

## EMERGENCY DEBATE REJECTED

# Housing Loan Rate Boost Draws Opposition Blasts

OTTAWA (CP) — A demand for an emergency debate on higher interest rates for government housing loans was ruled out of order in the Commons Wednesday.

But opposition MPs got their criticisms of the move on the record. They also got in some licks at the government for springing the announcement late Tuesday when Commons business for the remainder of the week already had been nailed down.

Reid Scott (NDP - Toronto) presented a motion asking that the Commons set aside its regular business and debate the interest rate increase to 7 1/2 per cent from 6 1/2 per cent for National Housing Act loans.

Mr. Scott described the move as an abomination and claimed the government had "known all along" about the development of a critical housing shortage.

**JOINED BY OTHERS**  
Before Speaker Lucien Lamoureux rejected the motion, after an hour of discussion, other opposition MPs joined Mr. Scott in shooting barbs at a program they said would only serve to put home ownership even farther out of reach than it now is for many Canadians.

Demands for emergency debates must establish that the matter is urgent, and Mr. Lamoureux ruled Mr. Scott's motion did not meet this test.

Mr. Scott said the interest boost would cause hardship and

would make owning a home out of the question for "ordinary Canadians."

The recent report of the Economic Council of Canada had warned about a growing housing shortage. Since its figures came from government sources, Mr. Scott said, the government must have known about the shortage.

He said the interest increase would mean anyone getting a \$15,000 mortgage would wind up paying back \$36,000.

**LIMITS REFERENCES**  
He didn't mention the term period of the mortgage. A 25-year NHA mortgage for \$15,000 totals \$32,217 when payments are completed at the 7 1/2 per cent rate. Terms are available up to 35 years.

Mr. Lamoureux intervened at one point to ask Mr. Scott to stick closer to the question of the urgent need for debate. Mr. Scott said he got carried away because he was upset "by this abomination they call a housing policy."

Other parties rapidly lined up behind the NDP, claiming the government's late night announcement was intended to shut off Commons debate.

Creditist Leader Casotte and George Chalerton (PC - Esquimaux-Saanichton) said the legislation hits hardest at those who could not afford to build new homes even before hundreds of dollars were latched on by the higher interest rate.

**SET NEW FORMULA**  
Mr. Nicholson, who reports to the Commons on housing matters, announced Tuesday that the interest rates for NHA loans would be set on a new formula tied to interest rates on long-term federal government bonds.

The NHA rate would be 1/4 per cent higher than that on the bonds, giving an effective rate now of 7 1/4 per cent. This rate would stay in effect until next March 31 and from that time on would be adjusted at three-month intervals to the nearest one-quarter per cent.

of context and that his report referred to the 1963-64 program during which time the province did not have a full-time provincial auditor.

In a telegram received yesterday Mr. Henderson said, "as to auditing work, I would confirm to you that for the 1964-65 program year I consider your audit full adequate and trust you can continue to maintain present standards."

# Auditor-General Says Island's Audit Okay

Hon. T. Earl Hickey, provincial treasurer, last evening stated that the province has received from A.M. Henderson, auditor-general of Canada, an explanation of comments reported in yesterday's *Canadian Press* story dated Ottawa regarding the province's audit of municipal winter works claims.

Mr. Henderson stated that press quotations were taken out

# Martin Explains Two-Chinas Plan

UNITED NATIONS (CP) — Canada suggested Wednesday the seating of both Communist and nationalist China in the United Nations General Assembly as a temporary solution to the problem of Chinese membership.

External Affairs Minister Martin said it would then be up to the Chinese themselves to solve their jurisdictional dispute, which in any case was an internal matter and, therefore, not the business of the UN.

In putting this idea before the Assembly, Martin presented neither a motion nor an amendment to an Italian proposal for a committee study of the issue. He said agreement will have to be negotiated among the parties concerned before the assembly can act to seat delegations of both Chinese governments.

He told a press conference

later Canada made no motion at this time "because there is no sense in introducing a proposition unless it commands support."

He indicated that he expects "consensus diplomacy" on this issue to be a long and difficult process. Canada had already been at work on it since the 1965 assembly session.

Noting on the Chinese issue is expected to take place Monday, the assembly will have to pronounce itself on a U.S. effort to declare the issue an important question, meaning a two-thirds majority is needed for approval, before moving on to the Italian proposal and an Albanian - Cambodian motion to seat Communist China and exclude the NATIONAL CHINESE at once.

Martin said Canada agrees that the issue should be considered an important question.

# Dief's Future Not Raised At Brief PC Party Caucus

OTTAWA (CP) — Peace reigned in the Progressive Conservative caucus meeting Wednesday as MPs and Senators gathered for the first time since last week's annual meeting of the party association.

Discussion was confined to Commons business and party tactics without reference to the crisis arising out of the annual meeting's decision to hold a leadership convention next year.

Opposition Leader Diefenbaker attended briefly, leaving after about 10 minutes to take

a telephone call. He joshed reporters who were gathered outside the doors waiting to see whether the leader would give any hint of his intentions.

