

Police Munsinger Is Quoted At Inquiry

Sevigny, Hees Names Appear

Arson Charge Follows Fire

GLACE BAY, N.S. (CP) — Ronald Nicholson, 25, of Reserve Mines, N.S., Monday was charged with two counts of arson in a \$100,000 fire which destroyed St. Joseph's Elementary School at Reserve Mines Saturday.

Nicholson did not appear before Provincial Magistrate A.O. Gunn at Glace Bay where the charge was read. He was committed for an indefinite period to the Nova Scotia Mental Hospital at Dartmouth, N.S.

The charges involved fires at the school and others in a garage and social hall owned by St. Joseph's parish.

There were no injuries in the blaze, which police said started in the back portion of the second floor of the two-storey frame school. The building contained classes for students up to grade nine.

By DAVE McINTOSH
OTTAWA (CP) — Chief commission counsel J. L. O'Brien said Monday an RCMP security file states Gerda Munsinger was a prostitute, petty thief and former Soviet espionage agent who carried on an "illicit sexual relationship" with Pierre Sevigny, former Conservative associate defence minister.

He told the Munsinger inquiry the file also states the 36-year-old German woman, who lived in Canada from 1955 to 1961, was on a first-name basis with George Hees, former Conservative trade minister, and with an executive assistant to a cabinet minister.

Mr. O'Brien did not identify the executive assistant.

Mr. O'Brien said RCMP Commissioner George B. McClellan and former RCMP commissioner C. W. Harrison testified in secret session April 6 the Munsinger file was submitted to the minister of justice—he didn't say which one—but that "they have not testified as to the facts" in the file.

Mr. O'Brien said former Conservative justice minister Donald Fleming has asked to appear before the commission Thursday.

SEVIGNY WILL APPEAR
Julius Dupre of Montreal, Mr. Sevigny's lawyer, said his client intends to appear after cross-examination of the RCMP witnesses.

Mr. Justice Wishart Spence, inquiry commissioner, said hearings will resume Wednesday for his cross-examination.

Mr. Sevigny has said his relationship with Mrs. Munsinger was social and "very casual" and that the facts would prove the controversy was a "big story about nothing."

Mr. Hees has said he lunched with a woman who might well have been Mrs. Munsinger but that he didn't know her by that name.

Mr. O'Brien gave this summary of the RCMP dossier on Mrs. Munsinger:

The RCMP investigation into the woman began as a routine security inquiry in connection with her June 28, 1960, application for Canadian citizenship.

REFUSED VISA
The same person, Gerda Hessler, was refused a visa to enter Canada July 15, 1952, because of security information against her.

The RCMP had obtained from a counter intelligence source information about her espionage activities and "immoral life."

The woman was arrested by the West German border police in mid-September, 1949. She admitted espionage for Russia and there was corroboration for this. She also admitted to being imprisoned in both East and West Germany in connection with faulty documents, petty thievery and prostitution.

She was refused entry into the U.S. in May, 1953. She entered Canada in August, 1955, under her married name Munsinger when her file in Europe under the name of Hessler would have been destroyed.

(Mr. O'Brien did not explain why the Hessler file would have been destroyed.)

RELATIONS WITH SEVIGNY
Mrs. Munsinger had an illicit sexual relationship with Mr. Sevigny and had sufficient acquaintance to be on a first-name basis with Mr. Hees and an executive assistant to a cabinet minister.

In Montreal, she had associated with people thought to be connected with the underworld and was paying protection levied on prostitutes.

Before leaving Canada in February, 1961, for Germany, she and another prostitute went on a buying spree, paying with rubber cheques.

This resulted in the two prostitutes spending the night in jail during which threats were uttered that persons in high places would hear of it and the name of the associate defence minister was used.

Mr. O'Brien said there was no indication that Mrs. Munsinger, while in Canada, was in touch with Russian intelligence. But it was a fact the opportunity was there and the Russians knew of her background.

THOUGHT VULNERABLE
He said the RCMP believed she was extremely vulnerable to pressure and that any persons associated with her were prime targets for blackmail by racketeers.

The RCMP reported to former justice minister Fulton in December, 1960, and were not requested to make further investigations at that time.

Mr. O'Brien said in a secret testimony a week ago Mr. Hees had stated the first he had heard of the RCMP reports was in a précis of them distributed to interested parties by Mr. Justice Spence.

He quoted Mr. Hees as saying no member of the government or Canada discussed the case with him in 1960 or thereafter.

