

Wholesale Prices Jump; Future Trend Questioned

By JAMES NELSON
OTTAWA (CP) — Wholesale prices broke out of a two-year stability trend last month and bounced up to a new high, raising questions about the future of price trends generally.

Economists looking at the Canadian scene have pointed with satisfaction to the fact that the Dominion Bureau of Statistics' wholesale price index has remained within 1/2 points of 245.5 since May, 1963.

But the bureau announced Friday its index, based on 1937-39 wholesale prices equaling 100, reached 249.0 in May this year for a gain of about two per cent over the mean for the past two years.

The bureau, as is its practice, did not attribute the increase to any specific cause but noted that during the period the general wholesale index rose to 247.7 in 1963 and the iron products index rose 8.4 points to 265.6.

1964, covers a mixture of primary and processed products outside retail trade.

The index of retail prices—the consumer price index—is based on 1957 prices equaling 100. It was 137.7 at the beginning of April, up two-fifths of a point from the start of March.

The consumer price index for the beginning of May is expected to be announced next week.

The bureau says that, because of the mixture of commodities and variety of processing stages reflected in the wholesale price index, it cannot be regarded as a measurement of the purchasing power of the dollar. But it is closely tied to the business cycle and can be regarded as an indicator of general business conditions.

ASKED TO STOP HIKE
When the steel price increase was announced in February,

the Opposition asked the government in the Commons to stop it. The government has no power to do so, except under wartime emergency legislation when it can impose price controls.

However, Prime Minister Pearson told the Commons there had been no general price increase for steel since 1957, and the price hike announced by the Steel Company of Canada, amounted to only four per cent on 22 per cent of domestic steel shipments.

Later, Mr. Pearson asked the Economic Council of Canada to study the broad price situation. He also said the government would watch the "repercussions because steel prices are an important factor in the health of the economy."

An Economic Council spokesman said Friday it has not yet completed its study.

RECALL PRICE RISE

This prompted some economists to recall that in February, the Steel Company of Canada announced a four-per-cent increase in prices for some products. The ramifications of this and similar increases may now be seen in current wholesale prices, they said.

The DBS index of wholesale prices, which was 245.9 in May,

New Three-Man Peace Team Tries To End Dominican War

SANTO DOMINGO (AP)—A new three-man peace team sent here by the Organization of American States has launched efforts for a political settlement in the Dominican civil war.

Six other major efforts have been made to negotiate an agreement in the conflict, which is six weeks old today. All have failed.

The OAS commission met with Msgr. Emanuele Clarizio, the Papal Nuncio, and with U.S. Ambassador W. Tapley Bennett. Msgr. Clarizio made one of the first efforts to bring together the civilian - military junta and the rebel regime.

Members of the commission are Ellsworth Bunker, U.S. Ambassador to the OAS; Ilmar Penna Marinho of Brazil and Ramon de Clairmont Duenas of El Salvador.

Their mission was authorized Wednesday by a special OAS conference on the Dominican

crisis and they left Washington Thursday.

WILL INVESTIGATE
Informed sources in Santiago, a city about 100 miles north of Santo Domingo, said Friday an OAS group investigating alleged violations of human rights in the Dominican Republic would visit cities in the northern area this weekend.

The sources said the group, headed by Manuel Bianchi of Chile, would visit Santiago, San Francisco de Macoris, Puerto Plata and Moca. These are the areas where the rebels claimed soldiers loyal to the junta have carried out repression of civilians favoring the rebels.

The OAS ordered the inter-American committee on human rights to look into the situation after the Cuban Caamama Dengo, head of the rebel regime, complained of violations by junta forces.

Meanwhile, the last of the 6,000 U.S. marines who were sent to the Dominican Republic will leave during the weekend, an American military spokesman said.

About 12,500 U.S. paratroopers from the 82nd Airborne Division and 700 U.S. air force personnel will remain. They have been integrated into the newly - created inter - American force under formal control of the OAS.

\$5,000,000 Aid Kitty Established

OTTAWA (CP)—The government is setting up a \$5,000,000 kitty for Canadian industries seeking aid in improving their operations.

