

"Covers Prince Edward Island Like The Dew"  
CHARLOTTETOWN, CANADA, THURSDAY, SEPTEMBER 15, 1966.

VOL. LXXIX NO. 216

Authorized as Second Class Mail by the  
Postmaster General at Ottawa and for payment  
in advance.

NOT MORE  
THAN TEN CENTS

22 PAGES

## Broad Divisions Mark Ottawa Fiscal Meeting

### Keen Disappointment Expressed By P.E.I.

By DENNIS ORCHARD  
OTTAWA (CP)—The prospect  
appears that the provinces will  
line up in favor of interim one-  
year tax agreements with the  
federal government during  
1967-68.

Such a step would mark the  
first departure from five-year  
agreements since they began  
shortly after the Second World  
War.

Five provincial delegations  
were reported Wednesday favor-  
ing or considering the idea as  
they met federal Finance Minis-  
ter Sharp at the opening session  
of a federal-provincial confer-  
ence on tax structure.

One important reason was the  
apparent hopelessness of an  
early compromise on tax-shar-  
ing between the two levels of  
government.

Federal proposals and provin-  
cial counter-proposals delivered  
to the committee Wednesday  
were far apart in dollars and  
on the philosophy of tax partner-  
ship.

**DELAY SUPPORTED**  
Alberta Premier E. C. Man-  
ning said a one-year delay in  
signing new long-term agree-  
ments was supported by "three  
or four provinces" in addition  
to Alberta during afternoon  
statements by seven premiers  
and three finance ministers.

Manitoba and Saskatchewan  
governments said they want the  
breakthrough mainly to ponder  
recommendations of the Carter  
royal commission on tax struc-  
tures.

Premier John Robarts of On-  
tario thought an interim agree-  
ment worth considering and  
Premier Alex Campbell of  
Prince Edward Island said he  
also is interested.

Finance Minister Sharp told a  
press conference after the ses-  
sion that in the end tax agree-  
ments are always decided by  
federal governments.  
No federal-provincial confer-

ence has ever fully settled dif-  
ferences.

The major divisions apparent  
Wednesday quickly produced an  
agreement among the delega-  
tions to extend this meeting be-  
yond tonight's scheduled ad-  
journment if necessary.

And they tentatively set an ex-  
tra meeting of the same group  
for early October.

A full federal-provincial con-  
ference is slated for the fall,  
probably in November, and  
taxes are the probable top item.

**TABLED STATEMENTS**  
Mr. Sharp and the provincial  
leaders tabled statements Wed-  
nesday that had been released  
earlier, and summarized their  
positions instead of formally  
reading the documents.

They agreed they would  
tackle tax-sharing, shared-cost  
programs and equalization pay-  
ments in that order today. The  
final item would be general eco-  
nomic conditions, including in-  
flation.

In the moments before the  
meeting began, the provincial  
leaders offered some scathing  
criticism of the federal scheme.

Mr. Sharp proposed three  
main departures in the federal-  
provincial partnership on taxes:  
1. Freedom for the provinces  
to levy the personal income  
taxes they need, but no longer  
by way of reducing federal re-  
venues.

2. Federal withdrawal from  
the direct sharing of costs for  
major social programs—such as  
hospital insurance, health grants  
and assistance plans for the el-  
derly, unemployed, blind and  
disabled.

3. A marked change in the  
formula for equalization pay-  
ments to low-income provinces.

**CHANGES UNPOPULAR**  
All three changes were unpop-  
ular with some premiers. Prem-  
ier W. A. C. Bennett of British  
Columbia said Ottawa will "lose  
(Continued on page 3, col. 1)



THEIR HOPES SHATTERED

Premier Campbell (LEFT) of  
Prince Edward Island and  
Earle Hickey study their brief

to the federal-provincial fiscal  
conference being held at Ot-  
tawa. The brief said the Is-  
land's hopes have been "shat-  
tered" by the formula sug-  
gested by Ottawa for future  
tax-equalization payments.  
(CP Wirephoto)

### Extension Interests Campbell

OTTAWA (CP)—Premier  
Alex Campbell of Prince Ed-  
ward Island expressed interest  
Wednesday night in Alberta and  
Manitoba suggestions that pres-  
ent federal-provincial tax agree-  
ments be extended for another  
year to allow the governments  
to set priorities.