Mr. O'Brien listed 20 documents which he said have been submitted to the commission, nine of which the judge said were confidential and not to be made available to the press.

These nine, Mr. O'Brien said, included the following:

A copy of an RCMP report on Mrs. Munsinger dated December, 1960.

A condensation of this report with one additional fact, also dated December, 1960.

Another RCMP report apparently identical with the previous condensation with a second part added, dated January, 1965.

Two of the documents made public stated that Joseph Charles Armand Gaston Levesque was appointed executive assistant to Mr. Sevigny Sept. 21, 1959, at a salary of \$8,000 a year, raised to \$9,000 June 1, 1960.

REJECTS DEMAND
Mr. Justice Spence rejected the demand of the associate Conservative counsel, Charles Dubin, that Justice Minister Cardin be required to specify charges, if any, of misconduct against former prime minister Diefenbaker.

Mr. Dubin contended if the charges weren't specified, Mr. Justice Spence should tell the Liberal cabinet he couldn't proceed further with the inquiry.

The judge said the cabinet has not charged anyone but has merely directed that an investigation be made into a series of statements by Mr. Cardin.

Mr. Dubin said Mr. Cardin himself stated he was making charges in a March 11 letter to Prime Minister Pearson which has been placed before the inquiry.

"I'm not responsible for the verbiage used by the minister of justice," Mr. Justice Spence said. "Those are his words; what was referred to me is his statement."

Mr. Cardin has said two or more ministers in Mr. Diefenbaker's cabinet were involved with Mrs. Munsinger and Mr. Diefenbaker mishandled the case when it was brought to his attention.

Mr. O'Brien said "no one can make charges of misconduct against anyone at this stage of the proceedings."

He added if he does make a report alleging any misconduct against anyone, notice will be given to the accused so that they can make the fullest representations to the inquiry.

Mr. Justice Spence said it would be inappropriate for the commission to subpoena members of the Privy Council (in the main, present and former cabinet ministers).

New Wave Of Thunderstorms Add To Texas Flood Problems

By THE ASSOCIATED PRESS
A new wave of violent thunderstorms threatened even heavier flooding in northeast Texas Monday after a rash of tornadoes broke out in the southern part of the rain-soaked state.

At least 10 persons were drowned and property damage ran into the millions of dollars.

Twisters that smashed into Kenedy and Runge demolished a number of buildings and left approximately 80 homeless during the early-morning hours. Another southwest Texas tornado damaged homes in San Antonio while a fourth twister touched the ground south of New Braunfels. In west Texas, a tornado was sighted near Anson.

Winds up to 75 miles an hour and rains of up to seven inches were reported in the Corpus Christi area when thunderstorms lashed the Gulf of Mexico coast.

The U.S. weather bureau posted a violent thunderstorm watch for Monday night in a 120-mile-wide strip from near Shreveport, La. R included the cities of Marshall, Longview, Gladewater and Kilgore where weekend flood damage was centred.

DISRUPTS TRAFFIC
Rail and highway traffic was disrupted as rains of up to 21 inches poured down on northeast Texas during the weekend.

The Sabine River was due to crest at 10 feet above flood stage at Gladewater—where more than 21 inches of rain fell in a 72-hour period, then continue its surge eastward through Longview and Carthage to the Louisiana border.

Residents around Lake Caddo, north of Marshall, worked feverishly Monday moving their possessions to higher grounds as the rain-swollen Cypress River was raising the lake's level at the rate of two inches an hour.

Minor flooding was reported in a number of Texas cities Monday as additional rains continued to sweep the state. Rains more than three, four and five inches were common and were welcomed by ranchers and a few farmers in west Texas and the panhandle-plains where moisture had been short.

At least five homes—a church and a lodge building were demolished and 20 other structures were badly damaged when a tornado roared through Kennedy (population 4,325) shortly after midnight Sunday night.

Pickersgill Comments On ADB Fund

OTTAWA (CP) — Transport Minister Pickersgill said Monday the Atlantic Development Board hasn't run out of money, just committed it to various projects.

Mr. Pickersgill was replying in the Commons to Thomas M. Bell (PC—Saint John—Albert) who asked confirmation of a statement by the board's chairman that the agency had run out of money and needed more.

The agency is financed by the federal government in its work of providing money for hydro-electric and other developments to attract industry.

A board official here said later that the agency had started out in 1963 with a \$100,000,000 fund. All but about \$5,000,000 of that had been committed to various projects.

However, it took time for commitments to be fulfilled and only about \$25,000,000 had actually been spent thus far.

