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A SEVEN-WEEK-OLD polar bear trapped by Eskimos in the Northwest Territories plays peek-a-boo with Claude-Lise Gagnon who welcomed the fluffy cub to Montreal. The animal has travelled almost 2,750 miles to reach its home at the Branby, Que., zoo. —CP photo.

Spending, deficit set records as Fleming tables white paper

No tax relief seen as revenues fall

OTTAWA (CP) — A peacetime record budget deficit of $616,600,000 is indicated for the federal 1958-59 fiscal year, Finance Minister Fleming told Parliament today.

Budget spending soared to an all-time high of $5,387,400,000, he estimated in a white paper, while budget revenues fell by $278,000,000 to $4,770,800,000 in the year ended March 31.

FIRST FULL YEAR

Reporting on the Progressive Conservatives' first full fiscal year in control of the treasury, Mr. Fleming presented the financial picture of the last year as a curtain-raiser to his 1959-60 budget which he will submit to Parliament at 8 p.m. Ottawa time Thursday night.

The new budget will set taxes and indicate the outline of government spending for the new year.

The 1958-59 deficit compared with one of $38,600,000 in the previous year, based on revenues of $5,048,800,000 and expenditures of $5,087,400,000.

In his budget speech last June, Mr. Fleming had forecast a deficit of $648,000,000 based on revenues of $4,652,000,000 and spending of $5300,000,000. He later revised the deficit estimate to about $700,000,000.

SUBJECT TO REVIEW

The figures are subject to revision about August, when final accounts for the year are in. But the white paper estimates are customarily close to the mark.

The 1958-59 deficit compares with an all-time high of $2,558,357,000 in the war year of 1944-45. The previous peacetime record was $390,342,000 in 1919-20. The top since the Second World War was $151,849,000 in 1956-57.

A variety of normal non-budgetary transactions left the government's cash balances up by $166,000,000 compared with a year earlier.

At the end of the year, the net debt stood at $11,685,800,000, an increase of $639,500,000.

In budget revenue, the personal income tax continued as the largest single source of intake, bringing in $1,371,000,000, down from $1,499,800,000. The white paper said the decrease resulted from decreases in rates and increases in exemptions for dependents.

CORPORATE TAXES DOWN

Corporation income tax yielded $1,029,000,000, down from $1,234,800,000. It was the second-highest producer. The drop of almost $206,000,000 was accounted for largerly by lower corporate profits in 1958.

The income taxes do not include revenue from the special two-per-cent tax for old age security — the universal pension paid at the age of 70.

Defence remained the heaviest budget expenditure at $1,437,200,000, but the special drawdown from the defence equipment fund helped bring it below the 1957-58 figure of $1,687,400,000. These totals include defence production and civil defence.

Second-largest item was the financing of the public debt, which accounted for $644,400,000 against $567,400,000 in the previous year.

NEWFOUNDLAND GRANTS

Subsidies and tax - sharing payments to the provinces came to $467,200,000, up from $382,700,000. These included $13,600,000 to Newfoundland as the 1957-58 and 1958-59 payments which the federal government has agreed to undertake as special assistance to the province until 1962.

The federal decision to extend this aid only until 1962 now is under fire from Premier Smallwood.

Family allowance payments of $474,900,000 were up from $437,900,000, reflecting an increase in the number of children in the eligible age groups and an increase in the monthly allowances effective in late 1957.

In a review of the Canadian economy for the 1958 calendar year, the white paper said the gross national product—value of all goods and services produced—climbed 2.5 per cent to a record $32,200,000,000. However, four-fifths of the increase was accounted for by price rises.

Finance Minister Fleming's deficit in the last fiscal year would have been $828,400,000 instead of $616,600,000 if he had not drawn every last dollar out of a special defence account.

The document said the year's deficit, based strictly on budgetary accounting, was an estimated $616,600,000.

ACCOUNT LIQUIDATED

But Mr. Fleming—as he had announced in his budget speech last June 17—liquidated the balance remaining in the special defence equipment account. That provided $211,800,000 for defence expenditures that did not have to be accounted for in budget bookkeeping on which the official deficit figure is based.

The special account, which has existed for several years, was a bookkeeping device whose balance had been built up before 1956 by crediting to it the estimated value of equipment and supplies given to NATO partners under mutual aid.

The $211,800,000 charged against the account during 1958-59 in winding it up compares with $24,000,000 the previous year.

Liquidation of the account had a big effect on the year's accounting of defence expenditures.

BIG DROP

The strict budget accounts show a whopping drop of $250,200,000 in defence outlays to $1,437,200,000 from $1,687,400,000 in the previous 1957-58 year.

But when the special equipment account and two other non-budget accounts are counted in, actual cash outlays for defence fell by $58,600,000 to $1,634,700,000 from $1,693,300,000.

Defence still takes by far the largest share of government expenditures, but the share is steadily declining.

