



PAST PRESIDENT'S PIN PRESENTED

Charles Campbell (left), president of the P.E.I. Teachers' Federation, presents the past president's pin to Thomas Hall of Athena Regional High School, last year's president of the federation. The presentation was made yesterday at the final session of the federation's three-day annual convention at Birchwood High School (For story, see page 3.)

Gordon Expected To Trim Some Taxes Monday Night

By STEWART MacLEOD
OTTAWA (CP)—Finance Minister Gordon has put the finishing touches to his budget speech and, with the economic and political arguments he has in hand, he is widely expected to trim some taxes Monday night. But observers doubt there will be any wholesale chopping of taxes when Mr. Gordon rises in the Commons at 8 p.m. EDT (9 p.m. ADT) to deliver his third budget speech. It is felt there is more likely to be discriminate pruning of certain taxes, coupled with adjustments in others. Generally speaking, in times of economic expansion—such as now—big cuts are unlikely. However, the minister has made no effort to spike speculation—as he did last year—about possible reductions. Despite his traditional view that governments should aim at reducing deficits in times of economic growth, he recently hinted that other factors are more important at this time. "At times when there is still... an appreciable amount of unemployment and we know that large numbers of people are being added to the labor force in the next few years, I think there are not the times when you should reach for an exact balance."

BALANCE WITHIN REACH
There is no doubt that an exact balance is easily within reach for Mr. Gordon. The deficit in the fiscal year ended March 31 was down to \$83,000,000 from an original prediction of \$455,000,000, and the minister predicted in his pre-budget white paper that the "Canadian economy as a whole should move forward to new and higher levels of activity in 1965. After last year's budget, in which there were no major tax cuts, Mr. Gordon was asked when he would seek a balance. "As soon as jobs are chasing men and women all over Canada," he replied. The mushrooming increase in Canada's labor force is bound to be one of the prime considerations in the new budget. The post-war baby boom now is pouring into the labor market, and the Economic Council of Canada said in its annual report that "Canada is moving towards one of the highest rates of labor force expansion in its entire history." In charting goals for the 1963-70 period, the authoritative council said 1,500,000 new jobs must be created, there must be a 50-per-cent increase in total real output, and there must be a 5 1/2-per-cent annual volume increase in the Gross National Product. The council called for "strong expansionary policies." In laymen's language, this is usually taken to mean tax cuts. **PLEA GETS SUPPORT**
After the report was published in January, the Canadian Tax Foundation said the economy may fall short of the council's goals unless it gets some stimulation. "The odds on tax cuts... may have increased substantially."

EPA Charter Licences Here, Moncton May Be Cancelled

OTTAWA (CP)—The Air Transport Board has warned Eastern Provincial Airways (EPA) that it is considering a cancellation of the firm's charter service with group B aircraft at Charlottetown and Moncton, N.B. In an order made public Friday, the board gave Eastern Provincial until May 12 to explain why it has failed to base the required aircraft at either point and has not provided the service authorized by the licences. The board also reported that it has authorized Saint John Air Services to expand its operations from Saint John, N.B., previously limited to Grand Manan Island, N.B., to serve St. Stephen, and Pennfield, N.B., Eastport and Lubec in Maine and Yarmouth, N.S. An application by Fredericton Aviation Limited to establish a charter service at Edmundston, N.B., was turned down. It had been opposed by Dionne's Flying Service of Grand Falls, 30 miles from Edmundston. In other decisions, the board deleted a prohibition against Quebecair moving Montreal cargo through Chicoutimi to the northern Quebec points of Gagnon, Wabush and Schefferville. The commercial licence of the Gander, Nfld., Flying Club, suspended in February, was reinstated after the firm filed reports to the board which had been in arrears.

EPA Official Comments On Charter-Loss Threat

GANDER, Nfld. (CP)—Neither Eastern Provincial Airways nor its predecessor, Maritime Central Airways, has offered a charter service with small group-B aircraft from Charlottetown and Moncton for at least 12 years, William H. Harris, EPA vice-president in charge of sales, said Friday. His comment followed notice by the Air Transport Board of Ottawa that EPA's licence for such services may be cancelled because it has not provided the required aircraft at either city. Mr. Harris said the service was not provided because there was no demand for it. The licence for small-plane charters was originally issued to MCA three years ago. He said Maritime Central gradually discontinued the service because of lessening demand. Eastern Provincial had no intention to reduce its service to Moncton or Charlottetown. All Maritime province services were in group-A aircraft—DC-3s or larger. The company's only operating group-B services were on the coasts of Newfoundland and Labrador.

