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"Covered" Board Island Like The Dew"

Deficit On C.N. Railways Said Largest In 20 Years

\$51,600,000 Red Ink Dip Said Deepest Since 1938

OTTAWA (CP)—Skidding revenues and higher debt interest charges hit the Canadian National Railways in 1958 with its largest deficit in 20 years. The deficit of \$51,600,000 was \$22,000,000 higher than in 1957 and the biggest since the publicly-owned company went \$54,300,000 into the red in the depression year of 1938.

A nosedive of more than \$44,000,000 in freight revenue—the big income item—was largely responsible for the heavy deficit, it was shown in the CNR's annual report tabled Tuesday in the Commons by Transport Minister Hees.

In all, rail revenues of the corporation sagged more than \$48,000,000. Debt interest charges jumped almost \$10,000,000. A reduction of \$34,300,000 in operating expenses was not enough to outweigh these factors.

SECOND DECLINE The decline in operating revenue to \$704,900,000 was the second in a row. It was \$753,200,000 in 1957, a drop from the all-time peak of \$774,800,000 in 1956.

Operating expenses moved down to \$700,000,000 from the all-time high 1957 figure of \$734,500,000.

This left the company with net operating revenue of \$4,900,000 on its rail operations, but other transactions brought the CNR to a deficit position of \$5,100,000 before it could contribute any of its fixed charges of \$46,500,000 in the previous year.

It was able to contribute \$7,300,000 towards fixed charges, which were considerably lower at \$36,900,000. The drop in freight traffic

Locomotive Firemen To Get Higher Wages

MONTREAL (CP)—The publicly-owned CNR Tuesday served notice on the locomotive firemen's union that starting May 1 it will pay higher wages but will no longer hire new firemen for yard and freight diesels.

Thus, the CNR took the step on the controversial diesel dispute made a year ago by the privately-run CPR—a step that led to a three-day strike of firemen last May against the CPR.

Decision to implement the terms of a federal conciliation board report was conveyed Tuesday to union leaders by CNR president Donald Gordon.

He told them during a two-hour conference that they would receive a letter today outlining the new conditions of service effective at midnight next May 1.

UNION DECISION ON CNR Union chief V. E. Gamble said that no decision could be made

at the present time on the CNR's intention.

He said the railway move would be discussed with his three general chairmen, representing the Atlantic, central and western regions, after Mr. Gordon's letter is delivered.

But he also revealed that the western region members had not given approval to strike action if called. The other two regions had authorized a strike if necessary, but western firemen were still being polled.

Earlier, Mr. Gamble had said that his membership had authorized a strike if no settlement was reached with the CNR. It was only when reporters met with him and Mr. Gordon in the CNR president's office that he revealed that the western region firemen—about 1,400 men—had not armed their union leaders with strike authority.

Saucer-Shaped Aircraft Is Seen As Revolutionary

WASHINGTON (AP)—U.S. Army researchers plan to begin testing soon a new aircraft developed in Canada and patterned along the lines of a flying saucer.

Word of approaching tests of a radical type of craft was given the House of Representative space committee Tuesday.

AVRO PROJECT Rear-admiral Rawson Bennett, chief of naval research, said another possibility is a radio-controlled flying platform equipped to search out and destroy enemy submarines.

Bennett called it a hunter-killer platform and said it would make an ideal anti-submarine weapon "able to place a bomb or charge directly on the enemy submarine by radio command from the mother ship and then scoot away to safety."

The witnesses emphasized that most of the various projects still are in the research stage and that it will be some time before they will be ready for military use.

Earlier, navy scientists had reported that research is under way on somewhat similar machines for use as amphibious transports or assault boats capable of skimming over both water and ground.

Other sources said the craft is of a "flying-saucer" design that could revolutionize military reconnaissance.

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Truckers Oppose Railway Subsidy

By JOHN LEBLANC Canadian Press Staff Writer OTTAWA (CP)—Opposition to the federal government's proposed one-year subsidy of \$20,000,000 to reduce rail freight rates was expressed Tuesday by the national organization of Canada's for-hire truckers.

