



Direct Talk With Sharp Scheduled By Campbell

NO NARROWING OF DIFFERENCES

Federal Stand Unmoved On Financial Proposals

By DENNIS ORCHARD
OTTAWA (CP)—Finance Minister Sharp reported Thursday night after two days of tax discussions with the provinces that the federal government has not budged on its proposals.

Delegations at the important federal-provincial meeting had "disputed, argued and defended" their positions, he said. "There were very sharp differences of opinion."

Neither Mr. Sharp nor any of the provincial delegation leaders—which include seven premiers—have held out any hope for a solution of the fiscal differences before the full federal-provincial conference scheduled for November.

Note of the provinces had agreed to federal proposals for changes in shared-cost programs that would put a greater onus on the provinces.

He outlined machinery he will start in motion to frame Quebec's proposals for rewriting the constitution of Canada.

But some decision must be made before Jan. 1, 1967, on new agreements to replace the existing arrangements. Several provinces at the conference suggested that some sort of interim arrangement, perhaps covering a year, be drawn up to allow more time to work out a proposal that would bind Ottawa and the provinces for five years.

Neither Mr. Sharp nor three provincial premiers who attended a news conference at the conclusion of the meeting indicated any narrowing of differences on the other two main issues—the way the two levels of government will share direct taxes in future and the kind of formula that should apply in future for equalization payments to low-income provinces.

Mr. Sharp told the press conference that an interim, one-year agreement continuing terms of existing tax-sharing arrangements was supported by only one province.

Premier Alex Campbell of Prince Edward Island, Duff Roblin of Manitoba, Ross Thatcher of Saskatchewan and W. A. C. Bennett of British Columbia left immediately after the meeting to catch planes home.

Premier Daniel Johnson of Quebec was anxious to tone down interpretations of earlier statements that he is preparing a constitutional bomb to throw at the rest of Canada.

He stood by the fiscal demands he had just made at the meeting of the federal-provincial tax committee, but said Quebec is not threatening to secede from Canada if they are not met.

Premier John Roberts of Ontario and Alberta Premier E. C. Manning were the only other premiers at the press conference.

Prime ministers recorded their view that events were throwing into ever sharper relief the need for firm and far-reaching agreements on disarmament, said a communique issued at the end of the 16th Commonwealth prime ministers conference.

The reference to France and China was the only surprise in the lengthy communique of the 22-country conference, dominated until the final day by the Rhodesian question on which a separate statement was issued Thursday night, envisaging tougher action.

Despite bitter clashes and unresolved differences on Rhodesia, the 10-day conference ended with what Prime Minister Pearson, chief mediator, described as "an astonishing feeling of goodwill and faith."

This was based partly on the accomplishments of the meeting and partly on relief at what was avoided—the breakup of the family of nations with its total population of 750,000,000.

The prime ministers, presidents and ministers once more condemned as "oppressive and discriminatory" the racial policies of South Africa, which quit the Commonwealth in 1961.

This action came within only two days of the appointment of Justice Minister Vorster as South Africa's prime minister, succeeding the assassinated Dr. Hendrik Verwoerd.

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The projects fall under the Agricultural Rehabilitation and Development Act and form the first comprehensive rural redevelopment undertaken in Canada.

It says a major feature of the project is to beam closed-circuit educational television into the sparsely-settled redevelopment areas, mainly inhabited by marginal farmers and fishermen.

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The newspaper says the low level of education is considered to be the main handicap of the two areas.

Planned communities will be established in the project areas, the newspaper adds. Farmers and fishermen will be given the chance to train for new jobs and educational opportunities will be offered them.

He declined further comment on the postponement, which has been opposed by some Liberal party members, saying he wanted to deal with the matter through personal contact when he returned tonight.

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Runner up yesterday was the veteran plowman, and many times champion, Edwin Mills of Rollo Bay. Mr. Mills was runner up for the Island title in 1965.

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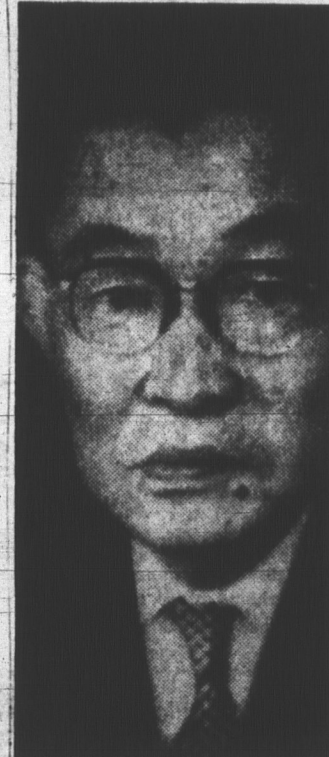
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NEW ENVOY

"An important job is an important country," is the Japanese diplomat Osamu Itagaki described his appointment as Japanese Ambassador to Canada. Interviewed on the eve of his departure for Ottawa, Itagaki calls the Canadian capital a "desired post."

