

PM TABLES COMMISSION REPORT

Bold Blueprint Prepared To End Transportation Ills

OTTAWA (CP) — The federal government has been handed a bold blueprint designed to solve Canada's transportation troubles.

Recommended by the six-man MacPherson royal commission on transportation, the revolutionary new plan is based on a drastic, wholesale overhaul of national transport policies and regulations.

Prime Minister Diefenbaker tabled the commission's second report in the Commons Tuesday. With the first report made public last April the government now has the royal commission's overall prescription for transportation.

In essence, the commission recommended that Canada's big railways be turned loose for a free-for-all fight against trucks, ships, planes and pipelines.

Old rules, out-of-date legislation, restrictive regulations, current transport subsidies and the public view of transportation must be revised to permit rail ways to act as normal businesses, the report said.

PROPOSE FORMULA

It proposed a new formula for setting freight rates based on railway costs, which would abolish the need for across-the-board freight rate increases—a constant sore spot with the provinces in post-war years.

The six-man commission placed a comprehensive list of recommendations before the cabinet, including proposals for:

1. Creation of a new national transportation council to help formulate transport policy.
2. Repeal of several current transport subsidies amounting to more than \$30,000,000 annually.
3. Reappraisal of other subsidies, involving federal payments each year of some \$26,000,000.
4. Special tax concessions for industries—chiefly the grain-handling industry in Western Canada—to ease the impact of railway branch line abandonments.
5. Special aid for Newfoundland to build roads and grain storage facilities.

COMPETITION IS ANSWER

Competition, not regulation, is the answer to the troubles of transport in Canada today, the report said.

Tabling the report in the Commons, Prime Minister Diefenbaker said it would be thoroughly examined and considered.

In effect, the report took a challenge sounded recently by CPR president N. R. Crump who said:

"Throw us to the wolves. Let us see if we can run with the pack. If we can't compete in an open market, then we should not exist."

The blueprint calls for all non-statutory freight rates to be set free—except those levied on traffic proved to be "captive" to the railways, which would come under a new maximum rate formula.

It also urges that most old railway rules be scrapped, freeing the railways to abandon by degrees obsolete and unprofitable operations.

WOULD STREAMLINE

All this would mean the railways would be streamlined into a main line operation, with trucks filling the "branch line" role as feeder carriers.

Railways Have No Comment

MONTREAL (CP)—The CNR and CPR have no immediate comment on the recommendations of the MacPherson royal commission on transportation, company spokesmen said Tuesday.

The commission's report, recommending a sweeping overhaul of federal transportation policies and regulations, was tabled in the Commons Tuesday.

Spokesmen for the railways said the companies would have no comment until officials have had an opportunity to study the report and its recommendations.

Local Officials Decline Comment

Two Island transportation officials declined to express any opinion last night on sweeping recommendations of the MacPherson royal commission on transportation.

B. Graham Rogers, P.E.I. Transport officer, stated that the report would require a lot of study and no hasty conclusions should be jumped at until the matter was completely reviewed.

Keith MacKinnon, a member of the Maritime Motor Transport Association, said that he was very glad to see the report come down but he would have to have time to study it before any comment can be made.

ley, said the report, should be aimed at creating an efficient transport system on land, in the air and on water.

Present transport legislation, regulations, federal subsidies, freight rates and all other aspects of transportation should be considered in the light of efficiency, and amended accordingly.

Report Sounds Realistic, Truckers' Spokesman Says

HALIFAX (CP) — Maritime transportation spokesmen reacted cautiously Tuesday to sweeping recommendations of the MacPherson royal commission on transportation.

"Sounds more realistic," said Charles Moffatt of Sackville, N.B., secretary of the Maritime Motor Transport Association.

"From our study of the commission's first report we had a good idea what was coming and preliminary study of Tuesday's report confirms our hopes."

The good news for Maritime truckers was a recommendation

that all freight carriers receive subsidies on shipments to central Canada from the Atlantic provinces. Also, subsidies on rail shipments within the Atlantic provinces would be withdrawn except in Newfoundland.

