

"Covers Prince Edward Island Like The Dew"

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# Hard Ride Is Promised In Bank Act Revision

## Medicare, Aged Aid Due Next On Agenda

OTTAWA (CP)—A hard ride for Bank Act revisions under a fast-approaching deadline was the opposition's first promise Wednesday as the fall sitting of the Commons resumed.

Picking up the attack where they left off in July, opponents said the revisions leave many near-banks unsupervised and threaten a "jungle war of interest rates."

Finance Minister Sharp must push the amendments through Parliament by Nov. 30, when the present Bank Act expires.

Before then, his bill must be sent to a Joint Commons-Senate committee for detailed study and recommendations by many financial institutions.

It must come back to the Commons for further clause-by-clause study and will need Senate approval as well.

**PROMISES CO-OPERATION**

Marcel Lebert (PC—Edmonton West) promised the co-operation of the Conservatives, but at the same time delivered a harsh assessment of the revisions.

Colin Cameron (NDP—Nanaimo—Cowichan—The Islands) said his party will demand some form of over-all control of interest levels throughout Canada as a price for supporting the key proposal to free the ceiling on interest rates for chartered bank loans.

The Bank Act is the first item on a fall agenda loaded with important legislation.

Medical care insurance is next. To follow before Christmas are a new minimum income program for the aged, unification of the aged forces and collective bargaining machinery for federal employees.

A baby budget introducing higher taxes is a possibility for October or November.

Abolition of the current six-per-cent interest ceiling on bank loans is the crux of the Bank Act changes, intended to create a more competitive, flexible system of banking and finance.

A new formula would set an adjustable ceiling at a level 1 1/2 percentage points above the average interest yield on short-term government securities.

The rate is to be adjusted half-yearly, starting next Jan. 1.

When the average yield on short-term securities falls below 4 1/2 per cent the ceiling is automatically abolished.

The bill also allows banks to:—Reduce to 6.5 per cent the over-all cash requirement of total Canadian deposits, now eight per cent.

—Lend money on property mortgages, up to 75 per cent of the value of residential properties, with no interest-rate ceiling but with a limit on the total amount they may lend.

—Borrow funds by issuing debentures in terms of at least five years.

—It prohibits interest rate agreements on interest rates to be charged borrowers or paid to depositors. Various restrictions prevent interlocking directorates, outside corporate influence in voting and control of other companies by banks.

**ATTACKS PROVISIONS**

Mr. Lambert centred his attack on provisions promised as separate legislation for a system of deposit insurance. The insurance would apply automatically to chartered banks and federally incorporated banks, but only to provincially incorporated near-banks in the event that the provinces concerned agreed to join the system.

This threatens to leave the trust and loan companies under provincial charter "unfunded," Mr. Lambert said.

Mr. Cameron said removal of the interest ceiling without government action to control interest rates throughout the economy would start a "jungle warfare" that "might be disastrous for our economy."

He indicated his party will not support removal of the ceiling, even though it is in favor of removal, unless the government is prepared to go further. The ceiling had been repeatedly circumvented by the banks under pressure from the near-banks, he said.

Replying to a longstanding NDP suggestion, Mr. Sharp said government advisers have looked into the idea of establishing a measure of control over banks and similar institutions by defining just what a bank is in the Bank Act.

## U.S. Stops Bombing Raids On Viet Nam Buffer Zone

By ALEXANDER FARRELL. UNITED NATIONS (CP)—State Secretary Dean Rusk said Wednesday the United States has stopped bombing part of the buffer zone between North and South Viet Nam in hopes this will lead to restoration of the zone's neutral status.

He told reporters after lunching with UN Secretary-General U Thant that the United States was interested in knowing what would happen if the bombing stopped. There has so far been "no suggestion, no hint" of reciprocal action on the part of North Viet Nam, he said.

A spokesman for Thant said that the secretary-general is making a new effort to end the war. He declined to go into details.

A diplomatic source said Thant is pressing again for an unconditional halt to U.S. bombing of North Viet Nam, immediate reduction of the fighting in South Viet Nam by both sides, and a clear understanding among all concerned that the Viet Cong would be a party to peace talks.

**WANT PEACE SOON**

Rusk told reporters: "We are very interested in a peaceful solution, a prompt peaceful solution."

He said he hoped North Viet Nam would think very hard about U.S. offers, made in the UN General Assembly Sept. 22, to stop bombing the North in return for an assurance of "corresponding" steps by Hanoi in the South, and to accept an internationally supervised, phased military withdrawal of all external forces from the South.

