



TRAWLERS ASS'N, LOAN BOARD MEETS

Members of the P.E.I. Trawlers Association and the fishermen's Loan Board met yesterday for separate joint discussions of mutual concern. Enjoying luncheon at the Queen Hotel are Roland MacDonald, Souris, skipper of the Marjorie M-H; and past president of the Trawlers Association, Dick Power, Souris, skipper of the Barbara Marie, association president, and Leo Rossiter, minister of fisheries. (See story on page 4).

Defence Dept. Fireworks Expected On Nuclear Arms

By DAVE McINTOSH
OTTAWA (CP)—The Opposition in all likelihood will harass government again on the issue of nuclear warheads at a new session of Parliament starting Thursday. The issue will be the government's plan to spend hundreds of millions of dollars on carriers for nuclear warheads while still refraining from announcing a decision on acquisition of the warheads themselves.

The carriers include the Boeing anti-aircraft missile, CF-105, the Voodoo jet interceptor, CF-101, the Avro Arrow, and the Avro Arrow. The Avro Arrow is scheduled to become operational in a matter of weeks.

The consensus of Parliament Hill at the moment is that no decision on nuclear warheads will be announced before the expected general election.

This speculation is based partly on the theory that an announced decision to obtain nuclear warheads might well lose some votes but not win any. On the other hand, Prime Minister Diefenbaker might try to pull the rug from under the Liberal and New Democratic parties.

U.S. And ECM Agree On Cuts In Tariffs

BRUSSELS (AP)—The United States and the European Common Market have agreed on a mutual cut of 20 per cent in tariffs on industrial products and some reductions on agricultural products, a Common Market spokesman announced Tuesday night.

Bing Crosby Pale After Operation

SANTA MONICA, Calif. (AP)—Bing Crosby, bouncing a golf ball and cracking jokes but looking pale and thin—checked out of St. John's Hospital Tuesday. He underwent an operation Jan. 5 for removal of two kidney stones.

INDONESIA VOWS REVENGE FOR DUTCH SHIP SINKINGS

KARTA (Reuters)—Indonesia has angrily vowed immediate steps to avenge the sinking of a motor torpedo boat in a clash with Dutch warships and the loss of 22 crew members Monday night off the West New Guinea coast. The bulk of the Indonesian navy was believed to be in east waters facing Dutch-ruled New Guinea, claimed by Indonesia. Sukarno's government spokesman announced Tuesday that Indonesia would increase its preparedness and hit back at any attack.

Two Ships Sink, 17 Drowned Off British And Irish Coasts

LONDON (AP)—Gales raging around Britain and Ireland were believed Tuesday to have sunk at least two small ships with the loss of 17 lives. But a third vessel, missing for a week and presumed lost, turned up safe with its crew of nine.

PM AND FLEMING DENY RIFT

Silent and solemn, Prime Minister Diefenbaker listens as Finance Minister Donald Fleming addresses the annual meeting of the Progressive Conservative Association in Toronto. The two were reported to have had one of the roughest cabinet struggles in Canadian history, but praised each other in speeches. References in centre are Association president W.A.E. Sheppard (left) and transport minister Leslie Rowntree. (CP Wirephoto)

Orbit Attempt Delayed Day

CAPE CANAVERAL, Fla. (AP)—The attempt to launch astronaut John H. Glenn Jr. into orbit around the earth has been postponed one day until Jan. 24, it was learned Tuesday. Informed sources reported the delay was caused by a faulty valve in a gas cooling unit in the Mercury capsule. This unit feeds coolant into the astronaut's pressurized space suit while he is in the capsule atop the Atlas booster awaiting the launching.

The National Aeronautics and Space Administration has never made an announcement on the launching date, so it had no comment on the reported postponement.

This was the third postponement of the launching. Originally set for Dec. 20, it was called off until Jan. 16 to allow more time to prepare for the shot.

Mangled Leg Is Amputated On Icy Street

TORONTO (CP)—A construction worker lay on icy pavement for 20 minutes Tuesday while a doctor used a knife to amputate his mangled left leg below the knee.

Peter Belvedere, 32, had been testing a drill when his past leg was caught. Neighbors and workmates saved his life by applying a belt tourniquet before Dr. Aloysius Teglas arrived.

