If it's Good For the Island
The Guardian is For it

The Guardian

"Covers Prince Edward Island Like The Dew"

WEATHER
Sunny except for a few cloudy periods; light winds increasing in afternoon to east 20 with gusts to 30. Low-high 15 and 35.

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THE NEW PRESIDENT of the Prince Edward Island Dairymen's Association, Raynall MacNeil (centre) of O'Leary discusses his new duties with Frederick Kitson (left), North River, past president of the association, and a director, Daniel MacPherson, Oyster Bed Bridge. For the past year Mr. MacNeil has been vice-president of the association. The association's annual meeting began yesterday morning with sessions at the YMCA and ended with a dinner at the Charlottetown Hotel last night.

Political Chaos Reaching Fresh Peak In Argentina

BUDGET DEBATE IS CONTINUED

Liberal Leader Charges 'Juggling' Of Finances

By DON MacLEOD
Guardian-Patriot Staff Writer

"Juggling of a magnitude never seen in the House," was how Opposition Leader A.W Matheson termed the government's financial operations as he spoke to the Legislature in the budget speech debate yesterday.

For an hour and a half before a packed gallery, Mr.Matheson assailed the province's system of budgetary control, the provincial treasurer's budgets, the system of guaranteeing loans and the state of the province's net debt.

Members of the government remained virtually silent during Mr. Matheson's speech, rarely interrupting him.

Pointing out that the government had exceeded its forecast expenditure in the year ending last March by $2,570,000, Mr. Matheson said "that's a fine example of budgetary control. When the ministers speak in the budget debate, I hope those who exceeded their estimates will tell us why it was necessary to have additional money. If they don't, we will question them on it when the estimates are under consideration."

EXPLANATION CRITICIZED

Turing to the estimated deficit of $621,673 for the current year, the Opposition Leader, pointing out that a surplus of $90,665 was forecast, said "the provincial treasurer told us last night that high cost of removing snow was mainly to blame.

"I maintain that snow conditions last winter were not the worst we had in many years. In the 1961-62 year, we didn't have enough snow to keep automobiles from travelling. Snow is not the difficulty; it's the inefficiency of the administration."

In what he called "fantastic juggling", Mr. Matheson maintained that $1,000,000 in federal payments on the Roads to Resources program which should have gone into the 1959-60 budget was put in the 1960-61 budget. He also said that $60,000 which was part of estimated expenditure of the farm establishment loan board did not go into the loan fund but was left in the bank. "No wonder you balance the budget," he said. "Also, there is nothing in the public accounts to show for industrial and tourist development loans.

"How many more cases of this kind are there? This new accounting system makes it difficult for the people of the province to find out. You may be able to fool them for a short time but not for long."

SAYS DEBT HIGHER

Mr. Matheson disagreed with the provincial treasurer's forecast that the net debt of the province will be $32,868,808 on March 31. The Opposition Leader maintained the debt would be $36,500,000.

Pointing out that it is stated in the budget that bank overdrafts and treasury notes are listed as being $3,534,569, Mr. Matheson produced figures which he said were taken from a statement sent to the Lieutenant-Governor by Provincial Treasurer Melvin McQuaid on Feb. 28 which showed that treasury notes and overdrafts on that date totalled $7,144,442. "Last evening," he said, "it was stated in the budget that the total was $3,534,569 The total dropped by about one half in less than a month. How

(Continued on Page 3 Col. 3)

TWO CHILDREN RULE PARENTS

LONDON (Reuters) — A London juvenile court was told Wednesday that two children, a boy of nine and a girl of 12, so dominated their parents that they told them when to go to bed and where to sleep.

The children — unnamed under British legal procedure — were found guilty of a breach of a three-year probation and were put in the care of juvenile authorities.

A woman probation officer said the children "were taking over control" of their parents.

The "disciplined" parents were made to go to bed at 9:30 p.m. each night and the girl forced the father to sleep in a room of his own so that she could sleep with her mother.

