

PROVINCES SEEK MORE REVENUE

Premier Says P.E.I. Not Receiving Fair Share Of Revenue From Agreements

OTTAWA (SPECIAL) — Continuation of the federal-provincial tax rental agreements with federal payments to the provinces revised substantially upwards was the subject of a meeting Monday by Premier Edward Bruce in Charlottetown. Mr. Matheson said that the province was not receiving a fair or adequate share. His submission indicates the necessity of and the right to substantially increased federal assistance for the public services which the provinces has undertaken.

In many cases, the Premier said, these public services were derived from federal policy and the province was obliged to provide them. If trade, commerce, tariff and monetary policy is to be dealt with nationally, he contended, it is the duty of the nation as a whole to see that citizens of no area fall below the national average in the matter of social and educational services.

Control Areas & Other Projects Discussed At Planning Ass'n Meeting

Dr. Frank MacKinnon, President of the Prince Edward Island Division, Community Planning Association of Canada, presided at the opening meeting of the Sixth Regional Conference held at the Charlottetown Hotel yesterday morning.

Arms Deal Is Denounced By Israel

By JACK BEST
Canadian Press Staff Writer
UNITED NATIONS, N.Y. (CP)—Israel Monday harshly denounced the agreement under which Egypt will receive arms from Communist Czechoslovakia. She warned that she might not stand idly by waiting for a decisive blow from the Arabs.

POTATO INDUSTRY

Canada's overall trade policy, Mr. Matheson continued, works to the great disadvantage of the Prince Edward Island potato industry. Continued on page 2 Col. 6

Dame Macleod Arrives In N.S.

SYDNEY (CP) — Dame Flora Macleod, world chieftain of the Scottish Macleod clan, arrived here Monday for a visit with Cape Breton Scots. A hundred pipers from the Gaelic College at St. Ann, N.S., were among the welcoming party at Sydney airport.

Promotes Pilgrimage

Dame Flora returned earlier this year from a 30,000-mile trip to the United States, Australia and New Zealand. Purpose of her world-wide journeys is to swell the pilgrimage of overseas Macleods to her home, historic Dunvegan castle. The castle, perched on Skye Week festivities, Dame Flora sends 10,000 Christmas cards each year to the Macleods and often works far into the night in the castle's fairy tower, answering clansmen's letters.

N.S. Premier Suggests Retention Of Tax Rental Pacts With Modifications

OTTAWA (CP) — Retention of tax rental agreements with a modification in the basis of federal payments to the provinces was suggested Monday by Premier Hicks of Nova Scotia to the federal-provincial conference.

Eisenhower's Condition Remains Satisfactory

DENVER (AP)—A hospital bulletin late Monday reported that President Eisenhower's condition "continues to be satisfactory without complications" after a period of fatigue Sunday night.

Municipalities Have Voice In Conference At Ottawa

By ALAN DONNELLY
Canadian Press Staff Writer
OTTAWA (CP) — Canadian municipalities are managing to have a voice—although an indirect one—at this week's fiscal conference of federal and provincial governments.

3 Parties Claim Victory In Brazil Voting

RIO DE JANEIRO (AP)—After a bitter campaign, Brazilians elected a new president in a relatively peaceful atmosphere Monday. Dispatches reported only two killings.

Prime Minister Shows No Sign Of Yielding

(By Harold Morrison, Canadian Press Staff Writer)
OTTAWA, (CP)—Prime Minister St. Laurent Monday offered to allow the provinces to return to the direct tax field as an alternate to tax rental pacts.

INFLATION PROBLEM

The candidates seek election for a five-year term starting Jan. 31. The major problem for the new president will be the country's inflation.

TREATMENT FOR POPE

ROME (Reuters) — The Pope, who will be 80 next March, is expected to undergo special treatment to strengthen his health this month. An official Catholic source described the Pontiff's condition as "fair" but shows weakness after a prolonged work.

Predicts Biggest Year In Maritime Retail History

The Maritimes in 1955 will chalk up the biggest year in retail history. By the time the year is ushered out, predicts Mr. David Gilbert, national president of the Retail Merchants' Association, retail sales for the 12-month period will be up four per cent over last year's.

A.P.E.C. Drive Is Planned

SAINT JOHN, N. B. (CP)—A membership drive for the Atlantic Provinces Economic Council is being launched immediately. R. Whidden Ganong of St. Stephen told the Saint John Kiwanis Club Monday.

Continue Strike On C.P.R. Ferry

SAINT JOHN, N. B. (CP) — Interruption of the Canadian Pacific Railway ferry service across the Bay of Fundy continued Monday with no change in the situation resulting from a labor dispute with the Seafarers' International Union.

Pearson Big News In Moscow

MOSCOW (Reuters) — Canada's External Affairs Minister L. B. Pearson was big news in Moscow Monday.

QUOTE ALTERED

(Actually, Pearson said the time is fast approaching when Canada should take a searching look at the question of diplomatic recognition of Red China. The Pravda report also made no mention of the hostile reception given by anti-Communist New Canadians in several Canadian cities during the recent tour of a Russian farm delegation.)

FAVORED HERE

The story said: "Broad circles of the Canadian people regard favorably the idea of strengthening and widening political, business and cultural ties with the Soviet Union."

