

ESTIMATES ARE TABLED

Federal Spending Plans Nearing \$10 Billion Mark

By JAMES NELSON
OTTAWA (CP)—The government's total spending and investment program for the new fiscal year starting April 1 is pushing hard against the \$10,000,000,000 mark.

Revenue Minister Benson, vice-chairman of the treasury board which scrutinizes government spending commitments, tabled the initial program in the Commons Monday, first of the two stages in the federal budget process.

It amounts to \$9,318,224,878, made up of \$1,035,000,000 in old age pensions payments from the old age security fund, \$332,765,400 in loans and investments which the government expects to have repaid in future years, and \$7,950,459,478 in defence and other federal expenditures in the normal budgetary sense.

J. W. Monteith (PC—Perth), speaking for the opposition, said it seemed impossible to halt the upward march of government spending, and

the country would wait with interest for Finance Minister Sharp's budget speech.

BUDGET STILL TO COME
Mr. Sharp is expected to present his taxing budget late next month or early in April to show how the government plans to cover its expenditure program.

Even at its record figure, the new spending program does not provide for important new programs and legislation being submitted to the current session of Parliament or already on the statute books.

No spending appropriation was included for benefits from the Canada Pension Plan, which will be paid starting next Jan. 1 from funds collected through payroll deductions and other contributions starting last Jan. 1.

No provision was made, either for the Canada assistance plan which the government hopes to get through the current session, consolidating and expanding existing welfare programs.

And still to be voted are funds for health services grants, farm aid programs and winter works—decisions which will be taken later in the year and introduced as supplementary spending estimates.

SPENDING INCREASED
Increased spending marked most sectors of government activity. Capital spending on buildings, works and equipment for the civilian departments of government alone was up 15 per cent from the initial estimates proposed last spring for the current fiscal year.

To counteract inflationary pressures in the construction industry, the government has ordered a go-slow policy, with postponements of a year or more in some building projects mainly in central Canada. The estimates being proposed for the year starting April 1, therefore, may not in fact be spent if this policy continues.

The \$9,318,224,878 for the new year compares with \$8,506,872,232 in the initial program for 1965-66. Last year's first estimate already has been swollen to \$9,079,438,540 with supplementary appropriations so far tabled in the Commons. There may be still more before March 31.

ASKS CONSIDERATION
Mr. Benson told the Commons to be careful about comparing the main spending program for the new fiscal year with the present year because the new figures are based on Quebec savings federal grants for shared-cost programs and taking wider taxing powers instead.

The figure of \$9,318,224,878 includes amounts not regarded as budgetary expenditures in the parliamentary sense, but it indicates the scale of spending for which Finance Minister Sharp must budget when he prepares the tax program, likely to be (Continued on page 3, col. 2)

Public debt charges increased to \$1,185,500,000 from \$1,101,100,000.

Family allowance payments \$550,500,000, a gain of \$8,500,000.

Centennial commission spending up to \$25,797,500 from \$21,731,000.

Transfer of manpower services to manpower department drops labor department budget to \$10,513,400 from \$150,171,100.

Payments to provinces for new technical training schools and related services \$128,585,000 compared with \$128,018,000 in current year.

Foreign aid reduced by \$6,500,000 to \$84,100,000.

HIGHLIGHTS OF ESTIMATES

OTTAWA (CP)—Highlights of the 1966-67 estimates, tabled Monday in the Commons:

Total federal spending of \$9,318,224,878, up almost 9 1/2 per cent. Total includes \$1,035,000,000 for old age pensions.

Defence expenditures \$1,577,600,000 for a rise of \$11,304,807 over current fiscal year.

CBC's main operating grant boosted to \$110,643,000 from \$87,044,000.

Another \$10,000,000 set aside for work on Prince Edward Island causeway.

Company of Young Canadians given \$1,208,500 for initial pilot project.

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OTTAWA (CP)—The CPR was described as a profit-hungry government pet Monday as opposition MPs hammered away for the fourth straight Commons sitting at spending estimates of the transport department.

Transport Minister Pickers-gill told the House there have been delays in moving grain from the Prairies to shipping ports but added the situation should improve soon.