The step was announced in the Commons Friday by Industry Minister Drury. "Costs will be shared by the government and the industrial firm," he said, but gave no details on how the breakdown would be set.

He also announced the government is hoping for returns in two areas.

Where the government funds helped in research, "the project is successful and the results are brought into commercial usage, the firm will be required to repay the government's contribution."

The \$5,000,000 was set for the 1965-66 fiscal year, Mr. Drury said, but it was expected bigger expenditures would be made in the future.

Titles to patents and designs would rest with the firms but they would be expected to exploit the results in Canada. All firms with the capabilities and facilities for developing improved technological processes would be eligible if their proposals offer good prospects for exploitation, Mr. Drury said.

Dairy Policy Claim Forms Are Mailed

OTTAWA (CP) — Mailing of claim forms for supplementary payments provided in the new interim dairy policy to some 200,000 registered shippers of manufacturing milk and cream began this week, the agriculture stabilization board announced Friday.

The policy is aimed at providing a national average return to producers of \$3.50 per hundredweight for manufacturing milk used in Canada, with equivalent assistance to cream producers.

P.E.I. Reg't Command Changes Formally Sun.

Lt. Col. E.G. MacLeod, MC, will formally take over command of the Prince Edward Island Regiment (RCAC) from Col. D.J. McCormack, ED, at a change-of-command parade to be held tomorrow afternoon at Memorial Field at 2.30.



Lt. Col. MacLEOD

Astronaut James McDivitt, who steered Gemini IV while his space partner was outside, also seemed to lose track of time. He was to have told White to return after the 12-minute period.

Both men were exposed to the vacuum when the capsule cabin was de - pressurized to allow White to open his hatch. This involves expelling all oxygen from the cabin so the atmosphere equals that outside. For protection their space suits were pressurized with oxygen to keep them alive.

No previous U.S. astronaut had done this.

**Form Errors
Are Delaying
Tax Refunds**

OTTAWA (CP)—Income tax returns are being processed faster than ever, Revenue Minister Benson told the Commons Friday, but there may be some delays due to errors in filling out forms.

He was replying to a question by Robert Beaulieu (Creditiste - Quebec East) about a delay in refunds.

Mr. Benson said refunds were given priority in processing. But with 6,500,000 returns filed, this was bound to take some time.

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American Space Flight Hailed Around World

Rules Debate Continues Over Further Amendment

OTTAWA (CP)—The war of nerves over reforms to the Commons' rules and procedures was stepped up Friday as Conservatives offered another amendment after Prime Minister Pearson called for an end to the debate.

During the question period the prime minister traded barbs with Conservative spokesmen about the debate which has continued for 19 sitting days and, later, Thomas M. Bell (PC - Saint John-Albert) proposed an amendment to take some of the sting out of the debate-limiting rule.

Mr. Bell's motion would prevent a cabinet minister imposing time limits on debates of legislation unless 60 per cent of the Commons approved.

This would mean that in the present House the Conservatives could prevent the rule being used if it could muster support from about 15 minority party members. Conservatives have 93 of the 265 seats.

INFRAINGE ON BNA
Privy Council President McIlraith said the amendment was out of order because it infringed the constitutional provision of the British North America Act which stipulates Commons votes be settled by a simple majority vote.

Deputy-Speaker Lucien Lamoureux allowed the amendment for debate, stating it was not up to him to decide constitutional questions but only whether an amendment was in order.

Conservatives have agreed to many of the rules reforms but have been trying for several days to force withdrawal of the guillotine rule which they consider to be another form of closure. The government maintains the allocation of time on legislation is an essential part of any effective changes.

Thursday when Solicitor-General MacNaught refused to withdraw the controversial proposal after Gordon Churchill (PC - Winnipeg South Centre) threatened to drag out the debate.

Drowning Occurs At St. Peters

Harold MacInnis, 27, of St. Peters, drowned Friday afternoon while he and Melvin Lewis, also from St. Peters, attempted to swim ashore after their light boat capsized in St. Peters Bay.