After talking to Thant, Rusk had separate meetings with several Soviet-bloc foreign ministers.

In the General Assembly, Foreign Minister John Lyng of Norway said he detects "a certain general flexibility" in the U.S. position on Viet Nam. He said he might be right in assuming that the American position now is approaching the three-point program of the secretary-general.

It was, therefore, time to ask whether the U.S. and North Vietnamese views were still so far apart they could not be bridged.



MILITIA ADVISER

Lt. Col. Lorne E. Barclay of Ottawa has been promoted to colonel and appointed militia adviser to the commander, Eastern-Ontario District, Col. Barclay has commanded the Cameron Highlanders of Ottawa since January, 1965. (CP Wirephoto from National Defence)

## Ferry Operation Change Possible

**CAPITAL BUREAU OF THE GUARDIAN**

OTTAWA — The government is giving consideration to transferring the Northumberland Strait ferries to the department of transport from the CNR.

James Byrne, parliamentary secretary to Transport Minister J.W. Pickersgill, provided this reply Wednesday in answer to a written question from Melvin McQuaid, MP for Kings.

Mr. Byrne said a suggestion for such a transfer had been received from the government of Prince Edward Island and from other groups and was being given consideration.

But he added that it is difficult to estimate how soon action on the representations might be expected.

The suggestion was made during the weeklong railway strike in early September when CNR crews operating the ferries to Prince Edward Island struck for several days.

Operation of the ferries by the DOT would bring them under close government control and prevent future stoppages of service due to rail strikes.

## Ottawa Yields To Pressure, Increases Subsidy On Milk

OTTAWA (CP)—Under Ontario and Quebec pressure, the federal government has agreed to raise the farmer's return for manufacturing milk another 25 cents a hundredweight next year.

The increase goes into effect next April 1, start of a new dairy year. But Ontario farmers will get the extra money now in a subsidy from their provincial government.

That subsidy will be replaced by the federal increase next year. Meanwhile it will guarantee the Ontario farmer an average price of \$4.33 a hundredweight for his milk at the factory, an increase from the national base price of \$4.08.

Announcing the plan Wednesday, Agriculture Minister Greene said Quebec dairy farmers will benefit next year by four cents a hundredweight.

He told a press conference the federal increase will replace the current Quebec provincial subsidy that averages 21 cents a hundredweight, although the Quebec subsidy will be continued until the federal subsidy takes effect. The form or nature of the federal subsidy was not disclosed.

Both Ontario and Quebec, under pressure from protesting farmers who mounted tractor demonstrations on highways, sought \$4.50 a hundredweight for milk delivered to factories to produce cheese, butter and other products.

The new arrangement will provide \$4.33. The current \$4.08 base comprises \$3.33 which the government hopes processors will pay producers plus a direct federal payment of 75 cents.

## Synod Name Is Changed

CHATHAM, N.B. (CP)—The name of the Maritime Province Synod of the Presbyterian Church in Canada was changed Wednesday to the Synod of the Atlantic Provinces during the church's 39th annual meeting.

The change was made at the request of the Presbytery of Newfoundland and given authorization by the church's general assembly meeting in Toronto in June.

## CCC Disturbed By CBC Wages

EDMONTON (CP)—The Canadian Chamber of Commerce expressed "disappointment and deep concern" Wednesday over the 24-per-cent wage increase over 30 months awarded Saturday to CBC technicians.

The chamber, in a resolution approved unanimously at its 37th annual meeting, said the increase is "a major breach" of wage guidelines proposed by Finance Minister Sharp.

The resolution is to be sent as a telegram to the federal cabinet.

## N. Viet Nam Aid Is Urged

TOKYO (AP)—Using tough talk, cajolery and persuasion, North Korea's Premier Kim Il Sung pleaded with the world's Communist countries Wednesday to close their ranks and send fighting "volunteers" to Viet Nam.

At the same time he painted a picture of the disarray in communism's ranks so gloomy as to suggest that he held out little hope the main antagonists—the Soviet Union and China—would get together. Until they do, no other Communist nation is likely to dispatch its fighting men to Viet Nam.