A. M. MacKay of Halifax, chairman of the Maritime Transportation Commission, said at first glance the commission has reached some "intriguing and interesting conclusions."

Both Mr. Moffatt and Mr. MacKay withheld further comment until they could study the report in detail.

Long-Term Outlook Improved For Farms

BANFF, ALTA. (CP) — H. H. Hannam, of Ottawa, president of the Canadian Federation of Agriculture, said Tuesday he sees no prospect for improved farm income in 1972.

But there was an improved long-term outlook in the field of farm policy, he added.

"Definite gains have been made in farm policies, both domestic and international,"

the benefits of these will show more distinctly as the programs develop," he told the CFA's 26th annual meeting.

Among national policies, he said, the Agricultural Rehabilitation and Development Act had the greatest significance. Its prospects for rural development were great. It improved the outlook of families on sub-marginal farms, could create new jobs and the rehabilitation of whole communities.

Mr. Hannam said it was "next to impossible to say definitely how the growth of the Common Market will injure or help Canadian farmers, but sooner or later we may lose much of the advantage we have through Commonwealth preferences."

He proposed the CFA place a competent representative of our own appointment" near the headquarters of the Common Market authority in Brussels for a few years "to watch over Canadian agricultural interests."

U.S. Plan For Cuba Opposed

PUNTA DEL ESTE (Reuters) — Argentina was reported Tuesday gaining support for a United States-opposed plan to postpone collective action by the Organization of American States against pro-Communist Cuba.

Informed sources said the plan, which would put off action at least three months, appeared to be winning widespread support from OAS foreign ministers meeting in this Uruguayan resort.

The plan has at least a fair chance of breaking a deadlock which has prevented the ministers from starting working sessions—over whether to take action now or in the future.

The American position was reported stiffening. The United States has insisted on drastic action now against Premier Fidel Castro's regime.

Railways Make Surprise Offer In Union Talks

MONTREAL (CP)—Canada's railways broke their long-established custom Tuesday and presented, on the first day of contract talks, a series of proposals to 15 unions bargaining for the railways' 110,000 non-operating employees.

There was no immediate union reaction to the proposals.

No details of the proposals were made public but they were considered by some observers as likely to include some steps toward matching the unions' demands levelled on the railways a month ago.

It marked the first time in several years that the railways have presented offers on the opening day of contract talks.

Tuesday's session lasted only one hour and then the union negotiating team went into private caucus to consider a railway request for a recess to "consolidate" their proposals.

This apparently indicated that the railways presented only a general outline of their offer, with a complete version to come later.

No reaction from the 15 CLC-affiliated unions to the request was expected before today but several union negotiators were reported to feel it should be accepted.

\$10 Increase Revealed For Old Age Pensions

PM Outlines Details In Commons Speech

By JAMES NELSON
OTTAWA (CP) — Prime Minister Diefenbaker announced Tuesday the government will increase the universal old age pension to \$65 a month from \$55.

Opposition party leaders said immediately the pension should and could be raised to \$75.

Mr. Diefenbaker said the government will also introduce legislation raising allowances for the blind and the disabled, and old age assistance to needy persons in the 65-69 age bracket "on the same basis."

The federal government pays all of the old age pension but shares with the provinces the cost of the other programs, contributing three-quarters of the \$55 blind allowances and half of the \$55 disability and old age assistance payments.

Tuesday's announcement meant the government intends to add \$7.50 monthly to the blind allowances and \$5 monthly to the old age assistance and disability payments, leaving it to the provinces to decide whether to add the other \$2.50 and \$5, respectively. They can add more.

FORECAST IN SPEECH

The increases were forecast in the throne speech at the opening of the new parliamentary session Thursday. It also said moves were under way to get provincial concurrence in a constitutional amendment for a contributory, portable, retirement pension supplement.

Mr. Diefenbaker made public a letter to the premiers on this subject Monday night.

Mr. Diefenbaker recalled that the Liberals, who introduced the universal old age pension in 1952 at the rate of \$40 monthly, payable to everyone 70 years of age and over, had raised it to

\$44 in 1957 on the eve of that year's general election.

