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# The Guardian

Clear with a few cloudy intervals; little change in temperature; light winds. Low - high at Charlottetown 50 and 68.

"Covers Prince Edward Island Like The Dew"

CHARLOTTETOWN, CANADA TUESDAY, JUNE 24, 1958

NOT MORE THAN FIVE CENTS

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SEEN AT RECEPTION given by Ralph C. Pybus, president of Maritime Central Airways are left to right, Carl F. Burke, general manager of M. C. A.; William Hayward, newly elected president of the P. E. I. Board of Trade; Ralph C. Pybus, presi-

dent of the Canadian Chamber of Commerce; Ernest D. Reid, retiring president of the Maritime Board of Trade. Mr. Pybus was the guest speaker at a dinner meeting of the Board held last evening at the Charlottetown Hotel. During yesterday

afternoon the Island Board of Trade brought in the following slate of officers: Past president R. Earl Taylor; President, William Hayward; vice-president, C. R. Hunter; Sec'y Treas., A. Walthen Gaudet; Council, A. H. Holman, Morton Dew, C. F. Bentley, Willard Burke, W. R. Brennan, D. I. Sinclair, B. B. Jones, P. M. Simmonds, Brian Cudmore, A. D. Cameron, Howard Douglas, G. G. K. Peake, Henry MacWilliam; ex-officio Mayor Edwin C. Johnstone.

## M.P.B.T. DELEGATES TOLD

# Canada's Resources To Decide Future Pattern

A note of optimism was sounded by Ralph C. Pybus, president of Canadian Chamber of Commerce who said last night "Canada is a land richly endowed with great resources which in time will be required by many nations." Mr. Pybus addressed a dinner meeting of the Maritime Provinces Board of Trade here.

resources of coal, oil, gas, hydro-electric and uranium assure us of a great industrial expansion and above all else, we are a resourceful, a skilled and a hard working people with a growing population adding rapidly to our work force and our home market," he said.

### CAUTION SIGNALS

Mr. Pybus however added a note of caution when he stated the greatest challenge to the balance of stability of the economic structure of Canada is "the continuing pressures of our cost inflation, the cost price squeeze."

"We are a trading nation," said Mr. Pybus, "and our ability to retain our prosperity and high standard of living depends on our ability to produce in quality and at costs which will allow us to sell in this changing world, with its highly competitive markets."

"Continuing inflationary costs, costs of increasing wages and taxes against lowering prices, in deflationary markets seem to defy all economic laws, but in a free world we know that sooner or later the producer must bow to the buyer and we know we can price ourselves out of our markets."

### MORE INDEPENDENCE

"We Canadians must resist the popular urge to turn to Governments for more and more because this simply means more and more taxes which must be written into costs. We expect our

Government to guide and direct and to care for those unable to care for themselves but surely it is the duty of every able citizen to support and provide for himself and his family."

"Government security and welfare is no stronger than the wealth of our country and our ability to produce and our ability to sell" said Mr. Pybus.

"And as with taxes, so our continuing year by year unrealistic wage demands must be restrained," Mr. Pybus said, "Better self-restraint but restraint there must be, or the spiralling costs will play havoc with our public and private social welfare and with our economy. The desire for more is a worthy incentive, but it must be in keeping with the size of the pie, our economic wellbeing."

### VICIOUS CIRCLE

"When wages increase at a faster rate than increase in productivity, the result is increasing costs and higher consumer prices, showing a loss in the purchasing value of our dollar. Dominion Bureau of Statistics reports tell us this is happening. Mr. Pybus said that profits are part of prices and excessive profits are just as damaging as unrealistic wages and high taxes. According to Dominion Bureau of Statistics reports the latest (Continued on page 2 col. 4)

# Teamsters President Acquitted

NEW YORK (AP)—Teamsters president James R. Hoffa was acquitted Monday night in a second trial on charges of wiretapping the union's Detroit headquarters.

Two other defendants, Owen B. Brennan, president of Detroit Teamsters Local 337, and Bernard Spindel, professional New York wiretapper, also were found not guilty by a jury that had the case nine hours.

The three were accused in a conspiracy count of wiretapping the union headquarters in 1953 so Hoffa could eavesdrop on union employees. The penalty under the federal statute is a maximum five years and \$10,000 fine if convicted.

The jury got the case at 11:35 a.m. EDT after a month-long second trial. The first trial ended late last year in a hung jury.

# Gov't Exhortations To Hold The Line Criticized

OTTAWA (CP)—Government exhortations to labor and industry to hold the line on wage and price demands were attacked Monday by a CCF critic in the Commons.

Erhart Regier, Burnaby-Coquitlam, said the government is "nothing but the lackey of big business."

Employers, he said during the budget debate, "charge all that the traffic will bear." But workers seeking pay raises to offset increased living costs not only had to contend with employers across the bargaining table but also with Prime Minister Diefenbaker and Finance Minister Fleming who had urged them to hold the line on demands.

It would require more than "pious appeals" to business to hold down their prices. Among businessmen it was considered a weakness to respond to such an appeal.

