



Shaw Deighted Gov't Returned

"I am delighted with the outcome of the election," Premier Walter R. Shaw said last night.

"I feel," he said, "that it is an expression of the confidence of the people in the policies of the present government."

"We presented our policies and our record, and our future plans without embellishment in a factual way, and asked for the mandate of the people to go forward with progressive and outstanding programs which we have instituted."

"While at this time it appears that our overall majority has been reduced, we have a group of splendid men with a sufficient overall majority with which to carry on our promised program."

TRIBUTE TO McQUAID

The premier said he was "extremely disturbed" over the defeat of Provincial Treasurer Melvin McQuaid "whom I consider the ablest man to appear in the political life of this province in many years. He has a great reputation here and at Ottawa and it was through his fine presentations at Ottawa that we have been able to secure financial support from the federal government."

"His work as provincial treasurer was of very high quality and this province should feel grateful that we have had a guiding hand to lead us through a period of great financial difficulty."

Premier Shaw said "I would like to extend thanks to the people of the province for their confidence in our policies, and particularly to the electors of St. Johns who returned me with a substantial majority."

FARMER, McLEAN

With the defeat of Mr. McQuaid, Premier Shaw said that there will be changes in the make-up of the cabinet. He said he would like to see the outgoing cabinet members take over the portfolios of attorney general and treasurer, he said by Mr. McQuaid, and suggested that A. B. Farmer, Charlottetown lawyer, might be considered as attorney general, while House Speaker John MacLean, Souris, could be considered as treasurer.

The premier sat in sock feet in his St. Catharines home as he returned to Charlottetown on television. With him were Mrs. Shaw and his executive assistant, Stan Warwick.

"It was a terrible day," he said. "Mrs. Shaw, 'It was just like the first of August when he had his operation. I felt so useless to help him.'"

"When the returns were being given was the announcement that the premier's name was on the list. Crapaud, had won his district. As the final results were being given, he told reporters while kissing his wife, 'It's a great thing to go out in a tough district and carry it through.'"

Common Market Deal Paley Gets Underway

BRUSSELS (Reuters) — Edward Heath, Britain's chief European Common Market negotiator, yesterday began a three-day meeting with market ministers who were reported to have decided to stand firm on their attitude to British agriculture.

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Britain wants to "phase out" its present system gradually as it switches to the community common market.

The new market proposals, however, represent an advance on the offer made last month, in that subsidies, although abandoned in principle, would be retained in the form of government grants.

In addition the six are offering to reduce their pig meat and eggs until 1970.

Reds Promise To Avoid Fundy

OTTAWA (CP) — Russia is understood to have given assurances that its fishing vessels will not be allowed to fish in the Bay of Fundy.

Two Soviet vessels were cited by Prime Minister Diefenbaker in the Commons Nov. 15 to stop the fishing vessels from leaving if they hadn't already done so, they had.

Mr. Diefenbaker said Canada has always considered the Bay of Fundy as Canadian territorial waters.

Mr. Macmillan bears no illwill towards Mr. Diefenbaker for his anti-Common Market speech at the Commonwealth conference in September. But Mr. Diefenbaker's conversation does weary Mr. Macmillan.

Although the official announcement says it is trade-related, it was pointed out that the ministers to be invited, the report concludes, "It did not appear that Canadian vessels had been left to invite himself."

Pay Increases Announced For 65,000 Civil Servants

BY ALAN DONNELLY

OTTAWA (CP) — A Christmas thaw in the government's pay freeze was announced Monday by Finance Minister Nowlan with retroactive pay increases for some 65,000 civil servants.

The increases, adding an estimated \$30,000,000 to government payrolls, had been announced since mid-July as part of the government's austerity program to meet the June foreign exchange crisis.

Some 60,000 clerical and administrative employees will receive increases retroactive to Oct. 1, 1961.

Another 10,000 hospital and health care workers will get pay boosts dating back nine or 12 months. A further group of 2,000 to 3,000 hourly-paid employees, for whom increases have been delayed several months, also will get retroactive boosts.