Canadian Trucking Association, Inc., representing about 7,000 local and over-the-road firms, voiced its objections before the Commons railways committee.

The committee was considering the subsidy measure, which directs the Board of Transport Commissioners to have the railways reduce last fall's 17-per-cent rate boost by the amount of the subsidy, bringing it to an estimated 10 per cent.

The committee also heard from freight rate experts of the board that, on the expected basis of freight traffic for the coming year, most of the proposed subsidy would go towards reducing

rates on movements originating in western Canada.

Commissioner Leonard J. Kenyon estimated the amounts as \$11,300,000 for the West, \$5,300,000 for Ontario and \$3,400,000 for the Atlantic provinces.

The subsidy is aimed at benefiting the west and Atlantic areas particularly. The relatively light amount for the Atlantic provinces is accounted for by their small proportion of the aggregate traffic.

The truckers said in a brief that in proclaiming a freeze on general rail rate increases for the duration of the subsidy, the government in effect is freezing truck rates within the same ceiling. Because of intense competition, rail rates usually were the competitive ceiling on truck rates.

But the government had not frozen such trucking costs as those of equipment and labor.

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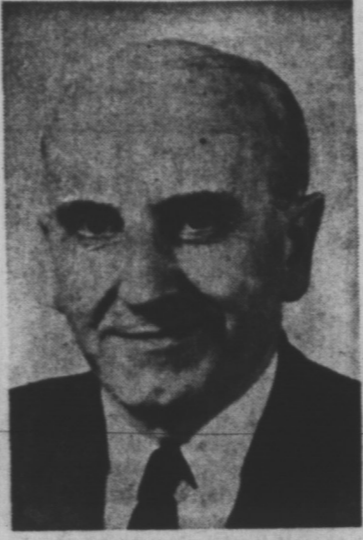
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RECOVERING

Hon. B. Earle MacDonald, provincial treasurer, has made an excellent recovery following a major operation performed Monday morning, his brother, Dr. W. L. MacDonald stated last night.

The well-known merchant who is one of the two city representatives in the local House, appears to be coming along very well, and hospital reports indicate his recovery should be rapid, Dr. MacDonald added.

Hon. Mr. MacDonald is a patient at the Prince Edward Island Hospital.

Dalai Lama Stirs Town

By WATSON SIMS TEZPUR, India (AP)—The Dalai Lama, god-king of Tibet, has provided this sleepy town of 10,000 with an experience it will never forget.

It was Tezpur's fate to be astride the Dalai Lama's path when he walked across the border on his epic flight from Lhasa, the Tibetan capital. As such it became a jumping-off place for correspondents trying to meet the Dalai Lama.

He will reach this Assam foothill town Saturday and immediately leave by air-conditioned train for the Himalayan hill station of Mussoorie, Eruters reported.

Few foreign visitors come to Tezpur. Until the Dalai Lama crossed the border, less than 200 miles north, two weeks ago, Tezpur's chief claim to fame had been its quiet and restful atmosphere.

TEA, RICE PLANTATIONS Most of the villagers live off carefully-tended tea and rice plantations which roll gently north of the Brahmaputra River to the northeast frontier agency—where the Dalai Lama now is resting.

There are two Assamese-language movie houses, one hotel, the Paradise, a mission hospital and perhaps half a dozen inns.

There also is an airstrip, used by a single daily mail flight from Calcutta, 500 miles to the south.

Dr. McMillan said he had heard this remark since the budget: "It took the Grits 22 years to get as unpopular as the Tories have in two years."

Mr. Fleming would need to borrow more billions of dollars this year. Canada was in deep financial trouble and "I hope the stage is not being set for the second Fleming's Folly." This was a reference to last year's conversion loan.

The Liberal MP spoke during the second day of the eight-day budget debate, in which the Liberal and CCF groups already have made motions of non-confidence in the government.

