

AIR CADETS JOIN SQUADRON

Wales College last evening. This month a special drive is being put on by the Air Cadet members in order to encourage more Island boys to join the corps. From left to right are, FO J.E. Campbell, acting commanding officers; FO N.N. Larrabee, adjutant; Stephen Willis, Charlottetown; Gordon Batt, Charlottetown and John Cameron, Borden.

Cabinet's Job Is Exploration

Eagerness to get on with the job had to give way to patient exploring of what the job entailed when the new cabinet of Premier Walter R. Shaw met today for the first time.

All members were present as a Progressive Conservative Island cabinet held its first meeting in 25 years.

Meeting for the traditional Thursday gathering the new group found themselves faced with the necessity of becoming acquainted not only with a brand new job but a staff they did not know.

Cabinet members were even asking where they might find keys to their offices.

Premier Shaw at the end of a five-hour session, said he had no particular statement to make. "So far we are just getting our bearings and at this stage I have no comment," he told the Guardian.

His ministers were in the same boat as none of them has had previous cabinet experience and several have never even been in the Legislature before.

However, in order to get on with their job of governing the province as quickly as possible the cabinet will hold another all-day session beginning at 10.30 this morning.

The steel shortage resulting from the prolonged strike in the American section of the industry may affect construction progress on the new Hillsboro Bridge, supervising engineer Alex Scott said last night.

In a telephone interview with this newspaper Mr. Scott said that work on the project had been greatly delayed due to water leakage that developed in the piling surrounding the south pier. However, he said that a solution to this unforeseen problem had been worked out and the contractors expected to be able to proceed with this part of the project in a day or two.

This pier was approximately 65 per cent completed, he added.

With the completion of the south pier, the steel superstructure could be commenced from the south side if the steel were available, Mr. Scott declared. In the meantime a crane had been set to work on the north side of

Trade Bars 'Backfired'

NEW YORK (AP) — Premier Khrushchev told a gathering of businessmen Thursday night that United States restrictions on trade with Russia have backfired and in some instances even helped the Soviet Union.

The Soviet leader also said that production in his homeland is expanding so enormously that Russia can overtake the U.S. in economic development "more quickly than envisaged in our plans."

Khrushchev spoke to the Economic Club of New York at a dinner at the Waldorf-Astoria Hotel.

BROAD PROGRAM FOR PEACE

Theft Of Nikita's Thunder Is Goal Of British, Yanks

UNITED NATIONS, N.Y. (CP) — The United States and Britain Thursday tried to steal Premier Khrushchev's thunder with a challenge to join in a broad program for peace—including a new approach to disarmament.

State Secretary Christian Herter and Foreign Secretary Selwyn Lloyd made their proposals in policy speeches to the UN General Assembly. The Soviet premier has announced he will submit a new disarmament plan when he addresses the 32-country assembly this afternoon.

In his first appearance at the UN since becoming secretary of state, Herter outlined a program aimed at bringing about constructive changes by peaceful means in disarmament, world politics and economic and social fields.

Although he did not mention Khrushchev by name, many of his statements obviously were aimed at the Soviet leader, who now is visiting New York.

Lloyd came up with a new three-stage disarmament plan that will go before the 10-power East-West conference in Geneva next year along with Khrushchev's proposals.

The British minister called for a study by experts at conferences on particular problems, to be followed by a gradual cut in nuclear and conventional arms and manpower. The final stage would be comprehensive disarmament by all powers under effective international control.

On East-West relations, Lloyd said the British government believes that the creation of an atmosphere for further improvement would be assisted by a meeting of heads of governments.

"It is of course quite unrealistic," Lloyd said, "to think that heads of governments at one single meeting can find some magic formula for solving the problems of this troubled world."

Lloyd said that Britain had been "greatly grieved to hear accounts of massive repression in Tibet by Communist China."

On Laos, he said he hoped there would be "agreement of measures to alleviate the situation."

Man Killed In Souris

Melvin Gallant, 33, was struck by a 3-ton truck on Souris' Main Street at approximately 11:30 p.m. last night and died shortly after his arrival at the nearby Souris Hospital. Police said the truck was driven by Francis Howlett of Souris River.

Both front wheels passed over the victim and he was carried 43 feet before the vehicle came to rest. A resident of Souris, Gallant had been working in the potato warehouse operated by Matthew and MacLean Ltd.

A son of the late Harmony Gallant, he is survived by his mother, Mrs. Harmony Gallant; five brothers: Clarence, Souris; Michael, Montague; Leo, Charlottetown; Alonzo, Saint John, N.B.; and Leonard, a soldier in the Canadian Army; and three sisters: Jeanette and Elaine, Moncton, and Lillian, Mrs. Joseph Cheverie, Halifax.

No decision regarding an inquest had been made at press time.

The accident occurred in front of the Souris branch of the Canadian Legion. It is under investigation by the Souris detachment of the RCMP.