However, this would mean  
shelving for a year a develop-  
ment program Prince Edward  
Island had hoped to get under  
way in months, Premier Camp-  
bell said after the first day of  
a federal-provincial tax struc-  
ture committee meeting.

Proposals put before the con-  
ference by the federal govern-  
ment obviously weren't the an-  
swer, he said.

The federal offer of an addi-  
tional \$200,000 a year wouldn't  
pay the cost of annual in-  
creases to P.E.I. teachers.

The island needed \$7,900,000 a  
year for the next five years for  
its development plan.

It couldn't hope to gain any  
appreciable increase in revenue  
through additional taxes, the  
premier said.

He said if the tax structure  
committee wouldn't make con-  
cessions the problem would  
have to be placed on Prime  
Minister Pearson's doorstep.

**STATE POSITIONS**  
Finance Ministers L. G. Des-  
Brisay of New Brunswick and  
G. I. Smith of Nova Scotia said  
the first day was taken up by a  
round of brief statements of po-  
sition.

"There has been no reaction  
to anything yet," Mr. DesBrisay  
said.

Mr. Smith said the federal  
proposal would be very useful  
if submitted as a working pro-  
posal. If it was a fixed proposal  
it wouldn't be conducive to  
harmonious relations.

Even as a fixed proposal,  
however, it had some advan-  
tages, Mr. Smith said.

Premier Campbell said Prince  
Edward Island doubts "any  
formula tailored for all the  
provinces will meet Prince Ed-  
ward Island needs."

**Black Duck  
Open Season  
Is Delayed**  
OTTAWA (CP)—Opening of  
the black duck hunting seasons  
in Prince Edward Island and  
Nova Scotia has been delayed.  
The resources department an-  
nounced Wednesday.

The open season in Prince Ed-  
ward Island will begin Oct. 15,  
two weeks later than last  
year, but it also will close two  
weeks later.

The black duck season in  
Nova Scotia is different in three  
areas. They are:  
—Cumberland, Colchester,  
Pictou, Antigonish, Hants,  
Kings and Annapolis coun-  
ties, Oct. 25 to Dec. 9.  
—Guysborough, Halifax,  
Lunenburg, Queens, Digby,  
Shelburne and Yarmouth  
counties, Nov. 23 to Jan. 15.  
—Inverness, Victoria,  
Cape Breton and Richmond  
counties, Oct. 25 to Oct. 31  
and Dec. 1 to Jan. 1.

The department said the sea-  
sons were delayed until the ar-  
rival of northern migrants, re-  
ducing the hunting pressure on  
local birds and permitting re-  
turn of a larger breeding popu-  
lation next spring.

Analyses of returns from  
handed birds indicated that lo-  
cally raised black ducks are be-  
ing overharvested.

**U.S. Aircraft  
Still Missing**  
HALIFAX (CP)—Two RCAF  
plane will continue the search  
today for a single-engine civil-  
ian aircraft missing since Sun-  
day in the eastern Gulf of St.  
Lawrence area with two persons  
aboard.

An air-sea rescue centre  
spokesman said the Albatross  
and Dakota based at Green-  
wood, N.S., would concentrate  
their search over northern Cape  
Breton and southwestern New-  
foundland.

## Fortune, Primrose Men Win In 3 Tractor Events

Edwin Mills, Bay Fortune,  
perennial winner of the Kings  
County plowing Championship,  
won the 2-sod tractor class yester-  
day at the "Dundas Plowing  
Match" as the annual event is  
famously known, and will be  
a strong threat to take the title  
again today. Mr. Mills is also  
a veteran of many years in Can-  
adian plowing matches, and is  
always a strong competitor.