Some were up, some down. It wasn't clear, taking the full picture, whether there was any net rise in tariffs at all. They amounted to a "simplification and modification" of regulations, and they had all been presented to Canada's partners in the General Agreement on Tariffs and Trade (GATT) as a "balanced package."

The Progressive Conservatives had always supported GATT. Even the "most convinced free trader" would find it hard to get excited about the budgetary proposals.

### Referring to the Common-

## 13 CNR Freight Cars Derailed

SYDNEY (CP)—Thirteen cars of a 61-car freight train hurtled off the track on the Canadian National Railways main line to Moncton at Christmas Island 33 miles from here, Monday. No one was injured.

A broken axle on one of the cars was blamed for the mishap which tied up the line until it was cleared late Monday night. About 200 feet of track were torn up.

The train, No. 409, left here for Moncton at 1 p.m. A.D.T. Monday.

Eight of the derailed cars were empty. Four contained steel rails and one, fish meal.

### BLOOD SUPPLY LOW

TORONTO (CP)—Officials of the Toronto Red Cross said Monday they are worried about their blood supply for the Dominion Day holiday, when demand usually soars because of accidents. Pledges for the coming week have fallen far short of the week's quota, 1,500 pints.

## Moscow Crowd Makes Attack On West Germany Embassy

By HAROLD K. MILKS MOSCOW (AP)—A Russian crowd in a vicious mood attacked West Germany's embassy with stones, sticks and ink bottles Monday in revenge for the assault on the Soviet Embassy in Bonn last week by demonstrators protesting the execution of Hungary's Imre Nagy.

As the window-smashing demonstration raged, a handful of Soviet police raced back and forth, fruitlessly blowing whistles and shouting. Finally, Soviet mounted police broke up the demonstration two hours after it began.

A pile of gasoline-soaked rags was thrown through a window, starting a small fire that was put out by embassy workers. Foreign correspondents, including this one, were roughed up and shoved around as they attempted to take pictures.

West German Ambassador Hans Kroll said he has delivered "the strongest possible protest" to Soviet Deputy Foreign Minister A. V. Zakharov. He said he tried to see Foreign Minister Andrei Gromyko but failed. Kroll said he demanded an apology, full compensation for damages and assurances that the incident would not be repeated.

Starting out with about 500 men and women, the crowd swelled quickly to 1,500. The Russians smashed almost every window in the two-storey building with a barrage of sticks and stones. Then they crashed ink bottles against its grey walls, turning the front almost completely blue.

The damage seemed greater than that resulting from an assault on the Danish Embassy here last Friday.

### GIVEN 12-MONTH EDUCATIONAL LEAVE BY DEPT.

Research officer in animal husbandry at the Charlottetown Experimental Farm, Mr. James W. G. Nicholson, has been granted a 12-month educational leave by his employers, the Dominion Department of Agriculture.

During this time he will study for a Ph. D. at Cornell University, Ithaca, N. Y., returning to his present job at the end of the course.

## Feed Diversion Proposal

OTTAWA (CP)—Canadian consumers are spending their money at a record \$20,000,000,000-a-year pace.

But despite this rise along with heavier spending by governments and more outlays on housing the economy has geared down from its high run, feeling the impact of lower exports and business investment and a drop in stockpiling.

This is the story the bureau of statistics told Monday as it estimated the gross national product—value of all goods and services produced—at \$7,105,000,000 for the first three months of 1958 or an annual rate of \$31,676,000,000.

This was actually higher than the \$31,460,000,000 annual rate in the last three months of 1957, the \$31,252,000,000 in the first three months or even the over-all 1957 average of \$31,443,000,000.

But the rise was based on higher prices and an arbitrary estimate of what the grain crops will produce later this year. Physical production was in fact down two per cent from the first three months and one-half of one per cent from the last three months of 1957.

### DEFICIT MAY RISE

FINANCE MINISTER Fleming's June 17 budget was based on a gross national product of \$32,000,000 for 1958. It appears there will have to be a pick-up in the economy this year or his forecast deficit of \$648,000,000 may turn out to be a bit higher than

that. On the whole the bureau found production relatively stable. Despite the rise in winter unemployment and a slight decline in productivity, labor income rose to an annual rate of \$15,932,000,000 in the January-March period.

This compared with the 1957 average of \$15,825,000,000 and indicated a source of plenty of spending power that found its way into Canadian shops. Consumer spending on goods and services rose to an annual rate of \$20,432,000,000, compared with last year's average of \$19,768,000,000. Part of the 1958 rise was due to higher prices.

Compared with the last three months of 1957, more money was spent on food and clothing, passenger cars, home furnishings, furniture and appliances. Spend-

ing on fuel dropped while outlays for alcoholic beverages remained unchanged.

### BUSINESSMEN CAUTIOUS

But businessmen were making less profits and were cautious, stockpiling less and thereby reducing factory orders. Inventories were liquidated at the annual rate of \$460,000,000 in January-March.