POLITICALLY UNTOUCHABLE

Controversial Low Grain Rates Develop Transcontinental Battle

By JOHN LeBLANC Canadian Press Staff Writer

OTTAWA (CP) — A running transcontinental battle is developing over the controversial low freight rates on export grain before the royal commission on railways.

The railways served notice before the commission Thursday that they want an exploration of the statutory Crownset Rates, regarded in the west as politically untouchable since their passage by Parliament in 1925.

Prairie spokesmen immediately bridled and declared the Crownset Rates are outside the scope of the seven-man commission headed by Hon. C. P. McTague of Toronto.

NOT UNTOUCHABLE Mr. McTague, a former Ontario Supreme Court judge, indicated that a parliamentary pronouncement by Prime Minister Diefenbaker on untouchability of the Crownset rates will not affect commission decisions.

And commission counsel Gordon Cooper of Halifax let it be known he feels the commission should dig into the disputed rates in its overall investigation into Canada's big railway problem.

The varying views came out as the commission held a preliminary hearing to determine future procedure and to get views on what specific subjects should be investigated. The hearing continues today.

In the light of some suggestions, it appeared doubtful whether the commission—set up in May—could come up with the comprehensive solution for the complex railway problem sought by the federal government for a March deadline.

COMMISSION PLANS Apart from the fact the commission plans a country-wide tour, some of the major parties were talking Thursday of bringing in the bulk of their evidence in January or February, at later sittings in Ottawa. The last previous royal commission on transportation reported to the government in 1951 about a year after

Nikita Gets Cool Welcome; N.Y. Ticker Tape Is Missing

Canada Bank Interest Increases To 6.13 P.C.

OTTAWA (CP) — The Bank of Canada interest rate edged upwards Thursday to 6.13 per cent from 6.05 last week with the sale of \$100,000,000 in 91-day government treasury bills.

It was the third weekly increase in a row. The rise of .08 per cent was half of the .16-per-

cent increase last week.

The bank rate — minimum charge made on the infrequent central bank loans to chartered banks — is set one-quarter of one per cent above the average yield on the weekly issue of 91-day treasury bills sold by tender.

Thursday \$100,000,000 of the bills were sold with an average yield of 5.88 per cent compared with 5.80 last week. The average price of the bills, maturing Dec. 18, was \$98.556. Among successful bids, the highest yield was six per cent and the lowest 5.67.

YIELD LOWER Another \$15,000,000 in 182-day bills were sold at an average yield of 6.56 per cent compared with 6.72 per cent last week. Average price was \$96.825 compared with \$96.756.

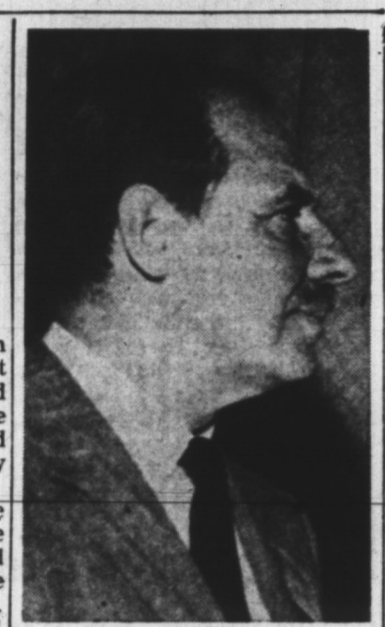
The Bank of Canada rate of 6.13 per cent set Thursday compares with the record high of 6.41 per cent on Aug. 13. The record low was 1.12 on Aug. 2, 1958.

Bomb Scare Hits Halifax

HALIFAX (CP) — About 200 office workers, many in shirt sleeves, were hustled into the city's windswept main street Thursday after police received tips saying two buildings were to be blown up. It was all a false alarm.

Police ordered workers out of the Canadian National Telegraphs building after an anonymous caller said a bomb had been planted in the building. Ten minutes later the caller said he had made a mistake and the bomb was in the Canadian Pacific building, two blocks away.

Office workers were allowed to return about an hour after police began their search of both buildings.



PUBLICITY

Publicity and the fund raising problems were discussed yesterday before the Canadian Association for Retarded Children by Harry E. Foster, Toronto. (Story on page 5).

Police Smash Car Theft Ring

OTTAWA (CP) — An auto theft ring operating on a large scale from headquarters at nearby Ashton, Ont., has been smashed, Ottawa police reported Thursday.

A man is being held for questioning and warrants for the arrest of several others have been issued, police said.

The action against the ring, described as one of the most complete ever encountered by Ottawa police, was brought about through the co-operation of Ottawa and Montreal city police, Ontario provincial police and Quebec provincial police.

First hint of the existence of the ring came last Friday when city constable Robert Woods stopped a truck here because it carried no lettering indicating ownership.

CAR FOUND IN TRUCK A check showed a partly dismantled late model car in the truck. The driver was detained. Ownership of the car was traced to Ashton, 20 miles southwest of the capital, where police found a car dismantling operation in a garage.