The children refused to go to school and the probation officer had to drag them there by "the scruffs of their necks," the court was told.

Frondizi Clings To Power

BUENOS AIRES (AP)—Pro-Peron labor unions posed a new peril for President Arturo Frondizi's shaky regime Wednesday with a call for a nation-wide strike Friday. But a Frondizi spokesman announced Wednesday night the president will have the final solution to Argentina's crisis before then.

Leaders of 62 unions throughout the country said the strike would last until Frondizi rescinds his decree wiping out the provincial election victories won by followers of exiled former dictator Juan Peron last Sunday.

Following a series of conferences at Government House, Buenos Aires' Mayor Hernan Girault announced Frondizi's declaration that the solution is close at hand. Giralt has been Frondizi's emissary in negotiations with military chiefs fearful of a Peronist comeback.

REFUSE BID

The People's Radicals, chief opposition group in Congress, flatly declined the president's invitation to discuss the matter.

But Frondizi intimates said he would overcome this barrier by offering his cabinet invitations to prominent figures on a personal basis. This would get at least some politicians of different allegiances into his new regime without saddling their parties directly with any responsibility for the move.

As Frondizi struggled to keep down the threat of chaos in this country of 20,000,000, repercussions mounted abroad.

In Spain, where Peron is living, aides and close associates said Peron is deeply incensed at what they called post-election meddling by the United States in Argentine affairs. They said Peron feels military officials in Washington had been in touch with Argentine military chiefs following Peronist election landslides.

A Peron spokesman in Madrid claimed that Peron believes this was responsible for the military demands that forced Frondizi to nullify the Peronist triumphs.

REFUSED COMMENT

Peron himself has refused to comment publicly on the situation.

His views were matched in Cuba. The newspaper Revolucion accused President Kennedy of "practically having incited the Argentine military to take over the Frondizi government."

Kennedy was quoted in Washington today as saying that while the victory of Peronist candidates was unfortunate, it demonstrated the result of U.S. neglect of Latin America in the last decade. The president told congressional leaders that Alliance for Progress efforts must be increased.

Milk Production In Canada Trails Population Increase

Giving a statistical background of the Dairy Industry in Canada during the last 10 years, John T. Monkhouse, secretary-manager of the Dairy Farmers of Canada, told the Prince Edward Island Dairymen's Association last night at the Charlottetown Hotel that total milk production in Canada increased during the 10-year period from 15.3 billion pounds in 1951 to 19.1 billion pounds in 1961.

"Although milk production increased by 25 per cent during this period, it did not keep pace with the increase in human population, which registered a 30 per cent increase. On a per capita basis, milk production has actually declined from 1023 pounds per person in 1951 to 10-90 pounds per person in 1961, "Mr. Monkhouse said.

Presiding at the association's annual banquet was Frederick Kitson of North River. immediate past president. The guest speaker was introduced by J. Lincoln Dewar, secretary-treasurer and thanked by Allison Profitt, a past president of the association.

OTHER SPEAKERS

Speaking briefly were Premier Walter R. Shaw, Minister of Agriculture Andrew B. MacRae and Charlottetown Mayor A. Walthen Gaudet.

Mr. Monkhouse continued "Although there has been a change in the total utilization of milk in Canada, as more and more is required for fluid sales and manufacturing products, the percentage of the total milk going into these products has not changed greatly.

"About 42 per cent of all the milk now produced in Canada goes into the manufacture of creamery butter, 7 per cent into cheese, 10 per cent into concentrated milk products and 31 per cent in fluid sales. The remainder is consumed on farms or fed to livestock."

He noted, however, that the consumptive pattern has changed and pointed out that in 1951 Canada was consuming 19.17 pounds of creamery butter a year. Last year the consumption was 15.31 pounds or 3.7 pounds less per person.

He stated that Prince Edward Island produces less than a quarter of a billion pounds of milk a year, or 1.2 per cent of Canada's total and in 1961 produced "six million pounds of creamery butter."