Last year defence accounted for almost 27 per cent of budgetary spending—compared with 33 per cent the previous year, 37 per cent in 1956-57 and 40 per cent in 1955-56.

Budgetary spending on the armed services themselves dropped by $229,200,000 to $1,172,200,000. The outlay for army services was $370,100,000, for naval services $208,800,000, and for air services $593,300,000.

Spending on defence research last year declined to $78,000,000 from $78,700,000.

NATO expenditures, including mutual aid, fell to $97,000,000 from $118,400,000.

FINANCE MINISTER DONALD FLEMING ... tables white paper

Highlights

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

Budget deficit for the fiscal year ended March 31 estimated at peacetime high of $616,600,000, compared with $38,600,000 in previous year.

Expenditures rise to all-time high of $5,387,400,000, compared 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.

High winds blew down school steel

A 35 to 45-mile per hour wind which suddenly gusted up to 70 miles per hour Thursday afternoon blew down the structural steel at the southwest corner of the new senior high school being built in Algoma Park.

Foreman in charge of the steel construction Kenneth Dyson of Industrial Welding, said today that contrary to a Daily News report Monday "the steel was not insecurely anchored" nor were workmen "temporarily off the job."

MEN OFF STEEL

He said that men who had been working on the steel came down about eight minutes before the accident happened at 4 p.m.

"We were preparing to lace the steel at the bottom and put in steel cross-bracing."

He said that steel is erected like this all over the country.

"We put it up temporarily and then go ahead and brace it, plumb it up and bolt it at the bottom."

ALL STEADY

He said he himself was up on top of the steel a few minutes before and was perfectly steady in a 35 to 40 miles-per-hour wind. Mr. Dyson said that the wind suddenly gusted up to 70 miles per hour and the steel went down, tearing out the anchor bolts.

He said that all the men were on the job but fortunately clear of the falling steel.

"If it had happened 10 minutes earlier two men would have been injured or killed," he said.

Brand new steel has been ordered to replace any of the girders or uprights that were twisted in the accident.

Impressive final rites for Eagle clan chieftain

An impressive funeral cortege including the Kincolith band and more than 25 cars was held yesterday afternoon for Robert Jeffery Stewart, chief of the Eagle Clan of the Nishga Nation.

Mr. Stewart died in the Prince Rupert General Hospital last Friday at the age of 84.

The funeral services were held at St. Andrew's Cathedral with Rev. Robert C. Corbeil officiating. Hymns sung were "Rock of Ages" and "Abide with me".

Born at Kincolith, Nass River, Mr. Stewart had resided in Prince Rupert for the past 16 years.

A fisherman, he devoted his life for the betterment and welfare of his people, particularly as president of the Nishga land committee an organization which took the initiative and played a leading role in the struggle with the federal government for recognition of Indian rights.

Mr. Stewart had held the office from 1919 until his retirement in 1934. He was an esteemed employee of the ABC Packing Company from 1906 until 1934.

He is survived by four children and 93 grand children and great grand children.

Interment took place at Fairview Cemetery.

Active Pallbearers were: Cuthbert Morven, Joseph Innis, Ricky Watson, Gerald McIntyre, Allan Prevost and Charles Morrison.

Honorary Pallbearers were: Herbert Doolan, Alexander Yoeman, William Flewin, H. F. Robins, Joshua McKay and Stu Shelley.

Railway foreman Adam Bertrand dies aged 81

A former Canadian National Railway Bridge and Building foreman, Adam M. Bertrand, died last night at the Pioneer Home. He was 81.

Mr. Bertrand was born in Ontario and moved to British Columbia in 1917.

He came to Prince Rupert in 1946 at which time he retired as B and B foreman.

Only known survivor is a neice in Winnipeg.

Funeral arrangements have not yet been made.

Remand given at hearing in Burns Lake

Preliminary hearing of Grassy Plains resident Johnny Batiste Prince, 38, was adjourned pending preparation of further evidence when it was resumed in Burns Lake police court Monday.

A remand was granted when Prince, charged in connection with the death of logger Grant McEwan, 43, appeared before Stipendiary Magistrate L. G. Saul.

McEwan died late March 27 after suffering a knife-wound to the chest. Prince was charged March 28.

Crown prosecutor is Murdoch R. Robertson of Terrace. A defence counsel has not yet been appointed.

Beachesne dies

OTTAWA (CP)—Dr. Arthur Beauchesne, 82, former clerk of the Canadian Commons and long an expert on Parliamentary procedure, died yesterday aged 81. He was the author of Beauchesne's Rules of Order.

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RECORDING ARTISTS ACADEMY TO MAKE PRESENTATIONS TOO

HOLLYWOOD (AP)—This week it was the Motion Picture Academy. Next comes the Television Academy.

Later this month, Oscar and Emmie will get a new cousin, the National Academy of Recording Arts and Sciences.

Ballots went out this week for academy members to vote on the best achievements in the record realm during 1958. The winners are expected to be announced on a TV spectacular in late April.