About 20 new cars, in various stages of strip down, were found by police in the shop, which was equipped with cutting torches, welding equipment and other tools, police said. They also found a six-car capacity auto transport.

Some motors carried serial numbers of cars reported stolen in Montreal, police said.

Capitalism's Capital Gives Cheers, Jeers

By JOSEPH MacSWEEN Canadian Press Staff Writer

NEW YORK (CP) — Nikita Sergeyevich Khrushchev, perambulating prophet of communism, came to this capital of capitalism Thursday, renewed his calls for peace and extended a special greeting to "the toilers."

Thronged turned out to see the ebullient Soviet premier, most of them staring silently or talking quietly among themselves. Some cheered and others jeered, and a few yelled "murderer."

For Manhattan, it was a cool welcome, devoid of Broadway's ticker-tape parade, the traditional greeting for honored visitors. Police estimated daytime crowds at about 100,000 and Khrushchev had only one night engagement, a dinner at the Economic Club of New York.

Khrushchev was at his bouyant best through it all, matching wits at a civic luncheon with Mayor Robert Wagner and Henry Cabot Lodge, who is President Eisenhower's personal representative for the Russian's United States tour.

PRaises EISENHOWER Eisenhower, said Khrushchev, is a "great man," and he added: "I have always esteemed your president and I do so to an even greater degree now. To have invited Khrushchev to the U.S. needed wisdom and will power and understanding of the need to place the relations between our countries on a sounder basis."

Khrushchev won a hearty laugh from the 1,200 guests when, speaking in Russian, he said he

surmised there was another reason for his invitation: "You wanted to see what kind of a man Khrushchev is. Well, here I am."

The premier and his wife, Nina Petrova, arrived by rail just before noon from Washington. Khrushchev, remarking that New York is one of the biggest industrial centres, recalled that he himself is a former worker and said he particularly wanted to extend best wishes to the "toilers who create the wealth of society."

NO NEW-GROUND At no time did the premier break new ground in his references to the world situation, although he spoke earlier in Washington of new Soviet disarmament proposals. He is expected to divulge these when he addresses the United Nations General Assembly today in the second and last day of his New York visit.

But he stressed his theme of peace, telling the luncheon guests and a national television audience: "I am convinced you do not want war, either with our country or any country of the world. Let us then come to an agreement on how to preserve eternal peace. Let us have more contacts. We are for co-operation with you and all other countries."

Khrushchev asserted that the state department has become "somewhat afraid" of exchanging scientific, cultural and technical delegations with Russia. He (Continued on page 5 col. 7)

Yanks Not Fooled Is Ike's Comment

By HAROLD MORRISON Canadian Press Staff Writer

WASHINGTON (CP) — President Eisenhower expressed a conviction Thursday that Premier Khrushchev won't "fool" the American people with his sales pitch for communism.

When he goes to Russia, Eisenhower added, he won't attack the Communist system but will try to get the Russians to see the advantages of freedom through constructive ways. He said he is a firm believer in the Biblical quotation, "know ye the truth and the truth shall make you free."

As to whether Khrushchev showed any evidence of changing his position on world issues, Eisenhower said it was too early to say until the Camp David conference is held at the end of the Khrushchev tour.

Khrushchev's attitude so far was extremely friendly but his conversation with the president had been confined to setting an agenda for the talks at the president's Maryland retreat some 80 miles north of here.

Eisenhower said he felt it would be unwise to say much more about this but Khrushchev's attitude and deportment appeared to indicate he wanted to seek some position in which he could reach agreement with the West.

SEES SOME SINCERITY Eisenhower said he felt Khrushchev was sincere in his expressions of the horrors of war but this still left room for a lot of misunderstanding and miscalculation which possibly could prove "very serious" and might lead to war.

Both press and president were so preoccupied with the cold war theme that other problems were given scant treatment in the 30-minute session.



A Prince Edward Island girl, Jean LeBlanc, of Georgetown, is shown third from left, among 11 girls who received awards during Agricultural Day ceremonies at The Canadian National Exhibition. The award provides \$700 toward tuition fees at an agricultural or veterinary college. Shown, left to right are Andrew McClellan, Alton, Ont.; Helen Marion Facey, Beauséjour, Man.; Miss LeBlanc, Winifred E. Carlson, Carleton Place, Ont.; Marie Niole, Montmagny, Quebec; Alice May Fraser, Clyde, Alta.; Shirley MacDonald, Golden Valley, N.S.; Mary Lou Harris, N. B.

ISLAND GIRL GETS SCHOLARSHIP

OAKVILLE, Ont. (CP) — The Curtiss-Wright air car, a vehicle its makers say needs no roads, will be manufactured at Oakville, Ont. by Curtiss-Wright vice-president in charge of air research and development, announced Thursday that the first all-Canadian air car will be produced by year's end.

The 1,500-pound car looks like an automobile without wheels and is powered by two auto engines driving giant fans. These are directed downward, creating an "air cushion" suspending the machine about 10 inches above the ground.