CALLS FOR FOOD STRIKE

Ottawa housewife Mrs. Lawrence Wilson, 32, president of the Ottawa Consumers Protective Association, has called for an impromptu two-week boycott of Ottawa stores this month to protest rising food costs. Mrs. Wilson claims 14,000 consumers are members of the association. She plans a telephone network notification system to announce strike to members. (CP Wirephoto)

THESE ARE members of Texas Court of Criminal Appeals who reversed the death penalty conviction of Jack Ruby, slayer of presidential assassin Lee Harvey Oswald.

LEFT TO RIGHT are: Judges W.A. Morrison, K.K. Woodley, and W.T. McDonald. (AP Wirephoto)

## Jack Ruby Granted Reversal Of Oswald Slaying Conviction

AUSTIN, Tex. (AP)—Jack Ruby won reversal Wednesday of his conviction for the slaying of Lee Harvey Oswald and defense lawyers said he may never again be sentenced to death.

The Warren Commission said after an official investigation that Oswald assassinated President John F. Kennedy in Dallas Nov. 22, 1963.

Ruby can "walk free on a plea of guilty to murder without malice," said Joe Tonahill of Jasper, Tex., one of Ruby's original lawyers.

Conviction on this lesser charge carries an imprisonment term of two to five years. Ruby already has spent almost three years in jail and judges often consider time in jail as imprisonment.

Ruby's conviction and death sentence were reversed by the Texas Court of Criminal Appeals, highest state court in criminal cases.

The court said Ruby's statements to police soon after the shooting—such as, "I hope I killed the s.o.b."—were not spontaneous and therefore not legally admissible at Ruby's trial.

## Auto Industry Debate Denied

OTTAWA (CP)—The New Democratic Party was denied a request Wednesday for a special Commons debate on auto industry layoffs and price increases.

Speaker Lucien Lamoureux said the NDP and supporting Conservative, Social Credit and Creditite MPs had not established a case for setting aside regular business to debate the problem.

He acknowledged "great urgency" in the layoffs, but not sufficient urgency under rules of the House for scrapping its intended schedule.

Reid Scott (NDP—Toronto Donforth) said the action of the manufacturers meant they have failed to honor a solemn commitment made to Parliament on their behalf, resulting in layoffs of workers and higher prices.

Conservative and Social Credit MPs quickly voiced support for the special debate, which set aside the regular business of the Commons for the sitting day.

Mr. Scott said Canadian auto manufacturers had violated the government's assurances that it would ease any dislocations and hardships that arose when tariff barriers were wiped away in the pact on trade in vehicles and vehicle parts between Canada and the U.S.

But the dislocations had resulted in more than 5,000 men being laid off and the manufacturers were refusing to take part in a scheme of adjustment assistance to the workers.

Conservative Leader Diefenbaker backed Mr. Scott on the question of urgent need for debate. The agenda did not allow another time for such discussion.

A total of \$50,000,000 had been handed to the auto firms under the U.S.-Canada auto pact without any assurances that the Canadian consumer would receive any advantage, he said.

American consumers were getting the advantages of the pact while "the Canadian consumer is paying through the nose."

H. A. Olson (SC—Medicine Hat) said the auto manufacturers got \$50,000,000 under the pact on the firm understanding the U.S.-Canada price gap would be closed by the end of 1963.

On 1967 models, however, it appeared the gap had been reduced by only about \$17-\$20 and at the same time auto prices had increased.

## Chamber Asks Caution In Water Sale To U.S.

By KEN SMITH

Canadian Press Business Editor

EDMONTON (CP)—Canada should not consider selling water to the United States until it has thoroughly surveyed its own long-term needs, an official of the Canadian Chamber of Commerce said Wednesday.

A. Olaf Wolff of Montreal, newly elected vice-chairman of the executive council of the Businessmen's Association, told a news conference that Canada should not take its water resources for granted any more.

Mr. Wolff is vice-president of research and corporate development of Cominco Ltd.

The 800 delegates at the chamber's 37th annual meeting have been considering a formal resolution noting that a prompt and detailed evaluation of water resources and pollution is necessary before considering water diversion schemes and water export.

The resolution was to come up at the chamber's final plenary session for approval.

In other chamber business, F. E. Clevy, president of Clevy and Tinker Ltd. of Huntington, Que., told delegates they should not equate economic growth with strengthening national unity.

"All too often growth and changes in the structure of the economy leave certain regions with a hard core of poverty which is unrelieved by the general advance," he said.

"This is especially true of Canada. Over the last four decades, despite various policies and programs, large regional disparities in per capita income have continued to persist."

