

If It's Good For The Island
The Guardian Is For It

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"Covers Prince Edward Island Like The Dew"

CHARLOTTETOWN, CANADA, SATURDAY, DECEMBER 3, 1966.

NOT MORE THAN TEN CENTS

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WEATHER

Scattered snowflurries; winds northwest-ly 15. Low-high 23 and 35. Sunday: clear and extremely cold.

Gulf Garden Foods Ltd. Announce Shut-Down

DR. SINNOTT COMMENTS

Plant Closing Surprises MLA

Dr. J. Cyril Sinnott, MLA, Fifth District of King's, said last night he was surprised to hear that Gulf Garden Foods had been forced to close down.

"It was too much to expect that the new Liberal Government would continue to foster economic development on the island. The establishment of many new industries here was encouraged by the Shaw government; and I regret very much that the Georgetown plant is the first to be forced to close down by the Liberals. This will be a hard blow to the people of Georgetown and the surrounding area because the payroll of both plants amounted to about \$120,000.00 a month.

exists. No company will come here if it can expect to be hounded, chased and regimented by an irresponsible government.

"The government's position is indefensible. Its campaign against Georgetown poisons the economic climate. The reputation of this island in financial circles is also at stake. Over 2 million dollars in private investment is in Georgetown, while public participation is only slightly more. But the government does not recognize any responsibility to those investors either. False statements and half-truths issued by the government in regard to these finances have misled the people, discouraged possible investors, and set the island back 50 years in the competitive area of industrial development. Moreover, more than 2 million dollars has already gone back to Islanders in wages from the Georgetown operation; less than 10 per cent of that amount would have ensured continued operation of Gulf Garden Foods.

500 OUT OF WORK
"Five hundred people will be out of work next week. They and their 2,000 dependents were enjoying continued employment and a bright future. Our people deserve something better than a Christmas present like that from the Premier and their government.

"During the winter, closure will mean a loss of over \$100,000.00 in income to Islanders. I think the plant should re-open with government support on Monday morning. I know the people of the area will demand it. It is their taxes which are involved, not Mr. Campbell's personal bank roll."

LEFT OUT
Lardner - Burke, one of the strong men of the cabinet, was usually to be seen at Smith's elbow during previous parleys with the British. But he was out of town during Anglo-Rhodesian negotiations at the beginning of this week.

The fact that British-appointed Governor Sir Humphrey Gibbs, not recognized by the order minister, Desmond Lardner-Burke, was hurrying to Salisbury from vacation.

FAR-REACHING
"Such irresponsible action on part of our island government is unpardonable and the consequences far-reaching. I cannot conceive of any other private enterprise considering establishing here, when an economic climate such as this

Financier Arrested

TORONTO (CP) - Joseph Senio, 51, president of Prudential Finance Corp. Ltd. and secretary - treasurer of O'Brien Gold Mines Ltd., was arrested Friday on five charges following an investigation by the Ontario Securities Commission into the collapse of the finance company.

He was remanded on \$10,000 bail to Dec. 8.

Harry Bray, a director of the OSC, said one of the charges is of the theft of 24,000 shares of Dominion Glass Co. The shares sold recently on the Toronto Stock Exchange at about \$12 each.

Mr. Bray said other charges include uttering false documents, forgery, making false financial returns to Wood Gundy Co. and making a false statement to Metropolitan Trust Co., appointed trustee for Prudential Finance's 8,500 creditors after the company ran into difficulties two weeks ago.

Prudential Finance's losses were first estimated at \$3,500,000, but Metropolitan Trust said Nov. 30 they would be substantially higher.

Three cabinet ministers claimed the order instead of the usual two - acting Resources Minister Eric Martin, Mines Minister Donald Brothers and Premier Bennett, who is also finance minister.

They slapped a provincial crown reserve on: "All land... including the mineral and other natural resources of the sea bed and subsoil."

"1. Seaward from the ordinary low-water mark on the coast of the mainland and the several islands of B.C. to the outer limit of the territorial sea belonging to B.C., and

"2. Forming that part of the continental shelf beyond the territorial sea belonging to B.C. where the continental shelf admits of use or exploitation."

The action was taken under the Petroleum and Natural Gas Act.