The tragedy occurred about 3:30 yesterday afternoon below the provincial park, located on the outskirts of the village of St. Peters, approximately 100 yards off shore.

The two men were reportedly testing a new boat with an outboard engine which proved too powerful for the size of the craft. As a result, the boat capsized dumping its occupants. Both started to swim ashore. Only Lewis reached safely.

Scuba divers from Charlottetown and Souris assisted the Souris detachment of the RCMP in dragging operations. The body of Mr. MacInnis was discovered shortly after eight o'clock last evening.

Coroner Dr. L. E. Prowse said there will be a post mortem but gave no indication as to whether or not an inquest would be held.

The deceased is the son of Mr. and Mrs. John Alphonus MacInnis of St. Peters.

Opposition Leader Diefenbaker asked Friday whether the government had decided to reject all further opposition suggestions.

Mr. Pearson replied that the Opposition leader apparently was suggesting the house could not reach a decision unless the government accepted all Conservative proposals.

CALLS FOR DECISION
The debate had continued long enough, many amendments had been accepted and it was now time for a decision, the prime minister added.

Since the debate began the government has agreed to three major changes in its original proposals.

These include:

- A trial period of two parliamentary sessions for the new rules.
- A guarantee of six days, plus up to two days each for any amendments, to debate government legislation. Originally, a cabinet minister with majority support could have set his own time limits.
- 40 days for most appropriations bills, plus unlimited time for supplementary estimates introduced late in the fiscal year, instead of the 36 days originally proposed for all estimates and appropriations bills.

Ottawa To Hold 'May Day' Show

By WILLIAM NEVILLE
OTTAWA (CP)—May Day is coming to Ottawa.

In best Moscow tradition, Canada's armed forces will descend on the capital Saturday, June 12, to display the country's military might for the public, the politicians - and even foreign military attaches.

The defence department Tuesday, in announcing plans for the giant march, billed it as "the capital's biggest - ever peacetime parade."

It will feature 5,000 men, 53 aircraft and a sample of almost every piece of Canadian military hardware that can be rounded up from Camp Shilo, Man., to Halifax.

Among other things it will display publicly for the first time the four pieces of Canada's nuclear arsenal - the Bomarc anti-aircraft missile, the Honest John artillery rocket, the Voodoo interceptor, and the Starfighter strike - reconnaissance aircraft.

All, of course, minus their nuclear warheads.

In all, it will take more than an hour for the parade to pass any given point on the 2 1/2-mile downtown route that ends with Prime Minister Pearson taking the salute in front of the Parliament Buildings.

It's the first time the three services have joined together in a single display and, as one spokesman put it, "it will be a real show."

The march itself will replace the traditional days and weeks formally set aside by each of the three services for public display. Instead, from now on, it



RECAPTURED

Andre Durocher was recaptured in north-east Montreal Friday after three months of freedom. The 28-year-old Durocher escaped from Montreal's Bordeaux Jail, March 2 with Lucien Rivard. The whereabouts of Rivard is still unknown. (CP Wirephoto)

Australians Sight Gemini

PERTH (Reuters)—The people of Perth were able to sight the American Gemini IV space capsule for about four minutes Friday night.

The capsule appeared in the Western Australian sky at approximately 9 p.m. (8 a.m. ADT), travelling from west to east.

The chat with their wives came during the 17th orbit as the Gemini IX capsule streaked unseen across the California skies.

"Are you being good?" Mrs. Patricia McDivitt cracked. "I don't have much space. About all I can do is look out the window," laughed the command pilot.

