierre, about 10

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100 Low-Rental Homes Said Required In City

Council Asked To Push Survey

A resolution from the floor asked City Council to carry on with arrangements with Central Mortgage and Housing Corp. and request an investigation by that agency into the building of low-rental housing in this city. It was passed unanimously by the 23 citizens present either as individuals or representatives of various organizations at a special meeting of City Council last night.

The meeting was called by Mayor Walter J. Cox to give Council and citizens an opportunity to hear J. A. Houston, regional representative of CMHC outline what could be accomplished. He told of a wide-ranging tour of the city yesterday with Mayor Cox and estimated a need for approximately 100 housing units here.

However, he said the suggested investigation involving selection of sites and types of units would require about six months because it involved sending a team of architects and planners here to examine the situation.

Both Mr. Houston and Mayor Cox agreed the steps taken in the past since former Mayor A. W. Gaudet inaugurated the program for low rental housing here and the government agency representative said there was no financial involvement for the city in this stage and when it was completed, Charlottetown would know the exact per unit cost of the entire project. Normally the unit cost elsewhere has been in the neighborhood of \$10,000.

Council will hold another meeting to debate the resolution passed last night and prepare plans for a formal application for the required investigation.

Present and taking brief parts in the proceedings were several representatives of the two welfare bureaus headed by Sister Mary Henry and Ralph Rupert as well as Edwin Brown, Royal Canadian Legion; Very Rev. F. J. Maloney, CSsR; Earle Baker, former Mayor A. W. Gaudet; Mr. and Mrs. J. A. Lawson; and Jack Ambler.

India Claims Border Victory

NEW DELHI (CP) — India claimed Tuesday it had killed, wounded or captured 300 Pakistanis in fighting in the Rann of Kutch area on the western frontier and destroyed nine tanks since April 9. 'Indias losses' were put at 65.

An official spokesman said that of the casualties, 190 Pakistanis were killed or wounded in Monday's battle at Bier Bet, six miles south of what India says is the border. Pakistan claims the area.

Flood Eases At Emerson

EMERSON, Man. (CP) — Floodwaters of the Red River began receding in this international border town Tuesday but the river was causing trouble downstream.
Thousands of acres of farmland were flooded in the Letellier area, about 15 miles north of here, as backup waters of the Red spilled into the Roseau and Marsh rivers.

Senate System Said Dangerous

OTTAWA (CP) — Douglas Fisher, New Democratic deputy leader, said in the Commons Tuesday the main use of the Senate is to take care of "bagmen" for the party in power and of ministers and MPs the prime minister wants to "boot upstairs."

As a result, he said, the Senate is dominated by businessmen protecting the interests of the business community. "One senator even has a stock ticker in his office."

A Senate appointment almost amounted to a guarantee that the new senator would be named to the boards of several companies, which hoped to exercise "leverage" over legislation affecting them.

Mr. Fisher, MP for Port Arthur, said the present system of making Senate appointments is dangerous. He spoke on the resolution preceding a bill providing for retirement of future senators at age 75 on an \$8,000 annual pension. Present senators, appointed for life, would be free to stay on or retire.

The bill was given first reading without a formal vote, opposition members saying "on division" to record their disagreement.
Of the nine senators appointed by Prime Minister Pearson, Mr. Fisher said, seven had been Liberal party fund-raisers or organizers and two were former MPs who made way for new ministers. Almost all senators appointed by Opposition Leader Diefenbaker when he was prime minister also were "party hacks and bagmen."

SOME BANK DIRECTORS
Mr. Fisher said the Senate banking committee, which blocked the incorporation of the Bank of British Columbia last year and held up two other "baby" banks for months, includes four senators who are directors of established banks.

One of them is Senator Saiter Hayden (L-Ontario), committee chairman and a director of the Bank of Nova Scotia.

Mr. Fisher gave the following descriptions of the nine senators named in the last two years by Mr. Pearson:

Senator Louis Gelinac, chief Liberal fund raiser for Quebec and director of 13 companies;
Senator John B. Aird, chief Liberal fund raiser for Canada and a Toronto millionaire;
Senator Daniel Lang, chairman of the Ontario Liberal campaign committee in the last provincial elections and a company executive;

Wallace Nesbitt (PC-Ontario) said the government legislation does not go far enough in reforming the Senate. He suggested that the provinces be allowed to nominate some senators and that more cabinet members be drawn from the Senate.

Liberal House leader Mel Ferris said present senators were appointed for life and it would be a clear infringement on their rights if they were forced out.

Burglars Hit Banker's Home

MIAMI BEACH, Fla. (AP) — Burglars broke into a Miami Beach banker's home Monday night and hauled away a 150-pound safe containing more than \$100,000 in cash and jewels, police reported Tuesday.