Hollywood is just becoming aware of the infant academy in its midst. Ace musician Paul Weston is president of the Los Angeles chapter, first to be organized, about a year and a half ago.

Most of the top names in records--Frank Sinatra, Bing Crosby, Doris Day—have become members. The board of governors shows the wide range of the academy's interests. Included are such hepsters as Benny Carter, Stan Kenton, Nat King Cole and Spike Jones as well as longhairs such as Helen Traubel, Darius Milhaud, Lauritz Melchoir and Joseph Szigeti.

The first annual nominations were made by the academy members with the aid of the record companies. There are 28 categories, ranging from record, album, song, to best children's record, classical performance and best album.

Prince Rupert has now gone 83 days without a fatal traffic accident.

Propose abolition of tax on Japanese octopus bait

OTTAWA (CP)—Here's one budget tip — some purchasers of octopus may get tax relief.

The Fisheries Council of Canada was told Tuesday that Finance Minister Fleming's Thursday night budget likely will propose abolition of a 17½-per-cent tariff on Japanese octopus bait used in the British Columbia halibut-fishing industry.

The statement was made by C. Gordon O'Brien, manager of the council, after B.C. delegates at the council's annual convention protested against the duty.

ADMITTED DUTY-FREE

They said that B.C. halibut boats take on octopus bait at Alaskan ports because the product is admitted to the U.S. duty free. The boats also took on provisions and other supplies at Alaskan ports which meant loss of business for Prince Rupert and other B.C. ports.

Mr. O'Brien said he is "hopeful" that the question will be answered in Mr. Fleming's budget and that the octopus bait "will come in on a free basis."

Mr. O'Brien said the current tariff has been carefully studied by Fisheries Minister MacLean.

He said both the federal department of fisheries and the council have urged abolition of the tariff.

Man killed in snow slide at Alice Arm

Albert Aouillon, 39-year old employee of Torbit Silver Mines at Alice Arm was killed yesterday afternoon by a snow slide near the entrance of the mine, RCMP at Prince Rupert sub-division reported today.

The mishap occurred about 1 p.m. and his body was found 15 minutes later buried beneath the debris.

Deputy-Coroner Dr. R. B. Smith, Provincial Mines Inspector David Smith and an RCMP constable from Prince Rupert flew to the scene this morning by a Pacific Western Airlines plane.

It is expected an inquest will be held at Alice Arm.

RCMP are still investigating.

He is survived by Mrs. William Aouillion of Vancouver, believed to be his mother.

Out of work aid for $20,000 fishermen

OTTAWA (CP)—The Fisheries Council of Canada was told Tuesday that some 50 west coast fishermen each earned $20,000 last year and now are collecting unemployment insurance.

James McGregor, director of the insurance branch of the Unemployment Insurance Commission, said the fishermen are entitled to collect $30 a week.

Several delegates attending the council's annual meeting here wondered why the fishermen should be entitled to collect in view of their large incomes in 1958.

Mr. McGregor said no means test is applied in the payment of unemployment insurance. Fishermen also were not affected by the current ceiling of $4,800 above which salaried workers made no contribution and are not entitled to benefits.

He said no consideration is being given to any changes in regulations governing fishermen.

DISPLAYING A PLEASANT smile shortly after taking up her new job as Daily News PBX operator is Mrs. L. C. (Pat) Steele. Mrs. Steele's additional duties include Want Ad promotion. She has been in Prince Rupert two months and before that was employed by British Columbia Telephone in Vancouver. Her clear and courteous voice will soon be well known to all Daily News subscribers and advertisers. —Staff photo by Charles E. Giordano.

Murder charge reduced for Casagrande

VANCOUVER (CP) — An Assize Court jury before Mr. Justice J. D. Ruttan Tuesday night found Gino Casagrande guilty of manslaughter in the slaying of Jean Wardrop, 25 in February, 1958.

The 29-year old Italian immigrant had been charged with murder but the jury brought in a conviction on a reduced charge of manslaughter.

He will be sentenced next week.

Casgrande had been previously convicted of murder and sentenced to be hanged for stabbing Miss Wardrop to death in her bedroom.

He appealed the verdict and the Court of Appeal ordered a new trial.

Street fight brings fines

Alexander Gordon Leighton of Prince Rupert and Larry Melvin Cronin of Houston were each fined $25, costs or in default of payment sentenced to 14 days in jail when they pleaded guilty in city police court this morning to charges of causing a disturbance by fighting on the street.

Justice of the Peace, W. D. Vance, was told by RCMP that Leighton and Cronin were fighting with each other in front of a local cafe on Third Avenue West.

WEATHER—

Continuing sunny tomorrow with variable cloudiness. Little change in temperature. Winds southeast 15 tonight increasing to 25. Low tonight and high Thursday 35 and 52.

TIDES—

Thursday, April 9, 1959
(Pacific Standard Time)

High	01:56	21.1 feet
	14:34	19.8 feet
Low	08:16	3.3 feet
	20:10	5.4 feet