Plowing Championship For Kings Is Won By St. Peters Resident

William MacInnis, St. Peter's, won the Kings County plowing championship at Dundas yesterday when he earned the first place nod from judges David Peacock and Raynal MacNeill.

This marks the second time the St. Peter's man has won the county title, though he was runner-up on several occasions, and finished in strong placings behind second on several occasions.

Mr. MacInnis won the Prince Edward Island championship approximately five years ago, when he represented the Island in the Canadian championships and finished seventh, a creditable placing in the strong national competition.

Mr. Mills had the best finish. Mr. Burke the best crown and Dan MacInnis the straightest furrow.

Truelove Taylor, Upton maintained his supremacy when he placed first in the class the single-furrow plow. He had won the grand plow on Wednesday. This year he has been winning with horse-drawn plows for many years.

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Preston Bryenton, Rollo Bay repeated his 1965 victory in the class for best draft team hitched to a wagon. His pair of bay Clydesdales took the nod over John Gillis's fine team from Forest Hill. Mr. Bryenton had four first placings in the class for horses. His showy team won the red ribbon last year against the same strong opposition.

Russel Mills, Annandale topped the class for general purposes with a beautifully turned Chestnut golden mare. This attractive animal took the same class last year.

The Taylors can always be depended on to have good horses and Bert Taylor, Upton had the best plow team over 2,500 pounds. The best light plow team was shown by Garfield MacLeod, Forest Hill.

The provincial championship match will be contested next Thursday afternoon at the Jim Robertson farm in Alexandra. The Queens County champion will be decided at the same location on Wednesday. The dates are September 21 and 22.

An added feature this year will be the match for mounted plows to be contested on a provincial basis. A large farm machinery company is sponsoring this match.

In potato classes the veteran



WILLIAM MACINNIS of St. Peter's yesterday won the Kings County plowing championship. Island champion some

five years ago, he has twice competed in Canadian championship contests. He won the crown yesterday by defeating

Edwin Mills of Bay Fortune, who took the runner-up spot. The St. Peter's man has been plowing competitively for upwards of 10 years.

EQUALITY OR INDEPENDENCE

Quebec Premier Johnson (RIGHT) and Finance Minister Dozois are engaged in whose front page headlines read "equality or independence", as the two men prepare for Thursday's session of the federal-provincial fiscal conference at Ottawa. Premier Johnson said following

Wednesday's meeting that his government will move to bring about a "two-nation" state unless acceptable fiscal agreement is reached. (CP Wirephoto)

Nuclear Testing Deplored At Commonwealth Talks

By JOSEPH MACSWEEN
LONDON (CP)—Commonwealth leaders issued a new plea for disarmament Thursday night and deplored nuclear weapons tests in the atmosphere.

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Gemini 11 Makes Fine Landing After Historic Days In Space

By HARRY NASH
ABOARD THE RECOVERY SHIP GUAM (AP)—Glimting in the tropical sun, the tiny Gemini 11 spaceship guided its pilots to a bull's-eye landing in the Atlantic Thursday, safe and sound from three historic days in space.

Conrad and Gordon kept hands off the controls, letting the spaceship's guidance system guide them through the blazing reentry into earth's atmosphere. It performed well, plunging them to within two miles of the ship.

Within half an hour, the astronauts, wearing sunglasses and navy flight caps, bounded off the recovery helicopter.

A helicopter picked up U.S. Navy Cmdr. Charles (Pete) Conrad Jr. and Lt.-Cmdr. Richard F. Gordon Jr. and deposited them a short time later aboard this recovery ship.

LANDING SEEN ON TV
They came so close, television viewers got a ringside seat of the journey's end with live pictures beamed via the Early Bird satellite. This was the third consecutive Gemini mission that ended within range of TV cameras.

Both men made brief statements, then strolled to sick bay where doctors gave them quick physical examinations. Dr. John Droege pronounced them in excellent condition after 71 hours in space.

Not only did they soar higher—850 miles—and faster than any man, they caught a fleeing Agena target rocket in the quickest rendezvous and linkup ever, then twirled in formation with it tied to them by a cord.

DUE FOR CAPE TODAY
Conrad and Gordon were to get a night's sleep and leave the ship by helicopter today, arriving at Cape Kennedy at 9:30 a.m.

Besides the automatic reentry, the mission scored these manned space records:—Swiftest rendezvous and docking ever staged. Where other chases lasted three and four orbits, Gemini 11 caught a fleeing Agena target rocket in less than one.

They circled the globe 44 times since being launched from the Cape Monday. The trip ended as the other manned flight—with the spacecraft doing all the work.

—First rendezvous accomplished using solely radar, computer and guidance equipment on board. Other astronauts have had computerized help from mission control at Houston, Tex.

—The first time two satellites have been tied together with a tether, then set spinning in formation flight.

