

Gov't Has Choice Between Tax Cuts, Balanced Budget

By ALAN DONNELLY
OTTAWA (CP)—One of the toughest decisions for the Liberal government is to strike a balance between two election promises — tax incentives to stimulate business and a move towards a balanced budget. The cold facts are that it can not lean strongly both ways at the same time, barring some large and unforeseen spending cuts.

Finance Minister Walter Gordon will unveil the decision in his first budget speech expected around mid-June. From what has been said publicly, it appears likely he'll put most of his emphasis on tax incentives with some juicy carrots to urge industry onward.

That would seem to leave little or nothing in the way of tax cuts for individual taxpayers, and this kind of cut wasn't among the Liberal election promises.

In one campaign speech Prime Minister Pearson said tax decisions might have to be made, with a view to putting affairs in order, "which would not make a government very popular in the short term."

FACE BIG DEFICIT
The biggest fact of life in government finances is the budgetary deficit for last fiscal year ended March 31, forecast last Oct. 22 by Conservative Finance Minister George Nowlan at \$700,000,000.

The independent Canadian Tax Foundation has estimated the current year's deficit at between \$600,000,000 and \$800,000,000 on the basis of existing taxes.

Shortly after becoming Finance Minister, Mr. Gordon said a television press conference that a balanced budget remained a Liberal goal, but this didn't mean the goal would be reached "in one year or two years."

In a recent interview, the 57-year-old minister said the government's most important task is to solve the twin problems of unemployment and low economic growth.

His election campaign speeches made it clear that one of the main tools used in accomplishing this task would be tax incentives to increase production and expand employment.

Mr. Gordon's other key decision involves spending policy—the other side of the coin to tax policy.

When the last Parliament was dissolved Feb. 6, the Conservative government hadn't yet presented the blue book of spending estimates for the 1963-64 fiscal year.

MAY MAKE AMENDMENTS
It's understood that the new Liberal government, early in Kennedy's coats

Island Pilots Win Honors At Moncton

MONCTON (CP)—The Moncton Flyers Club graduated largest class here when 73 private and commercial pilots received their wings.

George Dewar of New Perth, P.E.I., received the Wolf Wagner award given the best student of the last two years and Michael Ramsay of Charlottetown received the Maritime Central Airways trophy for the best air cadet of 1962.

Wings were presented by M. M. Fleming, controller of civil air operations and regulations of the federal transport department.



LEGION CRIBBAGE TEAM TAKES TOP HONORS

The Canadian Legion cribbage team took top honors in the city Inter-club cribbage tournament held this winter. The trophies were presented at a banquet held at the Clover Club Monday evening. A total of eight clubs participated in the tournament and the games were played once a week at alternate clubs. Beside the main trophy donated by Michael Bros. for the tournament, individual trophies were also presented to the winners and the runners-up. Seen here in the foreground are (left to right) Ernie Farley (centre) and Gordon Batt (right) who comprised the Legion team. The Main Brace team was the runners-up in the tournament.

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Mr. Pearson has indicated that the new session will take a summer adjournment about two months after it opens, and meet again in September to finish its work.

With that schedule, there would be time enough for approval of the budget before the summer recess but not enough time for passage of the new spending program. It's likely the government will ask for interim spending authority to tide it over until fall when the expenditures will come up for approval item by item.

DISCUSS 'HOT LINE'
GENEVA (AP)—U.S. and Soviet telecommunications experts had their fourth meeting Monday to work out ways of setting up a hot line between Washington and Moscow. The meeting was conducted at a purely technical level without the presence of the ambassadors.

Fugitive Soviet Fisherman Finds Friend In Ontario

By DAVID SCOTT
WINDSOR, Ont. (CP)—While four official Russian visitors attracted attention during their visit of Windsor Monday night, a fifth Russian slipped almost unnoticed into the city.

There was only one person on hand at the crowded Canadian National Railway station platform to greet 27-year-old fugitive Russian fisherman Petro Ilikov as he stepped from the train.

Ilikov deserted a Soviet fishing trawler at Sydney, N.S., March 18. Immigration officials granted him permission to remain in Canada for at least one year.

