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The Guardian

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WEATHER
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More Revenue Is Needed To Avert Record Deficit

NEWFOUNDLAND'S Premier Joseph Smallwood (left) continues to steal the headlines. Now in Ottawa, he said last night "the Prime Minister is not going to bully me". He also said that his stand on labor was supported by members of the Prince Edward Island Government and by members of other Maritime governments, though he did not say that it had the support of any of the governments as a whole. He is shown here with Hon. J.W. Pickersgill, a former cabinet minister who represents Bonavista-Twillingate in parliament. (CP wirephoto)

Prime Minister Can't Bully Me Nfld.'s Premier Informs Press

By DAVE McINTOSH
Canadian Press Staff Writer

OTTAWA (CP) — "The prime minister of Canada is not going to bully me," Premier Smallwood of Newfoundland said Wednesday at a press conference.

He accused Prime Minister Diefenbaker of "dereliction of duty" in not filling the vacancy on the three-member Newfoundland Supreme Court and of "bullying" tactics for insisting that a Newfoundland act creating a fourth judgeship be proclaimed before the present vacancy is filled.

"I'm not going to try to be prime minister of Canada and he (Mr. Diefenbaker) can't act as the premier of Newfoundland," Mr. Smallwood said at the 2½-hour press conference.

"We have no quarrel with the federal government but they have with us. We are trying to be modest little Canadians but the (federal) government rips up two contracts with us and breaches the constitution. What are we supposed to do?"

NO BUSINESS WITH HIM

Asked whether he would meet Mr. Diefenbaker here, Mr. Smallwood said: "I have no business with him and I have no powerful urge to call on him socially."

The contracts Mr. Smallwood referred to are those for policing of Newfoundland by the RCMP and establishment of the St. John's Housing Authority.

Newfoundland is suing Ottawa for "violation of contract" in both cases. It maintains the federal government was obliged to send RCMP reinforcements to Newfoundland on its request and that the federal government illegally handed over the administration of the St. John's Housing Authority to Central Mortgage and Housing Corporation, a Crown agency.

Asked whether Newfoundland would take court action on its claim that Ottawa has breached the Canadian Constitution under article 29 of the 1949 Canada-Newfoundland terms of union, Mr. Smallwood said his government is awaiting receipt of advice on what, if any, action, legal or otherwise, Newfoundland can take.

GOVERNMENT BUSINESS

He declined to say whether his trip to London is connected with this. The premier leaves for London today via New York. He said only the trip "has to do with the business of the government of Newfoundland."

Mr. Smallwood accused Works Minister Green of a "downright lie" in saying that tenants for a federal-provincial housing development in St. John's are being chosen on the basis of need by Central Mortgage and Housing Corporation that this was not the case under the provincial government.

He also accused Hon. William J. Browne, minister without portfolio and Newfoundland's repre-

(Continued on page 2 col. 4)

Island Gov't. Members 'Support' Smallwood

OTTAWA — (Special) — Members of the Liberal Government of Prince Edward Island support the Newfoundland Government's stand on Labor Unions, Premier Joey Smallwood claimed here.

Smallwood told a press conference which drew a packed house of Ottawa newsmen, that members of the governments of the three Maritime Provinces, and members of their Legislatures had called him by phone to express their support for his anti-labor legislation and moves to break the power of the International Woodworkers Association in Newfoundland.

Smallwood did not name any of his supporters in the three provinces.

He said he had received phone calls from government members in "Halifax, Fredericton and Charlottetown."

The labor troubles in Newfoundland have caught Lester Pearson's federal Liberal party in its most difficult political position since the election.

For Federal Liberals have had to make a choice between opposing their supporters in Newfoundland—one of only two Liberal provincial administrations in the country—and of going against the power of organized labor.

New Pasteurization Process Will 'Revolutionize' Dairying

OSHAWA, Ont. (CP) — Albert Liebregts, 42, says he has developed a new pasteurization process that will revolutionize the dairy industry.

Mr. Liebregts, former dairy inspector in The Netherlands and now assistant manager of an Oshawa dairy, claims the new process would allow whole milk to be kept for months without refrigeration.

A housewife could order milk supplies once every two weeks or once a month, storing quantities of containers in the basement and using the milk as needed. It would taste like any other whole milk.

Mr. Liebregts said with present pasteurization, both milk and bottles are sterilized but a few bacteria still get into the milk.

"Under average conditions these bacteria reproduce every hour so that milk sours in a few days."

STERILIZES AIR

His machine sterilizes the air which comes into contact with the milk and once it is sealed into sterile cardboard containers it is guaranteed to stay fresh for at least a month.