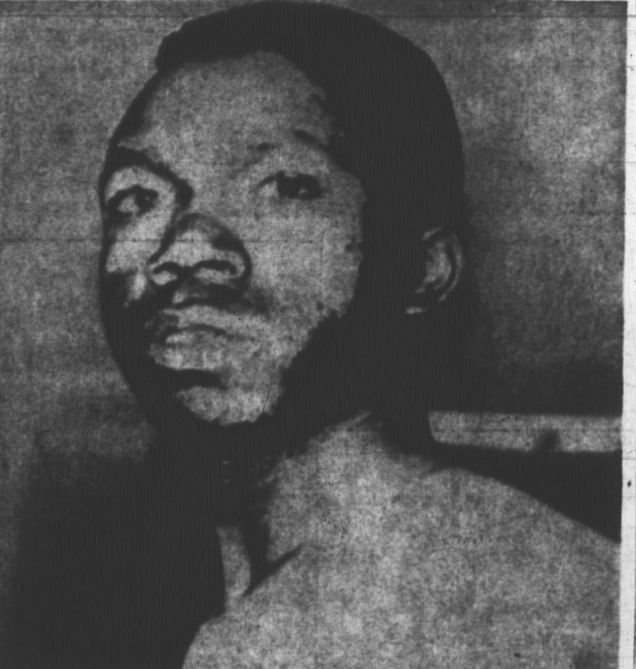
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Quebec Gov't Reveals Appeal To Queen Plan

Dief Outlines Views At Halifax Conference

HALIFAX (CP)—Opposition Leader Diefenbaker, in Nova Scotia on a weekend speaking tour, held a press conference here Friday and touched on subjects ranging from the Canadian constitutional amending formula to federal aid to universities. He said the Progressive Conservative party will "oppose to the limit" the constitutional amending formula already agreed to by the federal government and approved by many of the provinces. Parliament should have a chance to examine and debate the British North America Act, which is the constitution, before any amending formula is decided, the Conservative leader said. On the subject of taxes, Mr. Diefenbaker said he favors a reduction in income and corporation taxes this year and abolition of the 11-per-cent sales tax on building materials, imposed by the Liberal government. He said his government reduced taxes when it was in power and he has advocated tax cuts since 1962. The present government had increased taxes more than \$300,000,000 a year. At the same time the former prime minister said there was serious danger of inflation. **WOULD STEP UP AID**
He advocated increasing federal aid to universities to \$3 per capita of provincial population from the present \$2 and adopting an assistance plan similar to that used for vocational schools by which Ottawa paid 75 per cent of the cost of building construction. Asked if he thought there should be a federal election soon, Mr. Diefenbaker said, "That's not for me to say, although I've been interested in some of Prime Minister Pearson's recent comments on the subject. . . . As for the Conservative party, we'll give the government full support on any good proposals it brings forward." Mr. Diefenbaker also was questioned on two recent changes in his party ranks. He said there was no political significance in the retirement of Gordon Churchill as the party's house leader in the Commons. Mr. Churchill had asked to be replaced and "no one was more loyal." Leon Balcer's current comments on the party's attitude toward Quebec don't agree with his views when he was a Conservative federal cabinet minister, the opposition leader said. Mr. Balcer said in Montreal Thursday that the Conservative party is not only ignoring Quebec but "resisting it."



HELD IN CHURCH BOMBING

David L. Malone, 25, is shown at a New York police station early Friday morning after he was charged with arson, desecrating a house of worship and felonious assault in connection with Thursday night's fire bombing of St. Patrick's Cathedral. A woman was badly burned when a gasoline-filled bottle exploded at the altar rail where she was kneeling. (AP Wirephoto)

ON BOSTON COMMON

18,000 Attend Dr. King Talk

BOSTON (AP)—Dr. Martin Luther King thundered his civil rights message to rain-pelted thousands on the historic Boston Common Friday and said the United States "must not become a nation of onlookers" in the fight against racial segregation. A police-estimated crowd of 18,000 jammed the American revolutionary war meeting ground as the Negro leader spoke for 25 minutes. His speech and those of other civil rights leaders who preceded him climaxed a three-mile protest march from Boston's predominantly-Negro section, Roxbury. The crowd was swelled by supporters from a score of eastern-Massachusetts communities. "We march in Boston to tell Boston, and the rest of the nation, that we will no longer tolerate segregation which is a new form of slavery," King said. "We say we are through with segregation, now and forevermore." King said he wants to see freedom gained by "creative non-violence." The chilling rain drove some of the big crowd from the common and many gathered under

