

Premier Smallwood Announces Increase

ST. JOHN'S, Nfld. (CP)—The Baie d'Espoir Hydro-electric development on the southwest coast of Newfoundland is to be doubled in size at an additional cost of between \$65,000,000 and \$68,000,000, Premier Smallwood announced here.

The premier told a press conference that 300,000 horsepower would be added to the output of the giant generating station by bringing additional water sources into play. An immediate start on the expansion was to be made and the project now was to be turning out 600,000 horsepower after an outlay of \$15,000,000 by 1970.

Premier Smallwood said the initial 300,000 horsepower has not only been sold... it has been oversold. We have no other choice but to go ahead with this \$20,000,000 grant for Baie d'Espoir power development and later raised this to \$24,000,000.

The original \$87,000,000 project has been two years in the planning and construction. Its energy will sell for one-quarter of a cent per kilowatt-hour, compared to current prices in the province ranging from four to 10 cents.

Premier Smallwood said the 12 per cent annual increase in electrical consumption in Newfoundland was one of the largest in Canada and resulted largely from increasing use of electric heating in houses, churches and other buildings.

PLANS LOWER PRICE

The premier, who has said he eventually wants power prices in Newfoundland cut to one cent per kilowatt hour, said he would have an announcement shortly regarding power prices that will touch the lives of every Newfoundlander.

He also said negotiations were in progress for a "new enterprise" that will require 130,000 horsepower and there may be an announcement "within days."

Talks were also going on for the sale of a minimum of 300,000 horsepower to a single buyer and this sale might reach 1,000,000 Mr. Smallwood expected a decision on this sale later this year.

Before the 10-year development of power on the island is finished, Mr. Smallwood said, "I anticipate a minimum of 1,000,000 horsepower in from Labrador."

The Baie d'Espoir project will encompass a drainage area covering 1,600 square miles on the barren and isolated southwest coast of the province. The additional power announced Thursday is to be derived

mainly from linking up the White Bear River headwaters with the Grey and Salmon rivers now being hooked to the power station.

WILL NEED DAMS

From two of the largest lakes in the province which will be created by the dams and channels, the water eventually will plunge down a 600-foot incline to the turbines. Officials said development of the final 400,000 horsepower would involve two or more dams, one of them on the Terra Nova River emptying into Bonavista Bay.

An \$18,000,000 power grid is being built to carry the Baie d'Espoir power north to Grand Falls and west to Corner Brook, while a branch channel is being east to St. John's. The grid is designed to react to power in the future from proposed Churchill Falls on the Labrador through the Great Northern Peninsula.

In announcing the project, Mr. Smallwood said the phase development of Baie d'Espoir had brought \$20,000,000 of industrial investment into the province. He said it was the first thought the 300,000 horsepower would be adequate until 1978.

U.S. Steel Delivery Times Are Delayed By Auto Firms

CLEVELAND (AP)—With new car sales lagging behind the 1965 pace, U.S. automakers are adjusting their steel purchases accordingly, Steel magazine reports.

For the first time this year, "As a result, ordering for June delivery is down, possibly as much as 10 per cent from the recent rate," Steel estimates.