Mr. Bonner, in a brief interview, said the reserve is not related to the 12-mile fishing limit which is a surface measure.

"The continental shelf is part of the province and it's only a (geographical) accident that so much of our territory is under water," Mr. Bonner said. "If the tide went out to the end of the continental shelf, all of it obviously would be part of British Columbia."

EAST FEELS 'SAME'
He said this attitude had also been taken by the Atlantic provinces although they have not "put it in formalized terms" such as the B.C. cabinet order.

EASTER BEEF, SHOW SALE MEETING HELD

President George Kitson, Hampshire, CENTRE, presided last night at the annual meeting of the Easter Beef Show and Sale organization. Dr. H.H. Kelly, Charlottetown, secretary - treasurer is at LEFT. Robert MacLaurin, Belmont Lot 16 at the RIGHT is a director. (See story on page 5.)

Reports Of Discontent Are Heard From Rhodesia

By ANTHONY WHITE SALISBURY (Reuters) - Reports of discontent inside the Rhodesia cabinet and the ruling Rhodesia Front party spread Friday as Premier Ian Smith and British Prime Minister Wilson held their Mediterranean summit talks.

The conference, on board the British cruiser Tiger, also was attacked by Negro politicians. Many hard-line members of Smith's white-minority government were said to be worried just how far Smith was prepared to go in pacifying the British.

They wondered how far Smith would shift toward acceptance on British demands over the nature of the Rhodesian constitution and guarantees that advance to Negro majority rule would not be impeded.

Some reports said tough words were spoken at a special cabinet meeting earlier this week when Smith disclosed his plan to meet Wilson.

But the government officially denied reports that the law and order minister, Desmond Lardner-Burke, was hurrying to Salisbury from vacation.

Deputy Agriculture Minister Will Head Dairy Commission

By KEN CLARK OTTAWA (CP) - Agriculture Minister Greene has picked the top man in his own department to give life to the dairy industry's new federal regulatory body.

S. C. Barry, 63, steps down as deputy minister of agriculture to become first chairman of the Canadian Dairy Commission.

There was no word on his successor as deputy, but the obvious choice is S. B. Williams, chairman of the agricultural stabilization board.

In a Commons announcement, Mr. Greene said Mr. Barry will be assisted by two commissioners, Jules Thibaut, a Thurso, Que., dairy farmer, and L. A. Atkinson of Vancouver, general manager of the Fraser Valley Milk Producers' Association.

Both will draw \$25,000 a year. Mr. Barry will make \$27,000, no change from his deputy minister's salary. His new post will carry a salary for two years because of the heavy organizational duties involved and then will drop to \$25,000.

PLANS QUICK START
Mr. Barry, a veteran of 41 years in the agriculture department, told reporters he will get to work right away to organize the commission.

It will be ready to take over dairy support and other functions from the stabilization board at the start of the new dairy year, next April 1.

In co-operation with provincial agencies, the commission will serve as a kind of national marketing board.

Mr. Greene said it was the first attempt at national marketing of farm products aside from the wheat board, which handles several grains. The minister hoped the new commission would be "the model and the crucible" of national marketing boards for other farm commodities.

Also named was a nine-man consultative committee to advise the commission on its ground-breaking function. The advisers are part-time only, receiving a daily allowance whenever they meet.

Representing the Maritimes is J. L. Dewar of Charlottetown, secretary of the Prince Edward Island Federation of Agriculture.

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THANT ELECTED FOR NEW TERM

U. Thant, LEFT, is seen Friday at the United Nations in New York shortly after having been elected to a new five-year term as U.N. Secretary General. He pledged "to make every effort on a personal

basis" to end the war in Viet Nam. On podium with him as he received a standing ovation are General Assembly President Abdul Rehman Fazlwak, of Afghanistan. (AP Wirephoto)

Gales Battering Much Of Europe

LONDON (AP) - Gales and rainstorms battered the British Isles and Europe Friday and new alarms spread through north-central Italy where rain-swollen rivers threatened to repeat the flood disasters of a month ago.

Six vessels, including a lightship, were in trouble in lowering seas around Britain.

