Provinces Said 'Pushed' Into Shared-Cost Schemes

By DON HANRIGHT

FREDERICTON (CP) — The extent to which Ottawa is "pushing" the provinces into shared-cost health and welfare schemes was questioned here by the New Brunswick government.

Provincial Treasurer L. G. DesBrisay said this province would prefer more emphasis on federal contributions to regional economic - development programs.

He made the statement to the royal commission on banking and finance.

Mr. DesBrisay said 78 per cent of all the shared-cost plans are concentrated in the field of health and welfare. He implied that when Ottawa offers such a plan providing each province pays half the cost, it is politically difficult to refuse.

"If you don't accept the offer then you get into trouble," noted the commission chairman, Chief Justice Dana Porter of Ontario. He is the former provincial treasurer of Ontario.

ALL ARE GOOD

Mr. DesBrisay hastened to say that all the shared-cost programs are good. And they included not only welfare programs but such things as the Trans-Canada Highway, roads to resources, and technical training facilities.

"But we would like to have a little more choice in the selection of programs that we feel would be more beneficial to the New Brunswick economy," he said.

He specifically advocated federal sharing in provincial schemes to develop tax incentives for new and expanding business, construction of facilities for manufacturing, and possibly guarantees on industrial bonds.

Mr. DesBrisay said industries can locate in New Brunswick and be economically sound—given good management. But many prospective ventures need financial help to get off the ground. The government brief noted that only five per cent of New Brunswick employment is in manufacturing.

Commissioner W. Thomas Brown, a Vancouver investment dealer, suggested that some parts of New Brunswick already are economically successful and that new industries would locate in such areas, increasing the economic disparity inside the province itself.

MUST CONSIDER PROFIT

That could happen in some cases, Mr. DesBrisay conceded. But he added that many industries could locate anywhere in the province and still be just as profitable. First consideration was profitability, not location.

He replied with a flat "no" when asked by Chief Justice Porter whether the federally operated Industrial Development Bank could help. Mr. DesBrisay said he was thinking of resource - based industries whose needs were beyond the individual loan limits imposed on the IDB.

"A smelter, for example?" asked commissioner J. C. MacKeen of Halifax, chairman of the board of the Nova Scotia Light and Power Company.

"That might be one," answered Mr. DesBrisay. "There are others."

Asked about provincial efforts in this direction, Mr. DesBrisay said the province's financial structure does not permit the government to go as far as it would like. But it did guarantee some business loans from the banks, and municipalities were providing tax incentives.

EMPHASIZE FISCAL ACTION

The province said monetary policies can play only a minor role in uplifting relatively poorer regions such as the Atlantic provinces. The emphasis would have to be on federal fiscal action—taxing and spending policy.

Such action would have to be on two fronts: One aimed at long-term improvement of the New Brunswick economy; the other, enabling the provincial government to "maintain an appropriate level and quality of services" until there is such improvement.

The brief was critical of federal monetary-restraint decision in recent years, when credit was rationed nationally in order to guard against the inflationary potential of excess expansion in Ontario. New Brunswick did not have such a problem and yet it suffered the consequences.

Dollar Peg Brings Boost In Trans-Ocean Air Fares

By STEWART MacLEOD

OTTAWA (CP)—After July 16 Canadians will pay about seven per cent more for trans-ocean air fares.

Such a request by the International Air Transport Association, originally filed about three weeks ago and temporarily shelved by the air transport board spokesman said.

The increases are being brought about because of the Canadian dollar's decline in relation to the U.S. dollar. Basic agreements on international air fares are made in terms of American money.

The increases are roughly equal to the difference between Canadian and American money although the spokesman said some fares vary slightly from this.

A Montreal-London economy class return fare will cost $494.30 after July 16. The present rate is $457.20.

RASH OF BOOKINGS

When the IATA originally filed its request it said that, with air transport board approval, the increases would go into effect June 1. Member airlines immediately reported a rash of early bookings as Canadians headed for Europe before the new rates became effective.

The board, however, said that the request was not well enough documented, and it requested additional submissions. Trans-Canada Air Lines and Canadian Pacific Airlines filed briefs, and approval to these airlines automatically meant approval to all members of IATA which fly overseas flights in and out of Canada.

Fares between Canada and the United States are not affected. These fares are set by agreements between the two countries and do not come under IATA.

Air freight will also be affected. A 100-pound shipment from Montreal to Paris, now $72, will be increased by $6.

AIRCRAFT CENTRE

First and largest of its kind designed for turbine aircraft is the $20,000,000 engineering and overhaul base at Montreal International Airport.

Air Services Are Approved

OTTAWA (CP) — The air transport board has approved several applications for international services by charter air companies, it was announced here.

Airways, Inc., of Morris, Ill., has been granted a licence to operate a commercial air service from Morris and Chicago to Quebec City, Montreal, Ottawa, Toronto, Red Lake and Kenora, Ont., Winnipeg, Regina, Saskatoon, Edmonton, Calgary, Medicine Hat, Lethbridge and Port McMurray, Alta.

Bar Harbor airways Inc. of Trenton, Me., received an extension of its Canadian licence for a five-year period ending July 28, 1967.

An applications by a Canadian group for a licence to operate proposed charter air service also was approved. Eric Campbell, Evan Millar, Dr. Charles Dewar, Sgt. Roy Sharkey and David Florian were licensed to lees Limited, based at Charlottetown.