Long Term Study Underway Of Charlottetown Airport

CAPITAL BUREAU OF THE GUARDIAN
OTTAWA—The federal department of transport is engaged in a long term study of the Charlottetown airport, an official of the department said here Thursday. But he emphasized that it will be a long time before any decisions are reached on a possible expansion and development program.

It was explained that the department operates from five to 10 years into the future on the studies so that it would be quite some time before the Charlottetown situation had been fully assessed to a point where any decision would be taken on either the runways or the terminal.

The fact Gordon's walk in space Tuesday had to be trimmed to 44 minutes, less than half the time planned, has caused some concern to NASA officials.

Two separate studies are being conducted. One involves the runways and the possible need to lengthen and strengthen them. The other is dealing with the airport terminal complex and the possibility that some enlargement and improvement is required.

Dr. Robert Gilruth, director of the Manned Spacecraft Centre in Houston, said: "From this flight all we can conclude is we still have a lot to learn and that we aren't quite sure what it is we're missing."

The spokesman said that the economics branch of the depart-

ment also does special economic studies to determine if the traffic development in the future would warrant large expenditures.

Union Will Talk To PM On Ferry

MONCTON (CP)—An official of the Canadian Brotherhood of Railway, Transport and General Workers Union said Thursday the union plans to seek talks with Prime Minister Pearson and Transport Minister J.W. Pickersill concerning a suggestion that control of Canadian National Railways' ferry service to Prince Edward Island be turned over to the transport department.

The Borden local expressed concern over the Premier's action and one official suggested it was a reprieve against union members for refusing to man the ferries during the early stages of the national rail strike. The service was tied up for about five days during the strike before parliament issued its back-to-work order.

L.H. Abbott, general chairman of the CBRT's Atlantic Region, said he has received correspondence from the union's 451-member local 127 at Borden, P.E.I., protesting the suggestion by P.E.I. premier Alex B. Campbell.

Meanwhile, Barry Hand, CBRT field representative for the New Brunswick—Prince Edward Island area, was scheduled to leave here today for talks with William Smith, the union's national president.

20 Men On West German Sub Feared Lost In North Sea

THE HAGUE (Reuters)—Twenty of the 21-man crew of the West German training submarine Hai (Shark) are feared to have been lost when the vessel sank suddenly in a fierce north sea gale Wednesday night.

The sole known survivor, 23-year-old seaman Pieter Silber-nagel, was picked up by the British trawler St. Martin early Thursday after being in the water for 13 hours.

A huge sea and air search was launched for possible survivors in the area of the sinking, about 200 miles from the northeast coast of England.

A Danish helicopter reported that the bodies of two West German seamen were found in the disaster area and put aboard a West German ship. The sea was covered by an extensive oil slick and there was a patch of rising air bubbles.

Interviewed by radio while aboard the St. Martin, Silber-nagel told a dramatic story of how he escaped from the 230-ton Hai, which 21 years ago, at the end of the Second World War, was scuttled by its German crew but later brought up and reconstructed as West Germany's first post-war submarine.

He said he had dubbed it the "skunk bounty" formula because it provides little more for P.E.I. than enough to meet the province's bounty on skunks.

Increase In Grants Will Be Objective

CAPITAL BUREAU OF THE GUARDIAN
OTTAWA—Premier Alex Campbell has scheduled a meeting this morning with Federal Finance Minister Mitchell Sharp to carry the Island's financial message to Mr. Sharp on a personal basis.

He told the Ottawa Bureau of The Guardian that he intends to make a plea for increased supplementary grants for the province, based on P.E.I.'s fiscal need which is not recognized by the present or proposed tax sharing formula.

The two-day federal-provincial conference wound up Thursday without any specific agreement on a tax sharing formula. The premiers are expected to meet again with Prime Minister Pearson for a high level attempt at a new formula in mid-October.

Under the federal proposal P.E.I.'s share of taxes would rise by only \$200,000 from \$10.4 to \$10.6 million including the Atlantic Provinces adjustment grant. The Atlantic grant as such is to be discontinued under the proposal but the amount P.E.I. receives from it would still be included in its revenue from the federal government.

Premier Campbell said that until such an agreement can be reached P.E.I. is hopeful it can be guaranteed additional financial assistance to meet the needs of provincial development.

He is the last man who should be surprised. Before leaving office his government ought to have been aware of the proposed new formula which was made known to all provinces some time ago," Mr. Campbell said. "During the recent provincial election campaign, the leader of the Conservative Party maintained that the financial position of the province was strong and there would be no difficulty in financing their election promises including the old age supplementary allowances. However, the projections prepared by the provincial tax officials and available to Mr. Shaw revealed mounting deficits in the first year of \$9 million and increasing to approximately \$16 million in five years' time."

Premier Campbell said it had been reported to him that Opposition Leader Walter Shaw had expressed surprise and dismay at the \$200,000 increase proposed for the Island.

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