He said the degree to which economic growth can strengthen unity depends on how governments establish a system of priorities to decide what steps in development should be taken.

One of the strongest forces tending toward disunity is the underlying desire of the different provinces in the different regions to establish different economic and social priorities.

## POST OFFICE WILL TRY PEPPER GUN FOR DOGS

OTTAWA (CP)—If the post office has its way, Canadian cartoonists may soon have to find a substitute for one of their favorite subjects—the dog-bitten mailman.

Postmaster-General Cote, in a written statement, said Wednesday that letter carriers in the Vancouver area will soon be equipped with a pepper-loaded spray gun.

The animal repellent to be used in the Vancouver test is derived from the pepper plant, has no lasting harmful effect on dogs or humans and will be packaged in a pressurized spray container.

Last year, 579 letter carriers were bitten by dogs, resulting in the loss of 253 work-days.

So far, the post office's policy has been to warn patrons to control their peppery pets or else have delivery service discontinued.

"The statistics point up the inadequacy of the existing policy and indicate that other safeguarding methods must be tried and adopted," the postmaster-general said.

The dog-repellent will leave a yellowish stain on a dog's hair. But the spot can be removed by washing. Stains on clothes can be removed by dry cleaning.

## Point In Truscott Case Hit By Defence Lawyer

By STUART LAKE

OTTAWA (CP)—Defence lawyer G. Arthur Martin struck at one of the vital points in the Crown's case against Steven Truscott Wednesday as the Supreme Court of Canada began its review of the celebrated seven-year-old murder case.

Under cross-examination by Mr. Martin, Crown witness Dr. Nobel Sharpe agreed he had written an article for a medical magazine casting doubt on the value of establishing time of death by contents of a victim's stomach.

It was in this way that the Crown at trial proved that 12-year-old Lynne Harper had been sexually assaulted and strangled between 7 p.m. and 8 p.m. on June 9, 1959, at Clinton, Ont.

The Crown also introduced evidence at the trial to show that Steven, then 14, left the Clinton schoolyard with her at 7 p.m. and returned alone about an hour later.

Most prominent trial lawyers retained by the federal government to fight the Truscott case, told the court he did not wish to have his client in the court during the hearings.

Truscott would appear only when he gave evidence—expected to be sometime today.

Mr. Martin quoted Dr. Sharpe, chief medical examiner for the Ontario attorney-general's office, as writing that pathologists are placed in "an awkward position" when asked to determine time of death from stomach contents.

The article said these "rough approximations" are of value to investigators but of little help to the court.

Dr. Sharpe also agreed that anger, fear of some other emotion might slow down the process at which the stomach is emptied.

Other evidence heard by the court revolved around a missing piece of material from Lynne Harper's blouse, tests taken in Clinton to determine whether Truscott actually could see the car he said stopped to give Lynne a drive on the night of her death and footprints found at the murder scene.

**ILLUSTRATES POINT**

The Crown used a Toronto blonde to illustrate its point on the missing piece of blouse.

Elgin Brown, a biologist with the attorney-general's crime laboratory in Toronto, showed how the killer had torn the girl's blouse and used it to strangle her.

As he tied the knot around the model's neck, Mr. Brown turned towards the nine justices to assure them he was not hurting her.

With the demonstration, the Crown sought to clear up the mystery of the missing piece of blouse. It contends the missing piece was lost during the autopsy and not carried away by the killer.

## Flicker Of Hope Sutters For Break In Viet Nam War

By DAVE MCINTOSH

OTTAWA (CP)—A flicker of hope for a break in the Viet Nam war is sputtering manifoldly.

Genesis for the hope is a pause in the U.S. bombing of Communist supply dumps in the eastern sector of the six-mile-wide demilitarized zone between North and South Viet Nam.

What is being looked for now is a similar limited disengagement by Communist forces in the buffer zone.

If this occurs, informants said, it could be the start of local disengagements in other Viet Nam battle zones.

Officials here were reluctant to discuss the bombing pause and its effects on the ground, that any discussion might upset a delicate situation.

**PATROLS CAN RESUME**

But it is understood that the pause has enabled the Canada-India-Poland international truce commission in Viet Nam to resume limited patrols in the demilitarized zone.

Prime Minister Pearson said at a press conference he is glad the U.S. has instituted a bombing let-up in the 35-mile-long buffer zone.

He said: "We have been in touch with the governments concerned and other members of the commission for some time now about this matter."

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