Sons' Decision Said Not Final

OTTAWA (CP)—No formal decision to abandon their plan to return to Russia has been taken by the Sons of Freedom Doukhobors, Justice Minister Fulton said in the Commons Tuesday.

He said press reports to the effect that the Sons were giving up their plan to go back to Russia were circulated after a petition had been received by his department to readmit to Canada Stefan Sorokin, spiritual leader of the sect who is in Uruguay.

Mr. Fulton also said he has no knowledge of the attitude of the Russian government toward admission of the Sons who left Russia at the turn of the century.

5,000 ATTEND MORE JOBS RALLY

5,000 men and women met in Washington's army in a national rally with the slogan "get America back to work." The gathering was arranged by organized labor to bid for more government aid for those out of work and for more job-making moves by the administration.

Argue Probes N.S. Coal Aid

OTTAWA (CP)—CCF House Leader Hazen Argue asked in the Commons Tuesday what consideration the government has given to a request by the Dominion Steel and Coal Corporation for a \$6,000,000 loan to assist the Nova Scotia coal industry. Mines Minister Comtois said he will consult with the Dominion coal board and reply later.

Liberal Terms Budget History's Worst Mess

OTTAWA (CP)—Finance Minister Fleming's budget Tuesday was described by a Liberal as "the greatest mess in our history."

W. H. McMillan said in the Commons that when Progressive Conservative members applauded Mr. Fleming's budget Thursday night they were applauding higher debt, another "whooping" deficit, a major tax increase, the largest spending in Canadian history, the highest interest rates since the Bennett Conservative government of the early 1930s and the highest post-war unemployment.

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Accord Is Missed In Two-Day Talks

By JOHN EARLE LONDON (Reuters)—French Premier Michel Debre flew home Tuesday night after two days of talks with British leaders on the stand the West will take during next month's foreign ministers' conference with Russia.

Both Debre and Prime Minister Macmillan pronounced themselves satisfied with the talks but other government officials said the two leaders had not reached a fully so-ordinated viewpoint for the meeting with Russia beginning May 11 in Geneva.

While Macmillan was winding up his talks with Debre, Home Secretary R. A. Butler told the House of Commons that Britain is in "full agreement" with West Germany on essential points to be faced in the next few months.

"Some of the recent reports about differences have been greatly exaggerated," he said.

Officials said details of the Western approach to the talks are being left up to the four-power working group that began meeting here Monday.

The working group sessions are expected to last for about 10 days. The delegates from the

Dulles Believed Menaced By New Cancer Outbreak

By JOHN SCALI WASHINGTON (AP)—Doctors reported Tuesday that recent neck pains developed by State Secretary Dulles may be due to a new outbreak of cancer.

Some medical authorities said this virtually ruled out the chance that he would ever return to the full-time direction of U.S. foreign policy.

Christian Herter, acting secretary of state, already has been named as a substitute for Dulles at diplomatic talks with the British, French and German foreign ministers opening in Paris April 15.

Dulles has been clinging to the hope that he might fight back from the cancer which was found in February in his abdominal region. He hoped to attend the follow-up big four meeting in Geneva a month hence.

ANOTHER EXAMINATION A team of specialists gave him another examination at Walter Reed Army hospital Tuesday and the state department reported afterward.

"During the last several days Secretary Dulles has experienced increasing discomfort in the lower neck.

"X-ray studies suggest the possibility that his discomfort may be attributable to the presence of a malignant tumor in the lower cervical vertebrae. External radiation treatment to the lower neck began today.

"The condition of the secretary's abdomen remains unchanged and further treatment to the abdomen is not now indicated."

The guarded language of the state department bulletin did not say that Dulles had a new malignant tumor.

Press Officer Lincoln White was asked to be specific: Does the announcement mean that Dulles definitely has such a tumor, or just that he may have one?

White left the inquiring reporters for a time, presumably to telephone doctors at Walter Reed. He came back and said he could not make any comment beyond the wording in the announcement.

