



### RETIRED EXHIBITION MANAGING DIRECTOR HONORED

J.J. Kennedy of Charlottetown, who has retired as managing director of the Charlottetown Driving Park and Exhibition Association, was

honored last night at a dinner held at the Rendezvous. Mr. Kennedy has been managing director for the past 16 years. For a portion of that time he

was president. Here Cecil J. Stewart, left, of Hampshire congregation, Mr. Kennedy, second from right. Also seen are G.H. Buntain, second

from left, Charlottetown, secretary of the association and vice-president R.A. Profit, right, of Free town.

## Hospitals Union To Learn Decision On Vote Today

Officers of the union locals at two Charlottetown hospitals will be notified today whether or not Welfare and Labor Minister Henry Wedge will conduct a strike vote among union members.

Locals 800 and 826 of the National Union of Public Employees at Charlottetown Hospital and Prince Edward Island Hospital respectively last month voted to ask Mr. Wedge to conduct a strike vote under the provisions of the Industrial Relations Act.

Wage increases for union members were provided in contracts negotiated with the hospitals but they could not live up to the contracts as their budgets

are controlled by the Hospital Services Commission.

The commission gets its funds from the provincial government who felt that it would not be fair to give wage increases in only two hospitals and not to employees of other hospitals.

As a result, the government directed the commission to determine what wage increases

### N.S. Brush Fire Destroys Garage

HALIFAX (CP) — A brush fire in suburban Fairview Tuesday destroyed a double garage owned by Les McLeair. Damage was estimated at \$2,000.

### SEVENTH RED INK BUDGET EXPECTED

## Final Chapter On PC Deficits Written By Liberal Minister

OTTAWA (CP) — The final chapter on Conservative government deficits was written Tuesday by Liberal Finance Minister Gordon.

His pre-budget white paper, tabled in the Commons, estimates a \$700,000,000 deficit for the 1962-63 fiscal year that ended March 31. It was higher than expected despite mid-year austerity moves.

The deficit was second only to the pre-crisis record deficit of \$791,000,000 the previous year.

Grand total: \$2,901,500,000 in deficits during six years of Conservative administration, beginning 2½ months after the start of the 1957-58 fiscal year which brought the first major shortfall.

Mr. Gordon likely will budget for a seventh big deficit, unless he raises taxes in a big way. His plans will be revealed in Thursday night's budget speech.

Former Finance Minister George Novlan had forecast a \$370,000,000 deficit last October when he revised the April, 1962, predictions made by his predecessor, Donald Fleming.

As it turned out Mr. Fleming was closer to the mark with a \$745,000,000 estimate.

THE RESULT was that the net federal debt was pushed up to \$13,957,000,000 equal to \$729.50 per capita. A year earlier it was \$715 per capita and two years earlier, \$688.

Data charges—of which bond interest is the biggest part—rose during the fiscal year by \$79,000,000 to \$912,000,000, taking 14 cents out of every dollar spent by the government.

Defence spending, totalling \$1,372,900,000, up one per cent from a year earlier. It was evident that economy steps taken last June 24 in the exchange crisis were outweighed by the inevitable rise in welfare and other statutory spending.

Revenues rose 2½ per cent to \$5,678,100,000.

The Canadian economy, meanwhile, continued its upswing from the mild recession of 1960 and the 1962 gross national product—output of all goods and services—reached \$49,401,000,000, up eight per cent in a year. After price increases the real volume increase was 6.2 per cent.

Despite mid-1962 economy steps, budgetary spending \$83,100,000 higher than October forecast at record \$6,855,100,000. Revenues up \$146,000,000 to \$5,876,100,000.

Defence spending down by \$132,000,000 from original \$1,675,175 estimate.

Net debt of \$13,957,000,000, up \$1,500,000,000 in two years, equivalent to \$729.50 per capita. Debt charges at \$918,000,000, second biggest budgetary outlay.

Eight-per-cent rise in gross national product, with price volume gain, after price advances, of 6.2 per cent.

Consumer price index up 1.2 per cent as Canada edged with best 10-year record of price stability in Western industrialized world.

Government cash deficit up \$478,000,000 to \$1,467,000,000, reflecting operation of exchange crisis.

Old age pension payments—excluding in budgetary spending—up \$108,000,000 to \$753,700,000. Pension fund deficit of \$42,600,000 covered by treasury loan.