Mr. Diefenbaker has given no clear indication whether he plans to remain in the saddle and seek a new mandate as leader or turn over the reins to someone else.

Michael Starr, Opposition House leader, told reporters after the 50-minute caucus that the meeting had "discussed the business before us for the balance of the week."

# Turkey Dinners Today For Yanks in Viet Nam

SAIGON (AP) — The U.S. Thanksgiving holiday today brings turkey dinners for the 360,000 American military men in South Viet Nam in the wake of official word that the infiltration of troops from North Viet Nam is higher than ever this year.

"It's the same war as usual," a U.S. military spokesman said. "Let's hope the boys eat heartily."

The U.S. command announced Wednesday at least 45,000 troops moved in from North Viet Nam from January to September, an average of about 5,330 a month. That would balance most of the combat deaths in Communist ranks — North Vietnamese regulars and Viet Cong guerrillas — as announced weekly by military spokesmen here.

But accepted estimates of other infiltrators and unconfirmed "possibles" would boost the monthly average to more than 8,000.

The Communist influx, accompanying an extensive buildup of American ground forces, more than tripled the evident infiltration rate before the U.S. air campaign was launched against North Viet Nam's military centres and supply lines Feb. 7, 1965.

**STEP UP STRIKES**  
Some light and scattered ground clashes accompanied stepped-up U.S. air strikes on the eve of the American holiday.

Improving weather after nearly two weeks of rain and low clouds permitted air force and navy squadrons to fly 59 missions Tuesday against North Viet Nam. The fair-weather record is 171 missions. Communist gunners shot down one plane, a two-seater Air Force F-4 Phantom jet, and both crew members were listed as missing. The plane was the 427th announced as lost over North Viet Nam.

# 3 Bills Are Scheduled In House Debate Today



LIBERAL PREMIER Alex Campbell, LEFT, greets Walter Shaw, leader of the opposition, before House Speaker Prosper A. Arseneault, prior to yesterday's sitting of the provincial Legislature in Charlottetown. Normally it takes three days to handle a bill. The opposition agreed to dispose with regular procedures, thus enabling the various bills to receive three readings in one day. Two bills received three opening sessions while three others received first reading and will be considered when the assembly sits again today at 10 a.m. Premier Campbell had predicted the session would last a day and a half.

# Tourist Spending Figures Show Surprising Picture

By RALPH CAMERON

The surprising statement that tourists who came to stay with relatives and friends spent more money while on the Island than those who stayed at hotels or motels was made last night by Hon. (Dr.) M. Lorne Bonnell, Minister of Tourist Development, when he addressed the annual dinner gathering of the P.E.I. Tourist Association at the Charlottetown Hotel.

Tourists who stayed at summer cottages remained longer in the province and spent more money per car than any other group, Dr. Bonnell stated.

**OFFICERS ELECTED**

The annual meeting of the association was held in the afternoon and saw the largest gathering in association history attend. Harry MacLaughlan, Charlottetown and Stanhope, was elected president to succeed Lieut. Col. who retired after two terms in office.

Re-elected vice-president was Charles Bartlett, Charlottetown and North Rustico, while long-time secretary-treasurer A.W. Gaudet was once again named to that post.

Due to the illness of Col. Johnstone, Mr. Bartlett took the chair for the afternoon session and the usual report from the president was replaced with a review of activities of the directors delivered by the secretary.

The members elected six new directors for a three-year term succeeding the six who retire annually. They were headed by former president and longtime member Gordon Shaw, Brackley, Others were R. Earl Tay-

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# Ottawa At A Glance

By THE CANADIAN PRESS WEDNESDAY, Nov. 23, 1966

An NDP bid for an emergency Commons debate on the government's action in raising interest rates on housing loans was rejected.

Reid Scott (NDP - Toronto) argued, with support from other opposition spokesmen, that the increase put homes out of the reach of ordinary Canadians.

A Conservative motion to reduce the CBC's spending allotment this year — in effect a motion of censure — to \$1 million was defeated 74 to 41 in the commons.

Solicitor-General Penneil said he would check a report that U.S. service police are looking for draft-dodgers in Vancouver.

Prime Minister Pearson again rejected opposition demands that the government name a mediator in the Afr Canada strike.

THURSDAY, Nov. 24  
The Commons meets at 2:30 p.m. to continue study of departmental estimates. The Senate stands adjourned until Nov. 28.

# Brown Discusses Peace In Moscow

MOSCOW (AP) — British Foreign Secretary George Brown met twice Wednesday with Soviet Foreign Minister Andrei Gromyko in an effort to generate a joint British-Soviet move to get Viet Nam peace talks started.

But there was no indication Brown got anywhere. Gromyko was reliably reported to have rejected Brown's bid for a joint effort to promote negotiations.