Mr. Nowlan, in his announcement to the Commons, said pay changes are under study for

another large group including postal, customs and immigration employees. Any increases recommended for these staff would date back to last Oct. 1.

RECEPTION MIXED

The announcement got a mixed reception. Clerks and education parties in the Commons and from heads of civil service associations who had been invited of the move just before Mr. Nowlan gave the news to the Commons, said they were disappointed that the increase program—something no other group had been required to do—was not being extended to them.

Members of the armed forces, and the RCMP were not included in the new round of increases.

There was no set pattern to the increases announced Monday. Rates are determined largely on the basis of comparative wages in other Canadian jobs.

Heads of all three staff associations welcomed the fact that the government had held to its policy of making the increases retroactive, in line with its principle of a cyclical review of salaries.

LIBERALS AGAINST

J. W. Pickerskill (L-Bonaventure) said the Liberal Party would oppose the amendment which, "on balance," would be a net loss.

CONGRATULATIONS ARE EXCHANGED

Congratulations are offered all around as Premier Walter R. Shaw, center, greets two successful members of his party in yesterday's provincial election. Hon. J. David Stewart, right, defeated Liberal candidate C.M. MacLean.

to St. Johns while M. A. Farmer, left, defeated his opponent, E. Elmer Blanchard in the same district. All members of the previous cabinet were returned with the exception of provincial treasurer M. J. McQuaid.

MAC IS SAID 'ANNROYED'

LONDON (CP)—The Sunday newspaper The People's Voice has reported that Prime Minister Macmillan is "irritated" by Canadian Prime Minister Diefenbaker's move in "inviting himself" to the British leader's Bahamas conference in his own name.

Macmillan's "irritation" is said to be due to the fact that Diefenbaker's move is "inviting himself" to the British leader's Bahamas conference in his own name.

Three Opposition Bids Fail in Atlantic Board

OTTAWA (CP) — The opposition failed Monday night in three attempts in the Commons to amend the government bill setting up the Atlantic Development Board.

A New Democratic Party move to increase board membership in an attempt to give defeated 121 to 15, with the NDP members opposed by the rest of the House.

Another NDP amendment to reduce board members' terms by three years from five was rejected 74 to 58. This time the New Democrats had Liberal support, but it wasn't enough.

A Liberal attempt to make board memberships subject to the customary "good behavior" was turned back 71 to 61. Only one Liberal MP joined the Liberals and NDP group in voting for the motion.

Parliament At A Glance

MONDAY, Dec. 10, 1962

Finance Minister Nowlan announced pay increases for 65,000 civil servants, ending the "freeze" introduced during the austerity drive.

Supplementary spending estimates were introduced, including \$50,000,000 to cover the retroactive pay increase and \$20,000,000 for parks.

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TUESDAY, Dec. 11

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Last Bodies In Coal Mine Are Sighted

SAINTE-JOHN, N.B. (CP) — Seasonal high tides driven by winds gusting to 70 miles an hour lashed coastal sections of south western New Brunswick Monday causing floods in some areas and damage to lobster gear and fishing vessels.

Flooding was common along the coast. Water was felt on flood-prone areas as far as St. John's. There were no fatalities.

Automobiles parked at the bottom of King Street in the city's business section were up to their bumpers in sea water. In some places swirling waves

N.B. Foods Cause Damage At Sea

smashed their way over some cars atop.

Along the city's east end, water gushed up from Courtenay Bay and flooded highways. A bus and a car were stalled in deep water near Miramichi—about 13 miles from here—the car with water up to its windows.

Passengers in the bus had to be taken ashore.

Most serious damage was done to lobster gear. The gear was up to its neck in water.

In Saint John's south end Mrs. Jean Landry said she "had never in 30 years seen the water so high up."

Joey Seeking More Money Against Chinese Trap

ST. JOHN'S, Nfld. (CP) — Premier Smallwood said Monday that he will seek a settlement with the Chinese government to allow a Newfoundland fisheries development project to be carried out.

