

DIEF BLASTS SNOOPER CLAUSE

Civil Service Mentality Charged To Government

OTTAWA (CP)—Opposition Leader Diefenbaker said Monday the Liberal government has a "civil service mentality" that is more interested in administrative efficiency than in individual freedom.

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Mr. Diefenbaker said that the revenue department would not permit such examination of North American General Insurance Co. tax returns when questions were raised about it.

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FOLLOWED BOOK

"In the case of North American, the government 'stood by the letter' of the law prohibiting examination of income tax returns by anyone except the revenue department.

"Why are you making a difference with the aged?" he asked after warning Health Minister MacEachen the guaranteed annual income bill will be held up until he gets some answers.

"The bill now has been debated seven days in the Commons and government spokesmen have complained of opposition filibustering.

The legislation would permit payment of up to \$30 a month to needy recipients of the \$75-a-month old age pension. For every \$2 a month income above the \$75 a month, the income supplement would be reduced \$1 a month.

Mr. Diefenbaker also demanded that Mr. MacEachen explain how he expects the income supplement will work if Quebec carries out its intention of taking over payment of old age pensions from the federal government.

On a standing vote, the Commons defeated by 62 to 31 a move made last week by Stanley Knowles (NDP—Winnipeg North Centre) to kill the powers in the bill allowing health department officers access to income tax returns.

Mr. MacEachen said income tax returns filed by applicants for the added pension "won't be on file in the health department."

His department would not

check each return but "only a sampling."

The procedure would be for the health department to ask the revenue department to verify information given to it.

Tom Barnett (NDP—Comox-Alberni) complained that the bill said one thing and the minister another. The opposition had learned from experience that regardless of what a minister said, it was better to have it written into the legislation.

Lloyd Crouse (PC—Queens-Lunenburg) said that if information contained in income tax returns was to be made known for purposes of the guaranteed income, what would prevent the government in future making it available for other purposes?

It was a departure from the former practice of keeping it secret.

Dave Fulton (PC—Kamloops) asked the minister how his department could convince a court that a pensioner's application was invalid if income tax returns were not introduced. There was nothing in the proposed legislation to prevent such disclosures.

Mr. MacEachen said his department does not intend to view income tax returns. The Income Tax Act wouldn't permit it.

Instead, the welfare department would ask the revenue department to confirm that information on a pensioner's application as related to income under the Old Age Security Act jibed with his income tax form.

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Alberton, Tignish Get Senior Housing Loans

CAPITAL BUREAU OF THE GUARDIAN

OTTAWA—Federal loans for elderly person's housing projects in Alberton and Tignish

were announced here Monday by Hon. John R. Nicholson, minister responsible for Central Mortgage and Housing Corporation.

The Tignish loan of \$48,375 will provide accommodation for senior citizens in six one-bedroom units at a monthly rental of \$58. The Alberton loan of \$357,000 will assist in the construction of a hostel accommodating 81 elderly persons and the province will make a contribution towards the cost of construction and will bear any operating losses.

Both loans are for a period of 50 years and will bear interest at 6 1/2 per cent per annum. The loans are being made to the senior citizens housing corporation, a non-profit corporation wholly owned by the province.

The National Housing Act provides for aid to such corporations undertaking construction, acquisition or conversion of housing projects for persons or families of low income.

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Pope Starts On Holiday Activity

By BENNETT M. BOLTON

VATICAN CITY (AP)—Pope Paul has begun a busy round of holiday activity that will climax in northern Italy with a visit to Florence's flood-stained cathedral Christmas Eve to celebrate midnight mass.

The 69-year-old pontiff worked Monday on the final draft of his annual Christmas message to the world. It will be broadcast Thursday night from his Vatican study.

The Pope also prepared to receive cardinals and bishops who are in Rome for a traditional Christmas audience Friday.

Church and civic authorities in Florence were busy preparing to receive the Pope when he drives north Saturday evening.

Teams of workmen were replacing ruined sections of stone flooring in the Florence cathedral, where flood waters from the Arno River rose more than six feet Nov. 4.

The cathedral can hold up to 20,000 persons. Under discussion is the question of whether to keep the crowd to a minimum for the midnight mass or let it be filled to capacity.

The Pope will first go to the Santa Croce (Holy Cross) Basilica in a densely-populated poor neighborhood. The November flood was particularly severe there, damaging homes of thousands who still line up daily to get food and water. The flood also ruined many precious Renaissance art works in the church.

The Pope is expected to leave a cash gift of part of the \$1,600,000 contributed by Roman Catholics in many countries for Italian flood relief.

The Pope's schedule calls for him to be back at the Vatican in time to say his second Christmas mass, in St. Peter's Basilica, at 11:15 a.m. Sunday.

OTTAWA (CP)—Finance Minister Sharp said Monday Toronto accountant William Gruber gave no advance information of value to the federal insurance department about the financial troubles of Prudential Finance Corp.

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However, federal officials reached the conclusion that he was referring to Prudential Finance, which later went bankrupt along with four subsidiaries.

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Summerside Council Asks Low-Rental Applications

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SUMMERSIDE—Mayor George A. Key said at the regular monthly Town Council meeting here last night that the town will be running a newspaper advertisement on Wednesday requesting those interested in low-rental housing to fill out applications now available at the Town Hall. The forms have been made available as a survey to determine the demand for low-rental housing in the area.

Mayor Key said a survey to determine the need for such housing had been made last

summer, but it must be shown that a demand also exists, which is the reason for the present survey. He emphasized that this is a survey to determine demand for such housing and that the decision as to which persons will finally be accepted for occupancy in the housing project will not be made from the applications filed now.

