World Ponders Effect As Nikita 'Out'

Peking-Moscow Quarrel Seen Factor In Leadership Change

The Guardian

"Covers Prince Edward Island Like The Dew"

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COUNT RESUMES TODAY

Mounting U.K. Returns Point To Labor Victory

By HENRY S. BRADSHER

MOSCOW (AP) — Nikita Khrushchev is out of power in the Soviet Union—officially because of his age and health but no doubt under the weight also of Peking - Moscow repercussions and the shortcomings of the Soviet economy.

The announcement of his departure came at midnight, along with the disclosure that his protege, Leonid Brezhnev, has taken the key Communist party post Khrushchev held, and Alexei Kosygin has succeeded Khrushchev as premier in a division of the top jobs.

Five hours later Pravda came out, with a strong indication the party will continue to carry out policies of destalinization and economic improvements as outlined in past years by the party.

It said in bold type:

"The Communist party of the Soviet Union firmly and consistently carries into life the Leninist general line worked out at the 20th and 22nd congresses."

VIGOROUS SPEECH

Khrushchev delivered his vigorous speech against Stalinism at the 20th congress in 1956. The 22nd congress in 1961 set long-term goals for improved economic conditions and the attainment of communist goals.

The statement appeared to be aimed at reassuring Russian readers that the shift of leadership would not mean a return to evils that Khrushchev ascribed to Joseph Stalin — and to tell them they still can hope for better living conditions.

The shift in leadership opens the possibilities of policy changes, however. Most dramatic could be an attempt at reconciliation between Moscow and Peking. This would pose new questions of Soviet relations with the West.

Brezhnev, at 57, is 13 years younger than Khrushchev. Kosygin is 60.

The shifts mean, in any event that the 10-year Khrushchev era is over. It embraced cold war and co - existence, and brought a liberalization of the regimes in Eastern Europe which now seems likely to go into abeyance, at least for the time being.

The announcement said Khrushchev's release—this was Tass' word—was granted this week. The party central committee met Wednesday to take up his request for retirement, it added. His release as first secretary was agreed upon Wednesday and his retirement as premier was voted Thursday.

The action closes a decade during which Khrushchev dominated most of the Communist world. He wound up with the red world shaken as Lenin and Stalin never could have imagined—in the midst of an ideological scramble with Red China.

REMAINS TO BE SEEN

What effect the changes will have on the Soviet Union's relations with the West remains to be seen.

In the eyes of Western diplomats, Brezhnev has seemed to take action and to speak in a responsible way, always, of course, within the Soviet viewpoint.

Kosygin has been a leading spokesman on the Soviet side in the dispute with China, a quarrel that has tended at times to take some of the heat off U.S.-Soviet relations.

Poor health, and conceivably an appraisal of poor results, were probably the factors behind Khrushchev's fall from power just three weeks before he hoped to preside over a triumphant celebration of the 47th anniversary of the Bolshevik revolution.

The decision that Khrushchev must go was reached at a session of the central committee of the Communist party which began Monday, informants said.

GIVES KEY ADDRESS

Mikhail Suslov, another spokesman in the Kremlin's dispute with Communist China, delivered the key address. Suslov has appeared at times to be

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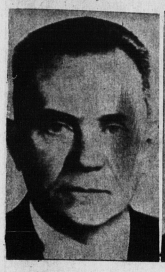


ALEXEI KOSYGIN
New Premier

LEONID BREZHNEV
Party Secretary

Khrushchev Policies Expected By Ottawa

OTTAWA (CP) — Political power in the Soviet Union was divided three ways in 1953 when Stalin died and Nikita Khrushchev emerged eventually as the victor.

This time, in unofficial views expressed here Thursday night, the power has been divided two ways between Leonid Brezhnev, first secretary of the Communist party, and new Premier Alexei Nikolayevich Kosygin.

Both are regarded as Khrushchev proteges, especially Brezhnev, a close associate of the fallen premier since acting as his deputy in the Ukraine in 1939.

