



KEEPING THE PEACE ON SUBWAY TRAIN

A police dog, "Sherlock" and his handler, Police Officer Robert Wallrath, ride a Philadelphia subway train early Thursday in a new move to curb disturbances on subway trains and in stations. The teams of officers and dogs were ordered after a 15-year-old girl was attacked as she waited for a train. (AP Wirephoto)

Huge Deficit Next Year Predicted By Tax Group

TORONTO (CP)—A deficit of at least \$250,000,000 and possibly as much as \$400,000,000 could be in the books for Canada during the next fiscal year, assuming present tax rates and expenditure programs, the Canadian Tax Foundation said here. Publishing its annual budget forecast and review, the Foundation also predicted a deficit for the current fiscal year ending March 31 of \$148,000,000 instead of the \$455,000,000 originally outlined by Finance Minister Gordon in his budget address last March 16.

The forecast, which makes no attempt to predict possible tax changes in the next budget address, said revenues during the next fiscal year can be expected to rise by a little more than \$200,000,000 to \$7,350,000,000.

This was based on an expected rise in the gross national product—total value of all goods and services produced in the country—of about six per cent. Expenditures are expected to rise more rapidly than revenues in 1965-66, the foundation said. It suggests spending will run to between \$7,600,000,000 and \$7,750,000,000.

WILL BE HIGHER
At the lower level expenditures would be \$325,000,000 higher than the foundation's estimate of outlays for the current year—"a little more than the average annual increase over the past five years."

"It is quite within the realm of possibility that they may rise by another \$100,000,000 or \$150,000,000 if all the anticipated increases occur and some new programs are undertaken," the foundation added.

Of the general outlook, the foundation said if the economy does not reach its full potential "the present tax rates will not produce enough revenue gains to cover what seems to be an inexorable annual rise in expenditures."

"In this case a succession of budgetary deficits of the order experienced in recent years can be expected. If, however, general federal fiscal measures—tax cuts and/or increased expenditures—are to be used in an effort to attain potentials, even larger deficits may be in store until 'potential' is reached."

Regarding 1965-66 the foundation said if Mr. Gordon "still

years for balance in the traditional budgetary accounts he has very little room for tax cuts."

But recent events, including tax cuts in the United States and the report of the Economic Council of Canada may lead him to believe that budgetary deficits are not an unmitigated evil and may even be the road to the achievement of potential.

"In this theoretical context the room for tax cuts or expansionary spending policies is limited only by the fear of inflationary pressures and their consequences in terms of internal and external confidence and Canada's competitive position in world markets."

The foundation estimated revenues for the current fiscal year at \$7,127,000,000, a gain of nearly \$900,000,000 from 1963-64 instead of \$450,000,000 as in Mr. Gordon's original forecast.

The surge of new income could have wiped out the finance minister's forecast deficit of \$455,000,000, the foundation said.

PRAISE LIKELY
However, the introduction of new programs, increases in existing ones and year-end adjustments would likely raise expenditures this fiscal year to about \$7,375,000,000 leaving a deficit of \$148,000,000.

The foundation said 85 per cent of the revenue gain over Mr. Gordon's originally forecast increase for the current fiscal year came from sales, income and corporation taxes.

"The minister's forecast for each of the first two appears to be almost \$100,000,000 short. He seems to have underestimated corporation tax receipts by about \$165,000,000."

For the coming fiscal year, the foundation said it had to prepare its forecast without the benefit of having the main estimate available in time. Without them there was no precise guide to government programs.

However, it estimated about \$200,000,000 could be deducted from the current year's spending for programs that were being cut back, but another \$500,000,000 would have to be added "for increases which seem inevitable."

The decreases included a net saving in federal conditional payments to Quebec of about \$165,000,000 following Quebec's opting out of some shared-cost programs in return for a tax abatement, and a decline in defence expenditures, shipbuilding subsidies, vocational school buildings and international peace-keeping operations.

CORN WIDESPREAD
Though a native American grain, corn is more widely cultivated around the world than any other crop.

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Building Subsidy Boosted On Wooden Fishing Vessels

OTTAWA (CP)—The fisheries department announced here subsidies to assist construction of wooden fishing vessels over 100 tons will be increased April 1 to 40 per cent of the approved cost from 35.

In the past, assistance for construction of fishing vessels over 100 gross tons had been administered by the Canadian Maritime Commission, transport department through the ship assistance program. Smaller fishing vessels were assisted by a fisheries department program.

The announcement said assistance to wooden fishing vessels over 100 tons will now be under the fisheries department in a move to co-ordinate the two programs. Assistance to steel trawlers over 100 gross tons will remain under the Canadian Maritime Commission but the present rate

of a 50-per-cent approved construction subsidy for trawlers operating out of Atlantic ports will be extended to any port in Canada.