## Record Spending But Economy Is Lagging From Other Causes

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## 100 Brazilians Killed, 340 Injured In Fireworks Blasts

SAO SALVADOR, Brazil (AP)—More than 100 Brazilians were reported killed and 340 were injured Monday in two great chain reaction explosions in fireworks stores.

The fireworks were being prepared and vended for the traditional June celebrations of saints days.

Faced with the twin disasters in Bahia state, the government took steps to ban all fireworks. Reports from Santo Amaro, 15 miles north, said about 100 were killed and 300 were injured in a single blast there. A broken electric power line was blamed for the original ignition.

## P.C. Leader Accepts Call To Form Manitoba Gov't

WINNIPEG (CP)—Duff Roblin, whose Progressive Conservatives won last week's Manitoba general election in the party's first big test since he became leader Monday accepted the call to form a new government.

Lieutenant-Governor J. S. McDiarmid announced he had accepted the resignation of Premier D. L. Campbell and his Liberal-Progressive government and that Mr. Roblin had agreed to form a cabinet.

Mr. Roblin will be sworn in as premier June 30.

The announcements ended a week's speculation on the eventual outcome of the June 16 election in which the Conservatives won 26 seats to become the largest group in the 57-seat legislature, though without an overall majority.

Only 19 Liberal-Progressive members were returned. The CCF held the balance of power with 11 seats. One independent also was elected.

Speculation reached its peak during the weekend when the CCF held a two-day caucus. Early Monday CCF leader Lloyd Stinson issued a statement outlining a seven-point legislative program as the price of that party's support for a minority government by either major party. It repeated the party's determination not to enter a coalition.

Three hours later, Premier Campbell said the CCF would not commit themselves to support the government's program and announced he would resign. His resignation and the calling of Mr. Roblin followed.

Mr. Roblin, in an impromptu press conference after he was informed by reporters of Mr. Campbell's decision to resign, said a Conservative party caucus would be called after he is sworn into office as premier.

He repeated his campaign promise that an early session of the legislature would be called—"sometime in the fall to implement the essential points of our platform."

The premier-elect, who became party leader in 1954, indicated the makeup of his new cabinet would be announced shortly after he officially takes office.

Asked whether he expected an early election to be called, Mr. Roblin replied: "We're not anxious for another election but we must face the facts that history and experience have taught us—that it is not in the best interests of the province to have unstable political situations last indefinitely, by the UAR."

## Harkness Says Delay In Plan Not Ottawa Fault

OTTAWA (Special) The Federal Government offer of 45 cents a bag assistance payment for potatoes used under the proposed feed diversion program in P.E.I. still stands, Agriculture Minister Douglas Harkness said Monday.

Any delay in payment to Island growers "is not due to any failure on the part of the Federal Government," Mr. Harkness said.

He said in a statement issued in Ottawa that "notwithstanding extended negotiations, no agreement has yet been reached to provide assistance for those Prince Edward Island Potato growers who have been unable to market a fair proportion of their crop."

The official statement follows: On May 20th, the Stabilization Board received representation from representatives of the Prince Edward Island growers, at which time the problem was outlined and assistance requested.

On June 3rd and 4th, at the invitation of the Stabilization Board, discussion were held with representatives from the Provincial Government and growers, at which time the Federal Government offered assistance in the form of a feed diversion program equal to what is being provided to New Brunswick growers on a starch diversion program.

A starch diversion program in factories operating in the Province the stabilization board estimated that the feed value of the potato was approximately 30 cents a bag. The Island representatives submitted that for varying reasons, this estimate was too high and, therefore, the assistance was not satisfactory.

In view of these representations, offer for cash assistance from the Federal Government was increased from 30 cents to 45 cents a bag (75 lbs.) for feed diversion on the farm.

This offer of assistance is still available and any delay in taking advantage of this assistance is not due to any failure on the part of the Federal Department.

## Two Fishermen Are Drowned

SYDNEY (CP)—Two Nova Scotia fishermen drowned Monday while lobstering out of Fourchu, 30 miles southeast of here.

The capsized boat of Stewart MacLean, 32, of Sydney and Sidney MacDonald, 42, of Fairview, N.S., was found drifting in the Atlantic. Police said the boat was swamped by a wave.

## Loses Life In Abandoned Pit

GLACE BAY, N.S. (CP)—Rod MacDonald, 35, died Monday after being buried beneath piles of dirt in an abandoned coal pit here. His body was recovered after two boys noticed a hand protruding from beneath a heap of dirt.



MR. NICHOLSON



SPEAKES TODAY

Douglas V. Gonder, vice-president and general manager of the Atlantic region of the Canadian National Railways, who will address the annual meeting of the Maritime Provinces Board of Trade at the Charlottetown Hotel here today (Tuesday).



DUFF ROBLIN has good reason for the broad smile. Leading the Progressive Conservatives for the first time, his party won the largest number of seats in Manitoba's general election June 16 and the following day he celebrated his 41st birthday. (CP Wirephoto)

The Liberal-Progressives had dominated Manitoba politics since 1922. They governed in coalition with the Progressive Conservative 1, Labor-Progressive 1 and two were vacant.