

## Bowater Chairman Considers Plant Expansion Necessary

LONDON (CP) — Sir Christopher Chancellor, chairman of the Bowater Paper Corp., Ltd. says the company's paper mills in Canada and the United States "must continue to expand to meet the growing requirements of customers in their supply areas."

"It is in North America that great reserves of forest raw materials are still to be exploited, and it is in the United States that consumption of paper continues to grow at a pace faster than anywhere else in the world," Chancellor said in his annual report published Wednesday.

£16,379,000 (\$49,137,000) in 1965, compared with £14,554,000 in 1964. Profit for the year after taxation rose to £8,701,000 from £7,212,000.

While profits increased for most operations, "profits in Canada on the other hand were down," Chancellor reported. "This was due for the most part to a disappointing year in Newfoundland, where profits before tax were £600,000 less in 1965 than in 1964, owing partly to production problems at the Corner Brook mill in connection with the rebuilding of one of the newsprint machines."

**LABOR ADDS TO COSTS**  
"But increased labor costs and higher expenditure on wood procurement in our forest lands also added to the cost of po-

**Bowater, through its Canadian subsidiaries, plans to build a new pulp and paper mill in the Bulkley Valley in northern British Columbia in 1968 or 1969.** This would come into production in 1971 with a daily output in the range of 600 to 1,000 tons.

Chancellor noted that the British government is placing increasing effort on the country's exports drive, but he said the government gives the word "exports" a "narrow interpretation."

Though the company was a major dollar earner and contributed substantially to Britain's balance of payments, Bowater could not claim export incentives.

"We suffer 'disincentives' instead. The flow of the economy is being twisted in many directions by methods of discrimination of various kinds and by changes in taxation. In this cur-

## Suipnir Co. Plans Future

NEW YORK (CP) — Texas Gulf Sulphur Co. reported Wednesday that 1965 was "a year of building for the future."

Claude Stephens, president, said in an annual report to shareholders that rapid progress was made in several of the company's diversification projects.

He reported that sales and earnings from the sulphur business improved substantially.

rent narrow definition of exports, it is possible that the exporters may in the longer term come to suffer from a surfeit of 'incentives' and that some of them may export to the detriment of the economy as a whole."

level and earnings rose by 37 per cent.

He said development of the Kidd Creek Zinc-copper-silver mine and construction of a concentrator near Timmins, Ont., moved ahead rapidly.

The productive capacity of the Kidd Creek project has been increased to 3,000,000 from 2,000,000 tons of ore annually.

The company reported earnings rose to \$18,160,941 in 1965 from \$11,556,189 in 1964. Earnings per share climbed to \$1.81 from \$1.15.

## Fellowships Announced

OTTAWA (CP)—The Canada Council Wednesday announced pre-doctoral fellowships in economics, sociology, social psy-

## SECOND SECTION

chology, political science and related fields.

Recipients in the Atlantic provinces:

Nova Scotia — T. B. Cuciura, Halifax; M. MacInnis, Sydney; J. E. Smith, Middleton.

New Brunswick — A. E. Ellison, D. M. Hurley and F. T. Walton, all of Fredericton.

**COST IS INSIDE**  
More than two-thirds of the cost of an automobile tire is in the casing rather than the tread.

# The Guardian

"Covers Prince Edward Island Like The Dew"

Charlottetown, Thur. March 31, 1966 17



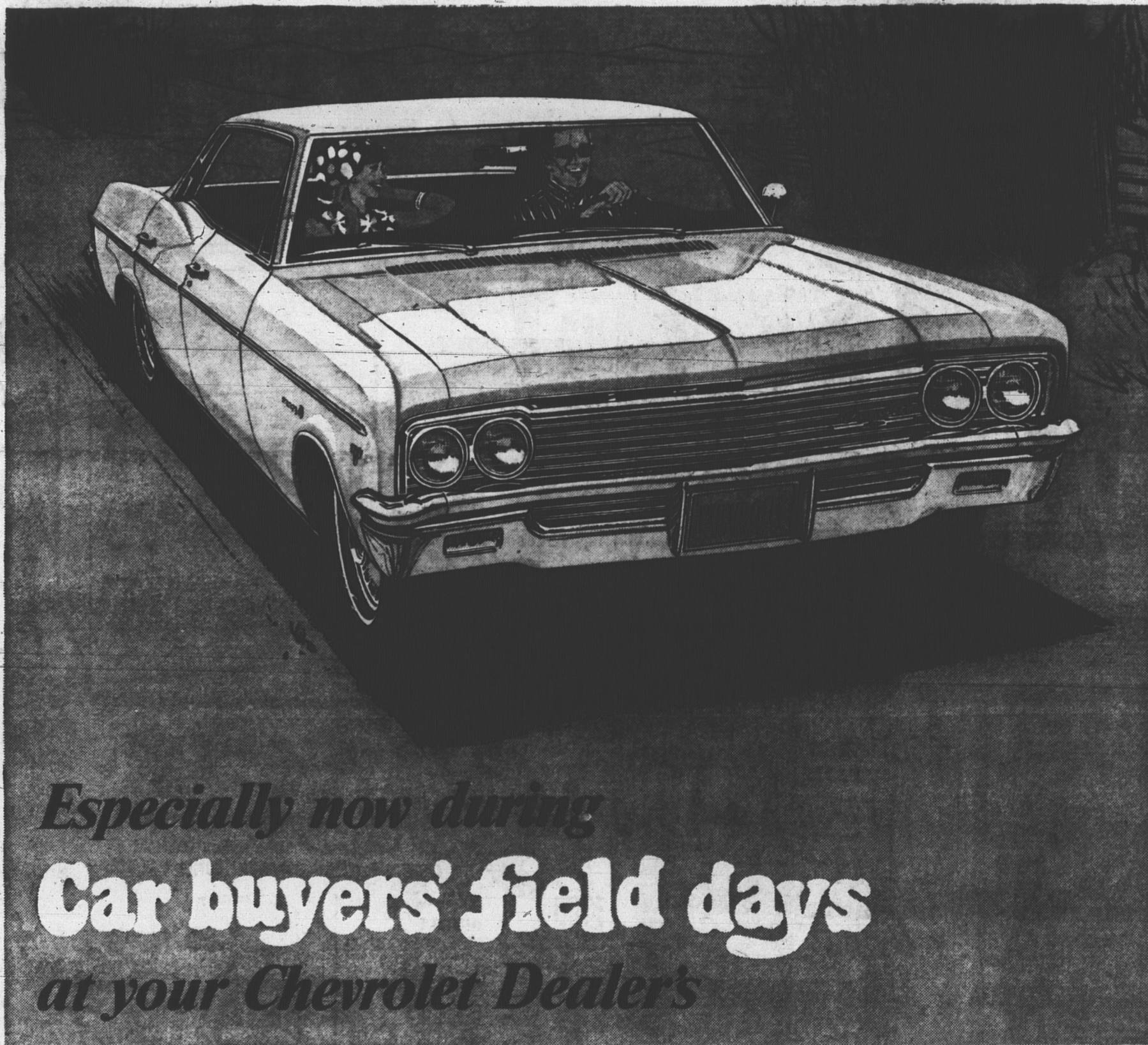
## TORONTO LIBERAL EMBARRASSES GOVERNMENT