This extension, the announcement said, represents an increase in the subsidy to 50 per cent from 35 per cent for steel trawlers operating out of Pacific and inland ports. It's hoped the move will encourage greater exploitation of groundfish resources off the Pacific coast.

BEDEQUE

Mrs. Daniel Noonan, celebrates her 89th birthday on March 14.
Mrs. Annie Blackmore is confined to her home through illness.
Arthur Murray, Pine Hill student.

P.E.I. Fluid Milk Association NOTICE
Semi-Annual Meeting

Members, both producers and processors are advised that the semi-annual meeting is called for Wednesday, March 17th at 2:30 p.m. at the Charlottetown Hotel.

All fluid milk producers are invited to attend.
P.E.I. Fluid Milk Association

dent, spent the weekend with his family here.
Mrs. J. Harrison MacFarlane, has entered Prince County Hospital for treatment.

Mr. and Mrs. George Dickieson, New Glasgow, were recent guests at the home of Mrs. Florence Henderson. Mr. Dickieson is a nephew of the late Charles Dickieson who was over 100 years old at the time of his death.

A flu epidemic is prevalent in this village.

What Is Your Hearing Score?

1. Do you have trouble understanding the speaker at church meetings? () Yes () No
2. Do you sometimes fail to hear the telephone or doorbell ring? () Yes () No
3. Are you sometimes confused in group conversations? () Yes () No
4. Would you frequently like the TV, radio or movie a little louder? () Yes () No
5. Are you one who hears but does not always understand? () Yes () No

Allow 20 points for each NO answer. If your total score is less than 80 points, you are eligible to receive a TV-radio listening device that fits in the ear and greatly improves your enjoyment of TV and radio programs. This public service is reserved for the hard-of-hearing. Special \$4.95 value, only \$1.95. To receive your hearing device, clip out your test paper and mail it with 22 and your name and address to:

ATLANTIC RADIO, TV HEARING DEVICE
P. O. Box 73
Halifax, Nova Scotia

WHAT HAPPENED TO PEARSON?

Unhappy Warrior Series Slated For The Guardian

Twenty three months ago—as he won for the Liberals the political race for power with a daring pledge of "Sixty Days of Decision" and ended the Diefenbaker Years — he was the nation's darling. His virtually continuous cabinet sessions seemed to set a Kennedy style in Ottawa. A distinguished political scientist called the man around Pearson "the most impressive array of brains and professional experts ever assembled in a Canadian cabinet." Canadians sensed a new purpose.

Where is that purpose now? How did the Liberal look turn sour?

How did the supremely confident team of the 60 days turn into the anxiety haunted cabin that watched over the Hal Banks escape, the Dupuis case, the immigration department scandals, and the affair of Lucien Rivard?

These are some of the questions Peter C. Newman, Canada's outstanding political columnist, will deal with in a searching new series, The Unhappy Warrior, that starts in The Guardian on Saturday.

INSIDE OBSERVER
Newman, whose biting biography of John Diefenbaker "Renegade in Power" became the country's best selling book, has been researching the Pearson series directly for the past two months and indirectly throughout his years as an inside observer of the Ottawa scene.

Hugh MacLennan, distinguished Canadian novelist, called Renegade in Power "certainly the most remarkable biography I have ever read of any Canadian. The clarity, the completeness and cohesion of the portrait give 'Renegade' the great internal authority of a work of art." This authority is carried through into Newman's examination of Pearson's performance



PETER C. NEWMAN

as Canada's 14th Prime Minister—the performance in which he appears as an unhappy warrior.

Newman discussed Pearson's habit of attempting "political high jumps" that have bewildered his associates.

He tells why Pearson refuses to drop old friends — even when they have let him down politically.

He tells about the high ranking cabinet minister who offered to resign and was talked out of it by Pearson — even though it

would have been advantageous to drop the man.

This revealing and important series begins in The Guardian on Saturday. Don't Miss it.

BORN IN VIENNA

Mr. Newman was born in Vienna in 1929 and emigrated to Canada with his parents at the age of 11. He was educated at Upper Canada College and the University of Toronto, where he obtained a Master's degree in economics.

He has worked underground as a gold miner in Northern Quebec, was once assistant magician at Eaton's toytown in Toronto and served as a lieutenant in the Royal Canadian Navy. He began his career in journalism as an assistant editor of The Financial Post before joining Maclean's in 1967.