Community Colleges Seen Answer Here

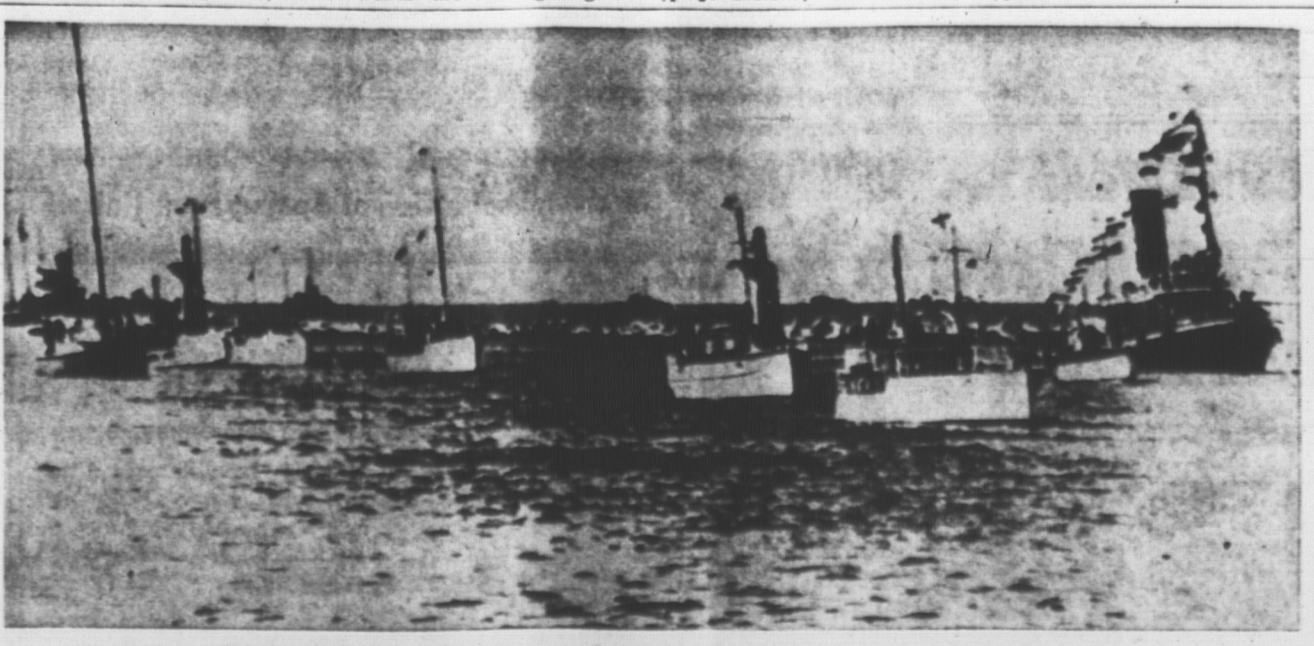
OTTAWA (CP)—Murray G. Ross, president of Toronto's York University, says that community colleges are the only answer Canada has to catching up with the United States in university education.

"These colleges can be built and operated at about half the cost of universities," Dr. Ross told delegates attending the annual conference of the Canadian Association for Adult Education here Friday night.

Federal Gov't Reports Surplus

OTTAWA (CP)—The federal government had a budgetary surplus of \$154,900,000 for April of this year, Finance Minister Gordon announced Friday.

The government's monthly financial statement showed revenues of \$564,200,000 and expenditures of \$409,300,000, compared with revenues of \$464,300,000, expenditures of \$391,600,000 and a surplus of \$72,700,000 for the same month last year.



LITTLE SHIPS CELEBRATE DUNKERQUE ANNIVERSARY
Some of the little ships that evacuated the British Expeditionary Force from Dunkerque, France, beaches 25 years ago, are shown arriving, flags af flutter, at Dunkerque Friday for anniversary ceremonies. The little ships took the 350,000-man British force out from under German bombing and shelling in 1940. (AP Wirephoto)

Soviets Make Note Feat Not Televised

LONDON (AP) — Europeans followed the continued flight of the U.S. two - man spacecraft Gemini IV with keen attention Friday. They and others around the world saluted the prowess of American space science.

But across the Iron Curtain, the Soviet government news paper Izvestia said in Moscow that astronaut Edward White spent most of his space walk Thursday posing for pictures. It added that this was because the American Gemini capsule had no direct television link with earth, as did the Russians for their first walk in space.

Izvestia started its account by saying White was the second man to walk in space, 76 days after Soviet cosmonaut Alexei Leonov became the first man. Leonov stayed outside the two-man Russian space ship Voskhod II for 10 minutes. White stayed out 20 minutes.