Upper House Sparks Action

QUEBEC (CP)—The Quebec government announced Friday it has decided to appeal directly to the Queen to settle its fight with the province's opposition-dominated upper house. Premier Lesage, told newspaper men following a lengthy cabinet meeting the precise text of a special address to the Queen will be worked out by the cabinet Tuesday. It then will be presented to the legislative assembly, which reconvenes Tuesday, for approval. Once that is obtained, it will go through the legislative process which acts as the Queen's "counsel" in such matters. The move, unprecedented in recent history, follows a battle within the Quebec legislature over a government bill to eliminate the legislative council's veto powers over legislation. The bill passed the elected assembly, where the Liberal government holds 64 of its 90 seats. When it reached the legislative council, however, Canada's only provincial senate, in which the opposition Union Nationale has a 15-9 majority, amended the bill to retain the chamber's veto rights over constitutional issues. Mr. Lesage, who said previously an address to the Queen is the only way out of the impasse, said he did not know how long it might take the British Parliament to handle the resolution. **SEES NO CONFLICT**
He said he saw no conflict between routing this particular resolution through Ottawa and statements by Quebec Education Minister Paul Geric-Lajoie that Quebec has the right to negotiate treaties with foreign countries on matters within its own jurisdiction without reference to Ottawa. Asked to comment on Prime Minister Pearson's statement that he felt Quebec should go through Ottawa in any negotiations with another country, Mr. Lesage replied: "I can't see how Mr. Pearson can say that Quebec is not qualified to sign international agreements when we have just signed one with the government of France." The premier was referring to an agreement covering student exchanges signed in Paris earlier this year between his government and that of France. The Canadian government did not take part in the signing. **SET UP COMMITTEES**
During his wide-ranging post-cabinet discussion with reporters, Mr. Lesage also made these points: 1. The government is setting up a group of committees to prepare working papers on the major issues to come before the May 31 federal-provincial conference in Ottawa. Their work will be co-ordinated into a submission the premier will make to the opening day of the conference setting out his government's position. 2. He is "eternally optimistic" about the possibility of reaching some agreement with British-Newfoundland Corporation (Brinco) on sale of power generated at Churchill (formerly Hamilton) Falls. He is scheduled to meet Brinco President Robert Winters, a former federal cabinet colleague, in Toronto today prior to his speech to the National Newspaper Awards dinner. 3. Some Quebec journalists spend too much time on subjects like "murders, suicides and run-over dogs" and should seek a higher perspective. He offered the comment in denying reports of any squabble behind the resignation of Maurice Leroux as public relations director of the Quebec Liberal Federation. He said Mr. Leroux had told him he was quitting to attend to his personal affairs. 4. Rene Blouin, a lawyer from St. George in Nicolet county, has been appointed deputy clerk of the Quebec legislature and will take up his new duties May 5.

Martin Outlines Province's Role

OTTAWA (CP)—External Affairs Minister Martin says provinces may enter into direct negotiation with foreign powers on issues within provincial jurisdiction but the federal government reserves to itself the signing of international treaties and the conduct of over-all foreign policy. Mr. Martin, in a statement issued Friday from his Ottawa office, was apparently replying to statements by Paul Geric-Lajoie, Quebec education minister, about Quebec's intentions to negotiate with foreign powers. The external affairs minister said "once it is determined that what a province wishes to achieve through agreements in the field of education or in other fields of provincial jurisdiction falls within the framework of Canadian foreign policy, the provinces can discuss detailed arrangements directly with the competent authorities of the country concerned." "When a formal international agreement is to be concluded, however, the federal powers relating to the signature of treaties and the conduct of over-all foreign policy must necessarily come into operation." **CONCERN AROUSED**
Mr. Martin, in his home riding of Essex East near Windsor, Ont., for a speaking engagement, issued the statement (Continued on page 2 Col. 1)

Red River Flood Threat Has Eased

WINNIPEG (CP)—A serious flood threat in Manitoba's Red River Valley diminished Friday as a reduced crest on the swollen Red River edged through North Dakota towards Manitoba. Flood control officials again revised crest forecasts for the province and said peak levels would not be as high as previously anticipated. A spokesman at flood control headquarters said three factors were responsible for the lower water levels: 1. There has been no heavy precipitation recently. 2. Flows were reduced in tributaries of the Red. 3. A heavy volume of water was being carried on the Red at a low flood level. In addition there had been heavy ponding in the Drayton area of North Dakota and this took the top off the crest as it moved northward.