White also declined to elaborate on the statement that the condition of Dulles' abdomen remains unchanged.

However, another informed government official said he understood this to mean that no fluids have collected there as an aftermath of the four weeks of massive radiation treatment that was given Dulles in March.

Dulles underwent surgery when he first was found to have cancer. In November, 1956. This time the doctors have not attempted surgery.

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Labor Plans Ethics Code

VANCOUVER (CP)—British Columbia labor leaders are planning a code of ethics for provincial unions, Bill Black, president of the B.C. Federation of Labor, said Tuesday.

It would be the first of its kind and would stop jurisdictional strikes, eliminate any racketeering that might arise and end inter-union raiding.

The proposal comes in the wake of legislation in B.C. which makes unions legally responsible and restricts sympathy picketing and publication of non-payment lists.

"As far as I know," said Mr. Black, "there is no union racketeering in B.C. But if ever appears, a code of ethics would help to put an end to it. We would much rather nip that sort of thing in the bud ourselves than have government committees interfering with us."

Mr. Tuckler referred specifically to supports for salt cod.

Fish Support Said 'Ready'

OTTAWA (CP)—The government is prepared to support fish prices any time the situation warrants it, Fisheries Minister Macdonald said in the Commons Tuesday. But he said Canada must be careful that price supports do not open the way to imposition of dumping duties or embargoes by its best export customers.

He was replying to James R. Tuckler (L—Trinity-Conception), who said Prime Minister Diefenbaker had made pre-election promises of fish price supports and asked when the promises will be carried out.

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rates on movements originating in western Canada.

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Lobster Price Sets Record

PORTLAND, Maine (AP)—Lobster prices, at record highs because of unusually bad fishing weather, showed signs of weakening Tuesday.

President Roland A. Hurlbut of the Maine Lobster Company, said the retail price dropped 30 cents a pound overnight on all but "selects"—losers over 1 1/4 pounds.

He said he now gets 89 cents a pound for one-clawed culls; 99 cents for lobsters under a pound; \$1.09 for those up to 1 1/4 pounds and \$1.49 for selects, which had been \$1.75.

Mr. Clark's theme in both appearances is to be "The Changing Face of Red China." As one of fewer than a half dozen North American newspaper correspondents to visit China since the Red sway began more than 10 years ago, Mr. Clark recently completed a five-week intensive study of conditions there.

PRODUCTION HAILED His reports appeared in many of the world's leading newspapers, including the New York Times and the Montreal Star. On the island he contributed a notable series of three articles to the Evening Patriot's Weekend Magazine.

Mr. Clark's visit to the island results from this association with The Patriot.

Less than two weeks ago Mr. Clark delivered an hour-long Report on Red China, which was seen and heard on TV from coast-to-coast in Canada. The presentation was hailed by viewers as one of the outstanding TV productions of the year.

Mr. Clark has established many distinctions in his newspapering career, which began with The Standard, of Montreal, in 1949. He was a parliamentary correspondent for two years and then went overseas as a war corre-

spondent.

He was with the Allied forces when they invaded Normandy, crossed the Rhine with the Canadians and was with U.S. forces for the historic linkup with the Red Army on the Elbe, and went on to become one of the 15 correspondents representing the press of the world at the signing of the peace.

Since the war Mr. Clark has served as London and European correspondent for the Montreal Star, while continuing a close relationship as a special writer for Weekend Magazine.

He has visited Russia three times, making extensive tours and winning high acclaim for his authoritative reporting. One series of articles which resulted won for him a National Newspaper Award for feature writing, which is considered the highest Canadian recognition for newspaper achievements.

During his stay in Red China, Mr. Clark met with such key figures as Vice-Premier Chou Yi and travelled more than 5,000 miles to make a careful study of the condition of the Chinese under Communism.

His appearances in Summerside and Charlottetown came at the close of a coast-to-coast tour of Canada in which he has addressed large gatherings under the auspices of service clubs and Canadian Clubs and added to his reputation as an able and soundly-grounded speaker.

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