Liberal Member of Parliament Ralph Cowan (LEFT) leaves Liberal caucus at Ottawa Wednesday amid speculation that he is in danger of being expelled from the caucus.

Cowan, member for Toronto-Humber, embarrassed the government this week in the Commons by blocking moves to have the capital punishment debate extended. At

right is Bryce Mackasey, Liberal party official, however, gave no indication Cowan is in danger of being expelled from the party caucus. (CP Wirephoto)

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## Okanagan Fruit Farms Recovering

KELOWNA, B.C. (CP)—The Okanagan fruit industry is recovering from a disastrous freeze-up that virtually wiped out some soft fruit crops in 1965.

John Smith, the British Columbia government supervising horticulturist here says indications are for a sizeable crop in 1966.

The industry was set on its ear as a result of the freeze-up in the winter of 1964-65.

Mr. Smith says many trees were killed outright and many more received bud damage. He says it will take as much as six years for the industry to fully recover.

The full extent of the frost damage is still under investigation in many areas of the lush Okanagan Valley.

But comparative figures for the 1964 and 1965 crop seasons give a good illustration of how badly the industry was hit.

The peach crop staggered to 3,000 pounds from 36,000,000 pounds. Apples hit 520,000 pounds from 19,000,000; pears were reduced to 6,000,000 pounds from 42,000,000; cherries to 2,000,000 from 5,000,000; and prunes to 4,500,000 from 13,000,000.

The apple crop, accounting for 60 per cent of the Okanagan's annual fruit output, fell to 230,000,000 pounds from 298,000,000 pounds.

Mr. Smith says trees have made a good recovery to date but some freeze damage is expected to become apparent as late as June or July.

He says there will be no reduction in orchard acreage this year. Prior to the big frost there were 2,300,000 fruit trees in the Okanagan and their fruit provided the base for the economy for the large district.

Individual growers could receive up to \$9,000 from various government agencies for crop damage. The maximum any orchardist can claim is \$4,000 for crop loss and \$5,000 for loss of trees. There is no payment for orchards of less than three acres.

**SPECIALS ON SUNDAY**  
MONTREAL (CP)—City council has decided to permit the sale of art objects on Sundays and holidays in Old Montreal, the historic sector of the city, to attract visitors and help revitalize the area.

## Tax Is Applied To Retread Tires

OTTAWA (CP)—The 11-per cent federal sales tax has been applied to retread automobile and truck tires, including sales by retreading shops direct to the consumer.

Imposition of the tax was announced Tuesday night by Finance Minister Sharp, effective immediately.

The federal sales tax normally is applied at the manufacturer's level, selling at wholesale to distributors or retailers.

But a federal official said it will also apply in the case of tire retread shops that do their own work and sell direct to automobile and truck owners.

In such a case, the official said, the tire shop would be licensed as a manufacturer and required to collect the tax and turn it over to the federal treasury.

## ATTITUDE COUNTS

EDMONTON (CP)—Parental encouragement is more important than money in determining who continues his education, concludes a survey by the department of education. A questionnaire of 35,486 Grade 11 and 12 students in Alberta found that only one boy in 10 in his last year of high school does not plan further education.



## VICTIM OF VIET CONG TERRORIST BOMBING

A Vietnamese woman sits amid the wreckage of her Saigon home after it was smashed early Wednesday by a Viet Cong terrorist bomb aimed at a nearby U.S. military billet. Four or five Americans received minor scratches in bombing that tore a 20-foot section out of the concrete and brick wall surrounding the downtown villa. Bombing came

on the anniversary of the bombing of the U.S. Embassy a year ago that killed 22 persons. (AP Wirephoto by radio from Saigon)