Victim was Jack Carner, chairman of the Miami National Bank.

The burglary occurred between 7:30 and 9:15 p.m. while Carner, his wife and friends were away from the house.

Anti-Pollution Measure Praised

MONTREAL (CP) — W. S. Kirkpatrick, chairman and president of Consolidated Mining and Smelting Company of Canada Limited, said Tuesday the federal budget provision for a 50-per-cent reduction on corporation expenditures in water pollution prevention is "a good and proper move."

Lobster Season Postponed Week

CAPITAL BUREAU OF THE GUARDIAN
OTTAWA — Serious ice conditions have led to a postponement for one week of the lobster fishing season in district 7B, Fisheries Minister H.J. Robichaud announced here Tuesday.

Farm Union Sees Budget Of Little Aid

OTTAWA (CP) — Finance Minister Gordon's budget will do little to assist farm income, the president of the National Farmers Union said Tuesday.

Roy Atkinson of Saskatchewan said the government's plan to allow a four-year write-off of the capital cost of constructing grain storage facilities "will be of greatest specific benefit" to Eastern corn producers who now have inadequate storage facilities.

Mr. Atkinson said "we hope it is not intended as a preparatory measure for an anticipated decline in the export of Canadian grain sales."

He said the farmers' union "wholeheartedly concurred" in the desirability of retaining Canadian ownership of Canadian industries. But there was an obvious advantage favoring large corporations, including U.S.-controlled industries, which would be able to invest early "and reap the benefits of that growth."

Stakes Are High In Viet Nam War

WASHINGTON (AP) — President Johnson, declaring that the United States will not "yield to aggression" in Viet Nam, renewed Tuesday his offer to talk peace "with any government anywhere any time, without any conditions."

The president opened his press conference with a statement saying that some people "may consider it a small war" in which the United States and South Viet Nam are engaged against the Communists but "to the men who give their lives it is the last war."

He also declared it is a war of very great importance for the U.S. and other countries. "The stakes are high."

"Our own freedom, our own welfare, would be in great danger," he said, if aggression were allowed to triumph.

"To yield to aggression brings only greater threats," he declared.

"To stand firm is the only guarantee of a lasting peace."

ACCUSES NORTH
Johnson accused North Viet Nam of carrying on a campaign of terror and slaughter against military and civilian populations indiscriminately.

"(South) Vietnamese and Americans have been targets of constant attacks of terror," he said, "soldiers and civilians, men and women were murdered and crippled."



HOME-TOWN EFFORT URGED

Robert P. Gerholz of Flint, Mich., now president of the United States Chamber of Commerce, Tuesday tells a Washington news conference

that home-town effort can do more to solve the nation's problems "than all the new forms of success pouring out of Washington."

De Gaulle Is Critical Of Conflict In Viet Nam

PARIS (AP) — President de Gaulle expressed "severe disapproval" of the Vietnamese war Tuesday and by implication advocated the independence and neutrality of the countries of Southeast Asia.

In a national radio and television address de Gaulle made only a passing reference to the conflict in Viet Nam, but this came after he had laid down what he said were the principles of French foreign policy. He said these were:

"That no hegemony exercised by anyone, no matter whom; no foreign intervention in the internal affairs of any state; no prohibition made to any country whatsoever to maintain peaceful relations with any other country whatsoever, can be justified."

"On the contrary, as we see it, the higher interest of the human species demands that each nation be responsible for itself, free of any encroachments, and aided in its progress without conditions of obedience."

"Hence, our severe disapproval of the war, which is spreading in Asia more and more from day to day; hence

our favorable attitude toward efforts of human liberation and national organization undertaken by various countries of Latin America, and the assistance which we are giving to the development of a good number of new African states, and the relations which we are establishing with China, and so forth."

"In brief, there is now a French policy and this is made in Paris."

Hanoi Claims U.S. Uses Gas

TOKYO (AP) — Radio Hanoi charged Tuesday "the United States and its agents" used toxic chemicals in an air raid last Sunday on North Viet Nam's Con Co Island.

"According to initial reports these included one colorless and fishy liquid and one black and smelly powder," said a broadcast monitored in Tokyo.

"After being spread, they caused trees to wither. Contact with them resulted in inflammation of the skin and burns."



NURSING ASSISTANTS AWARDED PRIZES

Three graduates of the Central School for Nursing Assistants received awards for the highest average during pre-clinical period at the graduation exercises held at Riverside Hospital auditorium last evening. The three receiving highest awards in their respective class from the left are: Pamela Aitken, group A; Mrs. Mac Clark, group B; and Jane Ball, group C, all of Charlottetown. (See story on page 8.)