Liberals Named In First Prince

ALBERTON — Robert E. Campbell, Elmsdale and Lester E. Wallace, a past president of the Provincial Liberal Association, were unanimously nominated at a Liberal convention in Alberton last night to contest the First District of Prince in the May 30 election.

Both candidates were Liberal members of the last Legislature, Mr. Campbell as councillor and Mr. Arsenault as assemblyman.

The nomination of Mr. Arsenault was moved by Patrick Callaghan of Elmsdale and seconded by Lester Wallace, Cascumpec. Mr. Campbell's nomination was moved by Russell Stewart, Elmsdale seconded by Joseph Gallant, O'Leary and supported by Ralph Adams, O'Leary.

Speakers included Alex Campbell, leader of the Liberal Party, Mr. Arsenault and Lester E. Wallace, a past president of the Provincial Liberal Association.

Russell Perry of Tignish, president of the West Prince Liberal Association, presided.

MiGs Avoid Yank Planes

SAIGON (AP) — U.S. warplanes returned to North Viet Nam Monday to rip key targets in the Hanoi area but met no challenge from North Vietnamese aircraft as they had the day before.

5th Kings, 4th Queens PC Candidates Named

Progressive Conservative party candidates for the May 30 election were nominated last night for Fourth Queens and Fifth Kings Kings in conventions held at Eldon and Georgetown.

For Fourth Queens H. Bennett Carr of East-Royal was nominated councillor and Daniel Compton, Belle River assemblyman, the convention was in Belfast.

Mr. Compton faced the contest unopposed. He was nominated by Chester Hancock, Wood Islands, seconded by Robert West, Eldon.

Mr. Carr was a two-way race against Gay Judson. Pownal Mr. Carr was nominated by Alex MacRae, Waterside, seconded by George Grant, Orwell. Mr. Judson was nominated by Fred Pound, Tea Hill, with Arthur Moore, Pownal, seconded.

The name of Sinclair MacTavish was also put before the convention but Mr. MacTavish asked that his name be withdrawn before the balloting started.

Guest speakers included J. Angus MacLean and Heath MacQuarrie, members of parliament for Queens, Hon. Lloyd MacPhail and Alan Scales, president of the Queens County PS Association. The chairman was Tom McKenna.

AT GEORGETOWN
At the Lions Club hall in Georgetown Harry McConnell, Georgetown merchant was nominated councillor and Dr. J.C. Sinnott of Charlottetown assemblyman.

Both positions were contested. Mr. McConnell was nominated

Federal Team To Aid Miners

OTTAWA (CP) — A team of top federal officials is being set up to help resettle 850 miners at Bell Island, Nfld., who will be jobless when the Doce iron ore mine there closes, Prime Minister Pearson told the Commons Monday.

Two Escapees Being Sought

SPRINGHILL, N.S. (CP) — Police continued their search Monday for two prisoners who escaped from the minimum security prison here Sunday night.

Roadblocks were thrown up in northern Nova Scotia and in southern New Brunswick soon after Laurie Robert Silliker, 23, of Port Elgin, N.B., and Leslie Joseph Doucette, 28, of Toronto, escaped.

Police were warned to approach the pair with caution.

Silliker was serving a two-year sentence for auto theft while Doucette was serving four years for breaking, entering and theft.

Moves Made To Stall Walkout In CBC

TORONTO (CP) — Closed meetings continued Monday as CBC President Alphonse Ouymer tried to forestall an imminent strike by television producers.

The strike-threat was made Sunday by 41 members of the Toronto Producers' Association after a 7½-hour emergency meeting.

In a statement, the association said its member producers would withdraw their services unless Mr. Ouymer accepted a three-point ultimatum.

Demands include a CBC guarantee no firings or "disciplinary transfers" be made without "showing demonstrative cause." Where disputes arise the association wants compulsory arbitration by a mediator appointed by the federal labor department.

The association also demanded CBC management make no production decision on television programs without consulting producers and supervisors.

MET WITH HAGGAN
After Mr. Ouymer arrived here from Ottawa early Monday, he met with the CBC public affairs supervisor, Reeves Haggan. He then began negotiations with the producers. Results of the meetings are not known.



