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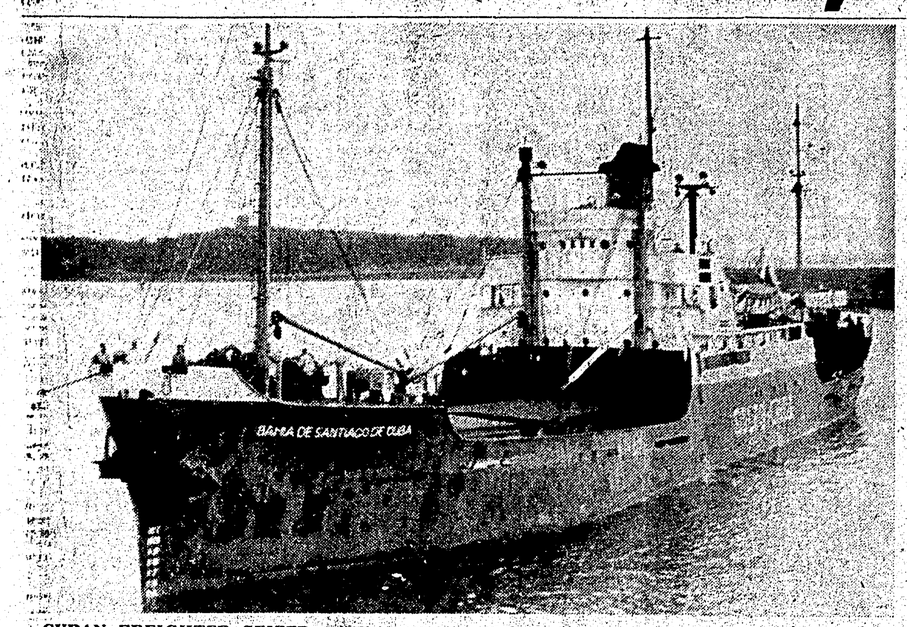
# B. C. ELECTRIC, PEACE POWER TAKE-OVER ANNOUNCES GOVERNMENT SURPRISE MOVE




CUBAN FREIGHTER SEIZED — This 1,000-ton Cuban cargo vessel was seized when it entered Montreal Harbor carrying a load of 40,000 bags of refined sugar. The Bahia de Santiago de Cuba will be held while legal owernship is established. It was seized on behalf of the Golfo-Cuba, Sa., whose principal shareholder now lives in New York. — CP Wirephoto

## Gloves come off as New Party groups line up on political platform policy

By ARCH MacKENZIE
Canadian Press Staff Writer

OTTAWA (CP)—The gloves came off Tuesday in the left-vs-right struggle to shape New Party dogma. The second day of the founding convention bared the basic cleavage between the forces led by trade unionists on the right and on the left by radical elements of the CCF, seeking more determination to reshape the Canadian economy substantially. The radicals made little progress.

Trade union delegates, silent during Monday's preliminary skirmishing on procedural matters, broke out Tuesday with strong backing for full and speedy acceptance of a program as drafted by New Party planners and revised by the convention program committee.

"Stop the yapping," publicity director Murray Cotterill of the big United Steelworkers Union advised the 1,703 accredited delegates, largest number ever assembled for a Canadian political convention.

CRITICIZES CCF

"It is high time some of our CCF friends stop acting like Pharisees who say: 'Thank you, Lord, that I am not as others are, particularly those Liberals and conservatives — who get elected.' "

"The New Party . . . will go the way of many other well-meaning progressive organizations," cautioned veteran socialist Colin Cameron, former British Columbia MP, "unless it is prepared to recognize that reshaping of the economy must take place through wholly-new institutions to replace giant corporations."

Today, the slow-moving convention is to have further sessions on party platform and organization. Key event tonight will be the nomination and acceptance speeches of the leadership candidates—Premier Douglas of Saskatchewan and national CCF leader Hazen Argue, the underdog. Leadership voting comes Thursday.

The anticipated cracks within the founding convention began to show at Tuesday's afternoon session with the first report by the program committee, headed by Prof. Michael Oliver of McGill University who is regarded as a likely president of the New Party.

British Columbia delegates, traditionally advocates of stronger socialist policy, opened up on a platform preamble and drew the fire of some old trade union hands.

APPROVES PREAMBLE

By adjournment, the preamble had been approved unchanged. The convention also accepted a full-employment program and a policy to encourage "genuine" private enterprise and expand public and co-operative ownership.

## Budget underspent by $22,277,000

VICTORIA (CP) — A statement of public accounts released Tuesday shows the government underspent its $344,358,000 1960-61 budget by $22,277,000.