The P.E.I. Plowing Match and  
Agricultural Fair Association, as

it is known officially, has the  
promise to make next year's  
Centennial match at Dundas the  
best ever. There was some in-  
dication the genial Scot had a  
plan in mind which he was to  
discuss with the fair officials,  
though that was only specula-  
tion.

**OPENED BY GOVERNOR**  
The match was officially open-  
ed by Lieutenant-Governor W.  
J. MacDonald, himself a former  
Kings County boy, who com-  
plimented the association on the  
fine record it has established  
through the quarter century of  
operation.

Other speakers included S. C.  
Wright, deputy minister of agri-  
culture; Melvin McQuaid, MP  
for Kings, Heath Macquarrie,  
MP for Queens and Preston Mc-  
Lure, MLA of Montague.

Leslie Hunter, Strathcona  
presided in his capacity of pres-  
ident for the 26th consecutive  
year.

As usual the plowing match  
and agricultural fair attracted  
thousands of visitors. Veteran  
observers and fair goers sug-  
gested the crowd was up to the  
usual opening day in size, and  
that means a really good at-  
tendance.

### Dief Plans Quebec Visit

MONTREAL (CP)—Opposi-  
tion Leader John Diefenbaker is  
scheduled to make a brief sweep  
into Quebec today.

Mr. Diefenbaker is due to at-  
tend a convention tonight in Jo-  
lette, 40 miles northeast of  
Montreal, at which a candidate  
will be nominated for the local  
constituency by the opposition lead-  
ers' Progressive Conservative  
party. A speech by the party  
leader is on the convention  
agenda.

## Gemini Pilots Have Busy Day

By RONALD THOMPSON  
CAPE KENNEDY, Fla. (AP)  
Gemini 11's two astronauts  
raced towards a fiery ride home  
today after they spent their  
final day aloft scouting record-  
high horizons, napping with the  
hatch open, and twisting weirdly  
along lassoed to a rocket.

U.S. astronaut Charles Con-  
rad and Richard Gordon blazed  
to an altitude record of 850  
miles, getting man's first view  
of earth horizon - to - horizon,  
then set a record for time spent  
by any man outside an orbiting  
spaceship.

Gordon poked all but his legs  
from Gemini 11 for two hours  
and eight minutes, snapping pic-  
tures. He and Conrad cat-napped  
during slack periods, whipping  
along at 17,500 miles an hour,  
with the hatch open.

Mission control revealed that  
the U.S. Air Force identified an  
object spotted by the astronauts  
Tuesday as Proton III, a large  
Russian satellite weighing more  
than 12 tons. The Soviet vehicle  
came within 279 miles of them.

**Molson's Death  
Said Accidental**  
IVRY, Que. (CP)—A coroner  
has ruled the death of Percival  
T. Molson accidental, it was  
disclosed Wednesday.

Mr. Molson, 45-year-old presi-  
dent of Molson Breweries Ltd.,  
was found dead, Monday, the  
victim of a shotgun blast.

His body was discovered by a  
caretaker at the Molson sum-  
mer cottage near this commu-  
nity 45 miles north of Montreal.  
Dr. Jean Louis Tailleux, the  
coroner, said he had conducted  
an official inquest without a  
jury.

The coroner quoted a report  
from provincial police as say-  
ing Mr. Molson was in bush  
clothes and apparently had been  
testing the gun, which was a  
recent purchase.

George Campbell, Primrose  
took the 3-sod tractor plow event  
and the tractor hydraulic plow  
class, Arthur Taylor, Strathcona  
took top place in class for boys  
or girls under 16 years.

This event supplied an oddity  
in that the third place finisher,  
Merrill MacLeod, Forest Hill  
had the best crown, best finish  
(Continued on page 3, col. 8)

## Shaw Views Ottawa Proposal For Island Finances Alarming

"I have not yet received the  
full text of the statement of Fi-  
nance Minister, Hon. Mitchell  
Sharp regarding the policy made  
public Tuesday night on fiscal  
arrangements with the provin-  
ces," opposition leader W.R.  
Shaw said yesterday.