Dr. James E. Watt, Oshawa health department food inspector, said his department tested the milk and the storage life of the product "is at least several months."

Mr. Liebregts' employer plans to put the new milk on the market in Oshawa — first in grocery stores and later in home delivery.

The new process could cut costs since frequent milk delivery would no longer be necessary.

Pope's Corps Leader Shot

By EUGENE LEVIN

VATICAN CITY (AP) — The commander of the Swiss Guard, the Pope's personal military corps, was shot and wounded by a disgruntled former guardsman Wednesday in a struggle just outside the papal palace. Vatican officials were so shocked that at first they refused to discuss the shooting.

Col. Robert Nuenlist, the 48-year - old commander, was wounded twice but not seriously. one bullet grazed his neck. The other hit him in the back.

Federal Asked To Keep Law, Order

OTTAWA (CP) — Premier Smallwood of Newfoundland asked the federal government to take responsibility for maintaining law and order in Newfoundland after the federal government refused last month to send RCMP reinforcements to the island, the Commons was informed Wednesday.

The request was contained in two telegrams sent to Prime Minister Diefenbaker by Mr. Smallwood at the height of the violence involving striking woods workers and the RCMP and Newfoundland constabulary. Mr. Diefenbaker tabled in the Commons copies of the exchange.

As a result of clashes in which one policeman was killed, the Newfoundland government asked for 50 reinfrocements for the RCMP which acts under contract as the provincial police force.

Following the refusal of this request, Mr. Smallwood telegraphed Mr. Diefenbaker March 12 repeating the request and adding "if you cannot or will not do so will you undertake to have the government of Canada take over the task of maintaining law and order in central Newfoundland."

"If you will not give us the police to do it as the contract requires you to do then will you take on the responsibility yourselves of maintaining law and order."

Mr. Smallwood followed up this request with a formal telegram March 3 inviting the federal government to set up a public inquiry under a superior court judge from outside Newfoundland into "acts of lawlessness and violence" since the island loggers went on strike Dec. 31.

He proposed that the inquiry establish the facts and assess the responsibility, promising "every facility and assistance" on the part of the Newfoundland government.

Mountain Pony Used By Lama

By V. M. NAIR

SHILLONG, India (Reuters) — The Dalai Lama left by mountain pony Wednesday on a five-day trip from the towering Himalayas down to India's plains.

Unconfirmed reports said the Tibetan leader would leave by train for the Indian capital of New Delhi in about a week.

They added that the small hill station of Mussoorree, about 125 miles north of New Delhi, had been picked tentatively as the Dalai Lama's residence during his stay in this country.

The Dalai Lama Wednesday morning left isolated Towang Buddhist monastery, only 50 miles from the Indian-Tibetan border, on the 62-mile trip to tiny Bomdila.

Tibet's 23 - year - old temporal and spiritual ruler, who reached Towang last week after his flight from his capital at Lhasa, was expected to rest at Bomdila for a day or two before riding a jeep to the town of Foothill.

Aged Cripple Is Strangled

CALGARY (CP) — The nude body of a middle - aged crippled woman was discovered in her basement suite here Wednesday. Police said they believe she was strangled.

The woman, Isabelle Robertson, was a school board office employee who lived alone in the suite.

A silk stocking was twisted tightly about her mouth and nose and a small amount of blood was showing at her nostrils. Police say there were no other marks of violence on the body.

The suite showed no signs of a struggle and was neat and clean. Directly beside the head of the narrow bed were crutches without which Miss Robertson could not walk.

WHITE PAPER HIGHLIGHTS

OTTAWA (CP) — Highlights of the pre-budget white paper tabled in the Commons today by Finance Minister Fleming:

Budget deficit for fiscal year ended March 31 estimated at previous year.

Expenditures rise to all-time with $5,087,400,000 in 1957-58.

Revenues drop to $4,770,800,000 from $5,048,800,000.

Budget spending does not include $376,000,000 for old age security and $211,800,000 drawn from special defence equipment fund.

Personal income tax largest revenue item at $1,371,000,000, but down from $1,499,800,000.

Defence largest budget item at $1,437,200,000 but down from $1,687,400,000.

Finance minister says Canada past unemployment peak.

Gross national product rises 2.5 per cent to record $32,200,000,000, but higher prices mainly responsible.

Federal net debt at March 31 estimated at $1,685,800,000, a rise of $639,500,000 in the year.

Personal income rises to $24,586,000,000 from $23,142,000,000.

Corporation profits slip to $2,820,000,000 from $3,009,000,000 before taxes.