PRIZES PRESENTED

H.J. MacDonald, dairy superintendent, presented prizes to the winners in the 1961 associa-

(Continued on Page 5 Col. 3)

Bill Increases Speed Limit To 60 Miles In Province

Approval in principle was given to a bill in the Legislature last night that will amend the Highway Traffic Act so that the speed limit on provincial highways will be 60 miles per hour during the day and 55 miles per hour at night.

Promoter of the bill, J. David Stewart, provincial secretary, said that the limit is being raised to bring it into line with the other Maritime Provinces.

The amendment also provides that the permissible speed limit through villages can be increased to 40 miles per hour from 30. It also provides that the minister of highways can increase any 30-mile per hour limit to 40 miles per hour if he feels that traffic will flow more easily. This means that a minister can override a municipal limit of 30 if he feels it is necessary.

Also coming into force is a regulation that states: "the driver of a vehicle when preparing to stop or turn from a direct line, shall commence signalling his intention to stop or turn at least 100 feet before turning or stopping, and shall continue signalling until entering the turn or just before coming to a complete stop, unless such stop is being made in a sudden emergency."

Reportable vehicle accident damage will be increased to $100 from the present $50.

Chicken Dinners Net $1,000 Day

TORONTO (CP) — A Kentucky man attending the Canadian Restaurant Association convention here says he nets $1,000 a day from a business that sells 3,000,000 chicken dinners a month.

Harland Sanders, 72, of Shelbyville is head of two companies which he says have $44 outlets in the United States and Canada.

Each outlet pays him royalty for using his recipe, which involves 11 spices and a special method of frying.

He said his franchisee work on the honor system, but he doesn't have to worry about the money flowing in.

"They're all doing so well they'd never think of cheating," he said.

At A Glance Parliament

By THE CANADIAN PRESS
WEDNESDAY, March 21 1962

Defence Minister Harkness named three Canadian army non - commissioned officers convicted of smuggling opium or gold in Indochina.

Prime Minister Diefenbaker tabled his reply to UN Secretary - General U Thant on possible acquisition of nuclear weapons.

Mines Minister Flynn said Canada and Russia exchange information about surveys on the polar continental shelf.

H. J. Robichaud (L—Gloucester) and Harold Winch (CCF — Vancouver East) called for a statement on a national coal policy.

THURSDAY, March 22

The Commons meets to continue study of supplementary spending; the Senate also meets.

Cease-Fire Given Parliament Okay

PARIS (Reuters) — France appeared ready Wednesday to give President Charles de Gaulle's Algerian policy a massive vote of confidence after the Algerian cease - fire agreements sailed through parliament opposed only by the far-rightists.

Though small, the rightist opposition was noisy.

Building Prospects Listed

An impressive list of immediate building prospects in the Charlottetown area was listed by Hon. David Stewart last night in the legislature.

They include the Fathers of Confederation Memorial building costing five to six million dollars.

The new provincial government office building, worth two to three million dollars; the new Vocational High School, the new Mother House of the Sisters of St. Martha on Mt. Edward Road at a cost of possibly $1 million, the new library for St. Dunstan's University, the new Legion home in this city, the new city elementary school to replace West Kent, the new liquor store in Charlottetown, the completion of a new building for the Maritime Electric Company, which with the turbine will cost more than a million dollars and the new Queen Square School which is now building.

Farm Price Support Cost Expected Lower This Year

OTTAWA (CP) — The federal government expects to face only a third of the net operating loss recorded last year for supporting various farm produce prices.

The government's supplementary spending estimates for the fiscal year ending March 31 included $33,130,333 to pay the operating loss of the agricultural stabilization board. "This compares with $69,504,548 in 1960-61.

Hogs are the main reason for the sharp reduction.

The board buys, holds and sells various commodities—butter is the main item today—to maintain price levels at a fixed rate. It also pays straight subsidies on some products such as milk for manufacturing.