"The merger details provided  
in the press are extremely  
alarming as far as our province  
is concerned. The proposed  
treatment of New Brunswick,  
Nova Scotia, Newfoundland and  
Quebec indicate what would ap-  
pear to be reasonably generous  
treatment. No mention was  
made of any amount indicated  
for P.E.I. but the province is  
linked in the report with Mani-  
toba, which, under the plan,  
would receive an increase of  
less than \$2,000,000. In the light  
of this, the allocation to our  
province would be very small. It  
is also stated that the specific  
grants to the Atlantic Provinces  
would be abandoned. What is to  
take their place? And why is no  
mention made of the amount of  
a substitute and an increase  
stipulated in our case?"

He continued "the late provin-  
cial government had been pres-  
sing Ottawa for six years to re-  
cognize the difficult conditions  
under which we have laboured.  
For the past two years that gov-  
ernment prepared an exhaustive  
statement regarding our needs  
and a number of meetings were  
held with Ottawa authorities in  
this connection. It was our  
strong contention that the Island,

in view of its disabilities and li-  
mited resources, should receive  
treatment of a very generous na-  
ture and that treatment should  
be in the vicinity of \$5,000,000  
extra revenue annually, based on  
the amounts indicated for the  
other eastern provinces."

Mr. Shaw added "I can only  
trust that the disach which I  
have read does not provide a  
true picture of Ottawa's intent.  
If my suspicions are correct it  
will mean the withdrawal of pol-  
icies and programs planned for  
the future of this province."

"With a strong and detailed  
statement in the hands of the  
federal authorities, much will  
depend on the presentation to be  
made to the government during  
the meetings.

"I have been led to believe  
from Premier Campbell, that  
large amounts of money are and  
have been waiting for us from  
Ottawa, but that the Conserva-  
tive government made wrong  
approaches and antagonized fe-  
deral authorities. We shall now  
see what two governments pull  
together in line, will do toward  
solving this fiscal problem. I  
trust it will not be another re-  
petition of the treatment given  
provinces during the 1950's.

"The time is right to take a  
two-listed stand in our defense.  
We are a small province but  
nonetheless a partner in Con-  
federation and entitled to stan-  
dards of service and treatment  
that doesn't mark our people as  
secondary citizens.

"Something more drastic than  
a servile attitude based on pol-  
itical loyalty is necessary to se-  
cure our rights in the Canadian  
family circle."

**Queens MP Declares  
Formula Iniquitous**  
"The Dominion Government's  
new taxation formula as re-  
leased by Finance Minister Sharp is  
iniquitous and inexplicable,"  
declared Heath Macquarrie, MP  
for Queens yesterday.

"The concept of flexibility and  
the recognition of differing tax  
potential as among the provin-  
ces is a worthy one and an es-  
sential ingredient of a federal  
structure such as ours.

"But how a formula purport-  
ing to recognize these factors  
should leave Prince Edward Is-  
land with such a minuscule in-  
crease is baffling beyond de-  
scription.

"Our province has obvious and  
meritorious claims to far better  
treatment.

"Mr. Sharp's announcement is  
complex and involved but I am  
doubtful if any formula can be  
found to justify our receiving a  
measure of assistance so far be-  
low that of other provinces.

"Possibly our tiny portion is a  
result of another of those errors  
or miscalculations for which the  
Pearson Government is becom-  
ing noted. One hopes it is not a  
deliberate slighting of the needs  
of the people of this province.  
Such a performance is scarcely  
in accord with the concept of co-  
operative federalism which Mr.  
Pearson used to speak about so  
often.

"The allocation to our province  
is palpably unfair and painfully  
inadequate.

"I trust this will be the atti-  
tude of our representatives at  
the Dominion Provincial Tax  
Structure Conference now in pro-  
gress."



MISS DORIS Hunter, Dun-  
das, is seen here being crown-  
ed by last year's Queen of  
the Furrow, Miss Carolyn  
Campbell, Whim Road, yester-  
day afternoon at the Dundas  
Marsh and Jean MacKay of  
Strathcona.