In Italy, local police and army commanders mobilized their forces and volunteers to evacuate flood-threatened residents if necessary and to reinforce embankments pounded by

swiftly rising rivers and streams.

The seven-man crew of a drifting channel lightship was snatched to safety in a rescue eight miles off England's Kent coast. The Varne lightship dragged her anchors and drifted in shallows over dangerous sandbanks. The men were brought to Dover, the lightship abandoned.

LIFEBOATS IN CLOSE
Lifeboats and planes stood by to aid four ships in trouble in the Irish Sea near the Isle of Man.

They were the Norwegian freighter Vinland, the Egyptian freighter Helvan, the Greek Mafispros and the British-owned Grit. The Greek ship reported anchors lost and engines stopped. Lifeboats took off 15 of her crew as she lay wallowing in the sea. The captain and three other crew members stayed aboard despite 90-mile-an-hour winds in the area.

In the storm-tossed North Sea, the Panama steamer Humboldt reported she was breaking away from a Belgian tug towing her to safety.

Moscow reported some of the severest winter weather in years in the Soviet Far East, with traffic stalled in some areas after a six-day blizzard.

Kosygin Hits At W. Germany

PARIS (AP) - Visiting Soviet Premier Alexei N. Kosygin assailed West Germany Friday, urged closer French-Soviet cooperation and proposed breaking up military alliances in Europe.

He said West German "demands for revision of post-war frontiers, coupled with pretensions for nuclear armament, carry the threat of upsetting the equilibrium and peace of Europe."

Finance Minister Sharp said the U.S. government has sent Canada two notes protesting proposed changes in the Bank Act affecting the U.S.-owned Mercantile Bank.

A private member's bill introduced in 1964 to incorporate the Bank of British Columbia was passed in the Commons.

Three more opposition attempts to alter the government's medical care legislation were defeated in the Commons.

Agriculture Minister Green named S. C. Barry, deputy minister of agriculture, first chairman of the Canadian Dairy Commission.

MONDAY, Dec. 5
The Commons meets at 2:30 p.m. to begin debate on the government's proposal to supplement the income of needy old-age pensioners. The Senate stands adjourned until Dec. 13.

Quint Roni Sue Dies

PITTSBURGH, Pa. (AP) - Roni Sue, the sole surviving Aranson quintuplet, died Friday despite around-the-clock medical care.

The fragile infant joined her four sisters in death at 2 p.m. EST, unable to overcome the numerous problems that menace all premature babies.

The quintuplets were born last Saturday, 2 1/2 months prematurely, to Mrs. Michael Aranson, 22, in Magee-Women's hospital. They were the couple's first children. Mrs. Aranson never saw her babies.

Premier Campbell Issues Statement

Gulf Garden Foods Limited fish processing plant at Georgetown is closed. The shipbuilding industry, Bathurst Marine Limited, is reportedly still operating.

Premier Alex Campbell said: "At 5 o'clock last night I was informed by Cyril Davis, president of Gulf Garden Foods Limited, that the company has found it necessary to take this action, which undoubtedly, will involve a premature closure of the plant some two or three weeks before the fishing season ends."

NEGOTIATIONS UNDERWAY
Mr. Davis' announcement comes in the midst of deteriorating, lengthy and involved negotiations which the provincial government has undertaken with Jense Moe, chairman of the board of Gulf Garden Food Limited, and his associates in an effort to resolve the financial difficulties in which the company has become involved.

"One thing is clear, under present operating methods and financing, this company is not a viable industry. The future success of Gulf Garden Foods Limited will not only require substantial investment, but also a complete reassessment of the function and operation of the ships and the plant," stated the premier.

SOLUTION SOUGHT
In a statement issued to the press he said, "The company has long been experiencing a critical shortage of working capital and our negotiations have been directed toward assisting the company in its efforts to find a solution to their problem. The examination of the company's books by the external auditors disclosed the need for immediate and substantial operating capital if the company is to continue in production."

"This company is already heavily financed with public funds and the government cannot conscientiously approve any further commitment of public funds which would only serve the

immediate financial needs of the company, but not result in permanent solution of them. Following our negotiations with Norwegian investors and in the light of the reports and recommendations of our external auditors, the government has recently made the following decisions:

"(1) The provincial treasury alone cannot become the sole source, nor can it remain a continuing source of operating capital for the company.