"The Liberals are the same old group now as they were then, the same assortment that said \$6 was enough in 1957," he said. The Conservatives raised the rate by \$9 to \$55 when they took office in 1957.

The prime minister noted that the New Democratic Party had advocated a basic pension-rate of \$75 a month. He quoted Mr. Pearson as saying that such an amount was "ridiculous and could not be provided."

Mr. Pearson jumped to his feet to explain that he thought \$75 a month paid in everyone 65 and over, rather than a 70, was "irresponsible" at that time.

PREDICTS REACTION

Mr. Diefenbaker then turned on Hazen Argue, suggesting the NDP's parliamentary leader would call the increase "a pittance," words Mr. Argue used last session to describe a Conservative farm aid program.

However, when Mr. Argue spoke later, he said the increase to \$65 was good but too long delayed. He said the NDP platform called for a basic pension of \$75, and a contributory medical care program for everyone.

Mr. Diefenbaker said he would speak further on pensions when a bill is presented to the Commons raising the base rate to \$65 a month. He made no mention of how the additional burden on the treasury would be borne, or how large it would be.

Official estimates earlier that a \$10 increase would cost \$120,000,000 without counting increases in the other shared payments for the blind disabled, and old age assistance. The latter are paid on the basis of a means test.

Hazen Argue Denounces Federal Gov't Policies

By ARCH MACKENZIE
OTTAWA (CP) — New Democratic Party denunciation of government policies was capped Tuesday by a non-confidence motion urging expanded export markets, full employment and a prepaid medical care program for all Canadians.

Hazen Argue, parliamentary leader of the CCF-New Democratic Party group, moved the motion in the second day of the Commons throne speech debate.

It was defeated 155 to 49 Tuesday night—the Liberals backing the CCF-NDP. The Liberals' non-confidence motion will be disposed of later.

Earlier, Prime Minister Diefenbaker finished his lengthy contribution by announcing a \$10 increase in the old age pension paid all Canadians at age 70. It now is \$55 monthly.

Trade Minister Hees, marshalling stacks of statistics as evidence of progress under conservative rule since 1957, said co-operation among government management and labour could make 1962 the wealthiest year in Canadian history.

Mr. Argue, following Liberal leader Pearson and Mr. Diefenbaker, said the prime minister's speech had been his longest yet and "most barren."



THE '53 CHEV, in which 17-year-old Leo Deighan of Freetown was killed last evening when it collided with a

train at a Kensington crossing, was turned around parallel to the twin-engine train before the train came to a

halt. The front end of the vehicle, as seen here was badly smashed by the impact.

Freetown Youth Is Killed In Collision Of Train-Car

SUMMERSIDE — Leo Deighan, 17, of Freetown was killed instantly last evening when the car he was driving slammed into the engine of the Charlottetown-Tignish train at the Victoria Street East crossing in Kensington.

The accident occurred at 8:35 p.m. when the 1953 Chev, in

which the victim was driving alone, struck the front engine of a twin-engine train that was proceeding towards Summerside.

The crossing where the accident took place is on the road leading to Margate and the car was proceeding up an inclined street when it struck the train.

Dr. R. W. Kennedy was summoned and had the victim removed to Prince County Hospital.

The coroner Dr. W. E. Callaghan ordered an inquest after a jury was empanelled by the RCMP. No date was set for the inquest.

Conductor of the train was John Court, John Egan was the engineer and Charles Deighan the fireman.

The youth is survived by his parents, Mr. and Mrs. Charles Deighan, and by three sisters and one brother, all at home, Marina 19, Donna, 15, Carl 12 and Margaret Rose 10.

The boy's father is a farmer and is not related to the member of the train crew by the same name, it was learned.

Members of the Summerside detachment RCMP headed by Cpl. Calvin Bungay investigated.

Members of the jury include: Bruce MacLeod (foreman), Stewart Peppin, Clair Mayhew, Gordon Kennedy, Lorne Glydon, James A. Ramsay, Charles Beirsto, all of Kensington.

