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The Guardian

Sunny and warm; a few showers in the afternoon; southwest winds 15. Low-high at Charlottetown 55 and 78.

"Covers Prince Edward Island Like The Dew"

CHARLOTTETOWN, CANADA THURSDAY, JULY 31, 1958

NOT MORE THAN FIVE CENTS

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NOT BITING HERE

OTTAWA — There were no fish in this miniature river on King George Street in Ottawa but blonde three-year-old Barry Charles and Roddy Pasch had their fishing poles at work just the same. Other kids bath in the water-covered street, caused by a 50-minute downpour which was too much for sewers and ditches. (CP Wirephoto)

Board Suggests Less Than Half Rail Workers Demand

OTTAWA (CP)—A federal conciliation board has proposed considerably less than half of what labor wants in the big dispute between the railways and their 130,000 non-operating employees. The majority report of the three-man board—non-binding on the disputants—suggested Wednesday they should accept wage concessions worth about \$8,000,000 a year. They had asked for around \$100,000,000-plus.

The companies had offered nothing. Any company acceptance of the board report—or even some part of it—indicated an application for higher freight rates to make up the outlay. Possibilities were that the freight rate application could run as high as 25 per cent, depending on how much of the board report was written into a contract.

DECISION IN ABEYANCE But whether either the companies or the 15 unions representing non-operating workers would swallow the three-man board's recommendations appeared in abeyance at the moment. Officers of the companies were expected to meet at Montreal today.

It was reported there would be an Aug. 14 meeting at Montreal of the unions' negotiating committee under negotiating chief Frank H. Hall, now in Europe. Also, there was a hastily convened meeting due in the next couple of days of the Canadian Brotherhood of Railway Employees negotiators—the brotherhood is the largest of the 15 negotiating unions.

While no official spokesman would talk for either the companies or the unions, one union official indicated unhappiness with the report despite the fact it had been signed by David Lewis the union nominee on the board, in agreement with Mr. Justice H.F. Thomson of Regina, chairman. The minority report of the three-man board was written by company nominee Philip Vineberg of Montreal, who said there should be no wage increase at this time. However, Mr. Vineberg agreed

with subsidiary recommendations of the majority, not amounting to much in dollars. The main proposals of the majority report—with the approximate cost per year for the employees directly affected—were these: 1. A wage increase of four cents

an hour retroactive to last Jan. 1 worth \$11,200,000 on a full year, 2. Three per cent effective next Sept. 1 worth \$13,542,000 a year, 3. Three per cent effective next April 1 also worth \$13,542,000 a year. The new contract suggested by the board would run for two years starting last Jan. 1 succeeding one that expired Dec. 31, 1957.

No decision has been reached on what site to suggest for a summit meeting in the replies due to be sent shortly to Soviet Premier Khrushchev. New York seemed to be the favorite with Geneva well in the running. The date was a less burning issue and was expected to be about Aug. 12.

Wednesday's discussions were more an effort to "marry" the Anglo-American and French points of view than to obtain the adoption of one or the other in its entirety. Sources close to NATO said the air had been cleared Wednesday night and there had been some steps reconciling the view.

Palace Reception LONDON (Reuters)—Queen Elizabeth will hold a Buckingham Palace reception Tuesday for Anglican Communion archbishops and bishops attending the Lambeth Conference here, it was announced Wednesday.

College Heads Meet PERTH, Australia (Reuters)—Vice-Chancellor L. Prescott of Western Australia University leaves here next Wednesday to attend a Toronto meeting of university vice-chancellors and a university congress in Montreal.

Dutch Brewers Froth AMSTERDAM (Reuters)—Dutch brewers frothed a bit Wednesday at the news Holland has been surpassed by West Germany as the world's greatest beer-exporting nation in the last year.

Why Gocomagh, N.S. (CP)—An inquest will be held Saturday into the drowning of a 35-year-old mother and six of her 10 children trapped Tuesday night when their car plunged off a ferry wharf at Little Narrows, N.S., six miles from here. Acting coroner Bennington MacCaskill of Baddeck, N.S., said the inquiry will be held at Baddeck. Mrs. Anthony MacNeil, 35, of Iona, N.S., two of her sons and four daughters drowned when their car ran off a ferry wharf into 40 feet of water. An eighth person in the car, Andy Campbell, 26, of Iona, jumped seconds before the car hit the water. Other victims were Allan MacNeil, 22, who was driving the car, Larry, 8, Frances, 14, Agnes, 13, Jeanette, 9, and Eleanor, 4. Funeral services will be held Friday at Iona.