The matter came up during the reading of correspondence, from a letter from Hon. Gordon L. Bennett, the provincial cabinet minister responsible for low-rental housing, was read. Under the low-rental housing

plan, the federal government will pay 75 per cent of the building costs and operating losses of the housing project, while the provincial government and the community each pay 12 1/2 per cent. Tenants pay rent according to their income.

The council agreed to January 11 as a deadline for completion of the survey applications.

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A resolution moved by Councillor Grant Mollison and seconded by Councillor Herb Schurman, appointing five members in the Summerside Area Industrial Commission, was passed. The five are Robert Schurman, Roy Johnston, Ken Judson, Councillor Mollison and Mayor Key.

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The announcement was made last evening by Hon. M.L. Bonnell, minister of tourist development, and Hon. J.E. Blanchard, minister of labor, who said the beautification during the next to encourage rural and urban arrangement has been introduced few months and in view of the forthcoming Centennial year.

This special incentive has been worked out between the department concerned to stimulate

communities in participation in beautification projects and to spur them on to complete all projects at the earliest possible date.

Types of projects covered by this agreement will include: cleaning adjacent to highways, cleaning beaches and adjacent areas, cleaning and beautifying municipal parks, planting, trimming and cutting trees, shrubs and bushes, demolition of unsightly premises, and any other project which tends to beautify Island communities which receive the prior approval of the Provincial Department of Labor.

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Mr. Monteith moved that the old age pension supplement be paid out of the old age security fund, which had a surplus of \$353,000,000, before any taxes were boosted.

The MP for Perth, Ont. said the government is giving more money to needy aged persons with one hand and taking it away with the other in higher taxes.

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Income Tax Increased On Upper Third Group



Storm Likely To Miss Here

HALIFAX (CP)—The weather office said Monday night that Prince Edward Island and most of Nova Scotia would escape the brunt of a storm which threatened to dump heavy drifting snow on the area.

However, Cape Breton Island was still expected to receive up to six inches of snow, tapering off into flurries this morning.

The weather office said there had been a change in the expected track of the storm. New Brunswick was expected to be free of snow except for a few flurries along the eastern coast. Predicted overnight temperatures range between 15 and 22 degrees.

Gale warnings continued in all areas except Antigonish and Harrington.

Seven inches of new snow fell in the Antigonish area of northern Nova Scotia. In Sydney, police reported a rash of minor accidents, seven in a one-hour period in the early evening.

Budget Highlights

Highlights of Finance Minister Sharp's mini-budget speech Monday night:

- No change in general income tax rates.
- Maximum old age pension tax on individuals doubled to \$240 a year from \$120, effective Jan. 1, 1967.
- Federal sales tax increased to 12 per cent from 11, effective Jan. 1, 1967.
- Higher pension tax applicable to top third of income, 2,500,000 taxpayers out of 6,500,000.
- Building materials and production machinery exempt from sales-tax increase.
- Higher pension tax maximum to yield \$125,000,000 in full year; sales tax increase \$155,000,000, providing revenue needed for supplementary old age pensions and lowering of pension age.
- Sales-tax increase to cause higher prices but resulting increase in cost of living expected to be under one per cent.
- Rates of old age pension tax unchanged at four percent of taxable personal income; three per cent of taxable corporation income and three per cent sales tax.

Settlement Said Likely

OTTAWA (CP)—Mediator Carl Goldenberg has advised Labor Minister Nicholson that a wage settlement is likely between the railways and the Canadian Brotherhood of Railway, Transport and General Workers and there will be no need for compulsory arbitration.

The CBRT, representing 26,000 non-operating railway workers mainly on the CNR, is the only one of four union groups that did not accept terms worked out in mediation by Mr. Goldenberg.

However, Mr. Goldenberg's report tabled in the Commons Monday says the CBRT likely will resume direct negotiations with the railways as the result of urging by the mediator.

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He called a provision in the guaranteed annual income bill "the widest possible snooper legislation" ever brought before Parliament. It would allow health department officers to check a person's income tax to determine whether the taxpayer qualifies for supplementary old age pension payments.

Mr. Diefenbaker said that the revenue department would not permit such examination of North American General Insurance Co. tax returns when questions were raised about it.

"Twenty thousand policyholders got skinned because the government wouldn't act," he said referring to the financial collapse of the company.

Conservative Critic Blasts Tax Increase

OTTAWA (CP)—J. Waldo Monteith, Conservative financial critic, blasted tax increases announced in the mini-budget Monday night and introduced an amendment that amounts to a non-confidence motion.

"They're following the meanest pension increase with a mean tax," the former health minister said in reply to Finance Minister Sharp's budget speech in the Commons.

Mr. Monteith moved that the old age pension supplement be paid out of the old age security fund, which had a surplus of \$353,000,000, before any taxes were boosted.

The MP for Perth, Ont. said the government is giving more money to needy aged persons with one hand and taking it away with the other in higher taxes.

His amendment, not expected to come to a vote until after

MPS ATTEND HUNGER LUNCH

Among the 1000 persons attending a "hunger lunch" to aid famine victims in India's Bihar state in Ottawa Monday were (LEFT TO RIGHT): NDP deputy leader David Lewis, Transport Minister Pickersgill, Opposition Leader Diefenbaker and the Indian High Commissioner to Canada, Gen. J.N. Chaudhuri. The luncheon, sponsored by the Canadian branch of the Oxford Committee for Famine Relief, consisted of a paper cup of soup and half a slice of un buttered bread. People were asked to give what they would have spent on lunch. (CP Wirephoto)

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