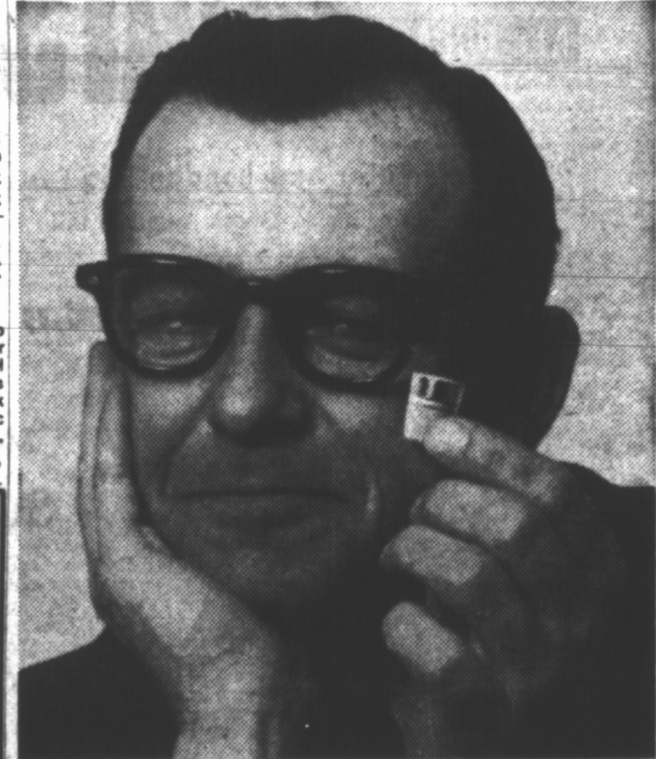
His wife is Christina McCall Newman, a well-known magazine writer and they have a seven-month-old daughter.

FOOD POISONING
There were 1,528 reported cases of food poisoning in Canada in 1964.

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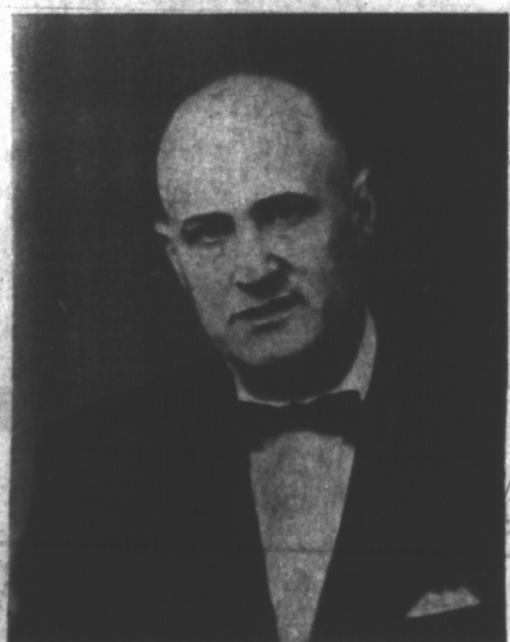


"It would fit into a thimble"

"What I know about investments would scarcely fill a thimble. Yet I'm in the market with some mighty good investments, too—thanks to Eastern & Chartered Trust's Investment Fund, designed specifically for fellows like me, with a nest egg saved up but lacking in time and know-how as to when and how I should invest my money. Now I can relax knowing that experienced investment specialists are investing my money for me in good, sound firms like Bell Telephone, Noranda and many others. I pay no admission or withdrawal charges either—only a modest annual fee. Take a market tip from me. Drop into an Eastern & Chartered Trust Office or send coupon below."

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R. J. Cross wishes to announce the opening of the "SANDWICH SHOP", formerly E. A. Foster's Coffee shop on Grafton Street, adjacent to Taylor's Jewellers.

It will be under the management of Mr. Donald Waddell who is a most efficient and capable man in his field. We will be specializing in a full line of Sandwiches as well as Lunch Counter Service.

We will also feature a take out service of Sandwiches for receptions, clubs, parties, at reasonable price. Quality and efficiency assured.

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OPENING DATE: MARCH 15th, 1965



Telstar? Bathysphere? Fishbowl?

No... it's CN's New 'Skyview' Car!

Something new that's been added to the Scotian CN's famous name train between Montreal and Halifax. Leaves Moncton 6 p.m. and 10.40 p.m. daily. The brand-new Skyview car (there's never been anything like it in Canada before!) combines livingroom and bedroom accommodation. These new cars are now operating in regular daily service on the Scotian between Montreal and Halifax. The lounge section in the rear features wrap-around glass walls and ceiling for a sky-high view. There's room to move around, cosy chairs to sink down into, bright-colored furniture.

You can play cards, chat with friends, enjoy a refreshing beverage... all the comforts of 'Traveling' as the miles roll by. The bedrooms, eight of them, are all doubles, well-appointed, spacious. All this luxury in motion comes at no extra cost to sleeping-car passengers. Low Red, White and Blue fares apply of course. Just talk to your Passenger Sales Office for details.