Summit Bid Given

OTTAWA (CP) — Informal invitations have been sent to the Big Four powers to hold a summit conference at Quebec City, Prime Minister Diefenbaker said Wednesday.

Replying in the Commons to Opposition Leader Pearson, he said formal invitations will be presented to Britain, France, United States and Russia when their foreign ministers meet May 11 in Geneva.

Current $616,600,000 Is Peacetime's 'Biggest'

By ALAN DONNELLY
Canadian Press Staff Writer

OTTAWA (CP) — Finance Minister Fleming, with a record peacetime deficit behind him, may have to look to rising revenues to avert a similar deficit in the new fiscal year.

The size of his tax take in the next 12 months will depend on the economy's health — and on any tax changes he may make in his budget speech to the Commons tonight.

A budget deficit of $616,600,000 for the 1958-59 year ended March 31—largest since wartime 1944-45—was reported Wednesday in a white paper tabled in the Commons as a stage-setter for the new budget.

But this deficit would have been higher by $211,800,000 if Mr. Fleming had not cleaned out a special defence equipment account during the year. By liquidating the account—as he said last year he would do—Mr. Fleming was able to cover $211,800,000 in defence spending without affecting his budget accounts.

TWO FACTORS

The minister's financial prospects in the new year started April 1 will be affected by two big factors: He won't have the cushion of the special defence account, and expenditures are estimated to jump to a record $6,200,000,000 including old age pensions.

The white paper reported that budget revenues fell by $278,000,000 during the 1958-59 year to $4,770,800,000. Counting the non-budget tax take for the old age security fund to finance pensions revenues were $5,146,800,000.

But budget spending jumped to an all-time high of $5,387,400,000, or to $5,763,400,000 counting old age pension outlays. This does not include the $211,800,000 spent on defence out of the special equipment account.

This special fund was set up several years ago as the replace-

(Continued on page 2 Col. 5)

Federal Boat Aid Reviewed

OTTAWA (CP) — The whole question of federal subsidies on construction of fishing boats now is under review, Fisheries Minister MacLean said Tuesday.

He was replying in the Commons to H. J. Robichaud (L—Gloucester) who asked whether the government intended to propose legislation increasing the construction subsidies for fishing draggers and long liners and to extend the assistance to larger fishing craft.

Floor Asked On Salt Cod

OTTAWA (CP)—A federal floor price on Newfoundland salt codfish was suggested Wednesday at the annual meeting of the Fisheries Council of Canada.

The proposal was made by Newfoundland delegates during a panel discussion on the troubled salt - codfish industry. Most Canadian markets for the product have been lost to other countries, including Norway and Iceland, said.

H. B. Snelgrove of St. John's Nfld., said the governments of Norway and Iceland have guaranteed minimum prices for salt codfish. There appeared to be "apathy" on the part of the Canadian government to provide similar assistance and help the industry.

The salt-codfish industry was nearly extinct in Nova Scotia and New Brunswick. Newfoundland fishermen were taking cod only in inshore waters and the quality was poor.

Removal Of Tariff Urged By Council

OTTAWA (CP)—The Fisheries Council of Canada Wednesday urged the government on the eve of Finance Minister Fleming's 1959-60 budget to remove tariffs and other restrictions on fishing vessels bought in foreign countries.

The step was recommended by the council in one of a number of resolutions approved at the final meeting of its three-day annual convention here.

The council said Canadian fish processors are "suffering severely" from lack of suitable fishing vessels.

The government was restricting acquisition of craft in foreign markets by heavy duties on ships up to 100 feet in length. A buyer also had to obtain an import permit from the federal transport department, a requirement "which we do not believe exists in the case of instruments of production in any other Canadian primary industry."

The resolution said larger vessels are going to play a more important part in future years in the Canadian fishing industry. Current restrictions should be removed to enable the "adequate building up of the Canadian fishing fleet."

Another resolution urged that the inspection, grading and packing of salt fish in Newfoundland be so designed as to suit the demands and requirements of the salt fish markets where the fish is sold. It said proposals for one over - all inspection standard would conflict with these market requirements.

The federal government also was urged to promote a technological and biological research program in the fishing areas of Manitoba, Saskatchewan and Alberta.

Firemen's Strike Is Seen Probable

MONTREAL (CP) — The locomotive firemen's union will tell the CNR Friday whether it will accept or reject a federal conciliation report that proposes gradual removal of firemen from yard and freight diesels.

Indications are that the union will reject the report, thus setting the stage for a possible strike call against the publicly-owned railway.

The basic issue is the diesel dispute — a squabble that provoked two nation - wide strikes against the CPR in the last 27 months.