"(2) The government cannot conscientiously provide the company with the funds required to meet its immediate needs without satisfactory assurances that the long term financial requirements of the company will be met by the owners.

VIEWED WITH ALARM
"The Government views with alarm the findings of the external auditors that funds have been diverted by the Georgetown companies to affiliated companies, some of which are outside the province.

"If the company is to continue operation, money must be found immediately to pay back wages, power, fuel, telephone, Workmen's Compensation, insurance, supplies, and ship's settlements. (Continued on page 3, col. 4)

Last Dragger Reaches Port

GEORGETOWN - The last of the draggers fishing for Gulf Garden Foods Ltd. - the Gulf Greentier - arrived in port here Friday. It was not known immediately what would be done with the fish with the closing of the Gulf Garden plant. One suggestion was the cargo might be sent to Souris for processing.

It was learned that within the week or so two truck loads of processed fish, a total of some 40 tons, were sent to the Boston market. It was reported the truck loads are valued at some \$10,000 each. Two more loads were said to be ready for shipment.

Conservative Members Plan Caucus On Policy

OTTAWA (CP) - Federal Conservative MPs will hold their own policy-making conference because the party's annual meeting didn't do the job, Alvin Hamilton (PC-Quebec) announced Friday.

The caucus will meet at national headquarters Dec. 10-11 to cover what Mr. Hamilton termed "75 per cent of the policy spectrum." The caucus decided on the move last Wednesday.

It was at the same meeting that the largely pro-Diefenbaker group ejected six anti-Diefenbaker MPs from their posts on the party's national executive.

Mr. Hamilton conceded at a news conference that party policy traditionally comes from the bottom via resolutions at national party conferences. But the lack of policy discussion at the Nov. 13-16 annual meeting made the caucus move necessary.

DID LITTLE ON POLICY
Policy resolutions got short shrift at the annual meeting. It

was largely a wrangle over leadership, with party association president Dalton Camp winning support for a leadership convention next year.

Mr. Hamilton was critical of the association's policy committee, which he said put together the resolutions for the convention in one day.

"We're caught in a vacuum. Ordinarily the annual meeting gives direction on policy. This time we didn't get much chance to discuss it."

He made clear there was no intention to replace the national association as the final policy-maker.

Asked directly whether the caucus-drafted policy will be official party policy, Mr. Hamilton said it "will hold a high level of authenticity until it is approved by the association."

It will be a closed-door meeting with the results announced some time later. After drafting, the caucus hopes the ideas will spark discussion within the party.

Skipper Is Blamed For Loss Of Trawler Last February

ST. JOHN'S, Nfld. (CP) - Most of the blame for the loss of the trawler Blue Mis II Feb. 18 with 13 men aboard has been laid on her young skipper, who perished with his crew.

A transport department investigator's report on the loss of the vessel during a wild storm in the Gulf of St. Lawrence last winter was released Thursday.

It said the lack of eyes-witnesses meant that "what actually happened aboard the Blue Mis II on the night of Feb. 18 can only be a matter of conjecture."

But it added that Capt. Stuart Price, 29, of Grand Bank, Nfld., should have sought shelter instead of battling winds estimated earlier in the evening at

60 or 70 knots, accompanied by freezing spray.

Many veteran seamen felt that ice accumulation on her decks and rigging - a constant dread of small fishing boats during winter storms in the North Atlantic - made the Blue Mis too heavy and caused her to capsize.

"Capt. Price radioed a sister ship at 9:30 p.m. that one man was clearing away accumulated ice but indicated no alarm.

That was the last conversation with the ill-fated vessel, which failed to make a promised radio report at midnight. Winds, meanwhile, had increased to more than 70 knots and seas were running 25-40 feet. An air-sea search during the next day but it was several days before wreckage was found.

Prime Minister Pearson Challenges B.C. Action

HAMILTON (CP) - Prime Minister Pearson Friday challenged British Columbia's right to take over the continental shelf off the B.C. Coast on grounds that the change of provincial boundaries is a federal right.

Mr. Pearson, here to deliver an address to a Liberal dinner,

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