PORK GLUT OVER

A year ago, the board still was saddled with the cost of a pork glut, which dissolved when the government eased its system of price support by direct purchase.

However, it still has some losses to meet for pork.

At Dec. 31, board holdings of food included a record 174,000,000 pounds of butter worth more than $126,000,000, plus 34,083,000 pounds of pork worth $21,300,000.

This canned pork is held under government storage although a sales-contract arrangement has been made, with supplies moving out periodically.

Pork disposal cost $29,243,000 last year. Next biggest item was $11,432,000 for the milk-for-manufacturing subsidy, and this will run about $12,500,000 this year as production continues to expand.

BUTTER STOCKS RISE

Butter-storage costs, including conversion of some butter to butter oil which is more easily stored, totalled $2,442,000 last year and this will be higher this year because stocks have continued to rise. Lamb will cost about $1,000,000.

Th rising butter surplus is the main concern now, with government stocks piling up as consumption sags. Quantities are bought by the board at 64 cents a pound for top grades.

The government has been asked to chop the price to consumers by 14 cents a pound to stimulate consumption and the dairy farmers seek a subsidy of 14 cents to prevent loss of revenue to them. Some decision is anticipated before the start of a new dairy year May 1.

The government solved a pork and egg surplus by stopping its purchases of these items. It substituted a system of deficiency payments, paid on a certain quantity per farmer if the average national price over a year fell below a level computed from prices during the previous 10 years.

Vast Grants From Ottawa Are Reviewed By Minister

This province will receive $10 million more in direct revenue from Ottawa next year then it did under the Liberals in 1956, Dr. L.G. Dewar, minister of education, told the legislature last night before he moved the adjournment of the debate on the budget.

The province received $4,830,652 in ordinary account and $593,000 in capital grants in 1956 for a total of $5,432,653 he said.

Last year, he said, the province received $10,057,924 on ordinary account and $2,848,000 in capital grants for a total of more than $12 million and next year he said, the province will receive a total of more than $15 million.

The spectre of bankruptcy would have been staring the province in the face he suggested, if the government had not changed at Ottawa in 1957 and a man who appreciated the province's need had not been elected as leader of the country's government.

The minister said he had not expected to be asked, to speak that night and needed some time to review details of his department before presenting them to the house, and moved the adjournment of the debate.

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New Handicrafts Industry Is Suggested By Minister

By NEIL MATHESON
Farm and Provincial Editor

A new handicrafts industry that will bring a large new revenue to the rural people of the province, and tie in with an expanding tourist development, was suggested as an important future revenue source for P.E.I. by Hon. J. David Stewart in the provincial legislature yesterday.

Starting autumn, groups will be organized all over the province and qualified instructors will be hired who can go out and spend time teaching them handicrafts of their choice, Mr. Stewart told the house.

Noting that the Leavitts at Alberton, master wood craftsmen learned their craft in New Brunswick where a similar effort has been underway for years, Mr. Stewart predicted great possibilities for development in this province.

There is no limit to what can be accomplished, suggested the provincial secretary who heads the department that administers the tourist and information branch.

"Why not develop an Island tweed as well as a tartan?" he suggested.

Articles made by groups in various communities could be placed at central locations for sale, and the tourist branch would be able to tell prospective buyers where the purchases could be made.

Mr. Stewart said he has been informed that revenue from such handicrafts in New Brunswick has passed the million dollar mark.

Reporting total estimated tourist and convention group revenues of more than $8,500,000 in 1961, Mr. Stewart said it's up to the government to get the tourist visitors here, but private enterprise should entertain them and make them feel like coming back again.

FARM VACATIONS

There are many people across the United States and Canada who would like to spend their

(Continued on Page 3 Col. 7)

U.S., Russia Work On Plan At Conference

GENEVA (Reuters — The United States and Russia, as co-chairmen, are trying to work out a draft plan for the future work of the 17-country disarmament conference, reliable sources said Wednesday night.