The hand that was extended to welcome him Monday night at the railway station was that of a Windsor man who left incoming trains and who will try to secure a job and set up a home for Petro, who has decided his new name will be Peter.

Peter's desertion from the trawler Sevostyankin—one of the boats making up the trawler fleet from Murmansk—drew attention throughout Canada when the story was published in newspapers.

For one Windsor man, it had special significance. "When I came to Canada I had no friends," Peter's sponsor said. "I had no one to teach me English. I knew this was my chance to help someone who found themselves in a new country as I had been."

The sponsor said he prefers anonymity because he has several close relatives living in Russia who could be adversely affected by publicity.

WROTE TO HALIFAX
The Windsor man wrote to immigration officials at Halifax, and the letter reached the seaman. Later letters included small sums of money to help the man buy cigarettes and necessities.

Last Tuesday a letter reached Windsor asking for an airline ticket to enable the sailor to come to Windsor, but the ticket never reached Peter.

In the meantime, immigration officials had put him on a train to Toronto with \$25 in cash for spending money. Peter spent four days in Toronto, and eventually, with the aid of unknown benefactors, was put on a train for Windsor.

Monday night's arrival climaxed four days of meeting all incoming trains and buses on the part of his sponsor who did not know when Peter was to arrive.

While Peter was becoming welcomed at the station, four visiting Russians—a party of a Russian technical group conducting a book exhibition in Detroit, were being entertained at a Windsor night club.

When told of the development and asked for comments they shrugged their shoulders. One commented, "There is always one who would leave if he were given a chance."

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N.W.T. Gov't Form Gets Blast From MP

EDMONTON (CP)—Gene Rheaume, Conservative member of Parliament for the Northwest Territories, has criticized both the present and proposed systems of government for the Territories.

The newly-elected 30-year-old member said in an interview Saturday that the government of Canada had no right to force on us a form of government approved by Queen Victoria for an emergency in the Yukon.

"The government has assumed importance to the development of the North."

The present territorial administration consists of an Ottawa-based commissioner (the deputy minister of northern affairs and national resources) and a nine-member council, four elected from the western sector and five appointed by Ottawa.

Under a northern affairs and council plan soon to come before Parliament, the Northwest Territories will be split in two. The western section will have a resident commissioner and a council eventually to be fully elected. The eastern region will have a commissioner in Ottawa and a council composed mainly of appointed members.

SERVED GOLD RUSH
The present type of administration was adopted after it was set up in the Yukon during the gold rush of 1898. Originally a government similar to that of the provinces was proposed.

"None of the council does anything it has got to have eastern members," said Mr. Rheaume. "I'm going to insist that the people over there be allowed to say whether they want to be divided or not."

He said the only thing the eastern Arctic residents have been consulted about is the proposed name for their territory.

"As the only elected spokesman for that area I'm going to kick and scream about the form of government they get," said Mr. Rheaume.

His statement came less than two weeks after Mr. Justice J. H. Sissons, territorial court judge, attacked what he called the "colonial system of government" in the territories.

PHILIP CALLED TRIGGER-HAPPY

LONDON (AP)—Queen Elizabeth's husband, Prince Philip, was denounced Monday as a trigger-happy hunter who sets a bad example to youth with his fondness for blasting down wild life.

The broadside was delivered in an annual report by the League against Cruel Sports, one of the most zealous of Britain's prolific animal protection societies.

It said that throughout the year, the league has "continued to give attention to the trigger-happy exploits of the Queen's husband."

"Apart from the Prince's well-known habit of shooting down game birds by hand-dred for the kick of doing it, perhaps the worst example he set to British youth throughout the year was when he allowed his 15-year-old son to get an extra kick on his summer holiday by shooting a stag with a rifle at short range."

Prince Charles was a few months away from his 14th birthday when he took the pot shot at the stag. The league said it was against the law for under-18s to use guns.

JFK Studies New Message From Nikita
WASHINGTON (AP)—President Kennedy is studying a new message from Soviet Premier Khrushchev which Khrushchev makes no mention of a threat to withdraw an earlier offer of limited on-site inspection of any nuclear test ban.

Pierre Salinger, White House press secretary, said Kennedy received a letter from Khrushchev shortly after his press conference Wednesday and is studying it.

Kennedy would not comment on the message or discuss its contents.