U.S. State Dept. Opposes Restrictions On Magazines

WASHINGTON (CP) — The state department said Tuesday it considers Prime Minister Diefenbaker's proposed restrictions on non-Canadian magazines as neither proper nor practical to foster developments of a Canadian publishing industry.

In Ottawa there was no immediate comment from the government. Qualified sources said the government would await an approach from the state department for an opportunity to present its views.

The reported plan of the Canadian government for the disallowance of income tax deductions for advertising in Canadian editions of foreign magazines is of the same general character as the 20-per-cent tax previously imposed by the Canadian government on the advertising revenues of Canadian editions of foreign magazines; the state department spokesmen said in a statement commenting on the prime minister's announcement.

The 20-per-cent tax was imposed by the former Liberal ad-

ministration and repealed by the present government.

The state department spokesman said the previous tax was withdrawn by the present administration as unjust and ineffective.

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U.K. Bans Arms To Indonesia

LONDON (Reuters) — Britain has clamped a ban on arms shipments to Indonesia until the dispute between the Netherlands and Indonesia over Dutch held West New Guinea is "clarified," it was announced Tuesday.

Nfld. Woman Fatally Injured

ST. JOHN'S, Nfld. (CP) — Mrs. Emily Squires, 86, of nearby St. Phillips died Tuesday of injuries and burns believed to have received when she fell down a flight of stairs at her home while carrying a lit lamp. The lamp exploded, setting her clothing on fire. The house did not have electricity.

Glenn Hopes Orbit Flight Goes Saturday

CAPE CANAVERAL, Fla. (AP) — United States astronaut John H. Glenn Jr., checked his repaired space capsule for an hour Tuesday and apparently found all systems working perfectly.

Glenn's planned flight three times around the world through space was postponed from Wednesday to at least Saturday by the malfunctioning of an oxygen supply system.

"It appeared likely now that Glenn would be launched on his historic flight Saturday."

The moon-shot known as Ranger 3, which was to have taken pictures of the moon and to have placed an instrument package on the surface of the earth satellite Monday, had to be postponed until Friday after a fueling mishap.

JUDGING BEGINS TODAY

Memorial Building Design Will Be Selected From 47

TORONTO (CP) — A seven-man jury assembled here Tuesday to choose among 47 plans submitted by Canadian architects for a Charlottetown cultural centre that will serve as the nation's first permanent memorial to the Fathers of the Confederation.

Examination of scale models and drawings in the \$15,000 competition begins today in a North Toronto office building. Jury members except to spend three days studying entries that represent all regions of Canada.

Designer of the winning model will receive \$7,500 and a contract to supervise its full-scale construction in Charlottetown.

Second prize is \$5,000 and third prize is \$2,500.

The prizes will be presented next Tuesday at a dinner in Ottawa to be attended by Governor-General Vanier and Prime Minister Diefenbaker.

The competition was financed with a Canada Council grant of \$30,000.

BUILD ON SIX ACRES
The memorial, containing a 1,000-seat theatre, libraries, art galleries and a museum, will stand on a six-acre square in the centre of the Prince Edward Island capital.

Estimated cost of the project is about \$14,000,000. The foundation hopes to gather funds, ideas and representative material from all parts of Canada.

Professor Eric Arthur of Toronto University's School of Architecture, heads the jury as architectural adviser to the Foundation.

Professor John Russell of Manitoba University's School of Architecture, Montreal architect Marcel Trudeau, lawyer Eric Harvie of Calgary, Dominion architect Kave Lamb of Ottawa and Dr. Frank MacKinnon, principal of Charlottetown's Prince of Wales College, complete the panel of judges.

LEGION HOLDS ANNUAL DINNER

District Maritime Agent Erskine McNutt was the guest speaker last night as the Charlottetown branch of the

Royal Canadian Legion held its annual dinner. Held at the Charlottetown Hotel, the banquet was attended by upwards

of 400 members of the organization. A reception was held at the Legion Home prior to the banquet. Here Mr. McNutt, (centre) chats with J. J. Connolly (left), first vice president of the organization and Major Lorne Ramsay