The sources said representatives of the two powers would meet today after the full session of the conference to continue attempts to thrash out a working agenda.

The sources also said U.S. State Secretary Rusk and Soviet Foreign Minister Gromyko will meet again privately today with only interpreters present for further discussions on Berlin.

House Adjourns To Monday Night

The legislature will not sit again until Monday night at 8.

Normally the House sits twice on Thursday, at 2.30 p.m. and at 8 p.m. but Premier Shaw last night moved that the House not sit today to give the House standing committees a chance to complete their reports.

In the budget debate yesterday, Opposition Leader A. W. Matheson, Provincial Secretary J. David Stewart and Dr. George Dewar, minister of education, spoke. Dr. Dewar adjourned the debate and is expected to resume Monday night.

2-Day Rain Forecast In Threatened Area

LAC MEGANTIC, Que. (CP) Two days of rain are forecast here with brimming Lac Megantic threatening to wash away the Chaudiere River Valley.

The weather office in Quebec City said rain would start Wednesday night, break today and continue tonight. The forecaster said 1½ to two inches may fall.

A low pressure system was moving into this area 90 miles south of Quebec City from New York and Ontario.

The waters of Lac Megantic were 20 inches below the danger level as engineers kept a close check on the weakened Gayhurst dam.

Rene Levesque, natural resources minister, warned Tuesday that, if the dam bursts, it will send a wall of water and ice 30 feet high roaring down the valley.

At least 10,000 residents of communities like Beauceville, Vallee Junction and St. Joseph would be in the path.

MAYORS TO MEET

Mayor Jacques Renaud of Beauceville said the mayors of all municipalities in the area will meet tonight to discuss the situation.

The civil protection service of the Quebec government had called the meeting.

Mayor Renaud said the Chaudiere's spring break-up so far has been gradual. Weather conditions—cool nights and no rain —had been ideal.

The people of the valley, he said, are calm.

CANADIAN MUSICIANS PLAN MOSCOW VISIT

Soviet Ambassador Amasasp Aroutunian (left) chats with three Canadian Musicians who will compete in the Tschaikowsky international music competition at Moscow this month. They are (left to right), Michael Kilburn, Elaine Kaillor and Raymond Panneff. They get together with the ambassador at a reception following a send-off Performance at Toronto's Massey Hall, which raised funds for the Russian trip.

Heath Will Discuss ECM In Ottawa Visit

LONDON (CP) — Edward Heath, lord privy seal and Britain's chief negotiator in the Common Market talks, will fly to Ottawa this weekend following high - level talks in Brussels which are of vital concern to Canada.

Heath will have two days of talks with Prime Minister Diefenbaker and some cabinet colleagues sought to emphasize that this is simply part of the normal process of consultation between Britain and the Commonwealth countries.

The visit is timed to follow this week's full ministerial meeting in Brussels among Britain and the six Common Market countries — the first since the important session there a month ago.

This latest meeting is of particular interest to Canada since the various study groups now are ready to submit to the seven ministers draft plans covering agriculture, raw materials and industrial products. Canada is the main Commonwealth member with important British exports in these three groups.

SEEK SAFEGUARDS

The feeling among some observers here is that officials of the six market countries are determined to abolish or restrict preferences on Commonwealth manufactured goods and foodstuffs entering Britain. The British are pushing for enough safeguards to have the over - all arrangement acceptable to Canada, Australia and New Zealand, the main export countries of the Commonwealth.

J. R. Marshall, deputy prime minister of New Zealand, was here for talks in December and Jack McEwen, Australian trade minister, is visiting here now.

It was the Australian visit that caused a rumpus in Brussels last month when the British, through error, failed to inform them on negotiations concerning canned fruit — a major Australian export.

At that time the Australians demanded that there should be an "eighth chair" at the Brussels negotiating table, to be occupied alternatively by a Commonwealth country when matters directly concerning that country were under discussion.

However, the feeling here was that it was doubtful the six countries would agree to such a plan.