It is therefore tentatively expected the new "team" will follow Khrushchev's policies fairly closely.

As far as is known so far the chief exponents of Communist China's harder line in dealing with the West have not emerged into new positions of power in the Kremlin shakeup.

There were plenty of questions being asked here about the reasons for Khrushchev's replacement. But there were no answers, at least not immediately.

The attitude toward the power shift in Moscow was far more relaxed than in 1953. The international atmosphere has changed immeasurably since then. There appeared little worry here that the Kremlin changes might bring on a critical stage in relations with the West.

Washington Suggests Major Policy Issues

By THE ASSOCIATED PRESS

The retirement of Premier Khrushchev hit with stunning impact in the non-Soviet Communist world.

Western countries, preoccupied with problems such as the British election and the American election campaigning, appeared to take a surprised and wondering bystander role.

In New York, President Johnson said the replacement of Khrushchev may or may not be a sign of big turmoil or changes to come, but that the American people would remain steadfast.

He told a rally of the Liberal party in Madison Square Garden there is a need for Americans to keep steady in their goals.

"We will be firm, but we will be restrained," he said "We can meet any test but our quest is always for peace.

MUST EYE STARS

"We must keep our eyes on the stars but our feet, both of them, on the ground. We do not want to bury anyone anywhere and we do not intend to be buried ourselves."

In Washington, officials expressed belief Khrushchev was forced out because of major issues of policy.

Speculation centred on the probability that others in the Soviet ruling group were displeased primarily with Khrushchev's handling of the problem of ties within the Communist Bloc—a problem arising out of the split between Russian and Communist China.

In the U.S. view it is considered likely that Khrushchev's critics felt the Soviet Union had lost too much influence with the Communist countries of Eastern Europe, which have shown increasing independence, and with Communist parties in Western Europe.

Red China, with probably the most at stake immediately in the switch of Kremlin controls, merely reported what the Soviet Tass agency said: "That Khrushchev had been released from his posts. There was no immediate Chinese comment on the seeming downfall of the No. 1 enemy of Communist China in the ideological struggle.

WAS PRO-K

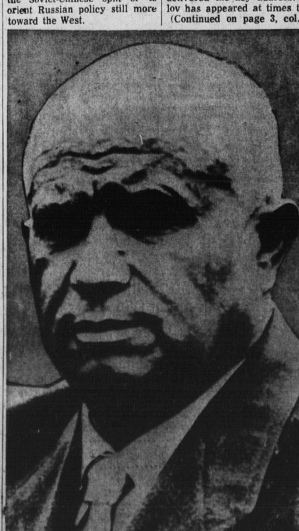
In Belgrade, government and party officials talking privately used words such as "shocked," "dismayed," "dumbfounded." People in the street seemed to find it hard to believe.

In Rome, leaders of the Italian Communist party met in emergency session Thursday night for an examination of the situation.

Word of the change created a sensation in Italian non-Communist political circles.

In Paris, Premier George Pompidou called in acting Foreign Minister Louis Joxe, presumably to discuss the Moscow move in the absence of President Charles de Gaulle, in Brazil winding up a South American goodwill tour.

In Ottawa, John Diefenbaker, leader of the Progressive Conservative party, said events will show quickly whether an attempt will be made to bridge the Soviet-Chinese split or to orient Russian policy still more toward the West.



NIKITA KHRUSHCHEV
Out After 10 Years In Office

Reaction At A Glance

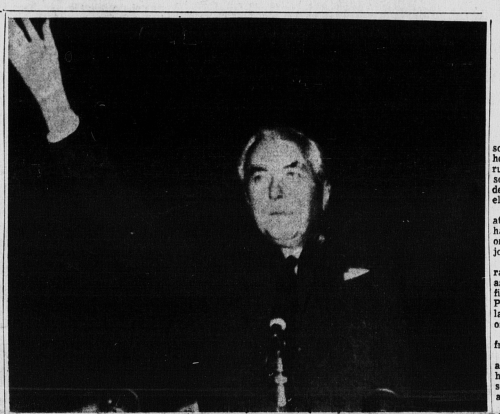
By THE ASSOCIATED PRESS

Reaction at a glance to the downfall of Nikita Khrushchev:

Washington — U.S. officials believe major issues of policy led to retirement, with loss of influence in Eastern Europe a factor.