Dr. Teglas, sent by the medical academy after a police call, did not have the proper instruments with him. He said one of the bystanders handed him "a big knife" and he used that while Belvedere was under a sedative.

Belvedere is in satisfactory condition.

Finland's President Re-elected

HELSINKI (AP)—President Urho Kekkonen has swept to apparently certain re-election as chief executive of Finland, a small nation on Russia's doorstep.

In voting Monday and Tuesday, the Finns voted overwhelmingly in favor of electors supporting the 61-year-old Kekkonen. The 300 electors will gather in Helsinki Feb. 15 to choose a president.

Kekkonen won such a large proportion of the popular vote that his re-election appeared assured.

Eight Workers Are Killed In Gas Pipeline Explosion

DAIRY SOLUTION OFFERED

Encouragement Urged For Trend From Farms

MONTREAL (CP)—A Manitoba university professor Tuesday recommended a surprise long-term solution to the over-production problems of Canada's dairy industry: Persuade more farmers to give up farming.

In a speech prepared for delivery to the annual meeting of the Dairy Farmers of Canada, he said there is room for only about 86,000 farmers in Canada to make a good living producing milk.

Barn, Livestock Lost At Mayfield

A barn owned by Harvey Gallant of Mayfield was destroyed in a fire last night that caused the loss of 21 head of cattle, both beef animals and milk cows and a horse.

Text of his speech was released to the press in advance of delivery. "Individual dairy farmers must be concerned with efficiency to increase their net income," he said, "and, this means there will be room for fewer dairy farmers."

100 MPH Winds Hit Saint John

HALIFAX (CP)—A violent wind and rain storm pounded the southern Maritimes Tuesday and disrupted shipping and communications, flooded low-lying areas and started a major fire.

The fire was in the greatest danger. The dwelling was also threatened for a time.

Wounded Girl Gets \$14,800

MONTREAL (CP)—A teenage girl shot by an irate restaurant owner has been awarded \$14,800 by the superior court.

Hamilton Is Ill With Flu

OTTAWA (CP)—Agriculture Minister Alvin Hamilton is suffering from a touch of influenza and will not be able to deliver an address to the National Dairy Farmers convention in Montreal, his office said Tuesday night.

Amherst, Halifax Favored As Site For Winter Fair

MONCTON (CP)—The Maritime Stockbreeders Association Tuesday decided to favor Amherst and Halifax as a site for the Maritime Winter Fair but did not eliminate other centres.

The stockbreeders decision followed a three-hour afternoon meeting, at which many of the 125 delegates expressed their preference for a site for the fair, discontinued since fire destroyed its buildings in Amherst in 1958.

Group Awaits World Disaster

CREATOR, Ariz. (AP)—Twenty-two adult Californians have come to this tiny mining community to escape a world disaster they say will occur Feb. 4.

The motion adopted by the association accepts the recommendation of the board of directors, decided upon at a closed meeting Tuesday morning.

Dec. Jobless Level Lowest In Five Years

OTTAWA (CP)—Bolstered by a relatively strong employment demand, Canada's jobless total edged upward to 413,000 last month, the smallest November-December increase in five years.

Members of a group that calls itself Understanding Incorporated, say they learned of the impending catastrophe from sources in space.

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The unemployment figure, announced Monday by the Dominion Bureau of Statistics, was 64,000 higher than in November, but 115,000 lower than in December, 1960.

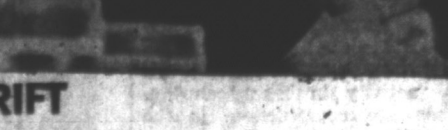
If represented 6.4 per cent of the labor force, the lowest December unemployment rate since 1956 when 211,000 unemployed contributed 3.6 per cent of the labor force.

In November the unemployment rate was 5.4 per cent. In December, 1960, it was 6.2 per cent, a record high for the post-war years.

DECEMBER RATE

Here's how the December rate moved between 1956 and 1960: Seven per cent in 1957; 7.6 per cent in 1958; 6.5 per cent in 1959. "The recovery in manufacturing activity was an important factor in the relatively strong employment demand," said the report, prepared jointly by the statistical bureau and the federal labor department.

It said employment has strengthened steadily since early December. (Continued on page 2, col. 2)



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