While the budget was not being spent, the government anticipated a record expenditure of $400,000,000 in the current fiscal year.

The statement released at the opening of a special session of the legislature, shows the province's contingent liabilities increased about $60,000,000 to $615,475,000 during the year. Expansion of the toll bridges and highways authority accounted for most of the increase.

The biggest spender was the department of highways, with $73,846,211 of its budgeted $85,400,911. About $68,000,000 of the budgeted $80,000,000 was spent on road, bridge, ferry and wharf construction.

The forest service spent $4,466,608 on fire-fighting, the entire amount of main and supplementary estimates granted during the disastrous fire season last year.

The revenue from amusement taxes and fines was down during the fiscal year — two of five sources where the income was below figures for the previous year.

Meanwhile, revenue from the liquor control board was $27,672,755, liquor licences $514,000, stumpage and logging licences $35,381,453 and $84,968,180 from the 5 per cent sales tax.

The value of social assistance allowances granted duirng the last fiscal year increased to $26,550,238, about $14,000,000 greater than the previous year. Payments under the B.C. Hospital Insurance Service totalled $53,318,347, an increase of $5,000,000.

The provincial election last September cost $960,411 and costs of the legislative assembly and Government House amounted to $618,908.

At the end of the year the province had fixed assets worth $517,206,675, which did not include $42,000,000 for depreciation.

## Canadian grain frees Albania

TORONTO (CP)—The Globe and Mail says Canadian wheat purchased by China is breaking the Soviet bloc's economic blockade of Albania.

## Alaska ferry bids debar Canadian firms

JUNEAU, Alaska (AP) — The state division of marine transportation said Tuesday 12 U.S. ship building firms have paid $100 deposits each for specifications for the three ferries to be constructed for the Southeast Alaska Marine Highway.

Bids will be opened here August 30.

Director B. E. Lewellen of the Marine Transportation Division said specifications have been sent to three firms in Californa, two in Washington and one each in Louisiana, Florida, Maryland, Mississippi, Virginia, Ohio and Oregon.

Public works commissioner Richard A. Downing said two Canadian ship-building firms had inquired about the ferry specifications as well.

The Canadian firms were told reluctantly, Downing said, that under federal law, the Jones Act, ships which serve more than one U.S. port must be constructed in United States yards.

## Huge assets involved in both power companies

VANCOUVER (CP)—A 75-year-old utility serving British Columbia's two major metropolitan areas and an enterprise started six years ago to develop the province's northern wildnerness become public property under measures now before the provincial legislature.

B.C. Electric Company and Peace River Power Development Limited have in common a primary concern with electric power production schemes involving prodigious sums of money.

The assets of the two companies are expropriated by the province under two bills introduced Tuesday at the special session opening.

B.C. Electric has invested $600,000,000 in the last 15 years in developing its services in the lower mainland area — which includes Vancouver, New Westminster and surrounding municipalities — and on Vancouver Island, including Victoria and Nanaimo areas.

The company produces and distributes electricity from hydro and thermal plants, distributes natural gas and operates bus and trolley-bus transportation systems.

### Peace power is keystone

Peace River Power Development Company is the keystone of an industrial "empire" envisaged by Swedish financier Axel Wenner-Gren in the Rocky Mountain trench area 450 miles north of Vancouver. Its assets consist chiefly of surveys estimated to have cost $7,000,000.

Main purpose of the firm was to harness the Peace River for hydro development through formation of a huge artificial lake.

But the surveys also have been concerned with the mineral and timber producing potential of the rugged mountainous area and with such possibilities as construction of a steel mill and production of enriched uranium from Peace power.

Harnessing of the Peace had been estimated by the company at $600,000,000 but a B.C. energy board report released Tuesday placed the figure at least 50 per cent higher.

Allid with the power project is the Pacific Northern Railway, scheme for a railroad through northern B.C.

The PNR, also financed by the Wenner-Gren organization, is committed to start work this year on clearing the first 100 miles of its 700-mile route from Prince George to the Yukon border. Total cost of the line is estimated at $300,000,000.

### BCE history turbulent

B.C. Electric is the product of the turbulent business era at the end of the last century. It has grown from an electric company founded in 1886 by a Portland, Ore., financier.

After a change of ownership, the undertaking was offered to the city of Vancouver in the 1890s for $380,000 but refused by ratepayers.

The Consolidated Railway and Light Company, financed mainly by English capital, took over the enterprise instead and combined it with utility undertakings in surrounding municipalities and in Victoria.

This company went into liquidation in 1896 and the assets were purchased by a local group headed by Robert M. Horne-Payne and Frank Barnard for $2,250,000. The new undertaking became firmly established and during the next half century acquired other utilities.