Tokyo — Analysts believe Khrushchev departure amounts to a victory for Mao Tze-tung and conceivably could open the way to Soviet-China reconciliation.

Vienna — Liberalization of regimes in Eastern Europe may be halted, at least temporarily.



WILSON HAILS PERSONAL VICTORY

Harold Wilson, British Labor Party leader, raises his hands after winning election to retain his seat in the House of Commons yesterday. Wilson's party apparently won the national election, ending 13 years of Conservative Party rule. Wilson himself, however, held off from claiming a victory for his party.

(AP Wirephoto)

Pearson Warns Extremists

TORONTO (CP)—Prime Minister Pearson called on "true Canadians" Thursday to overwhelm by demonstrations of loyalty an extremist minority that would destroy the country.

He warned violence - minded separatists in Quebec they will not be able to "blackmail" the rest of the country into meeting minority demands.

He defended his government's decision to go ahead with Queen Elizabeth's visit to Canada Oct. 5-13 in the face of threats and demonstrations by Quebec separatists that received "excessive and exaggerated" publicity in some cases.

Mr. Pearson told a luncheon meeting of the Empire Club of Toronto he was subjected to "worry, anxiety and indeed pressure . . . from a few extremists in one part of Canada."

"The purpose of these crude threats and pressures was to get the government to cancel the royal visit and give them (the extremists) a prestige and authority which they did not deserve and should not have. . .

"To cancel the visit in the face of threats of this kind would have been their triumph and our humiliation."

Mr. Pearson said the Queen's visit gave millions an opportunity to express "the loyalty, respect and affection of all true Canadians for the person and office of Her Majesty."

But the visit also "underlined in an unhappy way—indeed, in a humiliating way—that there is a small minority that would destroy our country."

Isbell Aims At Coast Of N. Carolina

MIAMI, Fla. (AP) — Hurricane Isbell, crossing up the weather bureau, swung today into a broad turn that aimed her 100-mile an hour winds at the North Carolina coast.

An early advisory note said the hurricane was expected to make a right turn away from land. But 1½ hours later, Isbell had swung instead to the left.

A still bigger turn then was forecast and North Carolina residents were warned that hurrican force winds and high tides probably will reach the coast in the afternoon.

Gale warnings and a hurrtcane watch were issued from Charleston, S.C. northward through North Carolina.

Isbell was centred about 240 miles east of Brunswick, Ga., and was moving north at 25 miles an hour.

Federal-Provincial Talks Called 'Very Productive'

OTTAWA (CP) — A federal-provincial conference which most premiers hailed as their most productive yet, breezed to completion with one 32-minute session Thursday after churning through its agenda in record speed Wednesday.

After agreeing on a formula to bring home the constitution, and deciding on terms for a sweeping study of the tax structure, the premiers tapered off their deliberations Thursday with a short discussion on administrative problems that may surround the proposed Canada Pension Plan.

"I think this is the most fruitful conference we've ever had," said a beaming Premier Lesage of Quebec as he left the ornate meeting room in Parliament Hill's west block.

"Very productive," was the way Premier Stanfield of Nova Scotia described the sessions, which were originally expected to go on for two or three full days.

What most of them were happiest about was reaching agreement on a formula under which the British North America Act can be brought under the final jurisdiction of the Canadian Parliament. Since Confederation, the United Kingdom Parliament has had to give final approval for any constitutional amendments.

Justice Minister Favreau was given a loud, desk — thumping ovation by the Liberal benches when he rose in the Commons Thursday to report a formula had been agreed upon that guarantees the dignity of Canada and the liberty of her provinces.