Lebanese Pin Hopes On Today

BEIRUT (AP)—Parliament expects to elect Gen. Fuad Shehab as President today in the hope Lebanon's military leader can bring peace to this troubled land. Sick of rebellion, most members are ready to throw into his lap all the troubles that threaten to tear the little republic apart. Adel Ossairan, Speaker of the 66-member body, said the session definitely would be held today (5 a.m. ADT). He predicted the nearly unanimous election of the amiable 56-year-old army chief. The new president will succeed President Camille Charmonn, Prime target of the rebellion. Charmonn's six-year term is up Sept. 23 but the rebels want him to get out now. So sure were many of the deputies of Shehab's election that they went around to congratulate him.

FRONT MAY BACK HIM

Even the four deputies of the National Front, the main rebel coalition, were reported disposed to vote for him. The front declared Tuesday it would not support any candidate unless he demanded immediate withdrawal of American forces. Shehab has not answered the demands, but the front has threatened to carry on its rebellion unless he bows to its terms. Robert Murphy, President Eisenhower's envoy, has been interviewing many political figures here, went to Jordan Wednesday to visit King Hussein. The king is under mounting pressure from the same kind of terrorism and infiltration that has beset Lebanon. A time bomb wrecked the inside of the British library and information office in the Jordan capital Tuesday night and another exploded outside the garage of a British banker. The Jordan army announced another clash with infiltrators near the Syrian border and said one of the band, a man from Syria, was captured along with a store of arms.

REASON FOR ACCEPTANCE

Shehab has been accepted by the Lebanese as a compromise largely because he has kept away from controversy. President Nasser of the United Arab Republic has referred to Shehab as the man "supported by most of the population."

Plan Inquest Saturday In Drowning Case

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Middle East At A Glance

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HUGE SPENDING UPSWING LOOMS

Million-Dollar Defence Decisions Face Ottawa

Child Is Missing

SHEDIAC, N. B. — (CP) — Three-year-old Diane Leger, daughter of Mr. and Mrs. Francis Leger of Moncton, was reported missing early this morning after wandering away from a cottage at Point du Chene near here. Search parties have been unable to find any trace of the little girl, last seen walking on the beach about eight p.m. Wednesday night. A party of between 75 and 100 persons from the summer resort area are led by RCMP in searching for the girl.

Allies Fail To Agree On Summit Deal

PARIS (Reuters)—The Western Allies were unable to reach agreement Wednesday on a concerted approach to a summit conference. After two inconclusive sessions, the 15-nation NATO permanent council called another meeting for today to continue the discussions. Sources said a determined effort was being made to harmonize the views of the United States and Britain on one hand and France on the other. But so far, France had not budged from her view that a summit meeting must be outside the United Nations Security Council in a "serene" atmosphere. No decision has been reached on what site to suggest for a summit meeting in the replies due to be sent shortly to Soviet Premier Khrushchev. New York seemed to be the favorite with Geneva well in the running. The date was a less burning issue and was expected to be about Aug. 12.

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Federal Gov't Refuses To Abolish Or Reduce Automobile Excise Tax

OTTAWA (CP) — The government Wednesday stood firm on its refusal to abolish or reduce the 7½-per-cent excise tax on automobiles. It also rejected a proposal by the CCF to exempt municipalities from the tax on their purchases of police cars and other light motor vehicles. "Just why," asked Harold Winch (CCF — Vancouver East), "can the finance minister not expand his policy?"

EXCLUDES MINES

Tax changes in Mr. Fleming's budget exempt such purchases by logging and lumbering companies, but exclude mining companies. Mr. Dumas, whose northern Quebec constituency includes many mining towns, said mining companies should be covered by the new exemptions. The exemption would apply to incorporated municipalities, but not to unincorporated mining settlements built by companies, Mr. Fleming said. Mr. Dumas said such public services, whether publicly-owned or supplied by companies, should be exempt.

15 Allies Agree To Revise Curbs On Trade With Reds

LONDON (AP) — Britain Wednesday announced agreement by 15 Allies to cut and revise curbs on trade with the Communist world. The accord opened the way for greater East-West trade just when Europe is expecting the impact of the American recession. The agreement was disclosed by the Earl of Gosford, under-secretary for foreign affairs, who told the House of Lords: 1. Details of a "substantial relaxation" of the Allied controls will be announced Aug. 15. British officials have reported that almost half the curbs — on nearly 100 items—will be swept away. 2. Britain's aim of banning items only "of real strategic significance" has largely been achieved. Informants said this involved easing the ground rules of Allied trade with the Reds.