The minister said Mr. Gordon was chairman of that royal commission.

Mr. Fleming said Mr. Gordon may have given up and that this nature had been in mind.

Mr. Gordon's deputy said his proposed board would have had money to work with. It was designed to provide the region with a major fishing industry.

The minister said Mr. Gordon was "just spitting hars."

PC House Lead Is Cut; McQuaid Beaten

BY NEIL MATHESON

PROVINCIAL

Premier Walter R. Shaw and his Progressive Conservative party back into office here yesterday by a 19 to 11 margin after an election campaign that stirred intense interest in the closing weeks after leaving most of the electors cold during the early stages.

The Liberals gained two seats in First Prince where newcomer Robert Campbell, Alberton, pulled up a thumping majority of 482 votes over namesake J.W. Don Campbell, who sat in the last house and Prosper Alexander, Hovland, ousted H. Hubert Gaudet, Tynish by 421 votes.

SURPRISING DEFEAT

But the most surprising PC defeat, perhaps, and certainly the one that Premier Shaw regretted most last night was the ouster of Melvin McQuaid, St. Johns, by newcomer Daniel MacDonald, Bonaventure. The margin of victory over the provincial treasurer and attorney general was 49 votes. The Premier's party, Mr. McQuaid was an erstwhile man in island politics for 37 years.

John B. McLean, who offered for re-election with reluctance because of pressure of business, won by 56 votes over William A. New Treasurer?

The Premier suggested last night that he would not be his new provincial treasurer, one of two posts held by Mr. McQuaid when he was premier the late Harry D. McLean, was the financial critic of the Conservative party in the house for some years.

Alban Farmer, Charlottetown lawyer who was not elected here yesterday was suggested as the next Attorney General.

Premier McQuaid had been in the Shaw government.

Liberal Leader Has Sixth Personal Win

ALBANY, N.S. — Liberal Leader Alex Matheson had reason for personal pride last night, and he had the satisfaction of increasing the "Liberal" representation in the legislature to eleven men.

He won only eight seats in 1959 — though he was "naturally disappointed" because he had expected to win.

"I never saw things looking better for us," was the way he summed up reports he was receiving from key workers all over the province last weekend.

Matheson's personal win was just won his sixth election, started in 1940 with a win in a Second Queens by-election. In 1942, was elected in Fourth Kings in 1947 and has been successful in every election since that time. No other member of the legislature can boast a similar record.

Announcement of Mr. Matheson's election was held up for several hours last night but only because the returns were slow coming in. He won handsily by 200 votes, and only because with his colleague, M.L. Bonnell, M.D. won every poll in the province.

Matheson's victory last night he said the results in several seats as close they could be said to be upset by the returns, though he naturally could not say anything about his own party's win.

Nebru Warns Troops Against Chinese Trap

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PC House Lead Is Cut; McQuaid Beaten

Shaw had done it in 1911 and 1915.

Three years ago Mr. Shaw had become the first PC chief to lead his party to victory since J.D. Stewart, father of J. David Stewart, who won re-election in Charlottetown yesterday by more than 1,000 votes, won by an 18-12 margin in the summer of 1951.

MANY NEWCOMERS

Newcomers to the political arena played a big part in the election. The Liberals had 15 men, who were making their first start in the provincial field, the PCs had eight — all of their candidates in districts lost to the Liberals in 1959, were newcomers.

Four newcomers who made the grade were Liberals, Robert Campbell, in First Prince, Daniel MacDonald, Bonaventure, and Frank Jardine, in First Kings. Arthur Macdonald, in Fifth Kings.

For details of voting by polls, please see page nine.

the closing days of the legislature after having battled through most of the session with an unusually heavy cold, felt that the result might have been different had he had time to completely regain his health, and been able to conduct his campaign with all of his usual vigor.

It was a "mean election" of time," he criticized.

As for his future with the party, Mr. Matheson said several days ago that it is up to the party. He will continue to lead the Liberals as long as the party wants him and his health holds up, he said.

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