The measure must go before all provinial legislatures and both federal houses before being submitted to Westminster.

Favreau Reports On Formula

OTTAWA (CP)—Justice Minister Favreau told the Commons Thursday the proposed new formula to bring home the Canadian constitution "guarantees the dignity of Canada and the liberty of each of its governments."

He reported to the House on the adoption Wednesday by a federal-provincial conference of a formula under which the Canadian Parliament will be able to amend the constitution without getting final approval from westminster.

Both Canadians and Britons would be relieved that it would no longer be necessary to have constitutional amendments approved in Westminster.

Wilson Receives Vast Majority

LONDON (Reuters). — Harold Wilson, leader of the Labor party, was re - elected at Huyton, Liverpool with a margin of nearly 20,000—a vast increase over his 1959 edge of 5,927 — in Thursday's national election.

Federal Gov't Gives Aid To Renault, Peugeot Cars

OTTAWA (CP)—The federal government has agreed to remit duties on imported parts for Renault and Peugeot cars manufactured in Quebec by the provincially-owned General Investment Corporation of Quebec, Finance Minister Gordon announced Thursday.

Mr. Gordon told the Commons that the federal cabinet order will enable the Quebec company to begin production of the cars.

Initial plans call for production of 8,000 cars a year in a plant employing 250 persons.

General Investment Corporation will built and equip a factory in Quebec to make the cars under licence from the French companies, Regie Nationale des Usines Renault and Societe Anonyme des Automobiles Peugeot.

Mr. Gordon tabled copies of a complicated cabinet order dealing with the tariff remissions.

The remissions are for a five-year period, starting immediately and expiring Dec. 31, 1970.

Mr. Gordon said in a statement in the Commons components will be bought from Canadian parts makers and other parts will be imported from the French manufacturers.

"There will be a progressive reduction in the proportion of imported parts used as Canadian sources are developed. The finished automobiles will be sold to the Canadian subsidiaries of the French companies for distribution in Canada and for export."

Mr. Gordon said the arrangements call for a progressive reduction in the tariff concessions over the five-year period as was done in an earlier arrangement for assembling the Swedish Volvo cars at Dartmouth, N.S.

Wilson Backers Hailing Win

By JOSEPH MacSWEEN

LONDON (CP)—Harold Wilson's Labor party appeared headed for victory over the ruling Conservatives today with some two-thirds of the seats decided in Britain's general election.

Reuters news agency reported at 3:15 a.m. Labor appeared to have won the election "but with only a very slim working majority in Parliament."

Skies cleared into the rain-heavy clouds over London as Socialists celebrated, confident that Wilson had toppled Prime Minister Sir Alec Douglas - Home and ended 13 years of Conservative rule.

But Wilson himself held off from claiming victory.

Interviewed on television after counting had passed the half-way mark, he merely described the results as "moderately encouraging."

At that point, the results indicated a four-per-cent swing in Labor's favor. The party needed a 3.5-per-cent swing for victory.

With 400 of the 630 seats reported, Labor had polled 46.1 per cent of the votes cast compared with the Conservatives 42.9 per cent.

LABOR HAD 46.1 PER CENT

At the same point in the 1959 general election, Labor had received 46.1 per cent of the popular vote and the Conservatives 49 per cent. Final results in that election gave the Conservatives 49.4 per cent and Labor 43.8 per cent.

The socialists traditionally make their best showing in the urban areas reporting on election night and overnight while the Conservatives can expect more support in rural constituencies whose returns will be counted today.

But the Conservative housing minister, Sir Joseph Keith commented "it looks as though Labor are going to win."

When Wilson spoke, Labor was showing slightly more strength in crucial Tory - held marginal seats than it showed in the country as a whole. These seats were regarded as they key to the contest.

The biggest blow to the Tories at that point was the defeat of three government ministers while Labor had its sharpest setback when Patrick Gordon Walker, prospective foreign secretary, was defeated in Smethwick.

