

## Reaction Erupts To Fixed Rate On Dollar Value

OTTAWA (CP) — Reverberations were felt Thursday in business offices and on the election hustings across the country from the government's dramatic move to cut the Canadian dollar's exchange value and peg it at 92½ U.S. cents.

Stock market prices spurted ahead, especially on big export industries. Wheat prices went up five cents a bushel. Tourist officials applauded.

But some retailers talked about possible price increases resulting from the higher cost of imports. And provinces and municipalities with foreign-held bond debt complained it will mean added cost in interest and principal payments.

The government's surprise action, disclosed by Finance Minister Fleming Wednesday night, resulted in a drop Thursday of 2½ cents in the dollar's exchange value to 92½ U.S. cents.

It also means a return to a pegged exchange rate after nearly 12 years of a "floating" rate. This move, urged on Canada by the International Monetary Fund, means the government is committed to keeping the dollar rate from moving more than one per cent higher or lower than 92½ U.S. cents.

At the pegged rate, it will take \$1.08 Canadian to buy \$1 American.

One official said the move is expected to bring an end to heavy losses of foreign exchange reserves in recent months, and indicated that this shrinkage was the main factor behind the government's decision.

The development adds a hot new issue to the election campaign.

Liberal Leader Pearson said in Calgary the move is a government confession of the complete failure of its economic policies.

Walter Gordon, Liberal party campaign committee chairman and economic spokesman, said the step points up "the financial crisis" of recent months. The government had failed in a "desperate attempt" to keep the dollar from falling and nervous foreign investors had been withdrawing funds from Canada.

Mr. Fleming, however, said in his statement that it's expected the move "will be of great advantage to the Canadian economy."

At a press conference in Toronto Thursday, he said a "highly speculative element" had been evident in the exchange market recently. The (Continued on page 4, col. 2)

## THE QUERY: WHY ARE WE HERE?

# Confused Farmers Rally As Abattoir Bid Refused

## Rail Grade Purchasing Is Offered

W. F. MacLean, president of Canada Packers Ltd., said his company would offer to buy P.E.I. cattle rail grade and work out a formula with producer's representatives to compare prices grade for grade with western beef costs.

Mr. MacLean was speaking to a group of some 125 P.E.I. beef producers at a luncheon meeting held yesterday at the Charlottetown Hotel.

(This meeting had no connection with a gathering of farmers during the day at the Provincial Building.)

The meeting and a subsequent tour of the Canada Packers plant in Charlottetown was sponsored by the packing company to "acquaint beef producers with Canada Packers operations in this province and to discuss livestock producers' problems."

Mr. MacLean assured the cattlemen that his company would make what arrangements are necessary to insure a favorable price to the producer. He said the company will strive to insure that the cost of good P.E.I. beef to the consumer will be competitive with that of western beef.

GREAT OPPORTUNITY

The opportunities for beef cattle raising here are great, Mr. MacLean concluded, and the producer and packer should forget past differences and formulate a future plan to enable P.E.I. beef to compete with western beef.

Hon. Andrew B. MacRae, minister of agriculture, spoke briefly, saying that producers should provide the beef the consumer wants, mostly red and blue brand meat.

He said the P.E.I. cattlemen can do better in beef production and urged that the producers improve their grassland and grow some of their own feed.

TOUR PLANT

The entire party was taken to the Canada Packers plant after the meeting and given a guided tour of the plant. While the party was there both hogs and beef cattle were slaughtered.

The whole process of the plant, from the killing to the (Continued on page 3, col. 2)



## Attention Promised To Request

Hundreds of Island farmers jammed the Provincial Building yesterday as Woodrow Wheatley and Andrew Stevenson, president of the defunct Farmers' Abattoir Company Limited, and other members of the company board waited on the government's Executive Council.

The delegation was seeking compensation for losses which it said were sustained by the company due to refusal of a promised government loan of \$50,000 and also asked the government to build and equip a complete killing and processing livestock plant for Island producers. Estimated cost of the plant by the directors is in the vicinity of \$300,000.

For the past two weeks, advertisements signed by Mr. Stevenson have been carried in the press requesting that 10,000 farmers be on hand for yesterday's meeting.

Ten thousand farmers did not appear and conservative estimates placed those who met at the Provincial Building at 400. Mr. Wheatley contended last night that at least 1,000 were present.

## St. Charles Resident Succumbs In Brush Fire

SOURIS — John Francis Martin, a 73-year-old resident of St. Charles, was burned to death in a brush fire near his home yesterday.

Reports indicate that Mr. Martin left his sister's residence, with whom he resides in St. Charles about 3:30 p.m. to extinguish a brush fire, which was burning to the rear of the dwelling.

His body was discovered in the burned brush about 7:30 p.m. by a neighbor, Mrs. Gordon Gallant, who was told about the fire by Mr. Martin's sister, Sylvia. It is believed that he was overcome by smoke and fell into the burning brush.

The Souris RCMP were called and also Dr. C. A. Coady of Charlottetown, who decided that no inquest or autopsy would be held.

The remains will rest at the Perry Funeral Home this afternoon. Funeral arrangements have not been completed.