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### BASEBALL GAME COSTS \$5,000

NEW YORK (AP) — A company baseball game in Central Park Tuesday might cost a stock broker \$5,000.

James Comenz, 30, told police a wallet containing the money was taken from his coat while he played in the game between two company teams. He had left his coat on the ground.

Comenz, employed by J. R. Williston and Beane, said the money came from a commission cheque he had just cashed.

### Gov't Crisis Rocks Greece

ATHENS (AP) — Premier Constantine Karamanlis of Greece resigned Tuesday in a quarrel with the king and queen over their intention to visit Britain despite the government's objections. The crisis could shake the throne.

King Paul accepted the resignation Tuesday night and said he and Queen Frederika are going through with the July visit in order to avoid a blow at the Western alliance.

### Parliament At A Glance

By THE CANADIAN PRESS

TUESDAY, June 11, 1963  
Flinting, Ontario — Gordon said a \$500 bonus in first purchasers of winter-hull home chasers will be lost if the purchaser moves in.

Mr. Gordon also said the proposed \$400,000,000 in a fund will boost municipal works 50 per cent in the next three years.

Opposition Leader Diefenbaker demanded a meeting with the provinces precede establishment of the municipal loan fund.

Gilles Crepeau (SC — La-pointe) urged that fund operate on the Social Credit principle of "debts free money."

R. G. L. Fairweather (PC—Royal) said New Brunswick cities won't be able to get provincial approval of projects for the fund until 1964.

WEDNESDAY, June 12  
The Commons meets at 10 a.m. to discuss the resolution to set up a municipal development and loan fund. The Senate meets at 3 p.m.

# Witness Admits Seeing Bomb Blast-Dealing

## Profumo Said Cleared On Leak

LONDON (CP) — Official sources said Tuesday that Britain's top judge has cleared former war minister John Profumo of suspicions he leaked secrets to the Russians when he shared the love of Christine Keeler with a Soviet naval attaché.

Prime Minister Macmillan heard the results of the secret investigation into the sex and security scandal at an emergency meeting of his top advisers. He then drove to Buckingham Palace to report to Queen Elizabeth at his regular weekly audience. The audience lasted 65 minutes instead of the usual 30.

The investigation was led by Lord Dilhorne who, as lord chancellor, heads the judiciary. Backed by the results, Macmillan planned to demand an in-depth vote of confidence from his Conservative cabinet today before facing an expected Labour party onslaught in Parliament Monday. Many Conservatives have been dismayed by the case also.

Profumo, 48, resigned last week after he admitted he had lied to the House of Commons when he said there was no impropriety in his relationship with Miss Keeler—a 21-year-old redhead usually referred to as a model.

He has insisted all along that no security breach was involved even though Miss Keeler was supposedly sharing her fa-

vors with Capt. Yevgeni Ivanov of the Soviet navy. Presumably Lord Dilhorne was convinced this was true. Profumo, who conferred with Dilhorne secretly, remained in hiding as did his beautiful wife, one-time film star Valerie Hobson.

### Strawberry Growers Get Tips

KENTVILLE, N.S. (CP) — A \$100,000 market is within reach of Maritime strawberry growers, but they must gear their promotion program to changes taking place in the industry, an official of a Nova Scotia food processing firm said here Tuesday.

Victor Moses, research manager for M.W. Graves and Company Limited of Bedford, N.S., said strawberry producers must match price and quality.

In order to compete with imported berries, processors need to match price and quality, he said. Frozen strawberries from Mexico can be landed in Central Canada for 20 cents a pound.

Mr. Moses said producer and processor must work together to deal with the price problem. With the exception of those grown in Prince Edward Island, the larger portion of strawberries produced in the Maritimes are grown for the fresh fruit market.

For this reason, Mr. Moses said, the average price received by growers has been relatively higher than can be expected to be paid by the processing industry.

### Russia Permits UN Mission In Yemen War

UNITED NATIONS (CP) — The Soviet Union stood aside Tuesday and permitted the United Nations Security Council to authorize dispatch of a UN observation mission to help isolate the Yemen civil war.

The Russians, having accomplished their objective of placing the mission under the authority of the council, abstained on a compromise resolution requesting Secretary-General U Thant to proceed with the sending of the mission. The other 10 council members voted in favor of the resolution.

The UN later announced that U Thant had accepted Swedish Maj.-Gen. Carl von Horn to leave for the area at once from Jerusalem with a small advance party.