TO STUDY AMONG

TORONTO (CP)—The Ontario legislature committee on air pollution and smoke control will fly to Los Angeles Tuesday to obtain first-hand information on what is being done to combat severe smog conditions there.

HAVE COMMON PROBLEM

Mr. Mooney said municipalities face a common problem: that of meeting increasing demands for

Prime Minister Shows No Sign Of Yielding

(By Harold Morrison, Canadian Press Staff Writer)
OTTAWA, (CP)—Prime Minister St. Laurent Monday offered to allow the provinces to return to the direct tax field as an alternate to tax rental pacts.

But he showed no willingness to yield to what now looms as the bigger and more critical fight: provincial demands for a bigger cut out of the federal cashbox.

One by one, the provincial premiers demanded larger slices of federal revenue, either through direct tax levies or through higher federal tax rental payments.

But Mr. St. Laurent told the opening session of the federal-provincial conference that though "our job now is to plan for normal times, good times," Canada still has to bear heavy defence costs.

The provinces would have the choice either of renewing the current tax pact which ends March, 1957, or returning to the personal and corporation income tax and succession duty field.

SAME DEDUCTIONS

But if they went back to direct taxation, which most provinces vacated in Ottawa in 1941, the amount of federal tax deductions allowed for provincial levies would be only those which now exist: 10 per cent for personal income and seven per cent for corporations.

These are the deductions allowed for Quebec, the only province which has consistently refused to raise its tax field to Ottawa. Strangely, Premier Duplessis, while vigorously defending provincial taxing rights, showed no signs of wanting to make any further attack on the federal treasury.

He called merely for clarifying federal-provincial taxing powers, simplifying their collection and federal co-operation in reducing them.

But two other of the wealthier provinces—Ontario and British Columbia—pulled no punches; they wanted an opportunity to get back into the direct tax field with the federal government yielding ground to prevent tax boosts under higher provincial tolls.

Both B. C. and Ontario proposed the central administration continue as the single tax collection agency.

Here in a nutshell are some of the premiers' views: Ontario — Federal tax deductions allowed in provinces with provincial tolls are unrealistic. The deductions should be increased.

N.B. Favors Retention Tax Rental Agreements

OTTAWA (CP) — New Brunswick favors retention of the Dominion-provincial tax rental agreements but with higher payments for the provinces, Premier Flemming told the federal-provincial conference Monday.

He also suggested a formula whereby the low-income provinces would receive a "national adjustment grant" to compensate them for their lack of taxable capacity in respect of those sources of revenue remaining to them.

Pravda suggested these might include closer relations between Canada and Russia, as well as Communist China, more trade, NATO, and a general system of collective security.

While the 1,500-word article by Pravda's Ottawa man, E. Litoshko did not cite these subjects as matters for discussion, it described them as matters which "Canadian public opinion regards favorably."



AUTHOR-HUNTER HERE

Mr. Van Wyck Mason of Baltimore, Md., who arrived in Charlottetown yesterday on his sixth annual ten-day quest of good shooting is planning to write a sports article on Hungarian partridge shooting which he regards as a highlight in upland game sport.

Mr. Mason, who is a noted author, expects his latest novel "Silver Leopard" based on the First Crusade to be released in New York on October 13.

Mr. Van Wyck is looking forward to a memorable experience while here, based on his conclusion that "Wallie" has good bird sense; knows where they stay and how they act.

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Quebec—Federal-provincial tax powers should be clarified. Centralization is always found in totalitarian countries.

Nova Scotia—Tax rental agreements should be retained. Payments should be revised with provincial tax potential taken in as a factor.

New Brunswick—Agreed that tax pacts should be continued, payments should be higher.

British Columbia—Put forward various proposals including direct provincial tax levies and reductions and reductions in federal tolls.

Those provinces which wanted to get back into the direct tax field would set federal rates in those provinces reduced by the standard amount and the provincial governments would set

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IT'S EASY TO THROW BRICKS BUT IT TAKES SKILL TO BUILD WITH 'EM

TORONTO, (CP) — Minimum and maximum temperatures:

City	Min.	Max.
Dawson	24	40
Vancouver	41	59
Victoria	49	57
Edmonton	37	55
Calgary	35	65
Regina	29	63
Winnipeg	43	52
Montreal	42	62
Ottawa	39	62
Quebec	45	61
Fredericton	34	58
Saint John	42	62
Halifax	44	67
Charlottetown	41	60
Sydney	41	55
Yarmouth	42	60
St. John's	42	45

HALIFAX, (CP)—The weather office here says fine weather prevailed over eastern Canada Monday and temperatures over the Maritimes and Quebec were typical of early October.

A high pressure area centred over New York state is moving eastward and will cross the Maritimes Tuesday, resulting in another fine day.

Regional forecasts: Prince Edward Island, northern Nova Scotia, eastern N.B. counties, lower St. John river valley: Clear with little change in temperature; light winds.

High tide today at Charlottetown at 12:38 p.m.; at Rustico at 7:57 p.m. Summer tides: tide eighteen minutes later than Charlottetown. Sunrise at 6:14 a.m. and sets at 5:49 p.m.