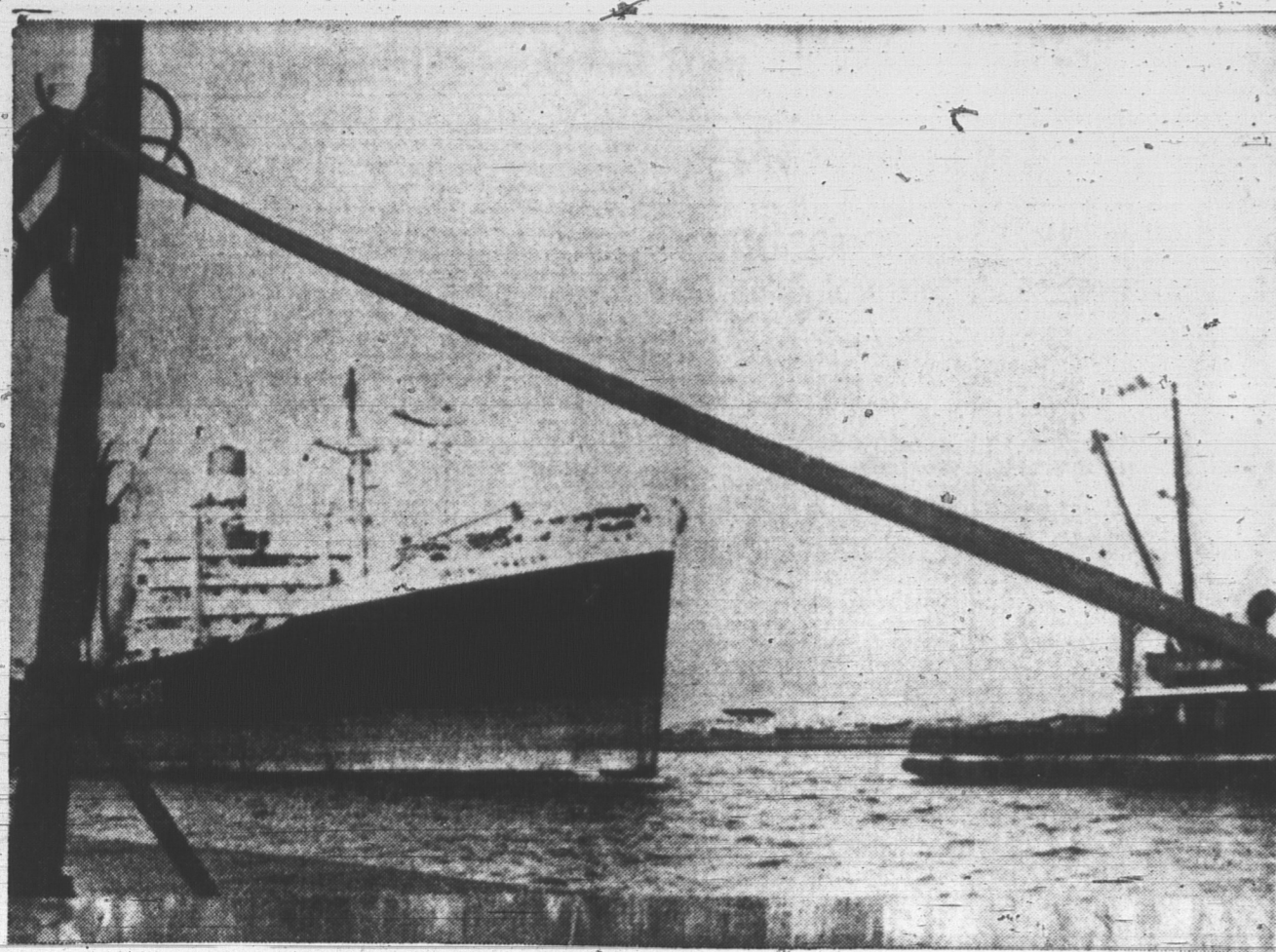
"The auto firms aren't canceling steel tonnage on steel books, but they're stretching delivery times. Demand for automotive steel remains substantial—it's just a little less than steelmakers anticipated."

Steel says that although demand for finished steel has lost some of its vigor and order entries are down, the steel market continues in a firm position with buying on a high plateau.

For the first time this year, Steel says, demand for steel products is relatively strong across the board.

"Consumer pressure is no longer limited principally to plates, structurals, sheets, bars and railroad items. Mills now report more spirited business in wire and tubular goods, products that had been moving sluggishly."

"Much of this ordering of course, is seasonal."



HOMeward BOUND

The freighter Orient Trader, 7,681-ton ship caught fire last summer and was run aground under repairs during the winter and is bound for the Mediterranean.

The ship was run aground off Toronto Island while the fire was extinguished. She

(CP Wirephoto)

Winnipeg Native Elected Pacific Railway President

MONTREAL (CP)—Ian Sinclair, born in Winnipeg and educated in the law and elected president of the Canadian Pacific Railway Co.

He said at a press conference after his election by CPR directors the top team of the giant company will not differ greatly in its policies from the team that included his immediate predecessor as president, the late R. A. Emerson.

N. R. Crump, the CPR's chairman and chief executive officer, said reorganization within the firm will continue, primarily "at the second or third echelon of management."

Mr. Crump told CPR shareholders at their annual meeting earlier in the day inflation poses the biggest economic danger to Canada.

Elected vice-president of the company as successor to Mr. Sinclair was S. M. Gossage, who has been vice president in charge of company services for the past 18 months. He also becomes a director.

JOINED WITH CRUMP

Mr. Sinclair, a bulky, affable man of 52, joined with Mr. Crump in predicting for reporters big changes in the world's markets for grain and resources will keep the CPR's freight business largely free of the "peaks and sags" that has characterized such business in the past.

Mr. Sinclair, asked about internal changes in the CPR, said:

"Mr. Crump was a member of the previous team with Mr. Emerson and myself and two-thirds of that team is still here. So this will be not too different a team effort from the past one."

The new president is also a director of the CPR and a member of its executive committee.

Mr. Sinclair's salary as president is believed to be about \$200,000 a year. Mr. Crump's is unofficially estimated as about \$100,000.

Mr. Emerson died March 13. He had been president of the CPR 18 months.

Mr. Sinclair was introduced to reporters by Mr. Crump, a 61-year-old native of Revelstoke, B.C., who has been CPR chairman since 1961.

TALKS ABOUT GRAIN

Though Mr. Crump did most of the press-conference talking on subjects ranging from western Canadian history to labor unions, Mr. Sinclair said growing market demand for grain and for such resources as potash and sodium sulphate was among factors making the freight picture look bright.

Answering a reporter's question, he said he had never driven a locomotive, but that he is "very proud" of his association with the railway operations side of the company's varied holdings.