### Half-Mast Flags Tribute To Pope

OTTAWA (CP) — Flags on the Parliament buildings and federal offices across Canada were flown at half-mast Tuesday in tribute to the late Pope John.

A pontifical requiem mass for the Pope was held in Ottawa Tuesday night, attended by Governor-General Vanier, cabinet ministers and members of the diplomatic corps.

### Women's Council Head Re-elected

BANFF (CP) — Mrs. Saul Hayes of Montreal was re-elected president of the 750,000-member National Council of Women Tuesday.

Mrs. W. E. Colpitts of Bedford, N.S. was elected officer in charge of the council's radio and television section and Miss Claire Macneil of Moncton, N.B. was officer in charge of trade and professions.

### 10 Lawyers Walk out of Montreal Inquest

By BERNARD DUFRESNE

MONTEAL (CP) — A lawyer's walkout, citing of four witnesses for contempt and another's admission that he and a companion planned a death dealing bomb were among a swirl series of developments at an inquest Tuesday resulting from terrorist activities.

The 10 lawyers, representing 15 material witnesses under arrest in connection with the case killed by a terrorist bomb, walked out of the Montreal courtroom in protest against rulings by Coroner Marcel Trahan.

The coroner cited four of the 15 detained men for contempt for refusing to answer questions. It was announced later that one man had been reviewed.

The lawyers walked out protesting an order forbidding them from making any statements in connection with the case. They also ordered all material witnesses except the one accused of the bombing to be excluded from the courtroom.

When the lawyers walked out, some of the gathering of 700 persons in the public section of the courtroom e eered and members ordered ejected by Coroner Trahan.

A controversy has arisen over this procedure a n d lawyers have complained of difficulty communicating with witnesses, some held since June 1 when police said the first of them were detained.

It was Yves Labonte, slightly in the 18-year-old shipping clerk, who testified that he and a companion delivered the dynamite bomb that killed O'Neill. Labonte said he did it for "kicks" — using the English word — said he was with the Front de Liberation Quebecois, the terrorist organization.

Labonte said he was at one (Continued on page 2, col. 3)

### Prairie Farmers To Face Charges For Pesticides

WINNIPEG (CP) — The Free Press says the federal government plans criminal charges against a number of prairie farmers for improper use of pesticides.

Government lawyers are preparing the charges, the newspaper says. It is laid against seven or eight farmers in Manitoba and an equal number in Saskatchewan.

The story says the charges arose from checks made on milk and butter products at dairies or creameries. Residues of dieldrin and aldrin were found.

Products involved were destroyed, the newspaper reports, and pure food agents traced them back to the farm on which they were produced.

Dieldrin and aldrin are used widely to control grasshoppers, but the law forbids their use on crops to be used for cattle food.

### Fires Blamed On Racial Issue

CAMBRIDGE, Md. (AP) — Violence broke out in this small eastern shore community Tuesday night with three separate fires erupting in business establishments owned by white persons, but located in the Negro section.

City police reported finding two Molotov cocktails at the site of two of the fires, which broke out in a restaurant.

A general alarm fire was reported out of control and state police were being rushed into the town to quell an outbreak of fighting between whites and Negroes in the town's Negro section.

## Queens MP Has Query On Causeway-Tunnel

CAPITAL BUREAU OF THE GUARDIAN

OTTAWA (CP) — A Queens, Ontario, Member of Parliament, Edward Island's much-discussed causeway is concerned, the shoe is on the other foot of the 10th parliament.

In previous parliaments, Liberal Opposition M.P.s, led by Newfoundland's J. W. Pickersley, kept up a steady barrage of questions about the causeway. In the current parliament, it is the Conservative Opposition members, led by Henry Macquarrie, MP for Queens.

Tuesday in the Commons Mr. Macquarrie asked if the public works department was now considering a combined causeway-tunnel project.

"If so, could he estimate how much delay this is likely to cause in the final construction of the project?" Mr. Macquarrie asked.

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### Harriman Will Head Moscow Team

WASHINGTON (AP) — President Kennedy named diplomat Arthur H. Harriman Tuesday to head the U.S. negotiating team at next month's Moscow meeting on a nuclear test ban.

Harriman, 72, an American statesman, will be his second journey to the Soviet capital in three months.

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FINANCE MINISTER Walter Gordon, leaves his office for the House of Commons, Tuesday, where he tabled the white paper on Government fiscal operations. The white

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