Steel Price Front Cracked Wide Open In United States

NEW YORK (AP) — The steel price front cracked wide open Wednesday when three more steel producers—the third, fourth and fifth largest in the U.S.—announced price boosts. An Associated Press poll found lar steel users wondering how to absorb the added costs. Many said the increase would have to be passed on to the consumer but probably not right away. Joining Armco Steel Corporation in boosting prices were Republic Steel Corporation of Cleveland, third biggest; Jones and Laughlin Steel Corporation of Cleveland, fourth largest, and National Steel Corporation, fifth ranking. The Republican and J. and L. increases are effective today; National's on Friday. The increases apply chiefly to sheet and strip mill products. Their average about \$4.50 a ton. Armco, seventh largest U.S. steel producer, touched off the 1958 round of steel price increases by announcing its new price schedule late Tuesday. Still to be heard from are the largest U.S. producer, United States Steel Corporation, and Bethlehem Steel Corporation, second in size. U.S. Steel makes more steel than Republic, Jones and Laughlin and Armco put together. U.S. Steel and Bethlehem said late Wednesday they still are studying the price situation. The intentions of other steel makers were anything but clear.

Iran Recognizes Regime In Iraq

GAZA, Egypt (AP)—Iran Wednesday recognized the new regime in Iraq, Baghdad Radio said. The Iraqi radio said the Iranian charge d'affaires in Baghdad handed the Iraqi foreign minister a note comprising recognition of the new government. BONN (Reuters) — West Germany recognized the new government in Iraq, the West German news agency reported Wednesday.

Frenchmen Appear Ready To Okay De Gaulle Constitution

PARIS (Reuters) — Without reading a single clause, most Frenchmen appeared ready Wednesday to approve Premier Charles de Gaulle's constitution for a Fifth Republic. The constitution, which would strengthen presidential power at the expense of parliament, was outlined Tuesday by de Gaulle to a special 39-member committee. Voters will be asked for their approval in a referendum this fall. The ordinary French citizen appears ready to vote for the constitution for two major reasons: 1. They have confidence in de Gaulle and his declared objective of ensuring stronger and more stable government. 2. They are disgusted with the parliamentarians for the middle in North Africa and for instability at home. GOT POSITIVE ANSWER The fact that in the minds of most citizens the question of the new constitution already has received a positive answer may explain why its announcement got wider attention in some foreign countries than in France itself. The Communists, left-wing Socialists and some self-styled anti-Fascist groups are attacking the proposed constitution because it cuts down the powers of parliament and because, they say, it opens up the way to dictatorship. Some other politicians favoring constitutional reforms attacked the de Gaulle proposals because they give too much power to the president instead of vesting it in the premier and his cabinet. De Gaulle returned to power June 1, after the May 13 army coup in Algeria, and he promised prompt constitutional reforms and a settlement of the Algerian war. Under the proposed constitution, the French president would be able to name a premier without consulting party leaders and to dissolve parliament. POWER FOR PRESIDENT The president could assume emergency powers to safeguard the independence of the nation, a clause critics say could lead to a dictatorship. Cabinet ministers no longer would sit in parliament—an abandonment of the traditional parliamentary system as exemplified by Britain and an adaptation of the American system. One clause of the draft constitution may provide a remedy for one of France's persistent ailments: The multiplicity of parties. The cabinet will be empowered, once the constitution is approved, to determine by decree the electoral system under which the new parliament is elected in November. The present deputies were elected by proportional representation, a system which dangers splinter party groups.

