

Nehru Warns Clashes Could Lead To War

CP from AP-Readers
 NEW DELHI — Prime Minister Nehru has warned that clashes between Indian and Red Chinese troops could drift into war, and said a war between India and China "may become a world war."

Nehru told Parliament it is necessary to talk with the Chinese Communists to try to avoid further trouble along the disputed Himalayan frontier.

Answering questions there should be no talks unless

the Chinese withdraw from 12,000 square miles of the Ladakh area of Kashmir which India claims, he declared. "I refuse to accept the statement."

He called it a childish and infantile attitude.

DRAWN DISTINCTION

But once again he drew a distinction between talking with the Chinese and negotiations on the rival territorial claims. He said India is willing to talk with the Chinese to reduce border tensions and create a proper climate for negotiations. But negotiations will depend on the Chinese withdrawing from the territory India considers its own, he said.

"Nothing will be done to bring dishonor to India," he assured Parliament. "We prefer to be reduced to dust and ashes before we do any such thing."

He said he told the Chinese ambassador recently that the border situation "is drifting badly" and that it is necessary to avoid incidents because otherwise the two nations will drift into war. Each side has accused the other's patrols of shooting in the bleak three-mile-high valleys of Ladakh within the last month.

ALSO GAVE WARNING

Nehru said Defence Minister Krishna Menon also had warned Chinese Foreign Minister Chen Yi at Geneva last month of the drift toward war.

Nehru did not elaborate on his

Speculation In Taxi Permits Becomes Racket In Montreal

MONTEREAL (CP)—Speculation in taxi permits has become a racket in Montreal during the last few years, the civic administration charged here before the Quebec transportation board.

The number of taxi permits in Montreal has been frozen at 4,256 by a provincial law in effect since 1951.

Since then a black market has existed for taxi permits. Lucien Saulnier, chairman of city council's executive committee, told the board.

A small group got control of and often had to pay between \$10,000 and \$15,000 for it, Mr. Saulnier said.

The official permit price is \$61 but the city had none to sell. They were all taken up years ago.

Major Jean Drapeau said a new taxi bylaw, passed June 22, has wiped out the field for further speculation by limiting an individual to one permit.

LONG ROAD AHEAD

It might be years before the principle of "one man one permit" was realized in practice but, in the meantime, a person could not add to the number of permits he possesses and he could dispose of permits only by turning them into the city.

Still in a difficult situation, however, were taxi drivers who have not yet made all the payments on permits bought from speculators.

Mr. Saulnier said he intends to take this matter up with Attorney General Georges LaPalme.

He said that, if the cable failed to keep up his payments, all payments already made were forfeited and his taxi

encouraged to an \$1,000,000 paper mill for Newfoundland, but is being held up by a scarcity of markets for paper. Premier Smallwood said here.

Mr. Smallwood said he had been informed by the company that it is continuing its attempt to find a paper market. And will be ready to go ahead with the mill once the market has been found.

AA FIRE DAMAGES PLANE

HONG KONG (Reuters) — Leftist anti-aircraft guns damaged an American-made F-101 jet fighter in Laos Tuesday, it was reported Wednesday. The left-wing voice of Laos was quoted by New China News Agency as saying the plane was hit as it was "carrying out reconnaissance and other provocative activities" over the plain of Jara. The radio said the plane belonged to a SEATO power but did not name any specific country.

Paper Market Holds Up New Mill In Nfld.

ST. JOHN'S Nfld. (CP)—The Newfoundland Pulp and Chemical Company Limited is ready to proceed with construction of a paper mill on the east coast.

Permit contracts also specified that all car repairs had to be made at a single garage.

Meanwhile the International Brotherhood of Teamsters (I.B.T.) is trying to organize the city's taxi-owners and drivers into branches of its Montreal local.

H. R. Green, the teamsters' regional representative, said last week agreement has been reached with holders of nearly 2,000 of the 4,256 taxi permits.



CLOVER FARM

FRASER'S
CHICKEN SPREAD
3 OZ. TIN
5c

SCHNEIDER'S
LUNCHEON MEAT
SNACK
12 OZ. TIN
39c

CLOVER FARM CHOICE					
TOMATOES	2	28 OZ. TINS	49c		
NABISCO—18 OZ. PKG.					
Shredded Wheat	2	FOR	65c		
KING COLE					
TEA BAGS		60's GAUZE	89c		
CROSBY'S					
ORANGE DRINK		64 OZ. JAR	49c		
DINTY MOORE					
BEEF STEW		15 OZ. TIN	39c		
LYNN VALLEY					
WAX BEANS	3	15 OZ. TINS	39c		
LEVER BROS. WHITE					
BREEZE		LARGE SIZE	39c		
BARBOUR'S PREPARED					
MUSTARD	2	6 OZ. JARS	25c		
CAERNATION INSTANT					
POWDERED MILK		3 LB. PKG.	99c		
BROWN'S FRUIT TANGO					
COOKIES	3	PKGS.	89c		
CLOVER FARM—3 FRUIT					
MARMALADE		24 OZ. JAR	35c		
BICK'S HOT DOG—HAMBURG—SWEET—CORN					
RELISHES		12 OZ. BOTTLE	33c		

SALE MEATS

PRICES FOR THRIFT!

ALL PRICES EFFECTIVE FOR AUGUST 16, 17, 18

<p>CANADA PACKERS SMOKED SHANKLESS PICNICS 47c lb.</p>	<p>CANADA PACKERS SKINLESS WIENERS 43c lb.</p>	<p>Grade A Wings of CHICKEN 33c lb.</p>	<p>MAPLE LEAF Rindless BACON 1 lb. picture pak 79c</p>
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Large, Juicy, Pink GRAPEFRUIT	6 for 49c
Real Juicy, South African ORANGES	5 lb. 69c
No. 1 Canadian ONIONS	2 lb. cell/c 23c
Red Ripe PLUMS	Doz. 29c
P. E. I. CHERRIES	6 qt. basket 1.89 — 1 qt. box 39c

NON FOODS

<div style="border: 2px solid black; padding: 10px; text-align: center; margin-bottom: 20px;"> <p>MILD ISLAND CHEESE 45c lb.</p> </div> <p>FROZEN FOODS</p> <p>Perfection, Twin Pack ICE CREAM 2 pt. Bricks 49c</p> <p>Eastpak, 1 lb. pkg. HADDOCK FILLETS 41c</p>	<p>LADIES'</p> <p>Grass Slippers pair 29c</p> <p>Charcoal Briquets 10 LB. BAG 1.09</p> <p>MARVEL</p> <p>Charcoal Lighter 16 1/2 OZ. TIN 39c</p> <p>DOROTHY REED COCOANUT OIL</p> <p>Shampoo 12 OZ. BOTTLE 39c</p>
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HEINZ

TOMATO KETCHUP

2 11 OZ. BOTTLE 49c

ROBIN HOOD DELUXE

CAKE MIXES 37c

PLASTIC T.V. AND SETTING FOR 4 59c

SCHNEIDER'S

PICNIC HAM

1 1/2 LB. TIN **1.49**