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Sun rises 5:59 a.m. Moon rises 9:10 a.m. FORECAST: CLOUDY WITH SHOWERS; 50 and 70
Sun sets 9:09 p.m. Moon sets 10:46 p.m.

E. German Peace Pact In Making

New Berlin Crisis Expected, But No War Peril, U.S. Hopes

By JOHN HIGHTOWER

WASHINGTON (AP) — Soviet Premier Khrushchev probably will sign a separate peace treaty with Communist East Germany later this year. But it is highly unlikely he will give the East Germans the power to plunge the world into war over Berlin.

U.S. leaders now are generally agreed that a new Berlin crisis is in the making. They are receiving a steady flow of Russian-inspired rumors of trouble via European capitals. They get forewarnings, too, through such acts as increased Soviet aircraft operations in the Berlin air corridors and the Red threat to shoot down an American helicopter at Berlin earlier this week.

The signs of a new flareup of crisis are growing almost every day. Yet there is also evidence that Khrushchev has not made all of his final decisions as he continues his pressures to get the United States, Britain and France to abandon West Berlin.

ICBMs Replace Thor

WASHINGTON (AP) — U.S. missiles will take over Communist targets now assigned to 60 British-manned Thor rockets after they are dismantled.

American authorities disclosed this Thursday following a British announcement that the above ground, vulnerable Thor missile bases in Britain will be closed down during the coming year.

U.S. informants said "the basis of the British action was financial." They suggested the money Britain saves in this way may be used to strengthen her conventional forces — including those assigned to NATO—and said this meets with U.S. approval.

Officials expect the 1,500-mile range Thors to go out of operation by October, 1963.

By that time, the United States will have nearly doubled its fleet of Polaris missile firing submarines from the present nine to 17.

Also, the force of American 6,300-mile range intercontinental ballistic missiles will have risen from the present 81 to more than 480 by the time the Thors are taken down.

Many Leave Canada

OTTAWA (CP)—Canada apparently lost more people through emigration than it gained by immigration during the 12 months up to last June 1.

This was indicated today in a Dominion Bureau of Statistics report estimating Canada's June 1 population at 18,570,000 compared with 18,236,000 a year earlier.

The 352,000 increase was the smallest annual rise since 1950, when the gain was only 265,000.

The population estimate is based on figures of the natural population increase — births minus deaths — combined with immigration reports and estimates of emigration. Canada keeps no official tabs on population outflows, and the emigration estimate is based mainly on United States and British immigration statistics.

Today's DBS report said the natural population increase during the 12 months slowed to "about 335,000," with a small decrease in the number of births and a slight increase in deaths.

But the estimated over-all population gain was 332,000, or 3,000 less than the natural increase.

Jamaica To Celebrate Independence

LONDON (Reuters) — Princess Margaret and her husband, Lord Snowdon, left London by air Thursday night for Jamaica, where she will represent the Queen at the island's independence celebrations.

Jamaica becomes an independent state Aug. 6.

Drug Talks Set

Will Consider Aid, Control Measures

By CANADIAN PRESS

Official action on behalf of drug-deformed babies and moves to tighten control over new drugs have gathered impetus in Canada.

Five provincial governments—Quebec, Ontario, Manitoba, Alberta and British Columbia—announced acceptance of an invitation issued Wednesday by Federal Health Minister J. Waldo Monteith to work out joint programs of care and financial assistance. The meeting of federal and provincial health department officials was set for Aug. 17 in Ottawa.

Meanwhile, Dr. Jean Webb of the federal health department was attempting to track down cases of babies born deformed because their mothers took the tranquilizer thalidomide in early pregnancy to fight nausea.

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More Difficulties For U.K.

ECM Deadline Approaching, And Still No Accord In Sight

By GASTON COBLENTZ

BRUSSELS, (Special - NYHT) — Britain late Thursday night called for more than 20 revisions in the terms on which it has been offered membership in the European Common Market. The move made it still more difficult — although not yet impossible — for an agreement on Britain's entry to be reached by Saturday night's deadline.

The deadline was set by the British. One reason for it is to have ample time to present the results of the tense Brussels negotiations to the leaders of the British Commonwealth when they convene in London Sept. 10.

Thursday night's event occurred when the French, who only Wednesday opposed holding any more proleging late night sessions, changed form and agreed to hear Lord Privy Seal Edward Heath present Britain's "final" proposals on protecting the large food-exporting interests of Australia, Canada, and New Zealand.