The $650,000,000 post - Second World War development scheme made B.C. Electric Canada's second largest private - enterprise utility. Its gross revenues last year passed the $100,000,000 mark.

Quebec's Shawinigan Power Company is considered the country's largest private - enterprise utility.

### Tribute to A. E. Grauer

Much of the success of B.C. Electric's post - war plants — which included construction of hydro - electric and thermal power plants, replacing of street-cars with trolley buses and introduction of natural gas — was attributed to its chairman, A. E. Grauer, who died last week of leukemia at the age of 55.

### CCF welcome new move

CCF members of the legislature Tuesday welcomed the government's action in taking over the B.C. Electric Company, announced at the opening of the House's special session.

In a statement issued following the adjournment of Tuesday's opening sitting, the party said:

"The efforts of CCF members and supporters through the years has made this victory possible . . . We look forward to an immediate reduction in consumer light bills and benefits to the employees through full collective bargaining procedures."

## Area closure announced for fishing

Three new area closures are announced today by the department of fisheries in the vicinity of Prince Rupert.

The areas involved are: All waters south and easterly of a straight line from Gust Point to Clara Point on De Horsey Island, following the eastern shore of that island to Parry Point and to Marked Tree Bluff on Kennedy Island, along the easterly shore of Kennedy to Seabreeze Point. Then through Henderson Point on Lewis Island to a fish boundary sig on the shore of Parcher Island opposite, east to Peninsular Point and to the northerly point of Gibson Island ad to a fish boundary sign on the mainland opposite.

In salmon purse seins area 5 and the Greenville-Ogden salma gillet area, all waters of Beaver Passage and Ogden Channell and waters contiguous bounded by a line from Baird Point to MacCauley Island to Hankin Rock and the most southerly point of South Spice Island, east along South Spicer and Spicer Islands to a fish boundary sign on the orth shore of Spicer, then to Sparrowhawk (Grant) Point on Porcher; and on the north from Peninulsar Point to the most northerly poit of Gibson Island, then east to a fish boundary sign on the mainland oposite and on the south by a line from across Grenville Channel from Bonwick Point on Pitt Island to a fish boundary sign on the opposite shore and a straight line from Stroughts Point on McCauley across Petrel Channel to a boundary sign on Pitt.

The closed times in these areas are from 6 p.m. August 1 until 6 p.m. August 6.

## FM telephone in operation

Special to The Daily News

Three islands and a mountain have been used to extend mobile radiotelephone service along the B.C. coast, making it possible to provide this type of communications from the border north to Prince Rupert.

New Very High Frequency (F.M.) terminals have been installed by British Columbia Telephone Company on Calvert, Swindle and Trutch Islands and at Mount Hayes near Prince Rupert.

Island Division Manager, Gordon MacDonald, of Nanaimo, said the radio facilities can provide ship-to-shore coverage for mariners and also serve fixed land stations and radiotelephone-equipped vehicles. The only previous terminal north of Vancouver Island was at Kitimat.

## Bennett says takeover not fully detailed yet

VICTORIA (CP) — The B.C. Electric Company, as a crown corporation, probably will develop the hydro-electric potential of the Peace River, Premier Bennett said today.

But the details involved in the nationalization of the company will not be settled immediately.

"Time will tell that," the premier told reporters who questioned him on the various implications of the takeover, announced Tuesday when a bill to re-organize B.C. Electric as a crown company was introduced at a special session of the legislature.

"At the present time, the government is not considering anything except the bill."

Mr. Bennett said the government's action Tuesday provides a complete answer to critics who have said the Social Credit government was giving the resources of the province away and who said that the Wenner-Gren interests controlled the government.

It had "killed both crows" with one shot, he concluded.

## Three charged after attack

Three youths appeared in police court Wednesday on charges of robbery with violence.

Terrance John Seaby, 19, of Kitimat, Murray Allan Boyd, 23, also of Kitimat and Donald Edward Sturt, 19, of no fixed address, all pleaded not guilty to the charges before Magistrate E. T. Applewhaite.

They were all remanded until August 9 for trial.

RCMP said that the charges involve an incident in the downtown area about midnight Monday.

Crown prosecutor will be A. A. W. Macdonell.

## ALASKANS CALL FOR ASSISTANCE TO COMBAT RUSSIAN WHALERS

JUNEAU, Alaska (AP) — Governor William A. Egan asked Tuesday for stepped up Coast Guard and Navy protection against encroachment of Russian and Japanese whaling vessels on Alaskan waters.