Mississippi Flood Outlook Said Critical

DUBUQUE, Iowa (AP)—Flood waters of the swollen Mississippi River reached an apparent crest Friday at inundated Prairie du Chien, Wis., and rolled on, threatening additional damage and misery for flooded sections of Illinois, Iowa and Missouri. The rising water put added pressure on makeshift dikes thrown up to protect river communities along a 400-mile stretch from Prairie du Chien to Louisiana, Mo. The U.S. weather bureau, in a special bulletin on expected crisis along the stream's destructive path, termed the situation critical. At Prairie du Chien, with a third of the area of some 5,000 population already flooded, fresh evacuations were ordered as the river rose to a predicted crest of 25.2 feet and headed higher. In some sections of Prairie du Chien only roof tops were visible above the flood water. More than 1,000 persons fled their homes before the crest was reached.

Arab Abuse Is Heaped On Tunisian President

CAIRO (AP)—"Bourguiba has gone mad." That editorial comment by the Cairo newspaper Al Akhbar of the tone Friday for a shower of Arab abuse heaped on President Habib Bourguiba of Tunisia for proposing Arab-Israeli negotiations. The Beirut newspaper Al Moharrer said the proposal "constituted high treason" and that "a man executed for selling military secrets to the enemy deserves more mercy" than Bourguiba. An Israeli foreign office spokesman said in Jerusalem any comment would have to wait until the government saw a full report of what Bourguiba said in an address Wednesday to a group of students in Tunis. The spokesman added it always has been Israel's attitude that its government representatives are willing to sit with Arab leaders at any time to talk peace. Bourguiba proposed that Israel and the Arab states begin exploratory talks to end their long-standing war. He said the repatriation of Arab refugees from Palestine to a special area of Israel should be a basis of discussions with the Israeli government. Any Arab attack on Israel, Bourguiba said, is doomed to failure. He also criticized the arms race in the Middle East.

First Russian Communications Satellite Used

MOSCOW (AP)—The Soviet Union's first communications satellite was launched into orbit Friday, the Soviet news agency Tass announced. Tass said Molniya (Lightning) 1 carried out television transmissions between Moscow and Vladivostok 4,000 miles away. The satellite went into a "high elliptical orbit," Tass reported, and "all equipment installed on board... and the entire ground radio complex are operating normally." An Israeli foreign office spokesman said in Jerusalem any comment would have to wait until the government saw a full report of what Bourguiba said in an address Wednesday to a group of students in Tunis. The spokesman added it always has been Israel's attitude that its government representatives are willing to sit with Arab leaders at any time to talk peace. Bourguiba proposed that Israel and the Arab states begin exploratory talks to end their long-standing war. He said the repatriation of Arab refugees from Palestine to a special area of Israel should be a basis of discussions with the Israeli government. Any Arab attack on Israel, Bourguiba said, is doomed to failure. He also criticized the arms race in the Middle East.

Team Due To Inspect Dart Herald Aircraft

GANDER, Nfld. (CP)—A take from 10 days to two weeks and will affect the airline's schedules. An EPA Herald crashed about 30 miles from the Halifax International Airport last month, taking eight lives. Investigation into the crash is continuing. The British Air Registration Board cautioned operators of Herald aircraft two days ago that the planes should be flown at reduced pressure because of the possibility of erosion inside the fuselage. Corrosion, which may have weakened the skin on the bottom section of the planes, is thought to be a possible factor in the Nova Scotia crash. Earlier today a Handley-Page spokesman said in London the 38 Herald aircraft manufactured by the company and now in service throughout the world would be checked following discovery of corrosion in two of the planes. An EPA head-office spokesman, William H. Harris, said the work on each plane will



TIME TO ADVANCE ONE HOUR AT MIDNIGHT

Whether you have a wrist watch, a pocket watch or rely on the kitchen clock, Susan daughter of Mr. and Mrs. Vincent Parker of 220 Hillsboro Street, Charlottetown, would remind everyone to advance their time pieces one hour at midnight tonight when Canada will go on daylight saving time. The last hour will be recovered when the time reverts to Standard on Oct. 30.