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Wary Truce In Algeria

By SANCHE DE GRAMONT

ALGIERS (Special-NYHT) — Algerian leaders patched up their differences Thursday and announced that national elections would "probably" be held Aug. 27.

The seven-man political bureau under the leadership of Vice-Premier Ahmed ben Bella is due to arrive in Algiers Thursday to take over the reins of the country until elections.

But political leaders opposed to Mr. Ben Bella made it clear that the agreement reached Thursday was only a "modus vivendi" that buried political problems, but did not solve them. The compromise was reached at 1:30 p.m. after a two-hour conference in the government general building, Mohammed Khider, Ben Bella made it clear the compromise which made three main points:

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Cause Of Price Hikes

OTTAWA (CP) — Canadian housewives paying more these days for beef and pork — in contrast to normal summer price reductions — can blame last year's prairie drought.

Fewer hogs and lower numbers of fat market-ready cattle are a delayed reaction to the reduced feed grain supplies and the resulting higher cost of feed grain.

Federal agriculture department officials expect the situation to last until new prairie grain supplies are on hand. The effect of imported American pork in helping control Canadian price fluctuations has been lessened by dollar devaluation in which the Canadian dollar doesn't go as far as it used to.

Beef cattle exports so far this year to total 58,789 head in slaughter and feeder classes compared with 39,762 head a year earlier. However, exports have slowed after the winter and spring sales by farmers who were reluctant to pay higher prices for feed when the U.S. price was good.

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Govt. Shuffle Soon

Dief Ready For Cabinet Shakeup

OTTAWA (CP) — Departure of Solicitor-General William Brown from the cabinet Thursday leaves the stage clear for Prime Minister Diefenbaker to announce his new cabinet lineup.

Informed sources say the announcement will come soon—perhaps this weekend—but may be delayed for the return of Governor-General Vanier from a summer vacation on the lower St. Lawrence.

Mr. Browne, 65, sent his resignation to Mr. Diefenbaker Thursday and prepared to leave this weekend for his home in St. John's, Nfld., where he intends to launch legal proceedings to get the June 18 election in St. John's West constituency which he lost by 24 votes to Liberal Richard Cashin.

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Lumber Meet Is 'Hush'

VANCOUVER (CP) — External Affairs Minister Green will hold hush-hush talks with British Columbia lumbermen about U.S. proposals for voluntary quotas on lumber exports from Canada.

Time or place of the meeting was not disclosed and Mr. Green said no statement would be issued after the session.

Mr. Green declined comment on federal government reaction to the quotas called for last week by President Kennedy in response to demands from lumbermen in northwestern states. "We haven't any official word from the U.S. government yet," he said in an interview. "And the proper way to handle this problem is to wait until we get notification from them."

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VoW Denies Charge Of Red Infiltration

OTTAWA (CP)—Two aroused women—the president and vice-president of the Voice of Women—complained to Justice Minister Fulton Thursday that the RCMP remained silent while Calvin MacDonald used the RCMP's "good name to indulge in such disgraceful publicity."

The cause of their grievance: Statements by Mr. MacDonald, self-styled former undercover RCMP informant within the Communist party for 10½ years, that Communists had infiltrated various organizations including the Voice of Women, a ban-the-bomb, anti-discrimination group.

They singled out a statement by Mr. MacDonald in a CBC television interview a week ago that the Voice of Women had been "infiltrated and taken over" by Communists.

A letter which VoW President Mrs. Helen Tucker of Port Credit, Ont., and Vice-President Mrs. Therese Casgrain of Montreal presented to Mr. Fulton said the statement was "false and sensational" and amounted to "grievous mischief and slander."

RCMP Commissioner C. W. Harvison has declined to confirm or deny that Mr. MacDonald is among the hundreds of bargainers in today's classified section. No matter what you need shop and save in Free Press want ads.

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Israel, U.K. At Odds Over Soblen

Israeli Airline Reluctant To Carry Soviet Spy To U.S. Jail

LONDON (AP) — Britain ordered El Al Airline today to fly fugitive spy Robert Soblen to New York, but the Israeli government appealed to Britain to relieve the airline of this responsibility.

A diplomatic source said the Israeli government had communicated its appeal to the foreign office and the matter is being studied by British officials.

This development could make it unlikely Soblen will be sent to the United States aboard the Israeli El Al plane leaving London tonight.

The London office of El Al confirmed that it had received Home Secretary Henry Brooke's order directing it to carry Soblen to New York, where he faces a life sentence for spying for the Soviet Union.