## Nasser Said Wounded By Assassin

LONDON (AP) — The Daily Telegraph says according to reports circulating in the Middle East President Nasser of the United Arab Republic has been shot by an assassin and badly wounded. The telegraph describes the reports as "strong."

The reported assailant, the newspaper says, was Ali Amer, brother of Field Marshal Abdel Hakim Amer, commander-in-chief of U.A.R. armed forces.

"The reports say President Nasser is in hospital in a serious condition," the newspaper says. "There has been no official statement, but several circumstances appear to bear out the reports."

## Attention Promised To Request

APPEARED CONFUSED

It appeared that those farmers who jammed the halls outside the door of the Executive Council chamber were confused as to why they were asked to attend. Shouts of "what are we doing here, Wheatley?" echoed through the halls. One farmer who approached Mr. Wheatley asked "what is going on? Why are we a s k e d to stand in this hall like a pack of dogs?"

Mr. Wheatley replied that the meeting was called to show the government that he and officers of Farmers' Abattoir had the "moral support" of Island farmers.

It was a long wait in the dark, (Continued on page 3, col. 3)

## TITOV, GLENN TRADE JOKES

WASHINGTON (AP) — Waiting to go up to the top of the 55-foot Washington monument Thursday, Soviet cosmonaut Gherman S. Titov remarked: "This is the first joint Soviet-American journey into space."

American astronaut John H. Glenn Jr., laughed when the translation came to him and replied there was a joke among American spokesmen that the tall, needle-like monument "would never get off the pad."

Glenn was guiding Titov on a morning tour of Washington.

## OUTSIDE THE PROVINCIAL

government's Executive Council chamber, Woodrow Wheatley, right centre, tells provincial livestock producers that the cabinet has turned down the request of directors of Farmers' Abattoir Limited that the government pay the cost of constructing a \$300,000 livestock killing plant for the province. An estimated 400 Island farmers gathered at the Provincial Building yesterday as Mr. Wheatley and directors of the company met with the government to request construction of an abattoir. The request was turned down because the government did not feel that it had sufficient information on the matter.

## Vice-Admiral Dies In B.C.

VICTORIA (CP) — Vice-Admiral Howard E. Reid, 64, former chief of naval staff for Canada, died here Thursday.

Admiral Reid, a native of Portage du Fort, Que., entered the navy as a cadet in 1911 graduating from naval college in 1914 in time to serve with both the Royal Navy and the Royal Canadian Navy in the First World War.

## Sask. Minister Quits Party In Row Over Medical Care

By SCOTT SCHILL

REGINA (CP) — J. Walter Erb, who as minister of public health last fall piloted legislation through a special legislative session to set up Saskatchewan's compulsory medical care insurance plan, Thursday quit the government and the CCF-NDP party.

The surprise move coincided with the start of a two-day meeting in Regina of the province's doctors to discuss the medical care plan which they bitterly oppose.

Mr. Erb, 53, was the second major politician to defect from the CCF-NDP group. Their parliamentary House leader Hazen Argue quit Feb. 18.

The Medical Care Act was given royal assent last Nov. 14. Three days later, Premier Woodrow Lloyd moved Mr. Erb to the public works portfolio and moved Public Works Minister W. G. Davies into Mr. Erb's job.

Mr. Erb, a farmer, former concert singer, teacher and an RCAF veteran, has represented the rural southeastern constituency of Milestone since 1948. He became health minister under former premier T. C. Douglas in 1956.

BECOMES INDEPENDENT

Mr. Erb said he would sit as an independent member.

We said one of his two reasons for quitting was that the principle that the medical care plan must be acceptable to both those providing the service and those receiving it had not been met.

"It was evident when the medical care act was passed at the special session that the doctors of this province were unalterably opposed to it," he said.

Mr. Erb's second reason for leaving was the labor affiliation with the CCF to form the NDP.

"Inasmuch as the CCF party in Saskatchewan has affiliated with the NDP, and will cease to exist as such, and believing that ultimately labor unions will be in control . . . I cannot lend my support to the NDP."

## Hon. Angus MacLean Acts As Prime Minister

CAPITAL BUREAU OF THE GUARDIAN

OTTAWA — For a period of a few hours, Fisheries Minister Angus MacLean was acting prime minister of Canada. Mr. MacLean returned to Ottawa from P.E.I. on Thursday night and as the ranking cabinet minister in the capital, became acting prime minister. The prime minister, Mr. Diefenbaker, has been away this week in Newfoundland but was expected to return to Ottawa early Friday morning. He will stop here briefly before going on to London, Ontario for a Saturday night meeting which will officially open the Conservative party's election campaign.

Mr. MacLean was to go to Shawville, Quebec for a Saturday night meeting at which he was one of the principal speakers.

With the prime minister absent from the capital so much during the election campaign, members of the cabinet take turns to assure that at least one of them is always here and available to act on behalf of Mr. Diefenbaker or the more routine matters that arise from day to day.

## Macmillan Is Questioned After Return From Canada

LONDON (CP) — Prime Minister Macmillan told Parliament Thursday the responsibilities of the European Common Market countries are as heavy as Britain's in negotiations for British E.C.M. membership.