The story of the four-day flight took top spot in many British Friday morning papers and was still getting good space in evening editions.

Typical London headlines:

"Ed takes a walk" — Daily Mirror; "Come on in, boy!" — Daily Mail; "Jay - walk in space" — Daily Express. And in The SUN: "The space walk champ."

In Geneva, Tribune de Geneve noted the failure of the Gemini attempt to rendezvous with its rocket booster and commented: "The operation was too hastily planned in the hope of overtaking the Russians."

At Feucht, West Germany, Prof. Hermann Oberth, a rocket pioneer, said the U.S. and the Soviet Union appear about even in space technology but that the U.S. seems to have an edge in instrumentation.

The influential French paper Le Monde linked the flight with international politics. It said U.S. space policies seemed to change after Leonov walked in space.

"The United States wanted to prove immediately that its space, after having been content for a long time with second place, it could finally surmount its handicap and get ahead and stay there," Le Monde said.

Space Twins, Wives Chat; Celestial Boredom Begins

HOUSTON, Tex. (AP) — The American space twins chatted breezily with their wives Friday as they soared gently through the heavens, heading with little ado toward an American space endurance record.

Space stroller Edward White and command pilot James McDivitt, the most glamorous phase of their four-day adventure behind them, spent the second day of their cosmic journey simply trying to live routinely in their surreal environment. Their main work, really, was just beginning.

The chat with their wives came during the 17th orbit as the Gemini IX capsule streaked unseen across the California skies.

"Are you being good?" Mrs. Patricia McDivitt cracked. "I don't have much space. About all I can do is look out the window," laughed the command pilot.

"Be a good boy, now kid," she said.

SPEAK INTO MICROPHONE
Then Mrs. Patricia White stepped up to the console in the Houston Control Centre and, somewhat self-consciously, took the microphone.

"Good morning."
"Gotta push the button, honey," said White. "You've got to push the button when you talk and let it go so I can talk."
"You're really looking good," said Mrs. White, finally working the gadget properly. "It looked like you were having a wonderful time yesterday," she added, referring to White's stroll in space Thursday.

HIGHWAY WORK Albany To Miscouche Tenders Are Opened

Tenders involving more than \$1,000,000 worth of grading, stabilizing and paving of approximately 20 miles of highway from Albany to Miscouche were opened yesterday in the office of Highways Minister Philip Matheson.

Separate bids were called for on each of three sections of the 19.6 mile route.

Low bidder on the 6.6 miles from Albany to Bedouque was the firm of Curran and Briggs Limited with a tender of \$354,140.

Other firms bidding on this section and the amounts of their tenders were: Matheson and MacMillan Limited, \$359,265; Warren Maritimes Limited, \$360,835; Hayes Paving Company Limited, \$361,515; Island Construction Limited, \$361,840 and Morrison and MacRae Limited, \$363,830.

There is little excitement to the chore, mostly tedious, but this was the main object of the Gemini IV flight in the first place.

The hardest part of the McDivitt - White mission, though hardly the most dramatic, will be for the two superbly conditioned astronauts just to sit around for the remainder of the voyage.

There is little excitement to the chore, mostly tedious, but this was the main object of the Gemini IV flight in the first place.

During a pass over the Houston Control Centre on the 16th orbit a capsule communicator Virgil Grissom passed along to White a neighborhood news bulletin for McDivitt, who was sound asleep.

"The Hawks won their Pee-Wee League (baseball game) 3-2," said Grissom. "They beat the Falcons." McDivitt's eight-year-old son Mike plays for the Hawks.

Fifth Escort Squadron Gets New Commander

OTTAWA (CP)—Captain Noel Cogdon, 42, of London, Ont., has been appointed commander of the navy's Fifth Canadian Escort Squadron, Canadian Forces Headquarters announced today.

He will take up his new assignment at Halifax Aug. 26.

LOWEST BID

Lowest of four bids on the 6.2 mile section from Bedouque to Traveller's Rest was received from Morrison and MacRae Limited, whose tender was \$365,657.

Other firms and their bids on