# Mayors Seek Federal Aid Over Economic Growth

OTTAWA (CP) — The Canadian Federation of Mayors and Municipalities urged the federal government Wednesday to evolve new machinery for closer federal-provincial-municipal liaison on economic growth problems.

In a brief presented to the cabinet, the federation said the federal-provincial tax structure committee, composed of provincial treasurers and finance department officials meeting with Finance Minister Sharp, is working well in its field.

The same kind of liaison is needed to bring together all three levels of government in attacking the problem of developing urban services to meet the needs of rapidly-expanding industry, urban populations, and services such as schools, hospitals, roads, and cultural facilities.

The brief was presented to Prime Minister Pearson and members of the cabinet by Mayor W. G. Rathie of Vancouver, president of the federation. About 50 mayors and other municipal officers made up the delegation.

# Special Session Makes Progress

By LORNE YEO

The income tax act of 1964 was amended yesterday allowing the federal government to continue collecting income and corporation taxes in this province legally after December 31 and to give Prince Edward a higher percentage return of the taxes collected.

A bill to amend the Income Tax Act was introduced by Provincial Treasurer T. Earl Hickey and received three readings at a special session of the Prince Edward Island Legislature which got underway in Charlottetown yesterday.

The authority to impose personal income tax expires December 31, 1966, and it was necessary to amend the act so that tax rates for 1967 and subsequent years could be established.

The amendment provides for a four per cent boost in the share of income tax money along with an increase of one per cent of corporate tax money returned to the province by the federal government. This means that the personal income tax abatement has been increased from 24 to 28 per cent while the corporation abatement from 9 to 10 per cent.

This increase in tax rates will not change the personal or corporation tax rates being paid by the Island residents, stated Mr. Hickey.

**ASKS FOR FULL REPORT**  
Opposition Leader Walter R. Shaw asked that a full report of the Ottawa fiscal conference be given to the public. He asked how people could understand the resolution calling for an amendment to the 1967 Income Tax Act if there is not complete understanding of the Ottawa conference since the resolution has connection with the Ottawa agreements.

"There are many things, I'm not satisfied with, the people are not satisfied with, and the press are dissatisfied with. We haven't had the full information on this. I'm not looking to what is

going to happen in the next three or four years, I'm looking toward the next 20 years, although I will not be here," stated Mr. Shaw, 78, leader of the P.E.I. Progressive Conservative Party since 1958.

"All we are asking is that a full statement be given to the House know what the final results of the conference are going to be — what do we lose and what do we gain, and what position will this province be in with the phasing out of educational programs."

Mr. Hickey explained this abatement is part of the new arrangement provided to the provinces for the financing of higher education and vocational training which is being vacated by the federal government. The new arrangement will provide about \$1,635,000 with the province making a net gain of approximately \$615,000.

It was noted, however, that the federal government will no longer provide assistance to the universities which is estimated at about \$545,000 or assist in the vocational training of students under the present programs which is estimated at about \$475,000.

"The province has until March 31, 1967, to determine the basis of payment which will be most beneficial and as soon as the rules relating to acceptable operating costs, description of post-secondary education, various other aspects, which are now being discussed at Ottawa are determined, we will be in a position to make this decision," said Mr. Hickey.

A second bill to amend the loan act of 1966, passed at the special session of the Legislature, received three readings, which will enable the province to borrow an additional \$5,000,000 through debenture issues.

**DEBT INCREASE**  
Mr. Hickey said he will not begin to receive the additional funds made available to the province at the recent federal (Continued on page 3 col. 3)

# Torrential Rains In Italy Flood Sections Of Rome

ROME (AP) — Torrential rains lashed the length of Italy Wednesday, flooded parts of Rome and its outskirts and sent streams spilling over banks again in flood-damaged Tuscany.

The rains — worst since the 48-hour deluge that caused the disastrous floods of Nov. 4 — swept the peninsula from the foothills of the Alps to the shores of Sicily. In the Alpine highlands, the rain turned to snow.

Waters of the swollen Tiber River spilled over into low-lying farmlands around Rome and poured three feet deep into shops and ground floors in suburban areas.

Overburdened sewers in the city proper backed up water into hundreds of basements and flooded underground electric cable conduits.

Heavy rains drenched Florence, the worst hit city, all through the day. There was no significant rise in the Arno River, but smaller streams in southern Tuscany flooded again.

**EARTH GIVES WAY**  
In Siena, Italy's famous medieval city of red stone, rain-soaked earth gave way under a number of streets and outside the city walls.

Residents of Florence had some good news despite the unrelenting rains. Emergency work teams finally got water flowing through most of the city's plumbing systems.

Lack of water had been the most serious single problem remaining from the floods. The repairs marked a major step forward for the city fighting to get back to normal by Christmas.



NEWLY ELECTED president of the P.E.I. Tourist Association Harry MacLaughlan welcomes guest speaker Hon. as officers of the P.E.I. Tourist Association gathered prior to the annual dinner last night.

Secretary-treasurer A. Walther Gaudet and vice-president Charles Bartlett join the delegation.

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