Wary after an all-night flight from Canada, which was followed by a cabinet meeting here, the prime minister was pressed in the House of Commons to expand upon his Toronto statement that if the Common Market countries "want us they will have to make it easy for us."

The questioner was Liberal Leader Jo Grimond. Macmillan said the point he had been trying to make was that the outcome of the E.C.M. negotiations at Brussels will have a great effect not only on Britain but on the Commonwealth and the rest of the free world.

"I hoped they would do everything they could to ease our position," said the Conservative chief. "I had in mind our commitments, already well known, to the Commonwealth, and to our agricultural problems at home."

## PM Is Scheduled To Arrive May 17

Prime Minister Diefenbaker will arrive here on the morning of May 17, it was announced last night by Gerald Foster, president of the P.E.I. Progressive Conservative Association.

Mr. Foster said the itinerary of the Prime Minister would be given at a later date, but that he would be here for the full day culminating his visit with a public meeting in the evening.

## Berlin Talks To Continue

ATHENS, Greece (AP) — The United States won agreement from Britain, France and West Germany Thursday night to continue exploratory talks with the Soviet Union aimed at reaching a Berlin settlement, informed sources reported early today.

The desirability of continued U.S. sounding-out tactics was made apparent at a dinner given by U.S. State Secretary Rusk for Foreign Minister Gerhard Schroeder of West Germany, Foreign Secretary Lord Home of Britain and Foreign Minister Maurice Couve de Murville of France.

The dinner discussion followed a luncheon at which Rusk and Schroeder had smoothed over U.S. and West German tactical disagreements over the divided city of Berlin surrounded by East Germany.

The get-together came on the eve of the annual spring session of the 15-nation North Atlantic Treaty Organization. The NATO foreign ministers are to begin closed meetings later today.

## 142 Persons Killed In Jap Train Crash

TOKYO (AP) — Two crowded commuter trains and a freight train, piled up in a grinding double wreck Thursday, turning into a mild spring holiday into a nightmarish bedlam of blood, screams and tangled wreckage.

Police said 146 persons were killed and 106 were injured in Japan's second worst train tragedy since the Second World War.

The eerie scene of blood, escaping steam, tangled wreckage and frantic rescue was three miles north of Tokyo's Imperial Palace.

A steam freight and an out-bound electric commuter train of six cars—homeward bound with a Constitution Day crowd—sideswiped 300 yards outside Mikawashim station at 9:30 p.m.

Then, while stunned and injured passengers were picking themselves off the floor and crawling through smashed windows and doors of derailed cars, a second commuter train of nine cars crashed into the double wreckage.

Most of the slaughter came from the second collision. Because the left side was blocked by derailed freight cars

## Trucking Talks Set For Monday

MONTREAL (CP) — Talks aimed at settling a violence-ridden strike of 1,400 truck drivers were adjourned Thursday until Monday.

Neither the International Teamsters Union (Int.) nor the eight trucking companies involved made any comment on the talks.

The adjournment ended expressed hopes that the strike, started April 14, would be over by this weekend.

## PM GIVES OPINION

By JIM NELSON

CORNER BROOK, Nfld. (CP) — Prime Minister Diefenbaker Thursday held out the prospect of a standing-room-only theatre audience that Trade Minister Hoos predicted an increase in the favorable trade balance this year of \$200,000,000 and said this was based on estimates before the government's action announced Wednesday.

He said the earlier prediction was that exports would grow by five per cent this year, while imports would increase by two per cent. He recalled that Canada recently showed the first favorable balance of international trade in 18 years.

Earlier he told a local television audience that the fixed discount on the Canadian dollar would mean more jobs and more prosperity for every part of Canada.

Mr. Diefenbaker went on to recall the \$2 increase in old age pensions made by the former Liberal government before it was defeated in 1957, and recalled that his government had added another \$19 a month.

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"Ah, my friend," said Mr. Diefenbaker, "you'll certainly get paid off for that one."

## Vast Growth In Exports Seen From Cut In Dollar

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## Titov Reveals Some Details Of Rocket Used For Flight

WASHINGTON (AP) — Soviet cosmonaut Gherman Titov said Thursday the giant rocket that whirled him into space had six engines, all powered by liquid propellants. He also said he controlled his capsule by manual means alone during two of his 17 orbits around the earth last August.

Titov's statement at an international space science meeting was the first Russian report on the number of stages of the rocket.

He indicated that the general power of the rocket was of the same order as the United States still-under-development 1,500,000-pound-thrust rocket — a Saturn which has been tested

but has not been used in any flight.

He said that the maximum thrust of all six engines of the launching rocket was 600,000 kilograms. A kilogram is about two pounds.

The astronaut said he controlled his space ship entirely by hand during the second and seventh orbits of his 17-orbit flight.

His report that the launching rocket used liquid propellants entirely was considered significant because this was the first disclosure of the makeup of the rocket's propulsion.

In the U.S. discussions are still under way whether liquid or solid propellants offer the best means of propulsion or a combination of the two.

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