David Orlikow (NDP—Winnipeg North) warned that the privately owned railway could have a strike on its hands unless it mends its ways. He said CPR employees have low morale because of changes the railway made in pension provisions and the cancellation of the Dominion, one of the line's two Montreal-Vancouver daily passenger trains.

The CPR has an "insatiable appetite for profits" and neither the government nor the board of transport commissioners was doing a thing to curb this, Mr. Orlikow said.

Clifford Smallwood (PC—Bathurst) said the CPR had been handed a fortune in land and other benefits in 1881 to build the railway and provide perpetual and efficient service.

"They were given the goose that laid the golden egg. Now they've got the golden egg, they're trying to give the government back the goose."

Mr. Orlikow said he couldn't recall one decision by the board of transport commissioners that went against the CPR.

Yet this line had received \$106,000,000 in cash and 44,000,000 acres of land grants from federal, provincial and municipal officials in exchange for a promise to run an efficient railway.

Apparently, the CPR attitude was that efficiently meant profitably. This attitude was being upheld by the commissioners, who ruled late last year that the CPR could scrap the Dominion. The government should abolish the board or let it set up shop at Montreal's Windsor Station, CPR headquarters, and have board salaries paid by the CPR. Board members had become mere office boys for the line.

Mr. Smallwood said the CPR is hauling potash on the Prairies instead of wheat because potash brings \$6 more a ton in freight charges.

Wheat had to be moved to meet sales commitments overseas. Vancouver harbor "can handle more grain" but "the railways aren't getting it there and the CPR is to blame."

Mr. Smallwood said he gets a little suspicious about the CPR every time he thinks about CPR shares rising to \$63 from \$23 in two years.

The government should look into the "whole operation of the CPR" because "they've completely failed us."

OTTAWA (CP)—The federal government plans to spend nearly \$35,000,000 in 1966-67 to prepare for and to observe the centennial of Confederation under spending estimates tabled Monday for the 1966-67 fiscal year beginning April 1.

The centennial commission will distribute \$15,000,000 in grants to municipalities for lasting projects and \$9,519,500 to finance celebrations, cultural events and other "programs of national significance."

These items compare with outlays of \$9,000,000 for lasting projects and \$7,307,350 for national programs in the current fiscal year ending March 31.

The centennial commission's administrative costs will rise to \$3,278,000 in 1966-67 from \$1,942,300 in the current fiscal year, largely due to an expansion of its staff as 1967 approaches.

The federal contribution to the Crown corporation preparing Expo 67 in Montreal is estimated at \$8,672,000 for 1966-67, compared with \$9,540,500 in the current fiscal year.

This will bring total federal spending on Expo to nearly \$30,000,000 since planning began in 1963. Centennial commission spending will top \$55,000,000 since 1963.

The CBC has a special budget of \$2,916,000 for centennial television and radio programs.

OTTAWA (CP)—New Democratic MP H. W. Herridge said in the Commons Monday he has been reliably informed that the RCMP has documentary evidence of fraud by former union boss Hal Banks and others.

Justice Minister Cardin replied he couldn't say anything about the case until the evidence has been studied completely. He stressed the word "completely."

Mr. Herridge, member for Kootenay West, said the evidence of fraud was found in files removed in 1964 and 1965 from the Montreal headquarters of the Seafarers' International Union of Canada (Ind.) in RCMP raids.

OTTAWA (CP)—An Alberta Conservative, Gerald W. Baldwin, charged in the Commons Monday that "mildewed revolutionaries" in the Quebec cabinet are trying to trespass into federal fields of jurisdiction.

Mr. Baldwin, MP for Peace River, accused the federal government of giving in to unreasonable and regional demands by the provinces, especially Quebec, and failing to protect national interests.

The most intransigent, unreasonable and provocative demands had been made by Quebec leaders, including Welfare Minister Rene Lesvesque, Health Minister Eric Klerans and Justice Minister Claude Wagner, who were too in love with their own words to pay attention to the need for a strong central government, he said.

The Quebec government, having opted out of most federal-provincial programs, now wants to muscle into purely federal programs and dismantle them.