Labor's swing surprised commentators with its strength in the north, which appeared greater than in the Midlands and the south.

VICTORY PREDICTED

From early in the counting, computers predicted a Labor victory by anything up to 40 seats.

The Labor party's general secretary, Len Williams, told reporters: "We will get a majority of 30 seats — probably more."

The three members of Douglas - Home's old government who failed to win re-election were Health Minister Anthony Barber, 44, Public Works Minister Geoffrey Rippon, 40, and Postmaster - General Reginald Bevins, 56.

Maurice MacMillan, son of former prime minister Harold Macmillan, also failed to get back. He was beaten by Dr. Shirley Summerskill, daughter of Baroness Summerskill, a former health minister in the old post-war Labor government.

Wilson himself was returned from Huyton, his district near Liverpool, as expected. He got back in with a 20,000-vote edge, four times as large as in 1959.

WATFORD WAS FIRST

One of the first constituencies taken by Labor from the Conservatives was Waterford, where Ranhael H. Tuck, former McGill professor, was the socialist standard - bearer.

Wet, cold conditions in the late hours of the day apparently cut into the turnout which earlier showed signs of reaching record proportions.

Labor began to forge ahead about 90 minutes after the ballot - counting began. Until then a deadlocked Commons had appeared to be a real possibility.

As the night wore on, Labor moved steadily toward the 50-seat lead it had to have by the time the overnight counting ended at 5 a.m. (11 p.m. EDT Thursday) to be certain of victory.

The first seat to report, Chelmsham, was retained by the Tories but their edge was cut to 5,240 from 9,272.

REDUCE MARGIN

The Conservatives also retained Bellericay, Essex —known as something of a bellweather seat—but their margin was reduced to 1,592 from 4,822.

The race between Prime Minister Sir Alec Douglas-Home's Tories and Harold Wilson's Labor challengers went down to the wire in the most dramatic finish in years.

Liberal leader Jo Grimond, 51, conceded at the outset that his party, with only seven seats in the last Parliament, could not win. Some observers saw an outside chance that Liberals might hold the balance of power in the event of a stalemate.

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Canada Has Big Stake In British Election

OTTAWA (CP)—Canada has a big economic stake in this British election.

Either a Labor or Conservative government will face within a matter of days a choice of measures to correct the large British balance of payments deficit.

The choice could include import restrictions. This would be a setback for Canada's widening trade surplus with the British.

However, no British government is likely to rely entirely on this device to solve the payments problem. More probable is a combination of measures including monetary action and further borrowing from central banks abroad.

Canadian officials say they don't know what to expect.

But they may not have to wait long.

In the second quarter of this year the British deficit was the equivalent of nearly $600,000,000, about $140,000,000 more than in the first quarter.

Canada has accepted this as a serious problem by joining with other countries in a pool of central-bank pledges to make loans to the British in the event of a run on sterling.

Observers here are prepared to see the British make further use of international credit to head off anything like the exchange crisis that Canada experienced in 1962.

Another possibility is higher domestic interest rates to induce a flow of foreign capital into London.

In the event import restrictions are imposed, they might take the form of tariff surcharges of the type imposed by Canada to deal with its own situation in 1962.

Authorities here express some doubt whether British surcharges would gain as much international acceptance, especially in a case which is not as serious, and on the eve of the Kennedy round of trade-liberation negotiations in Geneva.

Standings

LONDON (CP) — Returns from 429 of 630 constituencies in the British election showed the following party standing at 12:40 p.m. ADT:

Conservatives	180
Labor	247
Liberals	1
Unrecorded	201
Total	630

Banks Appears In N.Y. Court

NEW YORK (CP) — Former Canadian labor boss Hal C. Banks appeared in Federal Court here Thursday to give a deposition in a $5,000,000 damage suit brought against three U.S. unions by Upper Lakes Shipping Limited of Toronto.

Banks, former president of the Seafarers International Union of Canada, was in court for about 25 minutes and on leaving refused to answer reporters' questions.