Four top officials of the Brotherhood of Locomotive Firemen and Enginemen (CLC) are to meet here today to decide what to do about the conciliation recommendations, which the CNR already has accepted.

"At the present time we haven't adopted our policy position," said W. E. Gamble, Canadian vice-president of the brotherhood.

WOULD REJECT REPORT

However, in Winnipeg, an official of the firemen's union, E. F. Sherbrook, said that the western region has decided to recommend rejection of the report and that the two other regions — Atlantic and eastern — "are going to reject the board's recommendations, too."

Mr. Gamble declined to comment on this statement.

The possibility of a strike call would come if the firemen's union rejects the conciliation report and the CNR decides to implement it. If the firemen decide to strike, they will probably look to other railway unions for support.

In Ottawa, Claude Jodoin, president of the 1,000,000-member Canadian Labor Congress, said the question of CLC action on the firemen's dispute is expected to come up at the regular April 28 meeting of the CLC's 22 - man executive council.

The meeting today is to be attended by Roy McCallum, Winnipeg, western regional general chairman; Lorne I. Brisbin, Belleville, Ont., central region general chairman; and Leslie Langley, Sydney, N.S., Atlantic - ion general chairman.

Drug Can Harm Hearing Sense

MONTREAL (CP)—A new and powerful antibiotic drug that can combat staphylococcus germs can also damage senses of hearing and balance, a surgeons' convention has been told.

Dr. Paul Brunelle, a specialist at Notre Dame Hospital here, told the American College of Surgeons that the drug, kanamycin, recently hailed for its ability to kill so - called resistent staphylococcus germs, also can produce total deafness.

He said the danger the drug will make a patient deaf is particularly great when the patient suffers from kidney damage. He told of a case of a patient suffering from a general infection after an accident that had damaged the kidneys

DR. MACKINNON HEADS GROUP

P.E.I. Businessmen Join APEC In Bid To Expand North Trade

Fifty-five Atlantic provinces businessmen headed by Dr. Frank MacKinnon, President of APEC, are leaving tomorrow morning on an air tour of northern bases to increase trade relations between these provinces and the North.

With the cooperation of Maritime Central Airways, they will travel in two planes and take with them a large cargo of Maritime products so as to put on a miniature mobile trade fair at each stop. The men making the trip are closely associated with various phases of Maritime industry and will be prepared to push Maritime products.

The party will visit Goose Bay, Frobisher Bay, and Harmon Field, and will call on purchasing authorities both military and civil.

MOST IMPORTANT

In commenting on the trip, Dr. MacKinnon said "this is one of the most important projects A. P.E.C. has undertaken. The Northern market for agricultural and other products is a big one and it is expanding rapidly. We are near neighbours, and the Maritime Provinces can supply a whole range of products which the North needs.

"We only do three million dollars worth of business up there now which is just scratching the surface. We want to tripie that business in at least six months and then keep at it.

"We have already talked to Ottawa authorities who let contracts for military supplies. On this trip we will take the products up and show them on the spot. The response has been excellent so far. Now we must sell and sell hard because a good share of this Northern market will mean much to Maritime industry.

"Now is the time to get this business. If we don't do it and do it now someone else will get it and we will have lost a wonderful opportunity. The North is booming; we want to help it boom and thereby help ourselves at the same time".

In addition to Dr. MacKinnon, the Island delegation will include Charles Yeo, Sherbrooke, APEC director (Co-op); John S. Wright, Summerside, APEC director, and manager of Amalgamated Dairies Limited; William Partridge, Charlottetown, APEC director, and P. E. I.'s deputy minister of trade; Harold Dobson, Charlottetown, representing J. and M. Murphy, Limited, clothing manufacturers; and L. S. Jenkins, Summerside, representing Jenkins Bros. Limited, manufacturers of canned goods.

Scholarships Are Awarded

OTTAWA (CP) — Winners of senior research and senior arts fellowships and short-term grants were announced Wednesday by the Canada Council.

Twenty - six senior research fellowships were announced. These, usually for post-doctoral work, have an average value of $4,500 for a married fellow plus travel costs and two-thirds travel costs for the fellow's wife or husband, and $4,000 plus travel costs for a single fellow.

WINNIE'S CIGAR MAKES A DIFFERENCE

If you can't quite recognize that gentleman at the left, there's a good excuse. The 84-year-old Sir Winston Churchill, rarely seen without his usual big cigar, puffed a cigarette as he boarded a plane at Nice at the end of his French Riviera vacation. Things were back to normal, however, when he left the plane at London with cigar and black homburg in their proper places.