\$10 Million Earmarked For Causeway Project



SURRENDERS

Police in Port Arthur, Ont., said that missing Lakehead University teacher Ronald Macdonald gave himself up to police Monday. Police had issued a warrant for the arrest of Ronald David Macdonald, charging him with impersonating a Missouri psychology professor, David George Macdonald, and forging documents.

\$36 Million Slated For Centennial

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Humphrey Pays Visit To Thailand

BANGKOK, Thailand (AP)—U.S. Vice-President Hubert H. Humphrey spent 12 whirlwind hours Monday trying to nail down U.S. friendship in a visit to Laos and examining key Thai development projects.

Fraud Claimed For Union Boss

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3 Convicts Remanded

ST. CATHARINES, Ont. (CP)—Three escaped convicts who led police on a three-day chase before they were finally captured Saturday were remanded Monday to Feb. 21, charged with the attempted murder of a policeman.

SCHUSSING SISTER

Sister Maria Teresa, habit sopping, samps the snow on Mount Seymour in Vancouver. An experienced skier before becoming a nun seven years ago, she took students from the Roman Catholic St. Ann's Academy for a day on the slopes. (CP Wirephoto)

Dief Probes Bread Costs

OTTAWA (CP)—Opposition Leader Diefenbaker asked in the Commons Monday what the government proposes to do about the "very steep increase" in the price of bread, which he described as a "further very heavy imposition" on Canadians.

No Decision Reached On Airport

OTTAWA (Special)—The government has not yet reached a decision on a new and larger terminal building or additions to present runways at the Charlottetown airport, Heath Macquarrie, MP, for Queens was advised.

Mayor's Trip Expenses Spark Council Debate

By LORNE YEO
The question of expenses in connection with the week-long trip of Mayor Walter Cox to Montreal and Ottawa for his attendance at the annual meeting of the executive of the Canadian Federation of Mayors and Municipalities was raised in City Council last night by Councillor Louis D. Johnston.

Steel Corporation Official Is Charged In Wife's Death

SAULT STE. MARIE, Ont. (CP)—A preliminary hearing on a charge of capital murder was set for Feb. 18 in the case of W. Dalton Barber, 55-year-old assistant to the vice-president of operation of Algoma Steel Corp., when he appeared in court Monday. He was arrested Saturday and charged in the death early in December of his wife, Marjorie.

Alberta Conservative MP Levels Charges At Quebec

OTTAWA (CP)—An Alberta Conservative, Gerald W. Baldwin, charged in the Commons Monday that "mildewed revolutionaries" in the Quebec cabinet are trying to trespass into federal fields of jurisdiction.

2 Women Are On Jury As Denis Trial Opens

OTTAWA (CP)—Raymond Denis' trial stalled at the outset Monday with special procedures over jury selection and a successful defence bid to split the charges against the former aide to the federal immigration minister.

Commons Hears CPR Described As Profit-Hungry Ottawa Pet

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MARJORIE BARBER AND HUSBAND

Most Spending Slated In N.B.

CAPITAL BUREAU OF THE GUARDIAN
OTTAWA—An actual start on the Northumberland Strait crossing has sharply increased the government's planned spending on the big project, it was revealed here Monday when the 1966-67 estimates were tabled in the Commons.

Crossing Described As Major Challenge

CAPITAL BUREAU OF THE GUARDIAN
OTTAWA—The Northumberland Strait crossing between Prince Edward Island and New Brunswick, is expected to cost about \$148,000,000, Mr. McNeil said. "This combination bridge-tunnel-causeway will challenge the resourcefulness of the engineers and contractors and will test the capacity of both. I feel confident however that these challenges will be met and overcome."

Russian Authors Get Stiff Terms

MOSCOW (AP)—Two Russian writers who smuggled books to the West were convicted Monday of spreading anti-Soviet propaganda and given heavy sentences.

Parliament At A Glance

By THE CANADIAN PRESS
MONDAY, Feb. 14, 1966
The government tabled 1966-67 spending estimates in the Commons totalling \$9,318,224,878, up some 9 1/2 per cent.

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