REUNION IN PRISON

Steven Truscott (LEFT), says goodbye to his father, Dan Truscott of Richmond, Ont., after his parents and brother Ken visited him at Collins Bay penitentiary near Kingston, Ont., Sunday. It was chapel visit day at the penitentiary, one of three days in the year when prisoners with good chapel-attendance records are allowed a family visit over and above the normal visiting periods. Steven has been in prison since his conviction seven years ago in the slaying of a young girl. However, the federal government has announced plans to review his case. (CP Wirephoto)



DR. JOHN Maloney of Charlottetown, LEFT, and Dr. Fraser Nicholson of Halifax are seen speaking prior to last night's annual meeting of the Prince Edward Island Division of the Canadian Mental Health Association. Dr. Nicholson, guest speaker, who spoke on "the adolescent in this stressful world," outlined problems of youth today.

Association Aims Given At Mental Health Meeting

Objectives and achievements of the P.E.I. Division of the Canadian Mental Health Association was outlined by President G. Reginald MacNutt who chaired the annual meeting held in the Charlottetown Hotel last night.

Mr. MacNutt, in his annual report, said that the Island Division of the Canadian Mental Health Association has been conducting workshops for clergy, school supervisors, school principals and teachers and has been working with patients in an effort to rehabilitate them through various programs outlined by the division.

He said the aims of the CMHA is to see that the mental hospital, as one of several elements of comprehensive mental health services, provides persons needing hospitalization with the best treatment aimed at the patient's earliest return to the community.

"The objective of the Canadian Mental Health Association is to see that persons recovering from mental illness are provided with co-ordinated aftercare and rehabilitation services in each community in order to help restore them to the fullest physical, mental, social vocational and economic usefulness of which they are capable," he said.

Mr. MacNutt acknowledged

Parliament At A Glance

MONDAY, April 25, 1966
The Munsinger inquiry was told an RCMP file says Gerda Munsinger was a former Soviet espionage agent who carried on an "illicit sexual relationship with former cabinet minister Pierre Sevigny."

Criticism was expressed inside and outside the Commons about the attitude of the CBC board of directors towards the parliamentary inquiry into the Seven Days affair.

The Commons opened debate on a government resolution to provide a system of collective bargaining for the civil service.

Prime Minister Pearson said the government is prepared to allow strikes by civil servants except in services essential to public safety and security.

The resolution attracted support from spokesmen for all parties.

COMMONS BRIEFS

Housing Loan Refusals Spark Many Telegrams

OTTAWA (CP) — Telegrams are pouring in to the government about refusals of applications for housing loans from the Central Mortgage and Housing Corporation, Prime Minister Pearson acknowledged Monday.

"I'm getting these messages too," he said in a Commons reply to NDP Leader Douglas, who asked for a decision on whether funds available for CMHC loans will be curtailed.

Mr. Pearson said the matter will be discussed at a cabinet meeting today and he hoped Labor Minister Nicholson would be able to make a statement following it.

Mr. Douglas said there have been complaints in a flood of telegrams and letters that applications made as far back as March are being returned.

He asked the government to consider accepting such applications, made in good faith before there was any question of curtailment.

Mr. Pearson said he would be glad to look into this.

OTTAWA (CP) — Opposition Leader Diefenbaker said Monday the CBC showed contempt of Parliament in criticizing intervention of a parliamentary committee into the controversy over the television program This Hour Has Seven Days.

He asked Prime Minister Pearson in the Commons

whether he has pointed out to the publicly-owned corporation the "type of language" used in a CBC statement Saturday is "contemptuous of Parliament."

The prime minister replied he hasn't seen the text of the statement, issued to the press after a CBC board meeting in Halifax but has read reports of it.

He would ask State Secretary LaMarsh, who reports to Parliament for the CBC, to get the text.

The final paragraph of the CBC press release Mr. Diefenbaker referred to says:

"The board stated the belief that the direct intervention of a parliamentary committee regarding a managerial decision has made more difficult its task and that of management."

OTTAWA (CP) — Saturday midnight is the deadline for mailing federal income tax returns, Revenue Minister Benson told the Commons Monday when asked for an extension.

Alfred D. Hales (PC—Wellington South) had asked whether a deadline of midnight Monday, May 2, would be considered since April 30 falls on a Saturday, when civil servants are off.

The minister said he would "look into the question" of an extension but at the same time said the mailing deadline set out on all tax forms—provided sufficient time.

CLC Backs Seven Days

WINNIPEG (CP) — A move to give Canadian Labor Congress support to the CBC television program This Hour Has Seven Days won unanimous approval Monday at the opening session of the CLC's biennial convention.

Three resolutions on the CBC were referred back to a convention committee with instructions to specify the Seven Days dispute.

Harry Jacks, of the Canadian Brotherhood of Railway, Transport and General Workers, Ottawa, suggested the move after the 1,600 delegates had applauded other speakers who praised the Seven Days program.

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