In a telegram to Secretary of State Dean Rusk, Egan said:

"Russian and Japanese vessels are reported conducting whaling operations within the territorial limits of Alaska waters.

"State patrol vessels unable to cope with situation.

"Urge State Department request Navy and Coast Guard increase vigilance immediately with additional vessels dispatched to scene if possible."

## Argue running hardest as nominations approach for New Party leadership

OTTAWA (CP)—The man who is running hardest at the New Party convention doesn't seem to be catching up to the man who is standing still.

CCF Leader Hazen Argue has been campaigning fiercely and unrelentingly for leadership of the New Party.

His favored opponent, Premier T. C. (Tommy) Douglas of Saskatchewan, has kept out of the convention's eye and ear.

This is nomination night at the convention — nominations are scheduled to start this afternoon—and Mr. Argue at last will have a chance to get the main speaking rostrum.

Though denied the platform up to this point, he has managed to keep himself before the convention by grabbing floor microphones to speak on specific points under discussion.

The man who will rise tonight to nominate T. C. (Tommy) Douglas as New Party leader will be M. J. Coldwell.

The grand old man of the CCF has agreed to enter the Saskatchewan premier's name in the race against national CCF Leader Hazen Argue.

It will be a fitting climax to a long career for Mr. Coldwell if the Saskatchewan's CCF premier wins the leadership as expected.

"Tommy Douglas has made a great contribution in Saskatchewan and can make a greater contribution in the federal field," he said. "It is his duty to undertake the party leadership."

And Hazen Argue?

"Hazen is a young man. I would think he should have a very good future as an MP and improve his position and following in the years to come."

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### DAILY NEWS PHONES

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### Camera taken

A $30 camera was stolen from a car parked on Third Avenue West some time Tuesday.

The camera was owned by Harry Innis of 516 Fulton Street.

## Halibut haul not excessive

Two vessels landed halibut in Prince Rupert Wednesday.

Selling on the exchange was: Fridgidland (U.S.) with 70,000 pounds including 45,000 pounds of medium at 23 cents a pound and 25,000 large at 25.5 cents a pound, to Pacific.

Taplow landed with 58,000 pounds at the Prince Rupert Fishermen's Co-operative Association's plant at Fairview.

OTTAWA (CP) — Drilling of the first oil well in the Canadian Arctic is expected to start in the fall.

## Lightning fires increases to 23 throughout district

For the eighth day the 500-acre fire in the Copper River area is still burning out of control.

A total of five new lightning fires were reported throughout the Prince Rupert fire district during the past 24 hours stretching from the Yukon border to Rivers Inlet. This brings the present number of 23 buurning.

At Butsuk Lake continued flare-ups have spread the blaze over 300 acres. A Husky aircraft will be brought into the district for water-bombing. At present six aircraft and two helicopters are in use and a third helicopter is unserviceable and is expected to be in operation tomorrow.

All fires are inaccessible areas and do not threaten populated areas, forestry officials said today. Some 235 men are at present employed in fire fighting.

The majority of the balance of the fires are in the Southbank and Bella Coola districts. Two bulldozers are being used in these areas.

There are no fires reported along Highway 16 at the moment.

The hazard continues very high and will continue to increase with the exceptionally long dry, hot spell of weather. Extreme caution with all combustibles is essential, forestry officials said.

### Boat items stolen

A radio and an alarm clock valued at about $100 was stolen from a boat some time early Tuesday morning.

The boat, owned by Arnold Sankey of Port Simpson, was berthed at the Shell Oil dock.

A grain ship which arrived at the Canadian government elevators Monday is expected to load approximately 13,200 tons for Communist China. She is the MV Mparmpa Christo. No departure date has yet been set.

Prince Rupert has now gone 927 days without a fatal traffic accident.

## Youth says guilty of spanner theft

An 18-year-old city youth appeared in police court Tuesday on a charge of theft under $50.

Harold Brian Adams of 820 Ninth Avenue West pleaded guilty to the charge before Magistrate E. T. Applewhaite and was remanded to August 9 for sentencing.

RCMP said that the charge involved the theft of a wrench from a car owned by A. G. Sporne of 235 Eighth Avenue West early Tuesday morning.

## WEATHER

Sunny with occasional cloudy patches Thursday and fog in the early morning. Winds light. Low tonight and high tomorrow 52 and 62.

## TIDES

Thursday, August 3, 1961
(Pacific Standard Time)

| | | |
|---|---|---|
| High | 06:27 | 17.4 feet |
| | 18:50 | 10.3 feet |
| Low | 00:24 | 5.6 feet |
| | 12:31 | 6.4 feet |