The new president is a graduate of public schools in Winnipeg, the University of Manitoba and the Manitoba Law School.

He first joined the CPR as an assistant solicitor in the company's law department in 1942.

He became the CPR's general solicitor in 1953, and vice-president in charge of law matters in 1960.

Hobby is Reading

He took over as general vice-president in 1961. Married and the father of four, Mr. Sinclair described his main hobby as reading "whatever I can get my hands on."

Mr. Gossage had been vice-president in charge of company services before Wednesday's election.

British-born and educated at Rugby School and the University of London, he took a post-graduate degree in transportation at Yale University and has been with the CPR since 1926.

He has held the general manager's posts at Toronto and Winnipeg and was named manager

of labor relations for the company in 1956.

Labor relations was a big topic for Mr. Crump at the press conference and in his address to the shareholders.

Rising costs were a factor in making Canadian companies less competitive on the world market, he said, and a top factor in the CPR's costs were wage demands by labor.

FACE LABOR DEMANDS

"We are faced with larger demands from labor than we've ever had in our history," the chairman said.

He said he had suggested to the company's shareholders that, in view of these demands, "there might be some rough weather ahead."

The CPR's holdings include shipping and air lines, real estate, investment services and a variety of metallurgical interests.

Mr. Crump told the reporters there will be "a larger market in the orient for Canadian wheat in the foreseeable future."

Wheat sales to China and the Soviet Union, together with a general burgeoning of the economy, had buoyed up the CPR's freight business in 1965 and the first quarter of 1966, Mr. Crump and Mr. Sinclair said.

The crop prospects in western Canada look "pretty favorable" this year, said Mr. Sinclair.

Growing populations in Asian countries mean bigger markets for Canadian grain, said Mr. Crump, and other Canadian resources promise to sell well there too.

He said some kind of integration of federal agencies regulating transportation in Canada "would be a good thing so long as it does not become unwieldy."

He said he "disagrees completely" with criticisms of the CPR made recently by the National Union of Farmers. The union called for nationalization of the CPR. Mr. Crump said the company will have more to say about these criticisms later.

In his speech to the shareholders, the chairman said "inflation and the excesses associated with inflation" must be avoided as Canada drives for economic expansion.

Business expansion gave promise of continuing but there was a danger in "an excess of demand in relation to productive resources available."

Demands on the CPR for grain shipments meant the railway must better its previous peak performance in this respect, Mr. Crump said.

BUYS MORE

In the face of the rising freight requirements, the railway is buying more stock and equipment, although demand for passenger space continues to follow the downward trend in Europe since the Second World War.

In steamships, freight is up and passenger traffic down, Mr. Crump told his press conference.

The fact some foreign competitors are subsidized by their governments is a big disadvantage for the CPR steamship interest, he reported further advances by the company's oil, gas, investment and real-estate subsidiaries.

Meantime, Cominco, a mining and smelting firm owned by CPR, "continues with its aggressive program of development on a global basis."

GRADUATION

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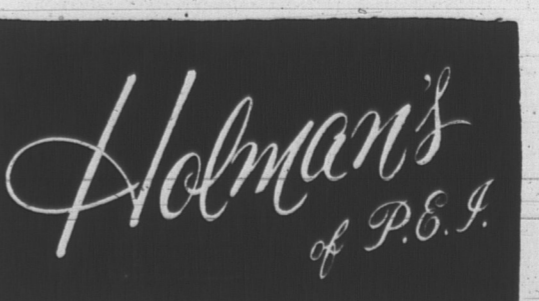
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Special Education For Indians Que. Report Recommends

MONTREAL (CP)—Creation of a special service for the education of Indians and steps to give them equal voice with other Quebecers in local school affairs are recommended by the Parent royal commission on education.

The future educational needs of the province's Indians and a program to educate the public about Indians are also dealt with in the report. Its recommendations were published by La Presse.

The special service, for the education of both young and adult Indians, should be created by the provincial department of education and be "made up of specialists in Indian affairs and teaching of Indians."

The proposals say:

"We recommend that Indian parents be able to participate in school committees of public schools attended by their children and that they enjoy the same rights and privileges as other parents in the regional school commissions which covers the area in which they live."

Elsewhere, the report recommends the creation of committees for each school which would be made up of five members elected annually by parents of pupils at the school.

SHOULD REVISE BOOKS

On the subject of making Indians better understood, the report suggests that Canadian history books be revised and "re-

vised" so as "to make better known American Indian civilization and to present a truer image of American Indians."

The department of education should pay particular attention to getting under way a "vast program to educate adults with respect to the Indian population."

Another proposal is that universities with anthropology departments offer future teachers interested in teaching Indians and Eskimos "the possibility of theoretic preparation and appropriate practice."

DECREES U.S. POLICY

PRAGUE (Reuters)—Defence Minister Gen. Bebutin Lomsky blamed the U.S. Monday for an uneasy international climate and declared Czechoslovakia's support for the "heroic and legitimate struggle of the Vietnamese people."

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