Nine Major Decisions Are Faced

OTTAWA (CP) — The government is facing more major defence decisions than at any time since outbreak of the Korean War in 1950, officials said Wednesday. Nearly every one of these decisions involves expenditure of millions of dollars. The government is expected to make up its mind on some of these problems this year. Impending huge defence outlays are one main reason why the government would like to see a fruitful East-West summit conference. Prime Minister Diefenbaker has warned that defence expenditures may attain "colossal and gigantic" proportions in the next two, three or four years unless a disarmament agreement is reached. The 1958-59 defence budget is \$1,686,000,000. NEED NEW EQUIPMENT Defence Minister Pearkes said before the Commons estimates committee early this month that the army's most urgent requirement today "would appear to be modern equipment." Some of the major decisions facing the government: 1. Whether to order into full production the supersonic CF-105 Arrow. 2. Whether to install Bomarc anti-aircraft missile bases in Canada and manufacture this American weapon in Canada. 3. Whether and how to re-equip the RCAF 12-squadron air division in Europe. 4. Whether to adopt the United States Semi-Automatic Ground Environment (SAGE) System to speed the flow of radar information to control and combat centres. A single sage installation costs around \$7,000,000. 5. Whether to go ahead with construction of nuclear submarines in Canada. 6. Whether to order construction of a small fleet of supply ships to replenish the destroyer flotillas at sea. 7. Whether to purchase ground-to-ground and anti-tank missiles for the army. 8. Whether to order for the army a new armored personnel carrier and a new light transport plane. 9. Whether to adopt all-let training in the RCAF.

Will Attend Important Gatherings In London

OTTAWA (Special) — Health Macquarrie, Junior Conservative MP for Queens, leaves today for Europe where he will attend two important international gatherings: He will be the Canadian participant at a meeting of the economic committee of the NATO Parliamentary Association in London under the chairmanship of Senator Javits, of the U.S. members attending the conference will discuss broad questions of economic conditions in the 15-member conference of the NATO Alliance. The second conference he will attend is to be held at St. George's school, Clarendon, Switzerland. At this gathering members of the Parliaments of 15 nations will spend a week in informal discussions of world affairs. Only two Canadians will participate. Hon. Paul Martin, former Health Minister, will represent the Liberals and Mr. Macquarrie the Conservative Party. The conference is sponsored by the U.S. Society of Friends. A similar meeting was held last year but this is the first time Canada has been represented.

Parliament At A Glance

By THE CANADIAN PRESS Wednesday, July 30, 1958 A Commons vote of 162 to 43 defeated a Liberal motion urging reconsideration of reduction or removal of the 7½-per-cent auto excise tax. CCF members also urged that municipal purchases of police cars and other vehicles be exempt from the tax. Senator John A. McDonald (Nova Scotia) urged extension of the Prairie Farm Assistance Act to cover crop losses in all parts of Canada. Thursday, July 31, 1958 The Commons meets at 2:30 p.m. EDT to consider government legislation. The Senate sits at 3 p.m.

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Princess Ends Tour Of Sask: With Informal Visit To Farm

PRINCE ALBERT, Sask. (CP) —Princess Margaret left Western Canada Wednesday, ending a three-week tour of British Columbia, Alberta and Saskatchewan with an informal visit to a district farm home. The departure ended a 22½-hour visit to Saskatchewan that began Tuesday with a drive through Prince Albert and an appearance before 10,000 persons at the city's exhibition grandstand. The visit included an overnight stay in the resort centre of Waskesiu 60 miles north, but its high point was the 45-minute visit at the farm of the Skotheims, 16 miles north of Prince Albert. That was to take her to Toronto and said goodbye to Prime Minister Diefenbaker and other members of the scorty party. The departure ended a 22½-hour visit to Saskatchewan that began Tuesday with a drive through Prince Albert and an appearance before 10,000 persons at the city's exhibition grandstand. The visit included an overnight stay in the resort centre of Waskesiu 60 miles north, but its high point was the 45-minute visit at the farm of the Skotheims, 16 miles north of Prince Albert. The farm visit was the most informal function so far during her Canada tour and gave the princess her closest contact with Canadian people. With Mr. and Mrs. Skotheim, the princess moved easily about the farmstead, breaking away completely from others in the official party as she examined the livestock buildings. "I enjoyed it so much," said an excited Mrs. Skotheim, who appeared slightly less at ease than her husband, a Norwegian-born farmer who appeared completely relaxed through most of the visit. "It was a wonderful experience, very informal and she is so easy to talk to." The princess wore a lime-green costume Wednesday the same one she had worn earlier in Kelowna, B.C.

THIS AERIAL view shows in the foreground part of the 500-acre farm of Peder Skotheim, which was a point of call yesterday for Princess Margaret. The farm is located in the agricultural community of Spruce Home, about 16 miles north of Prince Albert, Saskatchewan. Norwegian-born Peder Skotheim, 56, and his wife pioneered the farm. They have 10 children.

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