## Dundas Girl Is Selected 1966 Queen Of Furrows

A young Dundas girl, Doris  
Hunter, was chosen Miss Queen  
of the Furrows for 1966 yester-  
day by a panel of three judges  
at the Dundas Plowing Match  
and Agricultural Fair. She re-  
presented Matthew and Mac-  
Lean's General Store in Bridge-  
town.

The other two girls in the  
contest will act as princesses  
with Miss Hunter for the coming

year. They are Ethel MacLean,  
Des Gros Marsh representing the  
district of St. Georges and  
Jean MacKay, Strathcona re-  
presenting the local Canadian  
Imperial Bank of Commerce.

To win this competition the  
girls had to enter into a tractor  
and a plow contest, and make a  
brief speech. Beauty and poise  
was also essential.

The judges were Hartwell  
Daley, Bennett Carr and Mrs.

Charles McQuaid, all of Char-  
lottetown.

They said it was a privilege  
to have the job of judging such  
talented young ladies—but, it  
was not an easy task.

Directors of the match ex-  
pressed the opinion yesterday  
that the contest was an im-  
portant asset to the fair and it  
was hoped that there will be a  
lot more entries next year.

### COMMONWEALTH MAY WIN

## Unity Near On Rhodesia

LONDON (CP)—Britain said  
Wednesday night unless rebel-  
lious Rhodesia knuckles under  
within a secret time limit it will  
be hit by United Nations selec-  
tive mandatory sanctions.

The threat was contained in a  
communiqué issued on the ninth  
day of the 10-day Common-  
wealth conference, dominated  
by the issue of Rhodesia, which  
seized independence from Brit-  
ain last Nov. 11.

The communiqué—setting out  
agreements and disagreements  
on the dangerous Rhodesian  
question—said Prime Minister  
Wilson of Britain agreed there  
would be no independence be-  
fore majority rule "if the people  
of Rhodesia as a whole were  
shown to be opposed to it."

This represented Wilson's ef-  
fort to meet the demands of  
Afro-Asian Commonwealth lead-  
ers that Rhodesia never be  
granted legal independence ex-  
cept on the basis of majority  
rule, meaning Negro rule.

Whites are outnumbered 20-to-1  
in the south-central African  
territory of more than 4,000,000.

**REPORTS ACCORD**  
"The conference came up  
with a significant measure of  
practical agreement," said Ar-  
nold Smith, Toronto-born Com-  
monwealth secretary-general,  
told a press conference.

"There was a very important  
degree of co-operation to get  
practical results in the field  
of Rhodesia."

The Rhodesian affair was a  
"struggle between the Common-  
wealth and Ian Smith," prem-  
ier of the breakaway colony's  
illegal regime.

"It is still my feeling that the  
Commonwealth is going to  
win," Smith said.

The communiqué reflected in  
several places differences of  
opinion at the 22-country meet-  
ing—biggest conference held in  
the history of the Common-  
wealth. Afro-Asian countries,

far in the majority, differed  
from Britain, which was gen-  
erally supported by Malta, Malay-  
sia, New Zealand and Australia.

**ACTED AS MEDIATOR**  
Canada's Lester Pearson  
played a decisive mediation  
role, so that Canada did not fit  
easily into one side or the other.

"They remain unanimous on  
the objective that the rebellion  
in Rhodesia must be brought to  
an end speedily," the commu-  
iqué said of the assembled lead-  
ers.

"Most of the heads of gov-  
ernment expressed their firm  
opinion that force was the only  
sure means of bringing down the  
illegal regime in Rhodesia.

"Others, however, shared the  
British government's objections  
to the use of force to impose a  
constitutional settlement, while  
agreeing that it was not ruled  
out where necessary to restore  
law and order."



WINS AGAIN WITH MOTHER, DAUGHTER TEAM

Trulove Taylor of Upton is  
seen here proudly displaying  
his mother and daughter team

that captured first prize  
yesterday in the Gang Plow  
Class at the Dundas Plowing  
Match and Agricultural Fair

As far as could be learned last  
night the above team has won  
the Single and Gang Plow  
classes for the last 20 years.