Waiting to escort Soblen were Chief Marshal James J. P. McShane and Deputy Marshal Joseph Wastielewski.

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Medicare Statute Passed

REGINA (CP) — A special session of the Saskatchewan legislature has written into law amendments to the controversial Medical Care Insurance Act outlined in an agreement made last week by the CCF government and the medical profession.

The agreement, signed in Saskatoon July 23, ended a 23-day boycott of the compulsory, prepaid and universal plan by most Saskatchewan doctors.

In a one-day session—shortest in the province's history—a bill outlining the amendments without a dissenting vote. It received royal assent at 9:50 p.m. Thursday, prior to prorogation in the House.

Opposition Leader Ross Thatcher said the amendments represented a major retreat by the government.

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Churchill Is Rallying

LONDON (Reuters) — Sir Winston Churchill Thursday was reported to have rallied from a minor setback in his recovery from a broken thighbone.

Lady Churchill told reporters after an hour-long visit with her husband this afternoon that "he did have a little touch of something, but it had passed away."

She also declined direct comment on whether Canada was willing to negotiate with the U.S. on voluntary restriction on lumber exports.

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Balloon Drops Monkeys

PRINCE ALBERT (CP) — A giant plastic research balloon launched from Goose Bay, Labrador, today released its live cargo in a wilderness area about 55 miles northeast of here.

The capsule dropped from the 380-foot high balloon contained two hamsters, two hamsters, flower beetles and an assortment of seeds and nerve cells.

They were sent aloft to test the effects of cosmic radiation in space and travelling across the country at heights of 112,000 to 128,000 feet.

THE PAS (Special) — A 380-foot U.S. research balloon carrying four capsules containing two hamsters, two hamsters, flour beetles, and seeds and nerve cells passed over Squaw Rapids, Sask.

It was expected to go down in the vicinity of Candle Lake, Sask., after the capsules have been released by radio from the tracking station. Don Lamb will pick up the instruments and other equipment and fly them to Edmonton.

Severe storms slowed the balloon's progress Thursday.



The only damage done when a tandem truck crashed through a bridge over the Whitemouth River in Whitemouth was the loss of a load of gravel and the use of the bridge. Truck driver Sylvester Slynkewich of the town was not injured. Road traffic has been stopped since the accident occurred Wednesday. Police say there were no load restriction signs to warn heavy vehicle operators.

Kennedy Gives In On Help For French Nuclear Force

By DON COOK

PARIS (Special-NYHT) — The Kennedy administration has made a small but significant revision in its hitherto rigid policy of "no help for the French" in President de Gaulle's efforts to create an independent nuclear striking force.

The United States, it was learned Thursday, has now revised its rules and decided to give a green light to any French purchases or assistance arrangements involving any of the U.S. technical secrets, information and know-how on manned aircraft. Primarily this opens the door to the French to obtain U.S. "inertial guidance" equipment which in effect turns an airplane into a guided missile with a man at the controls.

The extent to which France will now respond by placing orders in the United States remains to be seen. But the White House and the Pentagon have now, evidently, come around to the view that it is no longer good sense to take such a completely rigid and negative line with France on military equipment which is being supplied to Germany, Belgium,

The Netherlands, Great Britain and other NATO countries.

Meanwhile, France has agreed to import during the year 60,000 tons of United States anthracite coal. In previous years, the U.S. has been a major supplier of coal to France, but the balance in the last few years has shifted heavily to imports from the Soviet Union. Now U.S. coal will be increased after a steady decline, with some benefit to the depressed mining areas of Pennsylvania and West Virginia.

While the two developments are in no way directly related, or have been worked out in conjunction or as part of any kind of a deal, they nevertheless demonstrate that both Paris and Washington have much room for manoeuvre in trying to sort out common understandings and an improvement in relations. Both of these developments are primarily the result of the insistence and work of James Gavin, whose resignation as U.S. ambassador to France was announced by the White House Wednesday.

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The U.S. Is Worried

Administration officials in Washington, where President Kennedy is pushing forward with his bold new trade program, are worried about the Diefenbaker government's attitude towards Canadian-U.S. trade. A report on these fears, as contrasted with the atmosphere some years ago when a Liberal government was forced to impose temporary import curbs, has been written by Max Freedman and appears on today's editorial page.

Small Step

The administration's shift in policy on helping France in the manned aircraft field will at least end the anomaly in which the United States has been more open with its secrets to NATO allies who do not have nuclear weapons while denying them to France. But it only represents a small step toward full co-operation with France and in no way

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